



## Expected CX Trends to Look Out for in 2021

### Introduction

If 2020 could be labelled anything, it would be, 'unpredictable'!

With all the changes that took place this year, it is somewhat inevitable that the state of customer experience (CX) has also changed.

With global lockdowns, social distancing, and remote working having become a focal point of 2020, it is expected that the pandemic will continue to have a greater impact on an organisation's CX in 2021.

While it may sound strange, due to the COVID-19 pandemic, it is safe to say that we have just experienced a year of acceleration and a year of great pause. These paradoxical traits have led to challenges and loss for businesses and people at large. The pandemic certainly has fast tracked digital adoption and innovations in the CX realm - a movement which is certain to continue and grow exponentially in the years to come.

When the world changed dramatically, in some cases literally overnight, brands and businesses were forced into a position where they needed to figure out how to shift to new models in real time. What is amazing is how they stepped up to the challenge and continued to serve both employees and customers alike in new ways.

In this paper, we will take a look at the CX trends which are set to take the lead in 2021, Trends such as; the increase in contactless services, tele-health, the website renaissance, and AI to name a few.

### CX Trends Set to Take Hold of 2021

#### Contactless and Self-Service are Here to Stay

Due to Covid-19 being primarily transmitted through direct or indirect close contact with infected people via mouth or nose secretions, social distancing and frequent sanitation are highly recommended. As such, it is not surprising to see consumers demand services with minimum human contact, which in turn promotes contactless self-services (Kwok, 2020).

- **Embeddable Experiences:** Whether through a phone call, text message, or an app, consumers are predominately connecting with brands today through their smartphones. As such, researchers are seeing a massive demand for embeddable experiences that blend channels and communication styles across digital and voice — and across marketing, sales, and support — for a more unified brand experience (Johnson, 2020). This, in turn, has contact centre leaders increasingly asking about smartphone biometrics, real-time multimedia sharing, and modern authentication methods such as face ID, thumbprint verification, and pattern recognition- thus, reducing the amount of physical contact that consumers have with the external environment.
- **Embracing the Remote Consumer:** One of the biggest global themes and challenges in 2020 was remote work, as the global pandemic forced businesses to accelerate the decentralisation of workforces, including contact centre admins, supervisors, and agents. As businesses began to dust off and update their long-standing digital transformation requirements, they had begun to realise that, not only was CX now at the heart of their strategy, but that the technology needed for their remote workers had, in fact, long been the mainstream for their *remote customers*. Now, with this sudden refresh cycle, businesses are rapidly embracing the digital-first, mobile-centric consumer, and making significant investments to cater to their modern lifestyles (Johnson, 2020).

## More Organisations Will Begin to Embrace Disruptive Technology to Achieve CX Outcomes

As we know, the world of customer communications is constantly changing, and with the rate at which technology is advancing, these changes are happening faster than ever. The question may be asked, “People in 1950 are made of the same *stuff* as the people in 2020, so, why are *customer expectations* constantly evolving?” The simple answer is it’s due to the power of technology and how it shapes our experiences (Commbbox, 2020).

With genome sequencing, energy storage, and digital wallets - the cutting edge of technological innovation is being propelled by desire to improve the human experience. Technological disruption is occurring in almost every industry and having immediate and long-lasting effects on CX.

Let's take a look at some of the CX trends in the digital space which will impact the customer's experience in 2021:

- **CX to Drive Digital Maturity:** Studies (Johnson, 2020) suggest that consumer behaviour has always been ahead of, and thus the driving force for, business technology innovation. However, while sales and marketing have had significant investments in R&D, the contact centre has fallen far behind. That is because while we all talk a *lot* about customer-centricity, we tend to then go right on ahead and prioritise the needs of our agents, departments, and businesses. If we are going to be customer-centric, we must actually (finally) put the needs of our customers first. The challenges of 2020 brought this realisation to the forefront, and as a result, CX is getting substantial, hands-on focus and prioritisation from enterprise executives. Furthermore, now more than ever, the term “digital transformation” is being heard- while it appears as

though the importance of the contact centre and CX requirements are carrying much more weight and urgency relative to other areas of the business. Chief experience officers are the change-makers that are investing in technology that holistically modernises experiences for customers and employees (Johnson, 2020).

- **Data Privacy and Security:** Security and compliance are, by no means, new areas of focus for the contact centre, but these have certainly become extraordinarily more complex in a world of disparate technologies and data. This may be largely due to a battle between CRM and contact centre vendors over which department would provide the system of record (Johnson, 2020). Thus, leading to redundant data being the result of this 'battle', with excessive storage use and fragmented reporting — and much greater complexity, effort, and risk associated with data management and security. But now global enterprises are overwhelmingly seeking to unify their customer data into a single source of truth — their CRM. By eliminating data redundancies, organisations can radically reduce the effort required to ensure data security and maintain much greater agility and elasticity to operationalise across borders. High profile data breaches are happening at an alarming rate in 2020 and this looks set to continue for the foreseeable future. Disreputable individuals work hard to breach systems and gain access to valuable customer data for exploitation purposes. Equally, cybersecurity professionals work hard to combat this, but the cycle continues. As a result of these attacks making it into the news regularly, customers are more conscious than ever about their data and security (Commbox, 2020). Customers understand that their data is valuable to your business. They also understand that by sharing their data they get something valuable in return (a more personalised experience). However, this does not automatically mean that they are happy to give their data up freely. Many consumers no longer trust companies with their data. In 2021, we expect to see more companies implementing tighter privacy and cloud security practices and communicating this to their customers. It is also expected that companies will offer more ways for customers to have agency over which data they share. Companies that are serious about privacy and respect with data attract more customers, particularly privacy-conscious ones (Commbox, 2020).
- **Level-Setting AI Expectations:** The words “artificial intelligence” (AI) conjures of epic Hollywood showdowns between man and antagonistic machine. But 2021 is not going to play host to any giant robots wielding machine guns. At least, we hope it won't. It is no secret that AI is transforming the way businesses interact with their customers. Microsoft (2017) predicts that by 2025 as many as 95% of customer interactions will be through AI. Artificial intelligence continues to evolve and will certainly improve customer interactions and outcomes over the years to come. The renewed focus on digital transformation and CX, however, has quickly de-emphasised the sweeping mandates to use AI for cost-cutting, and replaced them with requirements for more practical automation and self-service options that can move the needle today. While use of AI continues to grow, organisations are already switching focus to intelligent automation for operational efficiencies, CX, and more. Predictive routing automated after-call work, and data-driven agent-assist functions are being rapidly requested and adopted and will only

accelerate in 2021 (Johnson, 2020). AI re-imagines customer experiences and end-to-end customer journeys. The result? Integrated and personalised customer experience (Allen, 2020). With AI, brands can be available to their customers at every stage of their journeys, instantaneously (Allen, 2020). Leveraging AI can help businesses better understand customers and deliver better CX, resulting in higher conversions and decreased cart abandonment. One of the biggest challenges facing customer service teams is handling an increase in customer support calls, emails, and social media inquiries. Customer service teams can employ AI to handle low-level support issues in real time, and further gather initial information for live agents before intervention is needed. This results in lower wait periods and fewer frustrated customers. In a world where good customer experience can make or break a business, AI is a great tool to ensure customers feel their time is valued and stay loyal to a business. Here are some examples of how businesses use AI to streamline CX:

- Automated answering service for sorting and routing support
  - Automating manual tasks like tagging
  - Intelligently routing complaints or queries to the most appropriate agent
  - Augmented messaging that allows chatbots and human agents to work in tandem. The bots handle simple queries, and the agents can take over when it gets too complicated.
- Two major trends in AI customer service software that will continue to grow in 2021 (Allen, 2020):
    - **Rise of the Chatbots:** Chatbots are nothing new, but they are expected to become even more popular in 2021 and beyond. Chatbots are proving to be extremely useful in elevating customer experiences while also bringing benefits to businesses. Here is a quick look at the benefits of chatbots:
      - They reduce pressure on customer service staff by handling simple customer problems.
      - They are great for lead generation, helping the sales team successfully convert more potential customers.
      - They are great for collecting customer data that can be analysed to gain valuable insights into your audience and boost customer understanding.
      - They allow you to operate 24/7. This is great for customers who don't fall into the typical 9-5 pattern, or customers who prefer to engage in a more flexible way. This is also beneficial if/when approaching global markets where the customers are living in different time zones.
      - Increased customer engagement. You are always available to engage with the customer.
      - Long term cost savings for the company
    - **Virtual Assistants:** *Virtual assistants allow users to interact with spoken language ("Hey Alexa!", "Hey Google!") and help to relieve pressure on support staff by enabling interactive in-app support for users. AI virtual assistants are rising to new challenges and playing a vital role in automating customer service interactions. In the next few years,*

virtual assistants are set to become more **customisable, contextual, and conversational**. Contrary to popular belief, virtual assistants are not being used to replace humans completely, but rather to streamline CX while freeing up human agents for important tasks.

- **Hyper-Personalisation:** Personalisation has been a major focus of businesses for the last five years, and with good reason. Studies (Allen, 2020) have found that 80% of customers are more likely to purchase products and services from brands that offer personalised experiences. Personalisation is better for both customers, and businesses. Customers receive promotions and offers that are relevant to them- things that they want or need. They, therefore, no longer have to stare at their screen thinking “why am I seeing an ad for this?” or “why does X company think I would be interested in this product?”. Furthermore, because the ads connect more with customers, they are more likely to buy products, which is great for the company. Personalisation goes beyond marketing and rather forms part of major touch points within the customer's journey, thus further improving upon their overall experience with the organisation. Businesses are increasingly trying to capitalise on personalisation to create more meaningful experiences for customers. For example, something as simple as asking a customer for their communication preferences can make a big difference. You then know how they want to be contacted and you can avoid frustrating them by choosing a different platform. This focus is of course expected to continue into 2021, but with an even greater focus on connecting with customers in the digital spaces they frequent. You can now communicate with customers on Facebook, WhatsApp, Telegram, Twitter, and other popular communication apps. We expect to see more companies reaching out to customers through online messaging channels to offer promotions, updates on orders, or other personalised messages in 2021.

## Predictive Analytics and Data Science

Data science is booming, and this will continue into 2021. With the rise of clean data gathering tools that are supported by omnichannel platforms, we are able to gain even more from our data every year. Nothing is unimportant when it comes to customer data. Everything has the power to inform how we create goals for the business going forward. Here's a quick look at some of the data types that businesses are increasingly focusing on (Allen, 2020):

- Transactional customer data.
- How the customer uses the product
- Customer behaviour on the website.
- Text data from live chat, emails, complaint forms, and other customer communications.
- Segmentation – Can you find patterns in your customers based on shared experiences or situations? For example, the age, location, marital status, education, political persuasion, and so on, of your customers.
- The way customers react to changes in product pricing or how they feel about certain promotions.
- The lifetime value of customers.
- Customer preferences.

***This is a field wherein Genex Insights excels and can help you implement predictive analytics through the use of our state-of-the-art technology. What's more, our technology is home grown!***

Once you have enough customer data and are proficient in handling and analysing it, you can start to utilise predictive analytics. This field of AI and machine learning is advancing at a rapid rate right now. So, what does it mean for companies looking to enhance the customer experience? They can (Allen, 2020):

- Provide real-time feedback – If the customer interacts negatively with a product on the website, their next suggestion will take this into account.
- Customer needs can be predicted – How often will a customer need to purchase your product? You can send a reminder just before they run out.
- Stop customers leaving – You can identify which customers are at risk of leaving based on a range of factors.

### **Omnichannel Approach**

Customers will expect companies to have a consistent voice across all platforms. A number of companies have been working towards this in recent years, but it is now becoming an expectation rather than a "nice to have". Customers will expect a consistent experience and will become frustrated if they are treated differently on Twitter than over email, for instance. They will also become frustrated if they must continually repeat their customer data or the issues, they are facing each time they contact your business through a different channel. The data should follow the customer wherever they go. Omnichannel platforms are great for this! It is therefore expected that more companies will switch to omnichannel in 2021 and move away from a siloed approach.

### **Telehealth is Here to Stay**

Telehealth is the use of digital information and communication technologies, such as computers and mobile devices, to access health care services remotely and manage your health care. These may be technologies you use from home or that your doctor uses to improve or support health care services. We all read the statistics of the accelerated digital health growth this year. The important question is what will happen in 2021? Although the numbers from this year are not realistic, telehealth will take roughly 25% of healthcare by 2025 (Petrova, 2020).

Telehealth is poised to continue growing in 2021, offering greater access to patients of all types: the elderly, those with mental health needs, paediatric patients, and more (Hyder, 2020). Successful providers will not only have to continue evolving their ability to meet tech requirements like data encryption and privacy—they'll also have to focus on meeting the growing needs for ongoing care and mental health. If done right, telehealth companies will be able to expand healthcare access to a much greater percent of the population, especially those who traditionally have been left behind— with greater utilisation and development of patient portals, virtual appointments, and remote monitoring in the years to come.

### **Websites are Enjoying a Renaissance**

The website is back. Really speaking, this is not surprising. What is interesting, though, is how slowly brands respond to consumer behaviours. Even as we approach 2021, there are websites that have not been updated. They lack useful **customer-centred**



**messaging** about the post-Covid experience consumers can expect in their preferred brands' physical spaces. But research shows that customers need that information in order to continue to trust their beloved brands (Petrova, 2020). Healthcare providers, retailers, and grocery stores all have immense work to do. In 2021, your web experience will be a driver of customer loyalty. So, give that part of their journey the love (monetary investment) and attention (time) it deserves. Consumers have less money in their pockets and more time on their hands.

Researchers (CXc, 2020) have identified this trend as being key for companies to address in 2021 and beyond. With the macroeconomic forces of Covid-19 at play, people now have both the motivation and time to seek greater value from brands. The question this raises is one of *value*. How can an organisation find ways to offer not just value to customers, but *incredible* value? But it's not all about relying on reduced price-points to deliver value. Some industries are creating value through greater service and bundling products which work well together, which helps consumers rationalise the value exchange (CXc, 2020).

### The Goldmine of Customer Complaints

This trend has proven to be a key emotional driver for customers. How an organisation 'fixes things' when they go wrong, or even simply reacts to customer complaints can be make or break for customers, and in fact should be viewed as an opportunity rather than an inconvenience (CXc, 2020). Learning the value of customer complaints is an important step in taking your company to the next level and improving customer experience. But, if you know how to handle complaints effectively, they can be turned into constructive opportunities for your team and your company to grow (Genex Insights, 2020).

### The Rise of The Analytics-Led Employee Experience

Historically, organisations have focused on and invested in CX technology. While that is certainly critical, we often forget to consider the employee experience (EX). Not anymore as this is expected to see a big shift in focus to EX technology, especially as research shows happy employees are more productive (Gallino, 2020). Work-from-home (WFH) environments have made it difficult for brands to manage, engage, equip, and evaluate remote customer service employees (Gallino, 2020).

Supervisors who used to walk around the office to observe and engage with employees as they interact with customers are encountering significant hurdles in performance management. Interaction analytics is an AI-powered technology that listens to and assesses 100% of customer-brand interactions. This can be especially helpful in the WFH setting, as it can allow supervisors to evaluate employee performance, provide objective feedback, and offer real-time guidance without being nearby. 2021 will be a year driven by an analytics-led EX, and the benefits should go beyond positively affecting employee retention. Happier employees can deliver enterprise-wide value, including better CX, stronger customer brand loyalty, and reduced customer churn. Furthermore, by increasing visibility into employee-customer interactions, organisations can uncover new insights that highlight what's working and what's not and make it easier for leadership to make decisions that improve both EX and CX (Gallino, 2020).

## **CX Trends to Help Manufacturers Thrive In 2021**

### **Disintermediation: Invest in D2C**

Before 2020, brands were slowly moving toward more direct-to-consumer (D2C) selling. Now brands are seeing their retail channel partners struggle and even go out of business due to pandemic impacts, and the value of a direct connection to consumers is much more immediate (Harrelson, 2020).

Some high-profile consumer brands have sent very clear messages to the marketplace, including to Amazon (Harrelson, 2020) and other retailers, that they are pulling back from selling through their channels in favour of selling directly to consumers. One major fitness brand recently projected that 50% of its total revenue will come from digital channels in the years to follow (Harrelson, 2020).

With consumers on board and money to be made, what could be holding manufacturers back from D2C? In some cases, brands are concerned about the effect D2C could have on their relationships with existing vendors. To avoid competing with retail partners, develop unique D2C offers. For example, a nutritional foods manufacturer that sells by the pallet to retailers must offer smaller-quantity packaging for D2C. That change in quantity requires a rethink of pricing and marketing as well, to give consumers a reason to buy directly from them (Harrelson, 2020).

### **Online Marketplaces: Offer the Right Products**

While D2C can make sense for many manufacturers, the marketplace model may be losing its appeal to some. There appears to be some concern among brands that hosting a marketplace where buyers and sellers come together may compete with their D2C offerings or make it hard to compete on value instead of price (Harrelson, 2020).

One possible option for brands is to use the marketplace to sell their excess and older inventory that doesn't compete with their retail and D2C offerings, while also inviting other sellers in to generate revenue from third-party transactions (Harrelson, 2020). This approach may not be for everybody, but for organisations with surplus products on hand and a large enough segment of customers that shops on marketplaces, it may be a workable option (Harrelson, 2020).

### **“Servitization”: Add Value by Selling Solutions**

“Servitization” refers to industries using their products to sell “outcome as a service” rather than a one-off sale. Customers have more channels to shop in. As a result, both B2C and B2B manufacturers face the possibility that their products become commoditised. That trend can push brands to compete on price instead of value. One solution is to add value by bundling services with products. For example, some original equipment manufacturers are now offering maintenance as a service for customers who purchase their machinery (Harrelson, 2020). This “servitization” of products generates more revenue for manufacturers and adds value for their customers.

This approach requires data generated by internet-of-things (IoT) technology, such as sensors that monitor motor vibrations to let manufacturers know when a piece of equipment needs service. This can reduce customer downtime due to equipment



problems and allow customers to schedule repairs at the least disruptive time of day (Harrelson, 2020).

### **Loyalty and Personalisation: Focus on B2B CX**

As with hyper-personalisation, the data that manufacturers collect and leverage to serve customers can also personalise the customer experience with the business that they service. B2C commerce has led the way in using data to identify customer personas and create individualised experiences to engage customers along their journeys. Now, B2B customers increasingly expect the same level of personalisation — and they are likely to be more loyal to brands that deliver (Harrelson, 2020).

As with some of the other trends to watch in 2021, the demand for personalisation has accelerated because of the pandemic. That's especially true for B2B manufacturers that are dealing with prospects and customers digitally instead of face-to-face in the field. This year, more B2B customers have been coming to suppliers' websites and discovering that the experience did not live up to their expectations.

However, manufacturers can use data to create a seamless experience that recognises customers across digital channels - social, email and web. To do this, you need an understanding of your customer segments, what they want to do when they arrive at your website, and what services they may need to support the products you sell (Harrelson, 2020). When you can tailor valuable, easy to understand offers to each visitor and follow through on those promises with results you will be well on your way to delivering more engaging experiences and building customer loyalty for 2021 and beyond (Harrelson, 2020).

### **What Does Upcoming CX Trends Mean for Organisation's Strategies?**

#### **Reap the rewards or suffer the penalties: CX is the future of retail**

With e-commerce in the forefront, customer-focused skills, talents, work streams, and business approaches will be in demand. This demand will awaken new corners of the entire concept of customer experience.

Rupert O'Halloran VP of Global Commerce GTM of SAP, said it best (Thum, 2020):  
"Rewards for excellent customer experiences have never been higher. Penalties for poor customer experiences have never been more punitive."

Customer experience expectations are forever changed and will go on to be transformed with time. It is therefore, not enough to have a multi-year strategy and hope for the best. Customers have real needs in real time, and brands need to be nimble enough to deliver for them.

Just like our 1980s and '90s mall-ready hairstyles and acid-washed, pin rolled jeans had to be updated for modern times, the table stakes for CX are modernising, too (Thum, 2020). If 2020 has taught us anything it is that, in the world of customer experiences, flexibility and adaptability are so crucial. CX professionals need to be ready for anything and need to further be able to manoeuvre their strategies to make room for the here and now.

## Conclusion

Disruption was the theme of 2020 for all of us and manufacturers were no exception. The pandemic and economy forced organisations to pivot to digital channels and quickly devise new ways of engaging customers. Not surprisingly, some of those changes are here to stay. The new emphasis on digital purchasing and rising customer expectations for digital experience give organisations some opportunities to grow revenue and build customer loyalty.

With trends such as contactless self-service platforms being further developed, embracing disruptive technologies, the website renaissance, and customer complaint management as a goldmine to CX, among numerous other, all being expected focal points of the CX game in 2021, organisations should expect to spend time and money investing in their customer's experience if they intend to be at the forefront of industries.

At the end of the day, it is up to organisations to recognise and understand the needs of their customers individually, so as to strike the balance between human and technology they demand. Regardless of how businesses achieve it, the pressure from consumers is there to be provided with more value than was previously accepted.

**Whether it is looking at predictive analytics, improving employee engagement, or putting measures into place to gain customer understanding in order to implement hyper-personalisation in 2021- Be sure to get in touch with a Genie today to get your organisation's CX up and running and be ahead of the game in 2021.**

## References

Allen, J., (2020). *Top 5 Customer Experience Predictions for 2021*. Kustomer.

Gallino, J., (2020). *The CX Technology Revolution: What to Expect in 2021*. Forbes

Genex Insights., (2020). *Complaint Management*.

Harrelson, D., (2020). *These Customer Experience Trends Can Help Manufacturers*

*Thrive in 2021*. CMS Wire

Hyder, S., (2020). *Where Telehealth is Headed in 2021*. Forbes.

Johnson, B., (2020). *Contact Centre Modernisation: 5 CX Trends for 2021*

Kwow, L., (2020). *Contactless Self-Services are Here to Stay After Covid-19*.

HospitalityNet

Petrova, L., (2020). *2021 Customer Experience Trends and Tactics*. CustomerThink.

Thum, S., (2020). *2021 CX Retail Trends: How to Defy the Decline of Brick-and-Mortar*.

*The Future of Customer Engagement and Experience*.