5 CX Trends to Watch Out for in 2023

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

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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 towards 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 US 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 US 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.

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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

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

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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

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