

The Future of CX: 2022

A trends report by Freshworks



Introduction

As we enter 2022, digital-first service experiences of the last two years have redefined our future.

Physical constraints took consumers to digital platforms, which in turn forced businesses to redefine customer experience (CX) and meet them there. With the world opening up and the option of in-store experiences back in play, customer delight is taking a new form.

Consumers have embraced the ease and convenience of engaging online, while craving for the connection and empathy of personal interactions. For businesses, this reinforces the need for a seamless omnichannel strategy that speaks to the digital-first consumer, while ensuring human engagement. All while navigating a possibly permanent hybrid work environment.

In this report, we outline 5 key trends around consumer and business behavior. Stay on top of them to reduce your cost of operations, empower your employees to become agents of delight, and deepen customer loyalty.



Consumer behaviour, and what it's telling you

The new ‘want it now’ culture dictates the terms

We surveyed over 4,500 businesses and analyzed **107 million customer interactions** to understand the key driver of customer satisfaction. The data showed that speed of service had the highest impact on CSAT scores.

Physical constraints in store and at work, pushed consumers to a virtual life. This shift to digital channels has also led to an expectation of faster service, with

80% of them demanding quicker responses from businesses. With an expected 160% increase in the frequency of digital purchases, it has become a necessity to embrace a digital-first mindset.

In 2020 alone, 7-Eleven saw a 44% jump in Facebook interactions. This trend has continued in 2021 where 60% of overall queries are coming in through social media.

Did you know?

Customer interactions with high CSAT scores shared a common rate of response: 2+1



This means that your perfect exchange should ideally look like this:

- 1 message from the customer, stating the problem
- 1 reply from the agent, resolving the problem
- 1 (optional) response from the customer, (usually saying “Thanks!”)

Are your customer service operations set up for this?

Today's consumers want to receive support through any channel that serves their purpose the fastest. Data found that 39% of them would rather use self-service options and feel that it is their quickest route to a solution over any other channel. However, 61% also admire companies that use a smart mix of self-service and humans who can support them with empathy and speed.



BREWDOG

“It's really key for us to have the right tech to be able to deliver exceptional, world-class service, cope with various peaks, and deal with contacts at-speed while also focussing on quality”

Emma DeSena

Customer Services Manager, BrewDog (UK)

Trend 2

Seamless omnichannel experiences replace physical-digital patchwork

Customers have the option of engaging through a number of channels – traditional (i.e. phone and email), physical (i.e. in-store), and digital (i.e. website, app, live chat, etc.). And it's hard to predict their journey. They might see an ad on Instagram, move to the website, chat with an agent, and visit a physical store before finally making a purchase, and then take to social media to share their experiences. They expect to be able to shift channels at any point in their journey.

Consumers visiting a store or service center of a brand now expect more. They expect brands to put data

from prior interactions, demographic profile, etc. to work in delivering a hyper-personalized experience. They expect to have conversations that are steered based on a knowledge of them and their preferences.

Lenskart, India and Singapore's leading eyewear brand with a hybrid sales model, embraced this transition with great results. As an e-commerce player that branched into physical stores, the business has mastered the omnichannel 'digical' experience. Consumers may begin their journey by browsing on a website. Proactive live chat notifications nudge them towards a purchase decision with

offers and style guides. The journey is further enhanced by augmented reality, which allows consumers to experience the product virtually. When the consumer makes their way to a physical store, assistants can access past transactions and preferences to tailor recommendations. Each journey is unique to every consumer from start to finish, website to store, and everything in between.

This blurring of lines between physical and digital experiences also makes consumers less forgiving of businesses who don't get omnichannel service right.

Did you know?

Harvard Business Review coined the term 'digical' which refers to the combination of digital and physical experiences as early as 2014.



38%

of customers expect agents to know who they are and the context of their query immediately.

[Learn more](#)



80%

of buyers are more likely to make a purchase when brands offer personalized experiences.*

*Source of statistic

Trend 3

Messaging and mobile-first conversations redefine delight

Consumers value speed more than ever. Their desire for speedy interactions and resolutions now govern how they choose to communicate.

Consumers appreciate the ability to continue conversations at their own pace, on an app they already use. Apple Business Chat, Facebook Messenger, WhatsApp, and Line Chat are emerging as the go-to channels of engagement. Offering consumers the familiarity of messaging and the convenience of engaging on a mobile device is helping brands foster deeper bonds that drive loyalty.

Making customer service accessible in every user's pocket

is always a big win. But there's more. By going messaging and mobile-first, businesses are able to keep an always-on open line of communication with every customer – something that can never be feasible over traditional phone lines. They also allow customers the convenience and freedom to carry on with their tasks and pick up conversations when it's convenient for them – allowing asynchronous communication.

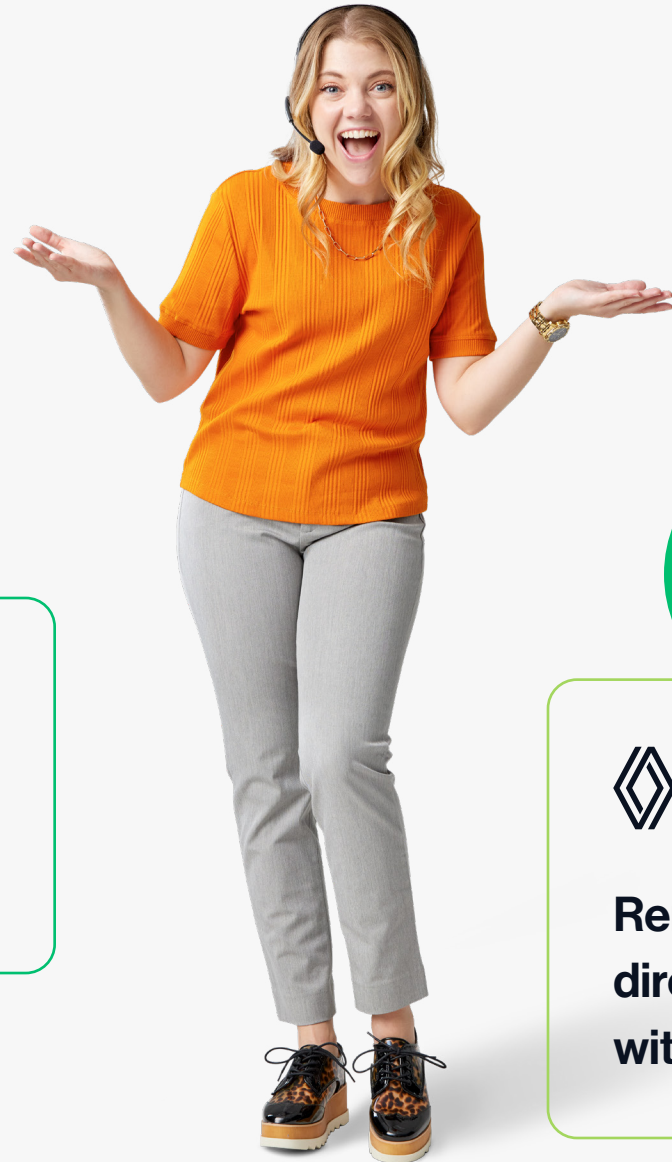
It also makes perfect business sense. Traditional channels like phones are far more expensive to operate. In contrast, messaging channels are shown to slash up to 60% of cost per customer interaction.



68% of WhatsApp users believe that it is the most convenient way to engage with a brand



Businesses have seen a **20%** reduction in call volumes by using Apple Business Chat



KLOOK

Klook saw increased customer retention by **40%** with WhatsApp notifications



 **RENAULT**

Renault increased total direct communication with clients by **163%**

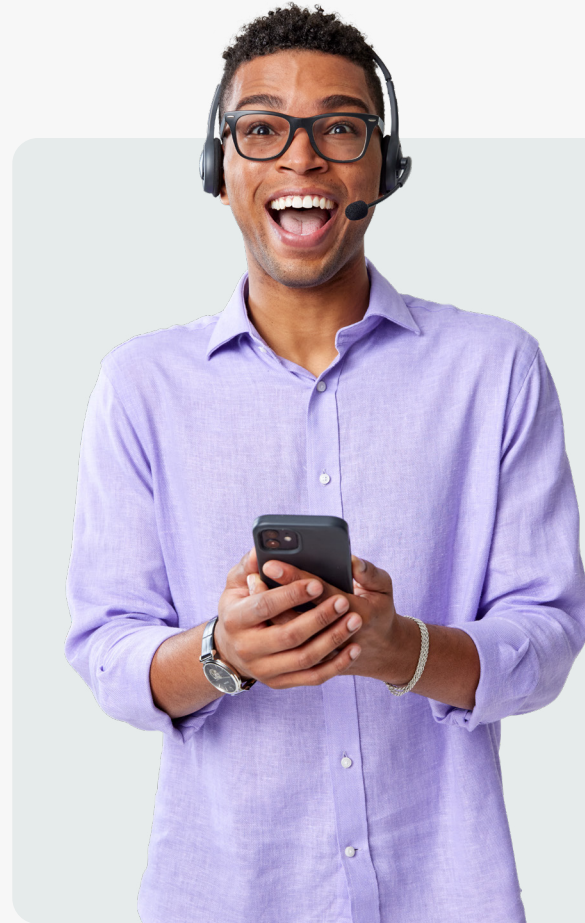
Data presented at RESOLVE by
Freshworks, a summit for digital-first CX

The age of agent-led, bot-enhanced experiences

Trend 4

Agent empowerment drives customer delight

Agents have had to face the brunt of recent pandemic-induced upheavals. Soaring query volumes, increasing customer anxiety, and adapting to a remote work environment have made their job harder. As dedicated they are to fulfilling the vision of customer delight, the threat of burn-out is very real. Businesses have started to recognize this and reprioritize the well-being of their teams. Leaders have started to rely on technology more than ever to empower employees to become agents of delight.



1 in 3

leaders believe that building new generation digital platforms to help customer-facing teams work better is a top digital investment priority.

Forrester Consulting Thought Leadership
Spotlight 2021, Commissioned By Freshworks

Leaders are leveraging modern tech platforms to:

Cut repetitive tasks for agents and allow them to focus on customer relationships

Customer engagement platforms are changing the nature of an agent's workday. Efficiency features like AI-based ticket classification and automatic routing of incoming customer contacts to the right agent can save agents up to **1.2 hours a day**. It frees agents to do what they do best – delight customers.

Slash agent workloads while elevating CSAT

With more customers frequently reaching out to businesses, increasing contact volumes can overwhelm an agent. Every **100 extra monthly tickets per agent can lead to a 1% drop in CSAT scores**. Enabling robust self-service resources and AI-bots can help ease this heavy burden.

Help agents stay connected while remote

Agents might not have the option of in-person discussions with their colleagues. They need engagement software with powerful native collaboration tools that can integrate with communication platforms like Slack or Teams to help them stay on top of their jobs and bring all hands on deck. Another perk? It can help agents save up to **120 clicks a day**.

booktopia

“An online store never closes. But being available for customers 24*7 doesn't mean that agents have to keep the same hours. Investing in an AI bot means that you remain accessible to customers whenever they need, without overburdening agents.”

Alex Huntley

Head of Customer Experience,
Booktopia (Australia)

Trend 5

Experiences move from automation to prediction

The conversation on AI in CX has been around for a while. But over the last two years, AI has become an essential part of a winning CX strategy. From taking over manual activities from agents to helping them handle volumes, AI-powered chatbots are great efficiency tools. Now, businesses are starting to explore how their investment can go the extra mile to elevate customer and agent experiences.



1 in 3

decision-makers implementing AI state that optimizing it to predict customer needs and deliver personalized experiences is a key consideration for driving returns on their investments.

Forrester Consulting Thought Leadership
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Smart bots can **automate**, smarter bots can **predict** customer behavior, **scale** customer service, **and deliver delight**. Businesses are beginning to realize that bots can help keep pace with customer demands efficiently – with a personal touch. Brands have reported a 7% increase in CSAT scores as a result of successful bot implementations. We think that AI can unleash so much more to delight digital-first customers.



Here's how:

Automating the right kind of queries

Most bots are capable of tackling basic repeat queries like 'what's your refund policy?' Complex, unique queries are better left to human agents. The opportunity lies in building bot decision trees that can tackle user-specific queries like 'where's my order?' or 'when will I receive my refund?' Which will leave agents free to engage and build relationships proactively.

'Learning' to quality of conversations

The more a bot learns, the 'smarter' it gets. 'Studying' successful agent-customer interactions can help a bot respond with greater accuracy. The practice of setting up a 'deflection team' to monitor and enhance bot performance is also gaining steam. Businesses like PhonePe, India's largest payments app have successfully **automated up to 80% of their incoming customer queries** with bots.

Transforming how agents work

Customer-facing bots are everywhere. Now agent-assistant bots are finding their place in the sun. AI features like process automation for repetitive support tasks or article suggestions for next steps can be an agent's superpower.

Stay future-ready with Freshworks

Freshworks makes it fast and easy for businesses to delight their customers and employees. We do this by taking a fresh approach to building and delivering software that is affordable, quick to implement, and designed for the end-user.

Headquartered in San Mateo, California, Freshworks has a dedicated team operating from 13 global locations to serve 50,000+ customers including Bridgestone, Chargebee, DeliveryHero, ITV, Klarna, Multichoice, OfficeMax, TaylorMade, and Vice Media.

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