CX Insight

The Art of Conversation

Is it time to redesign your CX vision?

THE NEW ERA OF CONVERSATIONAL COMMERCE IS HERE

LEADING WITH TECHNOLOGY: HELPING BUSINESSES START, OPERATE, AND GROW WITH CONFIDENCE

BPO OUTSOURCING TRENDS IN 2023: WHAT SHOULD WE EXPECT?

DELIVERING EMPATHY AT SCALE: HUMANIZING THE DIGITAL EXPERIENCE

CX Insight

AN EXECS IN THE KNOW PUBLICATION

in this issue

Welcome to the January 2023 edition of *CX Insight* magazine, an Execs In The Know publication.

Let 2023 be a canvas to artfully craft your CX vision.

While this past year has been anything but predictable, it has no doubt been a transformative one for our industry. Market-moving elements challenged strategies and forced leaders to face difficult decisions. Emerging technologies served as keys to unlocking new possibilities, and we witnessed brands turn disruption into opportunity. As we look ahead, prioritizing purpose, problem-solving, and delivering seamless experiences across the touchpoints of the customer and employee journey will take center stage.

From insights and observations to predictions and trends, in this issue, we examine what the next era of conversational commerce looks like and its potential to drastically change the perception of virtual agents and the ongoing critical link between employee experience (EX) and CX. Additionally, we highlight the business process outsourcing (BPO) trends you can expect to see this year and dive into the ways brands can deliver empathy at scale to humanize the digital experience.

And that's not all — this issue also contains an insider's look at the Oregon-based tech unicorn Dutchie through a Brand Spotlight featuring Sean Ilenrey, Vice President of Support, as well as a KIA Online Community Member Spotlight with Francisco Toledo, Senior Director of Global Operations at Groupon.

Throughout this issue, the sentiment and importance of community come through loud and clear. If we are to set new benchmarks and rise to the industry's opportunities and solve the greatest challenges, it must be a collective effort.

We hope the insights and learnings within these pages help fuel your creative thinking and strategies to deliver amazing experiences in the new year and beyond.

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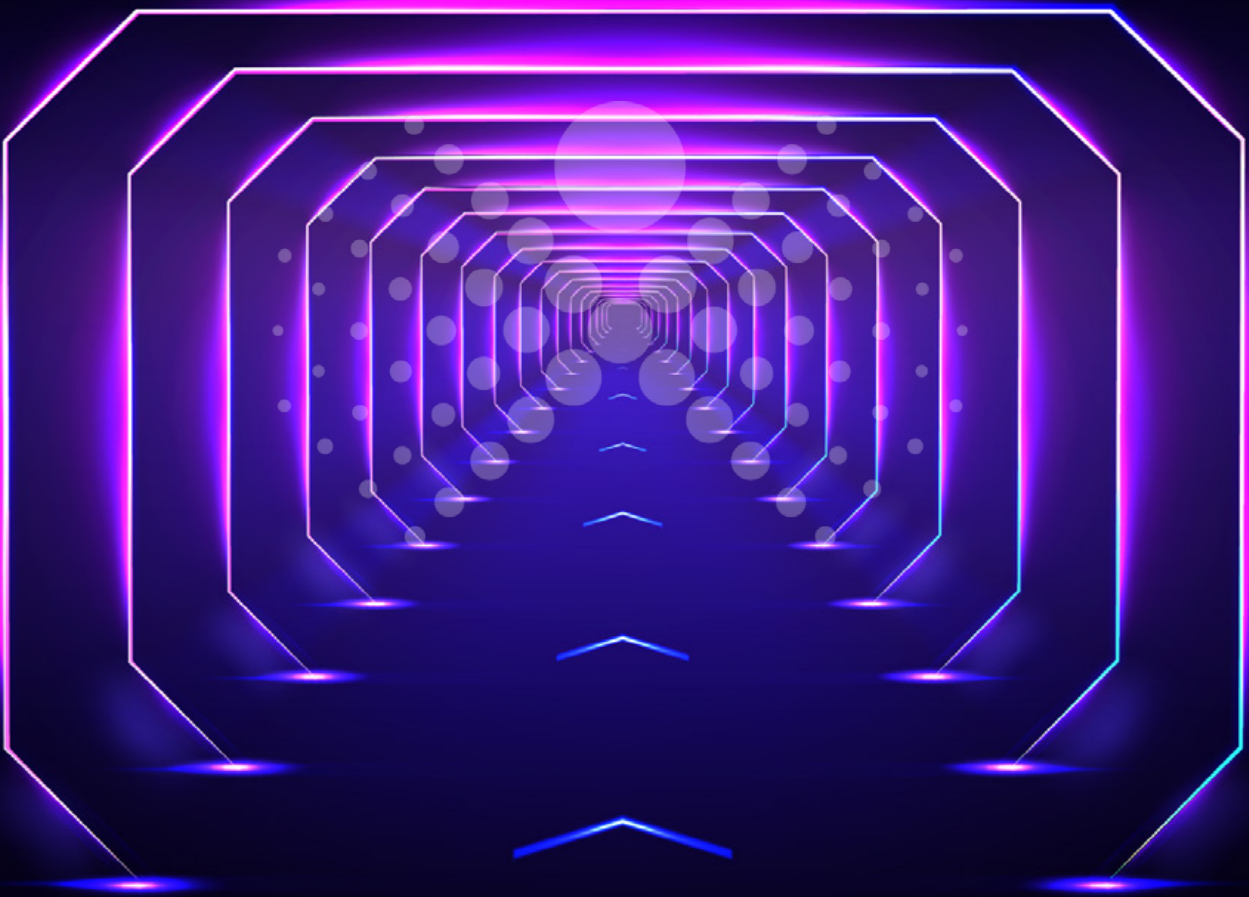
The New Era of Conversational Commerce Is Here *by Execs In The Know*

Using this approach, next-generation, conversational, effective self-service can be launched in days, not months — which can either immediately complement a brand's current-state automation/chatbot investments or replace them.

Artificial intelligence (AI) has undoubtedly advanced rapidly and transformed the way we both live and work. For years, AI has listened to our commands, directed us to customer support agents, and answered or resolved our basic queries. Chatbots can now handle both simple and complex requests, commonly taking the place of agents in conversations that would

have previously required human interaction.

In recent years, the growth of conversational AI has been fueled by the emergence of messaging applications and the development of AI technologies, such as natural language processing (NLP) and machine learning (ML). Heightened consumer expectations are

being set by voice assistants like Alexa, Siri, and Google Assistant. This is the technology consumers are interacting with every single day, and they are coming to expect this same type of rapid response and interaction when they communicate with businesses. Given this, solutions such as conversational AI will soon be less of a luxury and more of a requirement for every brand's customer engagement strategy.

According to most projections, conversational commerce is poised for significant growth. However, there is still a major gap that exists between what businesses are currently offering their customers and what consumers prefer when it comes to conversational AI and self-service options.

So, what does the future hold for conversational AI? Let's take a look.

The Current State of Conversational AI Technology

A growing trend of conversational commerce has allowed brands to communicate more directly with customers at all stages of the purchasing journey and provide them with a more personalized experience. Some examples of conversational commerce in action include a website or messaging app-based chatbot, a

voice assistant, or automated text messages. Nonetheless, current digital customer experiences and tactics are not delivering as anticipated.

In fact, according to our *2022 CX Leaders Trends & Insights Consumer Edition*[1] report, survey respondents exhibited slightly lower satisfaction levels for their most recent self-help experience, as well as higher dissatisfaction. "Very Satisfied" and "Satisfied" totaled out at the lowest rate (44%) since 2019 (39%). At the end of the day, it's clear that the adoption and increased use of self-help solutions hinge on ease of use and, perhaps more important, effectiveness. When customers visit a website to do a search for a product or service, there is often a high failure rate, leaving them sifting through various headlines and links to figure out if the right result was presented.

The introduction of chat and chatbots has not solved this issue, with many customers expecting to have a negative experience when they know a chatbot is involved. Conversational approaches of "I can help you with things like this. Tell me what seems to be the best fit" leave customers with much to be desired. The technology has offered big leaps in experience improvement, but also has big limitations.

"These previous generation intent-based models leverage natural language understanding (NLU) and are capable of doing a few things well. But as you expand on the vast number of requests from customers, it takes a long time to add new competencies and eventually, the models begin to conflict with themselves. This requires more engineers to rebalance efforts and lead times get longer," says Jay Wolcott, Co-Founder and CEO at Knowbl.

"At this point, what we've been seeing is a lot of sophisticated brands recognizing plateauing containment rates and expanding agent
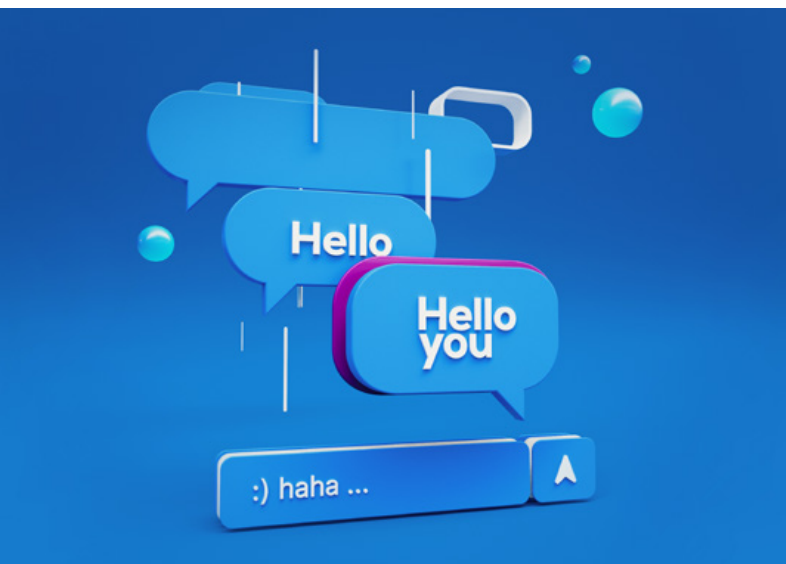
escalation needs. We see a very expensive solution that has reached capacity and doesn't appear to be the self-service dream everyone envisioned."

These inconveniences have pushed consumers to want to get things done on their own online. Self-service is no longer a "nice to have." It's a necessity to provide positive CX. In our July *2022 Self-Help Solutions Consumer Research report*[2], 22% of respondents indicated they were first-time users of the self-help solution most recently used. Even more interesting were the ramifications of first-time use, with new users far more likely to poorly rate the convenience and ease of a solution compared to more experienced users. If brands want to increase the likelihood that their customers find their self-help solutions to be convenient and easy to use, encouraging widespread adoption, as well as educating about such solutions, is essential. Above all else, a user's first experience with the self-help solution must be exceptional.

Cue the transformer models and the new era of conversational commerce, which have arrived with an approach that has tremendous potential to drastically change the perception of virtual agents altogether.

Conversational AI Meets "Transformers"

Transformers continue to be the focus of ample research and innovation. Recent NLP models such as OpenAI's GPT-3 and foundational models like Google's BERT have pushed landmark developments in the accuracy, performance, and usability of numerous natural language tasks. These tasks include understanding text, answering questions, text generation, and performing sentiment analysis. In a call center, transitioning from previous-generation NLU technology to transformer models will be akin to comparing an infant with no language understanding to an adult with comprehensive language development.

"With previous technology, every brand was starting with a blank AI model that had no understanding of English or whichever language they were building for," explains Dr. Parker Hill, Co-Founder and Chief Technology Officer at Knowbl. "Understandably, this was

an extremely expensive and time-consuming process."

When it comes to large language models built with transformer technology, brands will only need to teach the model their domain-specific information rather than an entire language.

"We've seen self-service via conversational AI reach much smaller brands, including those without technical teams, and have seen opportunities for large brands to build experiences that can outperform other support channels in cost as well as improvement in experience," adds Dr. Hill. "Overall, transformers should be a first step in moving conversational self-service like chatbots from being one of those most dreaded forms of self-service to one of the most prominent."

The team at Knowbl has had significant experience building and deploying virtual assistants for some of the world's largest brands, though there came a point when they realized things weren't going to end well with the current framework. So, they sought to explore new AI and ML models that could improve the breadth of self-service capabilities, while reducing the level of effort it took to build and maintain a quality experience and be agile enough to quickly react to a changing business.

The company's core focus became building a virtual assistant platform that could provide speed, ease, and scalability. What they've invented is a scalable solution that can equally emulate human-level conversation. This will change the way Knowbl does business forever.

For brands that can replicate an in-person

experience in a digital environment, it will allow them to rethink websites, mobile apps, and all these other interfaces that have been bound by the rules of play since they first originated.

Building "Super Agents" with Robust Natural Conversations

How will this "Super Agent" allow for more natural and free-flowing conversations as compared to existing chatbots? During a conversation with Dr. Hill, he illuminated us by explaining the two main components.

"To build agents with robust natural conversations, you need conversational flows and the intelligence to traverse these flows. Using previous-generation technology, building conversational flows was an entirely manual process where the developer had to imagine all of the paths through the conversation and then implement these paths with AI building blocks. With this new tech, the AI understands general language well enough that it can infer the possible conversational flows between various topic areas (i.e., automatically retaining and utilizing conversational context). In

addition to mapping out conversational flows, the AI building blocks employed to realize these conversational flows were a massive lift to implement. In the past, for each turn of the conversation, you would have to collect a data set of potentially hundreds of training utterances demonstrating what a user might say to go down that path of the conversation. So, even if a team managed to map out thousands of potential conversational flows, it was impractical to implement it due to the diminishing returns on the user experience versus the intractable level of effort."

With this new technology, so little data is required for the AI to learn the domain-specific conversational flows that brands can leverage the terminal states (the content and responses for potential answers) to robustly train the context-specific understanding.

"Considering the pressure of increasing contact center volumes, depending on the specific intents, this approach can conservatively shift 7-10% of current contact center volume to self-service almost immediately, and deliver significantly decreased agent handle times (AHT), which can significantly drive down operational costs, while simultaneously improving overall CX and revenue," says Wolcott.

Building Experiences in Days, Not Months

One of the most thrilling aspects of few-shot learning solutions, such as transformers, is that it removes most of the technical burden and barriers from the downstream brands wielding the technology. Previous technology that featured intents with hundreds of training samples required careful optimization and curation to achieve acceptable accuracy. Engineers and data scientists would have to work closely with businesses to convert domain expertise into something the AI could understand.

According to Dr. Hill, with this new technology, brands can now teach the AI their domain-specific content and leave their conversational AI vendor with the technical challenge of optimizing a general-purpose, pre-trained language model. For most companies, extensive learning will only be needed by those wanting to push the limits of what the AI can do. Most brands can likely get away with very limited internal technical AI support.

> **We've had high school interns build experiences in hours with the new tech that brands found to be better than what their in-house engineers have developed for months using previous generation technology,** says Dr. Hill.

What Is the Gain for Customers?

For a lot of the most common queries, this new generation of tech can emulate human-level conversations. It allows them to state their needs and questions in the way they want, or they would with a human agent, no longer forcing them down a path of waiting, seeking, or interpreting an option that might make sense for their needs.

"Along with this ease of expression, they now have an option to self-serve for the fastest speed of answer we ever thought was imaginable," Wolcott says. "This type of approach has tremendous potential to drastically change the perception of virtual agents, almost conversely having them seek out brands that have this type of conversational commerce capability and becoming irritated when they experience brands that don't offer it."

On the other hand, conversational AI still has a way to go before it'll be on par with human-

level understanding and response generation for arbitrary user input. However, this new technology gives us a big step forward in the right direction.

"For example, here at Knowbl, we can leverage documentation and FAQs to automatically build a virtual concierge configured to always respond with the language that the brand provides (i.e., avoiding compliance challenges and uncontrollability around customer support)," added Dr. Hill. "Since a large fraction of user inquiries are repetitive and simply require looking up a relevant answer, we're able to contain most of the interactions. For the interactions that require a deep understanding of the domain or logical reasoning, the AI can hand the conversation off to a human agent."

How Can Brands Set Themselves Up for Success When Embracing New Innovative Tech?

Like other investments, embracing innovation is a matter of understanding what is needed to commit, the risks of the commitment, and the potential rewards. Do you want to improve customer experience? Lessen the service burden on employees? Grow revenue by reducing customer churn? Increase customer engagement and loyalty?

For most brands, risks make the most sense in their specific competencies. The most practical approach to embracing innovation in conversational AI would be to find a cutting-edge, highly flexible product or partner. And if such a solution doesn't exist yet, "then be on the

lookout for new players in the space," advises Dr. Hill. "Until recently, the off-the-shelf solutions for conversational AI required a massive level of commitment to wield – tens, if not hundreds, of engineers and data scientists."

With the latest technology, this has changed. Now brands of all sizes have a compelling opportunity to partner with vendors that offer few-shot learning conversational AI technology due to the drastically reduced effort required to bring these experiences to production.

When it comes to making customers happy, communication has always been the core of customer care. Good communication leads to good service, high-quality issue resolutions, and satisfied customers. The innovations and inventions are here; brands just need to take their traditional approaches and begin to pivot.

Think about it this way: companies hire an agent and train them for weeks or months while relying on a knowledge base to find answers and recite them back to consumers. What if you could take all these workflows, training materials, knowledge base contents, and past conversations and upload them into a machine that could immediately and accurately represent that information regardless of how a person asks for it? Furthermore, agents could keep that conversation going so they could ask for, or even predict, what they might need. The transformer model can be used for self-service, agent assistance, and even quality control.

"How Can I Help You Today?"

The need and demand for real-time communication with customers are likely here to stay, and conversational commerce can help businesses drive those real-time interactions.

As leaders in CX, we're going to have to get comfortable with being uncomfortable. It's time to stop and listen to learn vs. listening to respond. We must start listening to the tech,

so we don't get lost. Is your brand set up to embrace the latest innovations? Many have adopted new methods of technology to help them stand out from competitors and create a more engaging experience for consumers – anywhere and everywhere. By using this approach, next-generation, conversational, effective self-service can be launched in days, not months which can either immediately complement a brand's current-state automation/chatbot investments or replace them.

Currently, the rate of technology change is accelerating at breakneck speed, the barrier of entry is lowering, and oftentimes the level of technical (no-code) skill is reducing.

These super virtual agents will never replace the need for human escalation completely, but imagine reaching a website that boldly presented just one option: "How can I help you today?"

Links:

1 https://execsintheknow.com/knowledge-center/cx-research/cx-leaders-trends-insights/2022-consumer-edition/

2 https://execsintheknow.com/wp-content/uploads/2022/07/Self-Help-Solutions_Consumer-Research_July-2022.pdf

BPO Outsourcing Trends in 2023: What Should We Expect?

Onshore cost surges, staffing challenges, nearshore and offshore growth, and a return to the contact center.

by Nick Jiwa, Founder and President, CustomerServ

If 2020 and 2021 were years of change, transformation, and tumult in the business process outsourcing (BPO) world, how do we describe 2022?[1] Was it more of the same? And, what can we expect in 2023?

It's hard to say how 2022 turned out for many

because it "feels" like the year came and went incredibly fast, with mixed outcomes. Many businesses told us that 2022 was a down year and a time of uncertainty. In contrast, other companies and brands said that it was their best year on record.

All of us seem busier and more preoccupied than ever. We're running a mile a minute still dealing with the aftereffects of the pandemic

– our workload, family, and life in general. So, what's in store for 2023 in our beloved BPO industry? Let's break down a few general trends we expect to see based on our experience.

Here we go.

Onshore Cost Surge

Outsourcing costs have been steadily rising in the U.S., and we anticipate this will continue throughout 2023. Don't expect most U.S. BPOs to offer lower pricing for work-at-home vs. in-center, because that delta closed rapidly during and post-pandemic. Higher wage rates are the biggest contributor to rising costs. According to Zip Recruiter, the average base wage for a U.S. call center worker today is $18.00 per hour; that's a 40% increase since pre-pandemic levels[2].

Productive hour pricing bids from BPOs in the U.S. have increased into the $35-$45+ range in 2022, and we expect 2023 will be no different. By comparison, pre-pandemic hourly bids averaged $27-$29 in the U.S., but this was during a time when BPOs could pay $12-$13 hourly wages to call center employees – those days are long gone.

Staffing Challenges in the U.S.

During the COVID surge of 2020, the primary focus for BPOs was a rapid shift to work-at-home with a massive investment in remote architecture, training, systems, security, and agent collaboration tools. The focus shifted to HR in 2022, and we expect this to continue throughout 2023 and beyond.

Forward-thinking BPOs are investing heavily in digital and social recruiting. You can expect BPOs to invest more in employee engagement and amenities. For BPOs to be successful in 2023, they must strive for a "best-place-to-work" culture. Many BPOs are competing with other BPOs and industries that offer higher and more robust compensation. Therefore, they are

increasing their wage rates to attract and retain talent.

Nearshore and Offshore Growth

With wage inflation and rising costs in the U.S., expect nearshore and offshore growth to continue. More brands are embracing nearshore and offshore call centers for cost reduction and access to talent.

The nearshore region[3] consists of 26 countries throughout Latin America and the Caribbean that offer BPO services to U.S. and international clients. Some nearshore markets are already experiencing saturation, especially in places like Jamaica and Colombia. However, saturation is cyclical and almost always impacted by supply and demand. Most nearshore markets remain relatively unsaturated and capable of delivering high performance and scale. Offshore markets like the Philippines[4] continue to deal with high saturation and high turnover. However, the Philippines is, and will likely remain, the de facto offshore destination for English language BPO services.

Geographic Diversification

Expect brands to seek new BPO outsourcing markets throughout 2023 and beyond. Brands are looking to de-risk, diversify, and expand into regions where highly skilled English language talent is readily available in unsaturated markets. Many brands find that a diverse mix of locations enables them to match customer demand with talented BPO resources seamlessly.

In addition, brands that service customers in multiple languages will continue searching for and selecting BPOs that offer appropriate multilingual solutions from newer and diverse geographic locations.

As we continue through a period of global economic uncertainty, diversity will be critical for brands to maintain a competitive advantage. Diversification for some brands means lifting and shifting from traditional locations to emerging markets. Other brands are testing new markets against traditional markets in a champion vs. challenger format.

Brands have expressed concerns about overconcentration in markets like the

Philippines for years, fueling the need to diversify from overreliance on established outsourcing destinations. Cost surges in the U.S., saturation, and high turnover in traditional regions are also reasons why brands are seeking emerging locations.

Social Impact Outsourcing

We are happy to report that the BPO industry is embracing social and purpose-driven outsourcing more than ever. We expect 2023 to be one of the biggest years on record for organizations looking to improve lives through outsourcing. Impact sourcing[5] is a socially conscious business practice where companies intentionally employ individuals from disadvantaged backgrounds, harnessing talent from communities with persistently high unemployment and limited career options.

By way of example, impact workers employed by BPOs in South Africa[6] increased their incomes by over 200% through steady employment, enabling the individual to support three to five family members and contribute to their communities through increased discretionary spending and reductions in unemployment rates. Impact sourcing often leads to an economically self-sufficient and loyal workforce, delivering positive outcomes in terms of performance and service delivery for brands that look to make a positive social and financial impact in their outsourcing endeavors.

Impact sourcing can also help eliminate disadvantages through diversity and closing the gender gap with equal pay. According to Everest Group, the impact sourcing market

currently has 350,000 workers worldwide, with Africa employing 17% and Asia-Pacific at 58%[7].

Recessionary Fears

Fears of recession and economic downturn loom, but we've been here before. Sadly, some companies are downsizing, layoffs are occurring, demand has slowed, and for many companies, volumes are down (a trend that impacts headcount needs). Other companies continue to experience a spike in demand and increased volumes, calling for more call center agents.

Ironically, recessions can create more demand for outsourcing as companies look to reduce costs – and we expect that outsourcing will play a significant role in helping organizations improve efficiencies and contain costs throughout 2023. Those who, like me, have been in BPO outsourcing for more than three decades, have seen the BPO industry endure recessions, wars, pandemics, and much more … and we're still here.

The BPO industry is resilient, and even during economic uncertainty, BPO demand generally remains stable. Another factor to consider should the unemployment rate rise in the U.S., expect staffing issues to improve and call center job openings to fill back up.

Cost Containment

It has become cost prohibitive for many companies to outsource their call centers in the U.S. (We've all talked about this ad nauseum for the past two years.) However, throughout 2022, we noticed brands that already outsource nearshore and offshore, and are already benefiting from lower costs, are beginning to squeeze their BPOs.

Unfortunately, we expect cost pressures on nearshore and offshore BPOs to continue throughout 2023. ***We must add a caveat:*** Not all brands are pressuring their nearshore and offshore BPOs to reduce prices. Many have opted to pay their BPOs at or above market rates to secure the best talent available. If you are a brand that genuinely cares about your customer and the customer experience, there is a danger in expecting bargain basement pricing from your nearshore and offshore BPOs.

It is impossible for top-level BPOs to hire the quality of talent expected from brands that want to pay "dollar store" rates but expect white-glove customer experience and service. You're better off contracting with one of the umpteen commodity, lower-grade BPOs – ***caveat emptor.***

Outsourcing vs. Insourcing

The BPO industry experienced a huge uptick in outsourcing demand in recent years, and we expect demand from new and established outsourcing buyers to remain strong in 2023.

We attribute the demand spike to many factors, including an increase in outsourcing vs. insourcing due to staffing issues, costs, de-risking, and contingency planning. Also, many brands and organizations who "vowed" never to outsource have decided to migrate some or all of their internal call centers to BPOs.

BPOs have a larger recruiting engine and offer more flexibility in site locations, including nearshore/offshore, enabling them to recruit from lower-cost, diverse labor markets. In-house call centers also increased agent compensation, contributing to higher insourcing costs.

In 2023, expect more interest in outsourcing vs. insourcing, with some BPOs offering migration incentives, such as subsidized training and start-up costs, to help brands alleviate the financial impact of onboarding an outsourcer. (For many organizations, training costs are in the millions, and it helps if the BPO is willing to absorb some or all these expenses.)

Return to the Call Center

We started seeing a preference for in-center agents in Q2 of 2021 until the Delta Variant spread. Throughout 2022 and into 2023, more brands are asking their BPOs to move agents back in-center, or at least move to a 60/40 or 70/30 in-center vs. remote hybrid. And we're seeing more interest in tethered staffing for work-at-home – agents working at home but in geographic proximity to a physical site.

While the remote agent is here to stay, in some nearshore and offshore sectors, we are starting to see a trendline toward in-center staffing. Many operations have reported that work-at-home has not improved agent retention across the industry. In some markets, it has made attrition worse, as it is easier for agents to "quit" a job virtually vs. in-person.

In Summary

We probably could have doubled the word count in this article by covering other trends related to technology, CX, and other key areas, but we felt it essential to focus on megatrends. We see the industry from a holistic point of view, working with a wide range of brands, from Fortune 500 companies to smaller enterprises that utilize BPOs, and with our hand-selected BPO partners with operations in over 50 countries. We're leaning in, listening to leaders throughout the industry, knowledge sharing, and prognosticating based on our real-world experience.

I, for one, plan to enter 2023 with great optimism and high expectations for diversification, growth, job creation, delivering world-class customer experiences, and doing great things for global communities. I hope that you share my optimism!

Nick Jiwa
Founder and President

Nick is an outsourcing industry veteran of 36 years and the founder of CustomerServ. He advises and guides leaders at Fortune 500 brands and companies of all sizes to maximize "people performance" by outsourcing smarter with better-matched BPO partners and more successful outsourcing strategies. Nick is a founding member of the business process outsourcing (BPO) industry, a thought leader, matchmaker, CX champion, and impact sourcing advocate.

CustomerServ is a BPO industry pioneer, thought leader and matchmaking ecosystem that helps brands outsource smarter.

Learn more at customerserv.com

Links:

1 https://www.linkedin.com/pulse/2021-bpo-trends-2022-expectations-nick-jiwa/

2 https://www.ziprecruiter.com/Salaries/Call-Center-Salary-per-Hour

3 https://www.customerserv.com/blog/nearshore-vs-offshore-differences

4 https://www.customerserv.com/philippines-call-center

5 https://www.customerserv.com/supplier-diversity-impact-sourcing

6 https://www.customerserv.com/blog/why-south-africa-for-call-center-outsourcing

7 https://www.everestgrp.com/press-releases/impact-sourcing-delivers-winning-business-trifecta-competitive-edge-talent-advantage-positive-social-impacteverest-group-press-release.html

BRAND SPOTLIGHT
Dutchie

Leading with Technology: Helping Businesses Start, Operate, and Grow with Confidence

An interview with Sean Ilenrey, Vice President of Support at the Oregon-based tech unicorn Dutchie.

Sean went from a homeless high school dropout to an award-winning executive in tech. He has over 20 years of experience in the Customer Relationship industry, ranging from retail to technical support. In a recent conversation with Sean, we connected on how Dutchie helps cannabis businesses start, operate, and grow with confidence. We also discussed the mission and culture behind the brand, the biggest wins and pain points of 2022, and why he's hyper-obsessed with changing people's lives.

Execs In The Know (EITK): How did you come to be at Dutchie and what is your day-to-day focus in your current role for the brand?

Sean Ilenrey: For the first 10 years of my career, I was on the outsourcing side of the industry. Then, I moved up the ranks in workforce management to lead operations. There are two major things that brought me to Dutchie. The number one is that we're in an industry that is still growing, and I love that aspect. At my core, I'm a builder, and I want to be part of building world-class experiences in the canna-tech industry. Part two of the equation for me was representation. You don't see a lot of minorities or first-generation Americans in tech or in cannabis. I felt like this was an opportunity to be part of something and show others that they can do this, too.

Being part of this company is amazing for many reasons.

In terms of making an impact, Dutchie is partnered with the Last Prisoner Project, a cannabis reform nonprofit that fights to free the tens of thousands of prisoners still behind bars for non-violent cannabis charges. We put our money where our mouth is, and we donate. It feels good to be part of an effort that is making a difference in society.

SEAN ILENREY

Vice President of Support

EITK: Are there any CX trends or innovations Dutchie is currently eyeing as we dive into 2023?

Sean: Many people confuse Dutchie with a cannabis company, but we're an all-in-one technology platform powering the cannabis industry with Point of Sale, eCommerce, Payments, and Insurance. Through our technology, we're helping cannabis businesses start, operate, and grow with confidence. With software that simplifies their operations, our customers can focus on what matters most, which is bringing the benefits of cannabis safely to consumers.

In 2017, we first launched Dutchie in Bend, Oregon, in partnership with three local dispensaries. By 2018, the family had grown. With 50 stores, Dutchie closed a $3M seed round from Casa Verda Capital and high-profile angel investors. Today, we have over 6,000+ dispensary partners and process over $14B in cannabis sales annually, driving our mission.

Our customers really want more self-service. We are primarily B2B, though we do have a B2C market as well. Much of the time, these are dispensary folks who work at the cash registers, and budtenders who are selling products. They want the products to not only work well, but they also want to be able to train their new staff and have access to tools. In 2023, we'll be focusing on updating our knowledge base so that it's more intuitive, more informative, and more up to date, as our products change so quickly. We're finally investing in artificial intelligence (AI) and automation, which should be able to solve at least 30-35 percent of interactions between customers and our front-line staff.

EITK: How would you describe the brand's overall mission when it comes to serving its customers as it applies to CX-related technology?

Sean: It all goes back to our mission statement of providing safe and easy access to cannabis for all. Our founder created two of the early food delivery companies, one of them being Grub Canada. After selling the company, he traveled around snowboarding on every mountain imaginable. Then, one day, he landed in Bend, Oregon, and was standing in line on the first day the state legalized recreational cannabis. It was at that moment that he realized it could be done so much easier if the products were put online and people could simply put an order in and come pick it up. That's where it all began. Right now, one of the key products we're focused on is Dutchie Pay. The product allows customers to link their bank account with our system, which links with the Point of Sale (POS) at dispensaries. So, no cash is required, which

is a much more affordable, seamless, and safer experience for our customers. If you walk into a dispensary with a ton of cash, owners must pay for security to move it around. Unfortunately, dispensaries get robbed a lot, which makes it dangerous and expensive to be dealing in cash. Dutchie Pay provides additional safety measures for businesses, reduces their costs, and creates a seamless experience for both their employees and customers. It's a product we're continuing to ramp up and promote as much as we can.

EITK: In what ways was Dutchie built to continue to scale with its customers?

Sean: That's a good question, and it's the biggest challenge for us that we have not cracked the code to yet. The reason? We were originally an eCommerce company, and last year, we acquired two different point of sale (POS) companies. Of course, each company has its own set of issues because we're dealing with different technologies. Over the past year, we've been working to rewrite the code to stabilize these products. We currently have

our own Dutchie POS product that's going out, which features our own software and hardware. It is leaps and bounds ahead of what we were selling before. What I love about our POS system is that it's built for cannabis. It's not your typical cookie-cutter menu; it understands what customers want to know and it understands how we want to measure things. We understand the backend, that each state has different laws. Many of our customers operate in multiple states, which means that our POS systems must make sure the inventory management is compliant. Compliance is what keeps a lot of players from coming into the industry.

So, we're in a position where what we're doing for our customers is offering them one new tool that's intuitive and will make the backend experience much better. Our goal for the upcoming year is to make our core product the most stable offering on the market and give our customers what they'd expect from Dutchie. At this point, it's all about creating more enterprise products. We're also making sure that we're going to be ready for the day that the SAFE

Banking Act gets passed in Congress or the Senate so we'll be ready to flip those systems and customers will be able to swipe their cards with them, too.

EITK: What are some of the technology changes the brand put into place during the pandemic? Are there any innovations that have become a core part of the business?

Sean: One thing that we're still building up is our need to focus on our marketplace. During the pandemic, we started thinking about a customer-facing marketplace, because most of our eCommerce product was based on how we could help our dispensaries. However, delivery become more prevalent. With our marketplace, we're not only aiming to become the next DoorDash, but a place where people have access to a dispensary, are able to purchase, and get information and learn about products they're purchasing. We understand that our people want to move around more, they want to travel more, and when they do, they want to make sure they can get what's close by and what they love back home. We want Dutchie to be the company that can do that for them. Our

marketplace is going to be big, there's even going to be an app for it. I recently had the opportunity to sit down with our Chief Product Officer and he showed us a demo. What I can tell you is that it is very intuitive.

EITK: What aspect of Dutchie's culture do you feel plays the biggest role in moving the company forward?

Sean: As a fast-growing company, a lot of times we're in a position where so much is coming at us all at once. A year ago, we were only 350 folks and now we're at about 600. We're 100 percent virtual, though there are a few of us who work in the office. We've done a really great job of understanding that we need to have all these forums inside and outside of Slack, whether it's employee resource groups or employee engagement groups. There are different events always going on. We have mental health events as well, where you can go and practice yoga together. We're really invested in trying to figure out how to not lose our core. While we are building and moving forward, we believe in getting things done – no matter what. We still have the same culture and brand purpose we had since day one. Sure, it has evolved and it's more mature, but it still feels like Dutchie. As with many companies out there, we've made tough decisions this year, but it's still with the same north star of trying to make cannabis safe and easy for customers. Of course, to do that effectively, we have to watch our bottom line and invest in the future. If the customer effort is too high, we want to make sure it's ten times easier next year.

EITK: What would you say are the biggest pain points that you have run into over the past year as related to CX?

Sean: When it comes to customer experience, the biggest one would be the quality of our product. Last year, we were averaging about four tickets created per dispensary, per month

for our POS product. And this year, we now have that down to about 2.4 tickets. When tickets are high, customers need to reach out to us without implementing automation, there's no deflection. We still have a way to go, but we want to get it down into the ones and twos where they don't have to contact us. A lot of that was because we had to take unstable products and kind of build a backend. It's hard to see the progress sometimes because you're in the thick of it. By far, product quality has been the biggest pain point I see. The second one is organizational or operational excellence. When I first walked in the door, we were doing about 30 percent of what we shouldn't have been doing. We didn't have our employee scorecards together, we didn't know what our KPIs were going to be, there wasn't a strong coaching cadence, and our roles and responsibilities weren't really defined. The basics were missing. So, we started a project I call IMO, which is short for iMomentum. I'm a big believer that you must create an organization with momentum where it can't stop. When you do that and you have systems and processes in place, you'll be more proactive than reactive, and every issue you encounter won't stop you in your tracks.

It's a four-step process spanning 18 months. For the first 90 days, we focused on the foundation to identify the roles and responsibilities and to identify our KPIs. Ultimately, we wanted to figure out what was going to be our source of truth and that we had our standard operating procedures (SOPs) documented. The next 90 days was the master phase, where we focused on coaching and holding performance meetings to enable everyone. And the next six months are all about innovation, where we're going to be launching Chat and Email bots for customer self service. We will also be evaluating agent assist technology options. Since we now know our baseline average handle time, what we want to know next is how to improve our CSAT baseline. The final six months are what we

call the optimization phase, where we go from being a cost center to a value center. The goal being for us to well document our impact to Net Promoter Score and add value to the company's bottom line. While it's an 18-month project, it's so important to our team because we know it's going to set us up to provide that consistent experience with our customers. A lot of brands try to squeeze in some quick fixes to push things off their plate, but this is a full organizational overhaul.

EITK: What was the biggest win for the brand in 2022?

Sean: We've grown up a lot this year, and it's been very sobering. We've become more intelligent with everything we do, especially when it comes to solving our problems. I hired a workforce management team to handle forecasting, scheduling, and planning. It's hard to believe, but this did not exist previously. In addition, we now have a quality assurance department to ensure we're being consistent, and we know where to coach our gaps. Overall, we've been forced to be more strategic due to the economic environment. No one ever wants to be under pressure, but we know that pressure makes diamonds.

I'm proud to see how we're rebounding and pivoting as an organization through change. I want to make sure everyone on my team

has a career path and that we're continually developing them and paving the way for opportunities. At the beginning of 2023, we'll be launching an apprentice program that will allow our employees to do rotations with other departments. I want them to have exposure to customer success, R&D, and sales. It's a great way to give our frontline representatives an opportunity even while in their current role to get exposure across the company and feel they're part of a bigger organization instead of just support. With our array of new innovative product offerings, we can't wait to share where we're headed next.

EITK: When you look ahead into 2023, what are you most passionate about when it comes to your work?

Sean: For me, it's about seeing lives change. I'm hyper-obsessed with seeing lives change, especially because I know what it did for me. Years ago, when I worked for an outsourcer in workforce management, I relocated to Mexico. The first team I hired out there was a team of five individuals with a range of different skill sets. It was my first time being a manager and I feel like they honestly taught me more than I taught them. There was a gentleman on my team named Caesar. He had previously lived in Arizona with his wife and three kids working as an engineer making $70,000 a year. After getting deported to Mexico, this family of five was living in a shed in his aunt's backyard. At that time, he was working in a call center making $4 an hour.

I hired him onto my team as an analyst only to later realize that he was incredibly knowledgeable about databases. So, I promoted him to an administrative supervisor role of that team handling all credential creation for the organization. I believe he worked his way up to manager by the time I left. The last time I saw him, he invited me over to his home, which he had built after getting stable. His kids were in a great school, he had a nice car, and he was making a life for himself again. For someone to be able to humble themselves and work their way back up is incredibly inspiring. And all of that happened within the course of about a year. I tell this story because I'm passionate about helping lift others up, even to positions higher than where I am. I want to change and impact people's lives in whatever capacity I can. At the core of everything we do here at Dutchie is lifting people up and developing them.

EITK: When you're out of the office, what brings you the most joy?

Sean: The answer to that question has changed a lot over the past year. My Corporate Dad work is filled with a lot of purpose and passion. It not only serves as a creative outlet, but allows me to impact people. I want to leave behind a legacy before I'm gone. If we don't leave something behind, it was all for nothing. I want to maximize this one life and not only live my best life but to give within my life.

Elevating the Contact Center Agent Experience (AX) in the Hybrid Work Era

The current state of AX leaves much to be desired, driving up agent churn to 30%-50%, one of the highest among all job types.

by Anand Subramaniam, SVP Global Marketing, eGain Corporation

The Dismal State of AX

The contact center agent experience[1] (AX) is the overall experience of the agent across their physical environment, mental well-being, financial well-being, morale, and their day-to-day experience in doing their jobs. One could argue that the last one — day-to-day experience in doing their jobs — is critical to improving the other aspects of AX.

The current state of AX leaves much to be desired, driving up agent churn to 30%-50%, one of the highest among all job types. It is no secret that the job of a contact center agent is a difficult one.

According to Quora[2], here is what agents had to say:

> "The level of burnout due to psychological stress is very high. Anxiety attacks, crying jags, depression, rage, and sleep problems are common."

> "Illness due to physical stress is also very high. Your ability to move around is limited. Bathroom breaks and emergencies are deducted from your break times. Weight gain, heart problems, high blood pressure, back, neck, ear, and carpal tunnel issues are rampant."

> "The constant monitoring, the requirements to do everything ever faster, the inability to move from place to place due to headset, and non-stop back-to-back calls trigger a constant fight or flight response in most people. This usually proves to be unbearable after a while for unmedicated individuals."

> "Our training class had 20 students. We were all placed on a 90-day probation, and I didn't realize it at the time, but there would only be about five of us left at the three-month mark."

> "I lasted there nine months before I'd had it. Call center burnout is common."

Here is some worrying news: the job of the agent is poised to become even harder.

The Looming AX Crisis

A groundbreaking survey[3] of U.S.-based contact center agents, conducted on our behalf by BenchmarkPortal, a contact center benchmarking organization, revealed that AX is poised to fall off a cliff without preventive measures.

- 76% of contact center agents are working remotely. While this may improve some aspects of AX, these agents do not have a next cube to walk over to if they get stumped by a customer query. Many of them are new to their jobs and their training programs have been disrupted by the pandemic. No wonder 42% of novice agents said they are stressed in their jobs.

- 63% of the 456 agents who responded, said that customer queries are getting more complex. This is not surprising since routine queries are now automated by self-service.

- Yet, 64% of the agents said they do not have a knowledge-based tool that can guide them to answers with 33% resorting to neanderthal methods like poring over documents for answers when the customer is on the line.

The escalating query complexity and the lack of access to modern knowledge guidance tools require agents to be highly knowledgeable super-agents. No wonder CX, which is inextricably linked to AX, takes two steps back every time it takes a step forward.

It took a hit again in 2022, according to the latest Forrester CX Index report[4]. They evaluated 221 brands and 13 industries in the U.S.. CX

in 11 of 13 industries fell, and yet again, not a single brand in the U.S. met Forrester's criteria for "excellent" customer service.

The Root Cause

The big question is why is CX stuck on a plateau? We set out to find the underlying problem. A couple of years ago, consumers told us (through Forrester Consulting) that the lack of agent knowledgeability and inconsistent answers to their questions was the biggest deterrent to good CX[5]. On the other side of the coin, AX has been dogged by the same problems as well – agents have long complained[6] that they get different answers from disparate knowledge silos in their organization. They then lose trust in the knowledge base and start to improvise and invent answers. Moreover, today's increasing query complexity requires them to be

experts in situational problem-solving and process know-how, which is not easy to teach through traditional training. This problem is compounded even more by remote-first hybrid work environments, where they cannot ask a colleague for help. Together, these factors have created a perfect storm to precipitate an AX crisis.

Here is the good news. Knowledge modernization[7] with a hub approach can help handle today's complex customer queries, turn the average contact center agent into a super-agent, and avert the AX crisis regardless of the work model – remote, hybrid, or onsite!

The Knowledge Hub™ Explained

The Knowledge Hub[8] eliminates silos while serving as a centralized, trusted source of correct answers and process expertise, which

are also compliant with best practices and industry regulations.

It consists of the following building blocks:

- Content management, including profiled access to it

- Multiple knowledge types: data, information, know-how or expertise, and insights

- Multi-layered personalization, based on context, user, interaction channel, and other factors

- Intent inference, powered by Machine Learning

- Search methods: Federated, keyword, faceted, and guided search

- AI reasoning for step-by-step conversational and process guidance in the flow of customer service and engagement

- Knowledge analytics for ongoing optimization

The hub unifies and orchestrates these building blocks to deliver wow experiences. Leading organizations are already leveraging it to transform the experiences of not only contact center agents but other stakeholders as well – customers, employees outside the contact center, knowledge authors, and business managers.

Part of the modern knowledge hub, AI-enabled guidance, which most agents admittedly do not have, makes it as easy for any agent to solve customer problems or provide them advice with situational know-how like the best agents can, just as GPS systems make it easy for any driver, even those on a learner's permit, to navigate the streets easily, even in unfamiliar locations. Forward-looking organizations have already been leveraging the knowledge hub with stunning results before, during, and after the recent pandemic. Here are some examples from our blue-chip clientele.

From Horrendous to Happy

- A premier U.S. health insurance firm reduced agent training time for handling complex health insurance queries by 33% even as its agents – over 2,000 of them – had to go

remote overnight due to Covid lockdowns. They also consolidated knowledge from 17 disparate systems into the eGain Knowledge Hub for consistent, knowledge-guided service. Agents [loved the ease of use](#)[9] of the knowledge-embedded desktop!

- Multinational Financial Services Provider: Thanks to [knowledge guidance](#)[10] for customer service, First Contact Resolution (FCR) jumped 36% and agent training time was reduced by 60%.

- After implementing knowledge guidance, a mammoth federal government agency deflected up to 70% of incoming calls to [virtual assistance](#)[11], reduced case handling time by 25%, and improved form-filling with granular knowledge assistance within forms. No wonder these powerful capabilities saved them $16M in the early phase of the deployment alone and elevated their agent engagement score to 92% versus their industry benchmark of 67%.

- UK's largest mobile operator achieved a 25-point improvement in [NPS](#)[12] (Net Promoter Score) and a 35% improvement in FCR (First-Contact Resolution) while reducing agent time to competency by 50% across 30,000 contact center agents and 600 retail stores and enabling any agent to handle any call.

A knowledge hub with conversational and process guidance can clearly help contact center agents succeed even as their job gets harder and regardless of whether they are onsite or remote. Revive your knowledge initiative with the hub and reap the benefits – they are nothing short of transformational!

Anand Subramaniam
Senior VP of Marketing

Anand Subramaniam is SVP Global Marketing for eGain. Prior to eGain, Subramaniam served in executive and marketing management roles in a range of organizations from SaaS startups to companies such as Oracle, Autodesk, and Intel. He holds an MBA from the University of California at Berkeley and an MSME from the University of Rhode Island.

eGain

Infused with AI, eGain's knowledge-powered software automates digital-first experiences for enterprises and government agencies.

Learn more at [egain.com](#)

Links:

1   https://www.egain.com/what-is-agent-experience-and-how-to-fix-it/

2   https://www.egain.com/contact-center-agent-experience-ax-crisis-and-what-to-do-about-it/

3   https://www.egain.com/contact-center-knowledge-management-state-2022/

4   https://www.egain.com/contact-center-agent-experience-ax-crisis-and-what-to-do-about-it/

5   https://www.egain.com/customer-service-pain-points-forrester-survey/

6   https://www.egain.com/contact-center-customer-service-agent-survey/

7   https://www.egain.com/knowledge-management-explained/

8   https://www.egain.com/products/knowledge-hub/

9   https://www.egain.com/knowledge-for-healthcare/

10 https://www.egain.com/knowledge-management-in-financial-services/

11 https://www.egain.com/knowledge-management-in-government/

12 https://www.egain.com/knowledge-management-in-telco/

Execs In The Know
VIRTUAL EXECUTIVE BRIEFING

MESSAGING for CX

Getting Conversational: Faster, More Intuitive, and More Effective Touch Points Across the Customer Journey

48

@ 27

♥ 81

💬 59

Feb. 9, 2023 (11:30 AM - 1:30 PM ET)

Interested in learning how to transform your messaging for customer experience (CX) from transactional to conversational?

Some possible discussion topics of the day could include:

- How to deliver fast and effective conversational experiences across the entire customer journey
- Ways to predict your customers' next move with well-designed engagement channels
- Tips for guiding your customers through conversations and understanding the fundamentals of what excellent messaging experiences look like
- Best practices for deploying, managing, and measuring Messaging CX solutions

Lisa Sinacola
General Manager & Partner Customer Service and Support
Microsoft

Chad McDaniel
President
Execs In The Know

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Delivering Empathy at Scale: Humanizing the Digital Experience

by Execs In The Know

Empathy arms self-service and agent experiences with a deeper understanding of the customer's needs. The more companies can empathize with the details of a customer's journey, the better experiences they can provide.

All interactions matter. Leading brands welcome customer contacts as opportunities to deepen relationships and strengthen emotional connections. With expectations growing, whether it's a self-service or human-to-human interaction, companies need new ways to guide the customer journey.

Experience orchestration, a new term in the customer experience (CX) industry, describes the process of listening, understanding and taking action — from the customer's point of view — when addressing customer needs.

The act of empathy — putting yourself in someone else's shoes to gain insight — is one

of the best ways to connect with customers. The importance of empathy is rarely disputed. It strengthens customer relationships, which leads to higher satisfaction levels and deeper loyalty. Showing empathy helps customers feel they're being heard, that their needs are taken seriously and that the company is doing everything possible to help them.

The question becomes how best to deliver empathy? How can companies codify what their best agents do at scale?

Often companies invest heavily in training, monitoring, coaching and recognition to ensure agents deliver compassionate, human-to-human engagement. And, while agents can rely on soft skills to vicariously experience customers' feelings, thoughts, and situations, can companies do more, especially with their interactions?

In their book _Empathy In Action_™, Tony Bates and Dr. Natalie Petouhoff reveal how important empathy is in the delivery of great customer experiences at scale. The book focuses on ways to use empathy-based business approaches to earn customer trust and loyalty.

Bates and Petouhoff identify the "four pillars of empathy as listen, understand and predict, act, and learn" – and these pillars are a rock-solid foundation to build upon as you work to humanize your brand's digital customer experiences. Drawing inspiration from their work, this article explores ways

your organization can use technology-driven interactions to make empathetic connections with your customers.
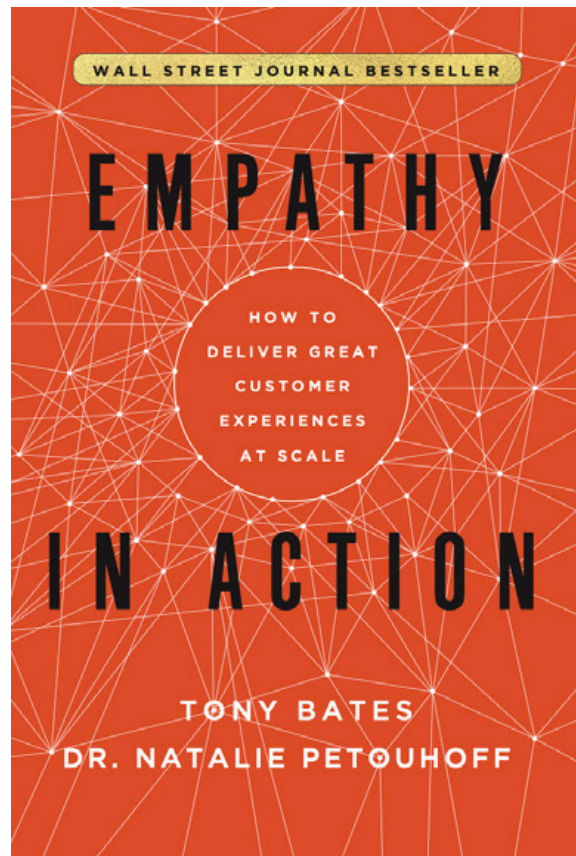
Experience the Experience

If empathy is all about putting yourself in someone else's shoes, why not start by doing just that? How much do you, your teams and your executives really understand about the experiences you offer customers?

One way to evaluate those experiences is to experience them for yourself. "When executives stand in the shoes of a customer and say, call the 1-800 number or interact with their chatbots, only then are they able to grasp the actual experience customers have," said Dr. Petouhoff. "This is when the lights go on in ways that can't be experienced in any other way."

Design thinking is a great place to start. The first step – empathize – allows companies to set aside their own assumptions about the customer and gain real insight into customers. It draws on customers' needs, feelings, contexts and mindsets to design experiences by mapping out the customer journey on all channels.

Once an experience is designed, companies can use an "eat your own dog food" or "dogfooding" approach. It's a popular practice in the tech industry, where companies first test on themselves, using

technology as customers would. It allows a company to figure out what works and what [needs to be fixed](1). In addition, having a group of customer advocates who also test the experience ensures the company hasn't lost the customer perspective in the end-to-end interaction.

You can think of experience testing as determining *how* the tool works, not *if* the tool works, which is part of functional testing. For example, as a newly developed self-service interaction is being designed, employees and customer advocates follow the exact steps a customer is expected to take. Testers pay special attention to answer a set of key questions, including but not limited to:

- Does the tool deliver the desired customer experience?

- Are the language and flow clear and easy to understand?

- Is the experience intuitive, frictionless and easy?

- Is there a way for the customer to switch interaction channels, if desired?

- Does the context of the interaction remain intact when channels are switched?

- How does the experience make the customer feel?

- Does the experience deliver the desired outcome from the customer's point of view?

Experience testing is also a great hands-on way for executives to competitively vet how the technology delivers customer experiences when they're comparing technologies. It's only when one actually uses the technology that gaps are revealed between expectations and reality. Executives can identify weaknesses in the interactions before buying technology or launching something new. That prevents buyer's remorse and, ultimately, ensures a more satisfying customer experience.

Getting Personal

Another way to scale empathy is to personalize the experience. To CX leaders, personalization is about creating experiences that are tailored to a customer or groups of customers based on information the company knows about them in real time. To customers, it's about positive experiences that make them feel special, heard and understood. Personalization can be the ultimate display of empathy. And it has a measurable impact on your business.

Consider These Key Stats

71%

Seventy-one percent of consumers expect companies to deliver personalized interactions, and 76% get frustrated when they don't.

72%

Seventy-two percent expect the businesses they buy from to recognize them as individuals and know their interests.

40%

Companies that excel at personalization [generate 40% more revenue from those activities than average players](2).

With those customer expectations and positive business impacts, CX personalization is an imperative. But personalizing specifically for

each and every customer, at scale can be difficult unless you're invested in experience orchestration.

What happens without experience orchestration? Self-service experiences end up in a dead end. That's because they are governed by dumb bots. Even artificial intelligence (AI)-bot enablement doesn't help. Why? Because the bots aren't connected to the customer journey analytics – they don't have the interaction context. The bot has to ask the customer who they are and what they want and then can only provide canned answers because it's responding without real-time context.

And because often the customer doesn't trust self-service to get what they need anymore, they use the more expensive agent channel. The money spent on self-service is often unknowingly wasted. And what happens when agents don't have customer journey analytics? Experiences turn into long, painful interactions in which customers must repeat themselves and often get angry – taking their frustrations out on agents. That leads to constant agent stress and high attrition rates.

What's different when companies use real-time, contextually relevant customer journey analytics in self-service and agent-assisted interactions? In this type of personalization, the customer is immediately identified. The bot or agent knows what the customer has been doing and what they need next – and then quickly and easily provides it.

Personalization helps to humanize digital and agent-assisted interactions and shows customers that the company values them as individuals. In turn, personalization can also positively impact operational metrics (e.g., cost per contact, FCR and customer satisfaction), as well as strategic markers (e.g., customer lifetime value and loyalty). How better to display empathy and show customers you know and

understand their situation than by making the experience feel like it's all about them?

Make the First Move

Companies that use the four empathy pillars to identify issues and proactively communicate with customers in digital channels are scaling empathy.

Service recovery is a great use case. Many customers have had the experience of being notified when an expected delivery was delayed. Customers accept and expect your proactive outreach as soon as possible. Brands using operational data to proactively identify upcoming issues and manage customer expectations aren't only showing strong empathy for customers, but they're also avoiding unnecessary contacts at the same time. This results in lower operational costs.

Transparency is part of an empathetic approach to service recovery. Companies that act fast, apologize, take ownership, solve the problem and offer a make-good solution often regain customer trust and loyalty. In fact, 85% of customers say a business that's transparent makes them more likely to give it a second chance after a bad experience[3]. In addition, following up after the recovery experience to ensure satisfaction is an excellent practice that shows the organization cares about the customer.

Check Yourself

Speaking of following up, a robust customer feedback program is a vital part of an empathetic company's playbook. Deploying post-contact sentiment-based surveys helps measure performance and improve areas where customers don't feel understood, heard or valued. Furthermore, hosting on-site customer visits and focus groups with the teams that develop and support customer experience can be eye-opening and can deepen empathy for both groups. The more you measure, the more

Overview of *Empathy in Action*:
How to Deliver Great Customer Experiences at Scale, an excellent resource for all CX leaders

Most leaders believe they provide great customer and employee experiences, yet multiple surveys reveal a sad truth: most customers and employees don't agree. In this book, Genesys CEO Tony Bates and Dr. Natalie Petouhoff explore the reasons great customer and employee experiences are often lacking in business today. And they unveil a new approach for creating a customer- and employee-centric business model that yields better long-term results.

Using case studies, impactful stories and a fascinating new framework for creating customer- and employee-centric experiences, the authors demonstrate how leaders are disrupting industries by orchestrating the components of the exponential "Empathy in Action Business Flywheel."

Learn how using empathy-based business criteria will transform customer and employee experiences, galvanize trust and loyalty, and drive exponentially better business results.

you can learn and scale empathetic experiences that delight your customers.

Get Started

Although it might sound counterintuitive, technology underpins empathetic self-service and agent-assisted experiences that build trust, increase satisfaction and boost loyalty. Creating ways for employees to put themselves in customers' shoes during the design and development of the customer experience process is a great way to deepen the internal understanding of CX.

Personalization that accounts for and leverages customer context – and delivers proactive experiences using customer journey analytics – are also important ways to scale empathy. Finally, measuring satisfaction with these interactions is critical to understanding how well you've delivered on your customers' expectations.

Whether the interaction is human-to-human or digital, your customers want to feel heard and valued every time. Great companies use this common thread and weave it into the fabric of every customer service interaction. "The world has been growing toward the desire for a more humanistic society and workplace. And with the pandemic, we've accelerated that need and expectations," explained Dr. Petouhoff.

Now, more than ever, companies should focus on delivering empathy in every customer interaction, creating positive impact and memorable customer experiences. It's a feel-good goal that pays off in short- and long-term business success.

Links:

1 https://www.nytimes.com/2022/11/14/business/dogfooding.html

2 https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/the-value-of-getting-personalization-right-or-wrong-is-multiplying

3 https://sproutsocial.com/insights/data/social-media-transparency/

5 CX Trends to Watch Out for in 2023

Amidst ever-shifting market forces, will 2023 be the year of reckoning for CX?

by Sid Victor, Head of Support Services, Movate

In the last three years, the pandemic and economic headwinds changed the world radically and transformed the entire digital customer experience (CX) ecosystem. With the rising economic uncertainty and dire need to engage customers anywhere they prefer, enterprises are pushed to move away from their legacy systems and accelerate the adoption of next-gen technologies to transform their CX value chain.

A PWC report tells us that in the post-Covid world, 59% of customers said they care about CX[1]. Hence in 2023 and beyond, enterprises will continue to focus on enhancing CX through data and analytics, customer journeys, the voice of customers, and intuitive automation. But, with lower demand and pressure on margins, enterprises will also focus on pruning

efforts that are not bringing any business value.

Amidst these market forces, will 2023 be the year of reckoning for CX? It may well be, given the five key trends we see evolving over the next year.

1. Conversational AI to Lead the Conversations

According to Gartner, 70% of workers now interact regularly with conversational platforms[2]. We expect this number to rise in 2023 as enterprises adopt conversational artificial intelligence (AI) solutions to blur the line between agent-led and chatbot interactions and enable customers and agents to engage in more complex exchanges with digital assistants.

To drive customer satisfaction and make each experience memorable, enterprises will invest in creating AI personas for their conversational AI solutions, bringing relevancy and transparency to the customers and their conversations. Additionally, we will see enterprises using thousands of data points to improve chatbot features, navigation, and customer experience.

As we move along, we will see even more disruptions in the conversational AI space. Gartner expects that 40% of enterprise applications will have some form of built-in, more conversational AI by the end of 2024[3]. And Juniper Research indicates that chatbots would save a staggering $11 billion in costs by 2023[4].

2. Empathy-Driven CX That Bolsters Relationships

Despite the broader prospect of conversational AI adoption, chatbots still need to prove that they can create great CX experiences. A Zendesk CX Trends 2022 report highlighted that 60% of the customers were disappointed with chatbots as they lacked empathy[5]. The solution? More conversational, empathetic AI.

It's clear that customers crave authentic,

individualized, and personalized conversations to drive their experience, and 2023 will be the year of reimagining natural human connection and delivering empathy at scale.

Empathy-driven CX across all forms of customer engagement is the answer. Forrester's research[6] shows that over 70% of customers want a more personalized online shopping experience. To achieve this, enterprises will offer an elevated, intimate level of personalized experience at every customer touchpoint by leveraging integrated CX solutions, persona-based conversational AI, and data-driven customer insights. Leading tech enterprises can further strengthen their CX delivery by leveraging their passionate product users and advocates to provide empathetic support in a gig model.

Most enterprises will gather more intelligence across the entire CX ecosystem, empower teams to create customer-centric products and services using AI, ML, and NLP, and develop intuitive product recommendations and chat experiences.

3. Metaverse — An Extended CX Channel

Until now, the metaverse has been a concept more than a reality due to its complexity. Nonetheless, everyone has acknowledged its potential to revolutionize how customers

and enterprises communicate, socialize, and consume products and services.

Many top brands have launched their metaverses in the last two years, including Nike, Adidas, Hyundai, BMW, Samsung, and Verizon. The metaverse will continue to gain attention as enterprises would not want to fall behind or miss out altogether on this fascinating trend. At the same time, because of the looming economic volatility, enterprises will be cautious while investing in the metaverse and focus on the use cases that can deliver assured ROI. In 2023, businesses will gradually move from the exploratory phase toward more real-world use case implementations and start creating valuable and integrated immersive experiences for their customers.

In the world of CX and support, metaverse as a new, extended channel can add tangible business value and would be one of the leading use cases in 2023. Consider this: Gartner predicts[7] by 2026, 25% of people will spend at least one hour a day in the metaverse for work,

shopping, education, social, and entertainment.

There are immense possibilities for brands to leverage the metaverse in the context of CX – virtual guides, immersive shopping, virtual learning, avatar-based support, and so on. It will not only transform the interaction in the real and digital worlds, but also provide strategic opportunities and innovative business models. It is just a matter of time before the metaverse becomes an integral part of the overall customer experience.

4. The Right Time to Increase CX Outsourcing

According to a KPMG survey[8], 91% of U.S. CEOs anticipate a recession in 2023. Therefore, enterprises are looking for ways to reduce costs, de-risk, and sustain business growth. One of the ways is with CX outsourcing. This year, enterprises will move to new-age CX providers to deliver a superlative experience and to lower overall costs.

As per a NelsonHall report, by 2026, the

[total CX services market will be around $116 billion and grow at 5.2% CAGR](#)[9]. With the rising economic turbulence and meeting ever-changing customer expectations, this is the right time to leverage CX outsourcing services across the customer experience value chain. It will enable companies to fill the gap during unexpected demand spikes and optimize and automate CX cycles and shortages of skilled talent.

With cloud-based contact centers and exciting advances in CX technology, service providers can drive hyper-efficiency and growth for enterprises. Additionally, CX outsourcing will reduce the cost of talent onboarding, enterprise spending on infrastructure and utilities, and building a maximally adaptive, resilient, flexible, and agile workforce to scale as per the demand.

5. Rise of Gig-Enabled Support Models

Gig models have gained momentum recently with the growth of internet-backed digital platforms that facilitate easy access to gig work. Today, with technology-enabled gig work, platforms are flourishing. It is estimated that there are as many as [1.1 billion gig workers worldwide](#)[10], with over 55 million in the U.S. alone. A research study from TSIA partner

Kantata found that [more than 50% of Millennial and Gen-Z workers have considered becoming freelancers or contractors](#)[11].

The upward trend of gig work will also reflect in the CX industry. Enterprises will find that they will have to pay increased attention to Gen Z's expectations of work – it must be flexible and rewarding.

In 2023, more brands will leverage gig-based support models to provide world-class customer support 24/7, while managing demand fluctuations. As new waves of the pandemic threaten to hit us, early adopters of gig-based support will prove to be more resilient against its impact. Leading companies will explore advanced models like Movate's blended [gig-enabled support model](#)[12]. This is a one-of-a-kind model that offers the flexibility of the gig industry and the resilience of a full-time support ecosystem. Moreover, it leverages the product's existing users to provide high-quality, empathetic support for complex issues, enables brands to manage surges in contact volumes efficiently, and drives tangible cost savings.

A flexible, fluid workforce will be vital for businesses to scale and downsize as required. Frontline gig workers will work with advanced technologies and the existing workforce,

resulting in an enhanced CX.

Designing Great CX Experiences in a Must-Have

Experience is everything today, and great customer experience is key to building trust, loyalty, and a strong connection with a brand. Customer-centric enterprises know that designing great CX is not a "nice-to-have" anymore, but a "must-have."

From AI to machine learning (ML) to hyper-personalization to the metaverse, enterprises will leave nothing unturned. As per recent Salesforce research, 89% of customers are more likely to make another purchase after a positive customer service experience[13]. We live in the era of digitally savvy customers who are empowered and willing to make choices based on their interactions on different channels. Brands will be listening to their voice more closely than ever. In 2023, it will be the year of rediscovering CX and placing the customer back as the focus of all business.

Sid Victor
Head of Support Services

Sid Victor heads the sales and solutions division across Customer Experience Management & Enterprise Support Services at Movate (formerly CSS Corp). He has 19+ years of experience in the IT industry, all of which have been with Movate. He is responsible for hunting new logos, providing consultative expertise for clients and internal stakeholders, pipeline generation, business and services transformation, identifying and creating forward-looking solutions, and developing innovative differentiators in support.


Movate is a digital customer experience services company disrupting the industry with agile human-centered innovation and an outcome-focused approach.

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Links:

1 https://www.pwc.com/us/en/tech-effect/ai-analytics/ai-business-survey.html

2 https://www.gartner.com/smarterwithgartner/chatbots-will-appeal-to-modern-workers

3 https://www.gartner.com/smarterwithgartner/chatbots-will-appeal-to-modern-workers

4 https://www.juniperresearch.com/press/chatbots-to-deliver-11bn-cost-savings-2023

5 https://hgs.cx/blog/my-ai-take-away-from-zendesk-cx-trends-2022/

6 https://www.forrester.com/resources/b2b-marketing-strategy/global-marketing-survey/#main-content

7 https://www.gartner.com/en/newsroom/press-releases/2022-02-07-gartner-predicts-25-percent-of-people-will-spend-at-least-one-hour-per-day-in-the-metaverse-by-2026

8 https://home.kpmg/us/en/home/insights/2022/08/us-ceo-outlook-2022/economic-outlook.html

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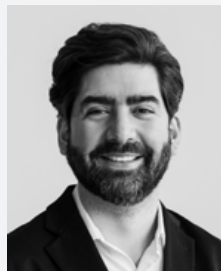
FRANCISCO TOLEDO
SENIOR DIRECTOR, GLOBAL OPERATIONS

GROUPON

Francisco has dedicated the past 12+ years to driving customer and merchant experience through Operational Excellence across Latin America, Europe, and North America, with multiple global assignments in roles of escalating responsibility. As the Senior Director of Global Operations for Groupon, he is a dynamic leader in charge of spearheading and implementing best practices for optimal business performance. He earned an Executive MBA from IE Business School in Madrid, is a certified CX Implementation Leader from COPC®, and frequently contributes thought leadership to CX industry magazines and events. Execs In The Know recently caught up with Francisco to discuss the most important lessons he's learned over the past year, the latest innovations and biggest challenges the brand currently faces, what building trust with consumers looks like, and what it means to achieve CX success by creating unforgettable experiences.
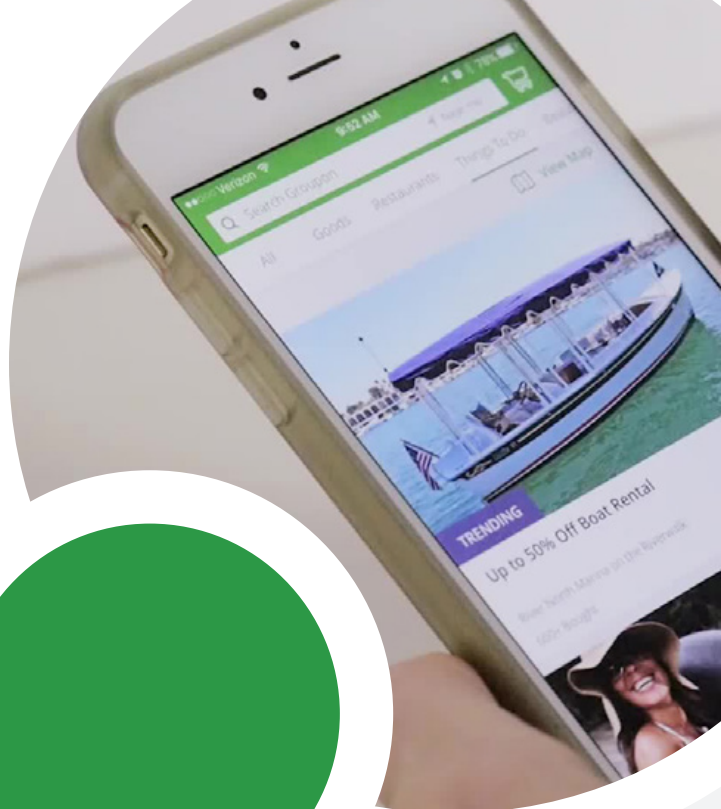
Understanding, Capturing, and Fulfilling Customer Intent

EXECS IN THE KNOW (EITK): How would you define customer experience (CX) success?

FRANCISCO TOLEDO: I think it's heavily dependent on the industry. The first thing I would say is that there isn't a one-size-fits-all when it comes to achieving CX success, though I believe a lot of it has to do with a company's ability to drive business success. For instance, in our case here at Groupon, CX success means our customers can really leverage our brand to empower their lives from an experience perspective. Saving money is the whole idea behind our eCommerce marketplace. Put simply, we help connect consumers with the best local experiences and services in their neighborhoods or wherever they may be — all at unbelievable values.

Whenever they want to do something, we want them to think about Groupon. If our customers can go through that journey without running into issues when looking for and buying an experience, to me that's a success. Of course,

there are always challenges. The biggest one we are focusing on right now has to do with fulfilling customer intent while managing a very dense inventory. If customers visit our website and we don't have the inventory they are looking for, then we're not offering a great customer experience, right?

EITK: What do you feel as a CX leader is one of the most important things you've learned over the past year?

FRANCISCO: I've been making a conscious effort to explore and see what else is out there in the industry. Here at Groupon, we usually run several pilots around technologies that we find. During Customer Response Summit (CRS) Coronado, I connected with a few companies that we're now engaging in pilot programs with. The main thing I've learned from all of this is you must remain very focused on what it is you're trying to achieve with various technologies.

When you think about all the different technology services and providers that are out there, many of which are doing relatively similar things, it can be overwhelming. That's why it's imperative to know what you're looking for

and how particular technologies fit into your ecosystem to solve challenges. Otherwise, you can get lost very easily. Right now, we are focused on pre-purchase and post-purchase.

EITK: When it comes to innovation, what are some of the pain points and key challenges that Groupon faces?

FRANCISCO: One of the biggest challenges is having alignment throughout the organization as it relates to justifying how certain investments we're making are supposed to drive customer success and then how that customer success is going to drive the success of the overall business. It's never been more important for our teams to work together to understand the value of CX in our specific industry and business. At the end of the day, empowering our customers is going to drive the top line in our business. Also, making sure data flows through our different systems effectively is key. However, our data is mainly there to allow us to support customers from a transactional perspective as opposed to being a point convergence for business intelligence. There are many technologies out there that are based on simply leveraging your own data. From an internal perspective, I think that's where the silos and misalignment can come into play. For us, data is a very minimal aspect of being able to connect to the customer and build solid relationships to get them to become a return customer and grow customer loyalty.

EITK: When it comes to creating unforgettable experiences for customers, no detail is too small. In what ways does Groupon seek to wow its customers?

FRANCISCO: I would say that the biggest effort today, again, is all about inventory density. The intention is to fulfill the customer's intent

and change their behavior. If they want to do something locally, we want them to come to Groupon. In many ways, we are working on this. When we get to that place, it's going to be an impressive change because there isn't anything else out there like that in the market. If you think about the experience market, it isn't very big. It hasn't been exploited yet. We want to completely change the way people approach purchasing local experiences online. We want people to know that the experiences are there waiting whenever they want to enjoy them. They just need to pull up the app, search for a particular experience, and purchase it.

We recently launched our Best Price Guarantee, which is a program that will help us build trust with our customers. The aim is for them to know that when they're purchasing on Groupon, they won't find a cheaper option out there. If they do, we basically match the difference and give them some Groupon Bucks to use on an additional purchase. Ultimately, we want to attract customers, deliver a robust inventory and, at the same time, gain their trust. The only way to retain customers is to increase that trust and that's a key contribution we can be doing from our contact center. While we're not quite there today, if we get there, that means we're growing and doing business with intent.

EITK: Quite simply, empathy is the best way for brands to show their customers that they really care. How is empathy being incorporated within Groupon's contact center to build a better experience?

At the end of the day, EMPOWERING our customers is going to drive the top line in our businesses.

FRANCISCO: For many, empathy can come across as a buzzword. To me, empathy isn't about someone saying, "Oh, I'm so sorry that this happened." Empathy is being able to put yourself in the shoes of someone else. The way we approach empathy is by building trust. If you're just managing the frustration of the customer, which is the basics of any contact center, people can see right through that and know it's not genuine. Our contact center's agents approach these situations in ways that build trust rather than simply managing the frustration. That's our approach to empathy. I think it needs to be unpacked. What does empathy mean in your business? What does it mean for specific customers?

EITK: Many of us can look back and remember less-than-ideal experiences we've had as customers. But in terms of positive experiences, can you think of a time when you've had your most delightful customer experience? How were you treated? How did you feel?

FRANCISCO: The most recent one that I really enjoyed was with Hilton. This was during my stay at Hotel del Coronado for the Execs In The Know Customer Response Summit (CRS) event. The entire experience from checking in was

amazing. This is particularly interesting for me because it has been a while since I traveled. I used to travel at least once a month prior to the pandemic when I exclusively managed our vendor locations. Now that I'm getting back into that rhythm, I've forgotten all about it. From the moment I arrived at CRS in the lobby, there were so many things that happened to me that I didn't look for or expect. For example, my room was upgraded, and I received a view because of my status. When I entered my room, my name was on the screen. In general, there were plenty of little things that happened, which allowed me to have the best time of my life, including interactions with the hotel personnel. Sure, part of the delight had to do with being near the ocean, but the overall stay felt like an enhanced, well-crafted experience.

Another recent experience was with a brand called Huckberry, which sells men's adventure apparel, home goods, and gear. From the moment of purchase, they kept connecting with me to let me know they appreciated that I bought from the brand. I also received an extra free item because it was my first time purchasing from them and even the packaging everything came in was amazing. When I went to return a couple of T-shirts that didn't fit, the process was just great and hassle-free. Here's the thing, eCommerce isn't a novelty anymore. It's the way that we transact today, and brands need to approach the customer journey in a different manner so it doesn't feel automated, even if it is on the backend.

EITK: Are there any interesting facts you can share about working for Groupon that most consumers don't know?

FRANCISCO: Yes, something people might not know about us is the brand gifts employees these really cool classic Adidas jackets. I've

been with the company for 12 years and have an entire collection of jackets I've received throughout my career. At the two-year, five-year, and 10-year marks, I was given a different one. In a way, the jackets exemplify your rank and I wear them very proudly. If you see a colleague walking around the office with a red Adidas jacket, you know this person is aware of what's been happening in the past 10 years of the company. It's a fun way of interacting with each other when it comes to our company culture and employee engagement.

EITK: What are a few key qualities of leaders who inspire you?

FRANCISCO: One of the qualities I've learned and try to incorporate is the focus on people. A manager once taught me that to truly drive a business's success you can't put the people aspect of your business second. She managed to drive business success by focusing exclusively on people. So, for me, I'm inspired by helping people to develop themselves and grow professionally. This has allowed me to create teams that are effective. Lifting others up is an inspiring and admirable trait.

The second quality has to do with being focused on the truth. Obviously, the truth needs to be handled with care, but it needs to be handled, nonetheless. I never want to steer away from the truth or fall into fallacies. Trust in people also drives business success. People tend to steer away from the truth because it can get ugly. Like many companies, Groupon recently had layoffs as part of cost-cutting measures meant to generate positive cash flow by the end of 2022. The best way to handle the situation was with the truth, explaining to people the reason behind the decision and supporting those we had to let go.

EITK: Even the most successful and productive leaders make outside interests and passions a top priority. How do you prefer to spend your leisure time?

FRANCISCO: I love to make music. It's one of my biggest hobbies. As soon as I'm done with work for the day, I begin making music. I enjoy creating my own original music and working on other people's music. It's something that really energizes me and is equivalent to going to the gym or even going to therapy. I try to allocate 30 to 45 minutes every single day just focusing on music and just really enjoying the process of creating. It helps me disconnect from work because it's an activity that requires so much of my focus that it really gets me out of the work machine.

However, even more important than the music is spending quality time with my family. I have a wife and a three-year-old daughter, so I try to spend as much time with them as possible.

EITK: Since joining the Execs In The Know "KIA" (Know It All) Online Community, what stands out about your experiences so far? What does the community mean to you?

FRANCISCO: I have grown fond of the Execs In The Know KIA Online community since joining, and I try to collaborate with other leaders whenever I can. I have made quite a few connections just because of KIA. There aren't very many spaces out there within the industry like it, either. I treasure this amazing community because of that aspect and I'm looking forward to what's ahead in the future.

The Critical Link Between EX and CX

After years of adapting to pandemic-spurred changes, 2023 is the time for brands to be deliberate and deliver the best possible experiences to customers and employees alike.

When employee experience (EX) and customer experience (CX) work together, they can deliver incredible results. The reason for this is simple — employees who are happy, fulfilled, engaged, and challenged translates to better results as they care more about the experience they deliver to customers.

By now, you know that happier employees are willing to go the extra mile for customers. This is particularly true in industries where there's close contact between employees and

customers, such as health care, tourism and travel, retail, and financial services. In contrast, a negative employee experience results in disengaged employees simply going through the motions.

When viewed historically, brands have treated EX and CX as separate initiatives, and despite efforts to align the two, current approaches often remain siloed and piecemeal. Forward-thinking brands will focus on closing this gap to design people-centric experiences that give

their employees the space they need to tap into their full potential and deliver transformative results.

As brands continue to look at the ways they could show up and be supportive of the people they rely on every day to operate the business, they're discovering the critical link that can no longer be overlooked.

It's time to find out why happy employees are good for business.

What Employees Want

Your employees are more than just their jobs. They have challenges, passions, needs, and skills that don't always fit neatly into traditional categories of life and work. The post-pandemic world we're living in has caused a lot of reflection about what's important for people. Now, more than ever, employees are thinking long and hard about where and why they work. The best employee experience is not meant to be yet another organizational process.

So, what is the workforce of 2023 prioritizing? While there are some constants when it comes to what employees are looking for, contrary to conventional wisdom, the answer is rarely just to be paid more. A fair wage and being treated respectfully never go out of style, though an internal focus on employee engagement,

satisfaction, and well-being tops the charts. Workers expect their personal sense of purpose to align with the organization they work for.

Today's workers are hungry for a sense of agency, trust, belonging, and social unity. They desire clear responsibilities and opportunities to learn and grow. A work-life balance, mental health benefits, and flexibility, as you might suspect, are also now givens. In fact, according to a recent Gallup survey[1], 61% said they put a high value on improving their work-life balance and personal well-being, compared to just 53% in 2015. Furthermore, if a brand could support remote work during the pandemic, employees want to at least have the option to continue working remotely part of the time.

Some of the factors that impact employee experience are:

- Transparency, trust, and communication from employers

- The availability of a frictionless, collaborative work environment with digital experiences embedded in the workflow

- An organizational culture of belonging and inclusion

- Employee listening, engagement, and recognition from management and peers

- Career development and upskilling opportunities

- Demonstrated corporate social responsibility

Brands can offer excellent EX by exploring and understanding the moments that matter throughout the employee journey. How employees interact with customers, their overall level of engagement, and what empowers them to do the best job possible. The journey could also include moments like their first day on the job, performance reviews, or even how they feel supported through a personal life event, such as a birth or death in the family.
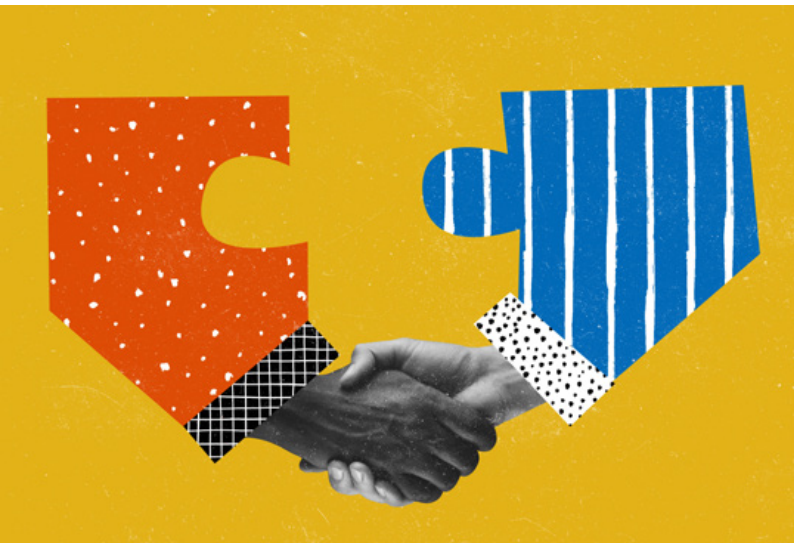
Engaged Teams Deliver Better Results

Placing employee engagement first can be the clearest path toward improving CX. Employees with positive experiences often feel motivated and are driven to achieve better results. In fact, in an analysis of Gartner clients, engaged employees made an 81% difference in absenteeism[2] and a 14% difference in productivity compared to less engaged employees.

An engaged workforce can significantly improve a variety of key performance indicators, including, but not limited to, customer ratings, profitability, productivity, shrinkage, safety incidents, and quality.

At SmileDirectClub, the brand places a strong emphasis on giving their people more engagement opportunities in the workplace, empowering them to be engaged and passionate about the customer experience.

"I really love how our company focuses on our values. We hold a lot of virtual events and monthly engagement sessions. Additionally, we celebrate our top performers with rewards and recognition. We make a really big deal about our people and celebrate all the wins that improve our customer experience through the employee experience," said Alvin Stokes, Chief Customer Contact Officer at SmileDirectClub.

"We also listen to our team members. Our company culture is like no place I've ever been. We hold sessions where we do call listening and we watch videos of shops with our team members across all levels with our C-Suite several times a week to get feedback on every interaction. Our front-line team members having the opportunity to be on calls with the CEO and get direct feedback is a neat thing we do to boost employee engagement. As a brand, we benefit from seeing what's really happening

and learning from the team members who are speaking directly with our customers. And that's how we continuously improve."

Moreover, research from Qualtrics[3] has found that brands with a high level of employee engagement have a 24% higher Net Promoter Score (NPS) than less-engaged competitors, with 12% higher customer advocacy.

A caring, engaged, empowered employee can make all the difference. As the saying goes, "happy employees make for happy customers."

Challenges Facing Organizations

It's clear that the key to a world-class customer experience is nailing the employee experience first. But what are the biggest challenges currently facing organizations as it relates to employee experience?

"Having worked at many different levels within organizations as I've built my career, I think brands need to make sure that they're explaining the priorities to all levels, because everybody is just as important," explains Stokes.

"Every person needs to understand the ecosystem and the roadmap of how all the different EX strategies are going to get fixed over time. And then, as you fix each one, you must celebrate it. Everyone needs to see the progress so they can trust you're going to continue to improve their experiences. Sometimes, the biggest things to fix with EX can cost a lot of money. When you begin talking about CRM systems, depending on your company, you may have an old infrastructure, and it can be hard to find an ROI big enough to make an investment in the things that could make a massive difference. And, sometimes, that intangible value of improving the way team members feel about themselves is difficult to measure and put into ROI, right?"

Other challenges employers may face when delivering great EX include:

1.
Implementing the Right Tech Tools

Technology can either enable your employees to work efficiently and effectively or hinder them from doing their best work. That said, it's important for brands to explore what they expect from the tools they are using to ensure they are user-friendly and help facilitate employees' workflow.

2.
Comprehensive Performance Analysis

Performance analysis remains one of the key challenges for many businesses. The poor implementation of performance analysis tools or lack of 360-degree feedback can lead to employee dissatisfaction, loss of productivity and motivation, and unwanted attrition. Navigating today's workplace climate may require more personalized touchpoints throughout the employee journey and the promotion of a 'feedback' culture to create career road maps and assess performance effectively.

3.
Prioritizing Reskilling and Upskilling

With rapid digital transformation in our working world, brands are facing increasing pressures to help employees build new talents to fulfill changing job functions and take on new responsibilities.

Many CX leaders are concerned about closing skills gaps, especially at the leadership level, are looking for solutions to break down the barriers to establish a reskilling and upskilling strategy that serves both employees and overall business goals. Unilever, for example, is committing to spend $2.8 billion per year to upskill its entire global workforce[4] by 2025.

"We have a lot of cross-pollination going on at SmileDirectClub to help build a more holistic team with a log of experience in various departments," added Stokes.

4.
Do What Works, Not What's Trending

Businesses everywhere are beginning to expand the employee experience conversation. With that said, while trying to improve your EX, it's important not to simply follow the crowd.

It's not a one-size-fits-all when it comes to strategy. For instance, just because one brand may offer free employee yoga classes or unlimited vacation policies doesn't mean these things are right for your organization and the type of talent you're looking to attract and retain. When building out your EX program, you can allow room for variety and personalization to accommodate your diverse workforce.

Measure Your Results

Improving your employee experience can only come with consistent measurement of key metrics. Without measuring your results,

improvement becomes a guessing game about what's working and what isn't.

Additionally, you may want to try tracking how employees feel about the overall experience of working for the brand. A simple NPS survey sent out at regular intervals could be a great source of continuous feedback. After collecting and analyzing this data, that's when you can begin developing insights into where and how to make improvements.

EX and CX: Two Sides of the Same Coin

The EX and CX landscape are changing quickly, and the critical link between the two has become apparent. The bottom line: they both greatly influence each other. If there's one thing that's true and constant about today's ever-changing market, it's that the companies that deliver the best experiences win.

While EX may look different for every brand, your employees are often your most untapped resource when it comes to building powerful customer experiences. When employees feel connected to and valued by the brand, they want to bring customers into the fold. Especially in today's technology-driven world, consumers want to buy from brands that show appreciation

for the people who keep the business running day-to-day.

By looking at EX and CX holistically as one entity rather than two, you can maximize satisfaction, performance, and productivity, retain employees, foster tighter team connections, and drive better business outcomes. The relationship between EX and CX is sure to be a trending topic and major focus, not only in 2023, but for years to come. 🎔

Links:

1 https://www.gallup.com/workplace/389807/top-things-employees-next-job.aspx

2 https://www.gallup.com/workplace/236366/right-culture-not-employee-satisfaction.aspx

3 https://www.qualtrics.com/experience-management/customer/cx-employee-engagement/

4 https://www.unilever.com/news/press-and-media/press-releases/2021/unilever-commits-to-help-build-a-more-inclusive-society/

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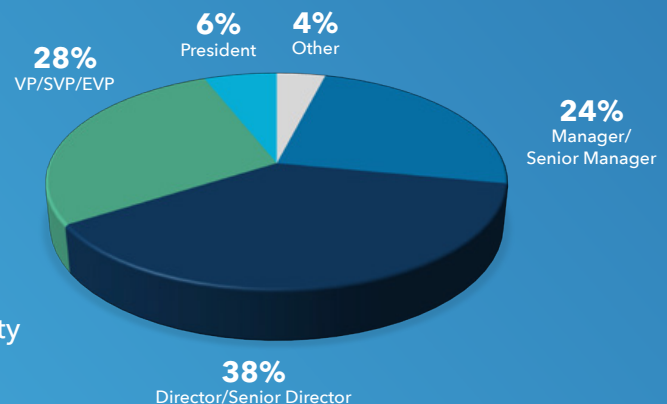- Quick access to manage your profile and community activity

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In addition to accessing our private discussion boards and content, KIA members can tap into the CX Marketplace, our robust, content-rich showcase for emerging solutions in the CX space. When you join, you will gain access to information only members can view, including exclusive content and our "Members with Insights."

* KIA membership is open to corporate executives who are focused on the operational strategy and execution of customer care. If you are a Business Partner or vendor, while you can't join KIA, if you are interested in learning how to become a participating CX Marketplace partner, please contact: scott@execsintheknow.com

Pie chart:
- 6% President
- 4% Other
- 28% VP/SVP/EVP
- 24% Manager/Senior Manager
- 38% Director/Senior Director

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TOP 4 REASONS TO ATTEND

1.
LEARN FROM PRACTITIONERS ON THE PODIUM
Gain valuable insights from CX leaders at the highest levels (EVPs, VPs, Global Directors, etc.) representing some of the most prominent corporate brands including keynotes from: St. Jude Children's Research Hospital, Nationwide, Marriott International, and Turo.

2.
HELP SHAPE THE CONVERSATIONS & SET THE AGENDA OF CX IN 2023 & BEYOND
Witness the power of collaboration to surface some of the important conversations needed to advance the industry and the willingness of the attendees to interact and problem-solve together at the event and throughout the year.

3.
BUILD LASTING CONNECTIONS WITH YOUR PEERS
Experience an environment where inclusive networking is prioritized in an agenda that is packed with moments for connecting personally and professionally with your CX leadership peers.

4.
PREPARE FOR THE FUTURE
Take time to reflect and examine the possibilities of CX as it relates to leadership, people, processes, and technologies with a deep dive into important topics for today and the future.

REGISTER TODAY!

https://execsintheknow.com/events/customer-response-summit-austin-2023/

SAVE THE DATE

CRS NEXT STOP
Nashville, TN
September 20-22, 2023

Stay tuned for more details.

ExecsIntheKnow.com