

Zendesk CX trends 2023.

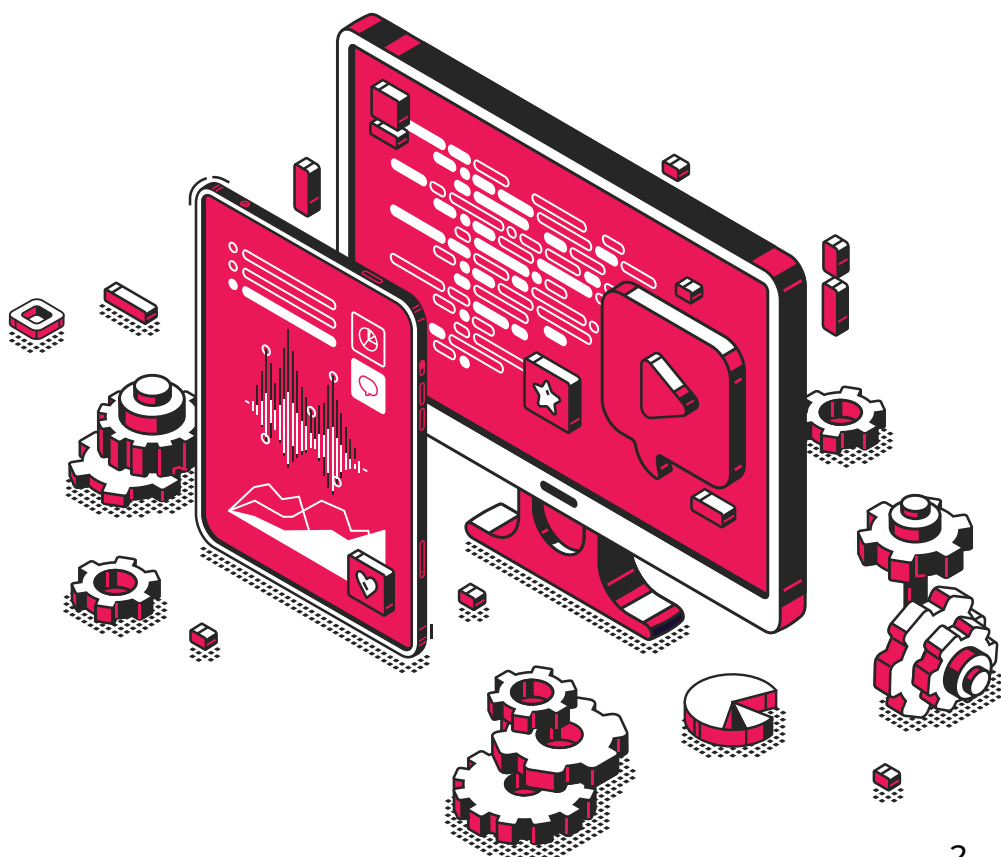
The rise of immersive experiences



CONNECT[®]

To say that the past three years have been transformative would be an exercise in understatement. From the initial shock waves of the pandemic to persistent economic uncertainty, businesses around the world have been forced to radically change nearly every facet of their operations - and no area has seen more turbulence than customer service, a trend driven by a dramatic shift in customer expectations.

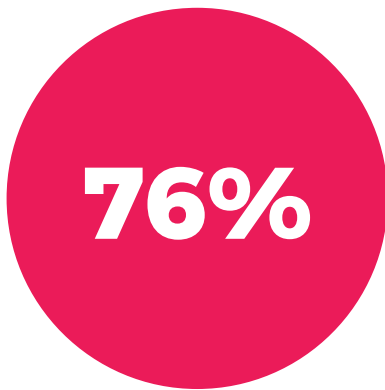
This sea change in customer expectations might have caught some companies flat-footed, but those who have been paying attention understand all too well that the events of the past few years have simply accelerated trend lines that have been developing for the better part of two decades.



But now, as we move into 2023, new perspectives are emerging, and now is the time for businesses to take stock and make significant changes.

There's no doubt now that customers are firmly in control and they've made it clear: they want immersive customer experiences and they're not willing to wait for companies to gradually figure this out. And as we've seen, businesses that recognised this massive and exciting shift - and made significant investments in response - have experienced tangible results: higher CSAT scores and demonstrable ROI.

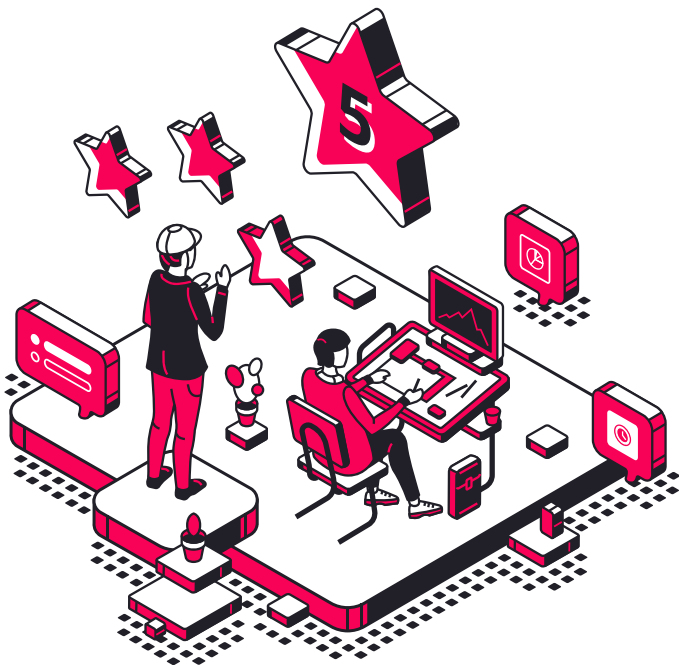
According to Zendesk's research, 77% of business leaders have seen those investments pay off and consumers concur:



express satisfaction with the service they've received over the past year.



noticed a marked improvement in their support experiences.



So what do we mean when we talk about immersive experiences?

This compelling new territory stems from what customers demand: natural, fluid interaction with companies. From chatbots that closely mimic real human beings to conversational experiences where customers can start an interaction on one channel and then seamlessly switch to another, immersive CX boils down to one simple idea: people want to be seen and heard, to be treated not as a transaction or a ticket but as the highly valued customers they are. By doing so, businesses stand to greatly strengthen customer relationships, a benefit whose value cannot be overstated. With that in mind, research has shown that business leaders clearly understand how providing an excellent customer experience drives revenue and many feel optimistic about their company's future. Zendesk's research found that 81% of these leaders see customer experience and support as growing priorities over the next year.

And those priorities don't come from guesswork – 73% of those leaders can point towards

measurable increases in customer service requests over the past year and three quarters predict volume increases over the next 12 months. Combined with overall first reply times ballooning 11%, those increases in support requests point towards significant challenges that will require steady investments if businesses want to remain competitive (and 79% of business leaders agree).

Yet economic uncertainty remains, especially in Europe and for small - and mid-size businesses everywhere. More than three quarters of business leaders understand that investing in customer service can help a company weather tough economic times and their plans to boost support operations have resulted in some cautious optimism. Half believe that their businesses will do better in 2023 and a whopping 81% expect at least a steady state or measurable improvements. (Interestingly, consumers are a little less bullish about the economy's prospects, with those numbers dipping to 43% and 65%, respectively.)

81% of these leaders see customer experience and support as growing priorities over the next year

But overall the trends are clear: businesses are feeling good about the future and that optimism is grounded in plans to invest in immersive customer experiences.

80%

of leaders plan to increase their customer service budgets over the next year

71%

plan to revamp the customer journey

61%

eagerly await immersive CX

What's driving the move towards immersive CX?

As Zendesk has discovered, there are five distinct trends behind these new standards:

- 1 AI experiences are becoming more evolved and seamless
- 2 Conversational experiences are empowering consumers
- 3 Customers are eager for deeper personalisation
- 4 Consumer well-being and sentiment are reshaping CX
- 5 CX teams are breaking down silos as they become more integrated

To help you prepare for the dawn of immersive CX, Zendesk surveyed thousands of consumers and business leaders while analysing extensive data culled from our Benchmark programme to get a better understanding of these trends. In this report, we'll delve into each trend and explain how your business can meet these critical expectations by providing insight, offering real-world recommendations and highlighting what best-in-class companies are doing.

How we conducted the research

Data in this report comes from three sources. Those sources include: one global survey of nearly 3,700 consumers, another global survey of nearly 4,800 business respondents and Zendesk Benchmark product usage data from more than 99,000 companies.

Trend 1: AI is becoming more evolved and seamless.

The world may be years away from AI being able to pass the Turing test - in which a machine exhibits intelligent behaviour indistinguishable from that of a real human - but advances made over the past year have shown that in the realm of customer service, artificial intelligence has made huge strides.

That's a testament to investments made in customer service AI, with nearly two-thirds of business leaders saying those outlays have resulted in significant performance improvements. And while 59% of those leaders attest to measurable ROI as a result of investments in AI, it's clear that the evolution of artificial intelligence in customer service is far from complete - in fact, companies have only just begun to tap its vast potential.

65% of leaders believe the AI/bots they use are becoming more natural and human-like

The promise of AI has yet to be fully realised

For now. But the increased investments haven't gone unnoticed by consumers, who have become increasingly comfortable with its presence. Of those who interact with customer service bots on a regular basis, 72% point to noticeable improvements in quality, and dissatisfaction levels continue to drop.

Digging a little deeper, those same consumers overwhelmingly state that bots perform well when answering simple enquiries, respond faster than human agents and can be relied upon to surface accurate and helpful information.

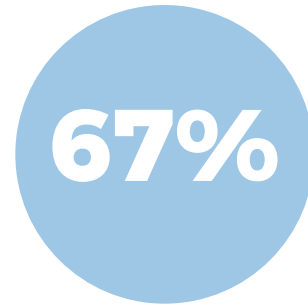
Consumers who often interact with support:



say AI/bots are helpful for simple issues



believe AI/bots help get faster replies



believe bots often provide the correct information

Not surprisingly, as consumers enjoy richer experiences with bots, their expectations have risen. Some 69% of consumers who seek support find themselves asking bots a wider range of questions, though tellingly, a large percentage - 78% - end up needing to connect with a human agent anyway. That points to a growing comfort level with customer support provided by a bot, a trend that holds both enormous potential for businesses, as well as real danger.

Consumers want and expect AI to evolve

Recent advances in AI used for customer service have naturally led consumers to ask, "What's next?" Having glimpsed the vast potential for AI, here's what customers are thinking:

73%	Expect more interactions with AI in their daily life/AI will improve customer service quality
74%	AI will improve customer service efficiency
74%	AI will be able to access and use data about consumers quickly
75%	AI should be able to provide the same level of service as human agents
75%	AI interactions will become more natural and human-like over time

AI will shape richer, more rewarding experiences

Consumers harbour big dreams for AI in customer service and those expectations provide a clear roadmap for businesses - one that calls for significant investment and a cohesive vision for how this key element in immersive CX will come to pass. When these consumers look to the future, they see a radically different customer service world, one marked by synthetic agents and voice-based AI that will resolve their issues in ways that are nearly indistinguishable from conventional human support.

What would that look like?

For consumers, the ideal evolution of AI will enable them to ask increasingly complex questions of bots, and they want those interactions to feel like natural, fluid experiences. And as we'll explore in the next chapter, conversational experiences are one of the key drivers shaping the rise of immersive CX.

41% of consumers say synthetic agents will change how they purchase from brands in the future; that number rises to 43% for voice-based AI

Meanwhile, consumers envision these synthetic agents being able to not only handle multiple questions at once but also provide personalised responses. And when those consumers imagine what this will look like by the end of the decade:

- 46% expect synthetic agents to markedly change how they receive support from the brands they interact with
- 48% think voice-based AI will play a significant role in how service is provided

Yet while consumers have a clear vision of what the future of AI customer service will look like, business leaders - as we'll see in the next section - are struggling to chart a clear path forward.

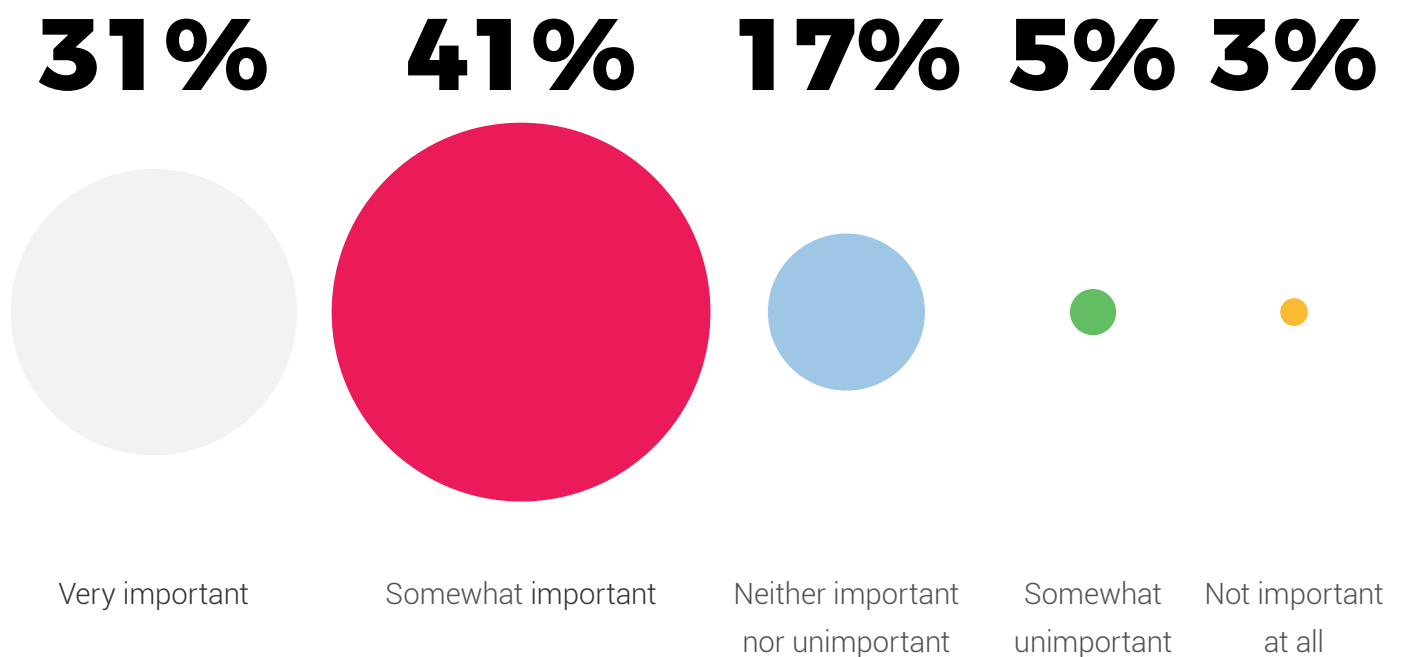
Realising the next evolution of AI will require focus and prioritisation

While recent investments might hearten both business leaders and consumers alike, decision makers at the corporate level understand that the long-term outlook for AI remains murky.

- 62% of these leaders are telling Zendesk that their companies have been lagging behind in the use of AI
- 60% describe their organisation's plans as being ad hoc rather than strategic

There's a growing realisation that meeting the expectations of consumers will require a more concerted effort. Predictably, some of the trouble lies in logistics. As 59% point to the bane of every organisation: siloed data. Combined with a lack of tools and expertise, many companies find that their vision for immersive CX powered by AI remains elusive. That said, business leaders aren't throwing up their hands in frustration – instead, a solid 72% say that expanding AI across the customer experience will be a main priority over the coming year.

How important is expanding the use of AI/bots across the customer experience over the next 12 months?



That emphasis on AI in the customer experience will most likely be centred on three main advances: measuring sentiment analysis for routing, improving agent workflows (routing, prioritising and solving requests) and intercepting requests that would otherwise go to sales or customer service representatives

To get there, 67% of leaders expect to boost AI/bot spending over the next year, with nearly half of respondents committing to a sizeable 25% increase in budget. A fifth of leaders expect to increase these investments by more than 25% (with roughly a similar number maintaining budgets at previous levels).

Get ready for disruption

If this sounds like a recipe for massive change, you're spot on. While businesses work out the kinks in AI – a main pillar in the effort to bring about immersive CX – the world consumers long for will eventually become a reality.

The majority of frontline customer interactions will then be handled by more advanced AI that's almost indistinguishable from human beings. Will that development lead to widespread elimination of jobs in customer service? While 64% of business leaders predict that AI will replace some jobs - and 69% expect large savings – Zendesk foresees an evolving workforce in which agents refocus their attention on the kinds of interactions that require a human touch.

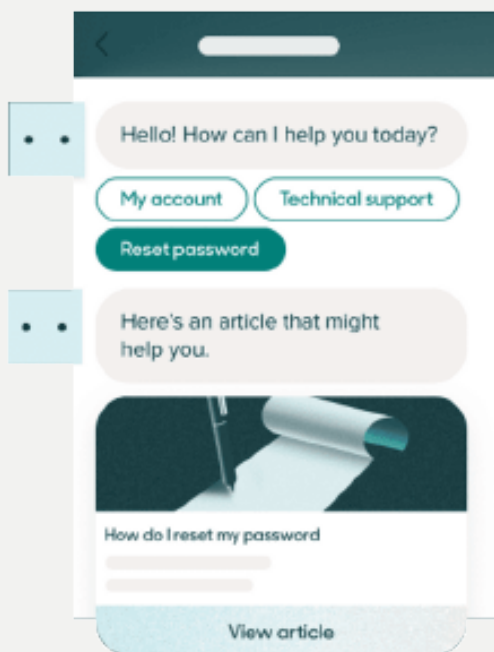
Customer story

How Sezzle empowers customers with AI

To keep up with its rapid growth, Sezzle - a public benefit B corporation that offers an alternative payment platform for interest-free instalment plans at online stores - partnered with Zendesk to create an AI-driven chatbot that delivers personalised experiences to its customers. This led to a significant reduction in tickets while providing agents with richer information, helping Sezzle keep its customers satisfied.



Zendesk can help bots provide meaningful conversations at scale



One of the biggest challenges businesses face is creating more meaningful, useful conversations between customers and bots at scale. Bots built with Zendesk help solve this problem by enabling you to create customisable conversation bots that deliver the right information to customers quickly across messaging channels.

A bot can be configured to always answer any number of complex questions a customer may have and to gather additional information about the enquiry. That helps your bot deliver the correct information quickly, an essential part of providing good customer service.

Bots can also be tailored so they align with your brand's overall tone and image. Importantly, you can also train your bot to understand customer intent and match incoming questions to the right answer. The end result? Bots that deliver consistent, personalised experiences.

The proof, however, is in the pudding. Zendesk's bot capabilities include Flow Builder and customers who use it see improvements in customer satisfaction and agent efficiency, with resolution times improving by 21% on average and CSAT scores typically improving by two percentage points.

Trend 2: Empowering consumers with conversational experiences.

As we saw with our first trend, AI experiences in customer service are becoming increasingly evolved and seamless. The second trend that points to a future of immersive CX - the rise of conversational experiences - also hinges on the concept of fluid, seamless service.

What do we mean by conversational experiences?

When consumers reach out to a business, they want an interaction that's fluid and natural, an exchange in which they're in the driver's seat. That can take many forms, such as being able to move a conversation to a new channel - say, from messaging to a phone call - or having a discussion stop and then resume with a different agent seamlessly. Importantly, customers want help that doesn't interrupt their current task.

As Zendesk discovered, business leaders have begun to recognise how conversational experiences will become the new normal in customer service. And for these forward-thinking leaders, there's a measurable payoff that will come with providing conversational experiences: stronger relationships with customers. Given how a single unsatisfactory interaction with a business will often drive consumers into the competition's arms - and the cost of acquiring customers can also harm the bottom line - developing conversational experiences will become paramount.

What customers want from conversational experiences

When customers say they want conversational experiences, they're not talking in generalities - they know exactly what those experiences should look like. And it all starts with one of the most basic elements of good customer service: receiving assistance immediately. Whether that's via an AI-powered bot or a real human agent is of little importance but here's where we get to the conversational part: those interactions have to feel natural, friendly and personal.

And as those conversations unfold, consumers expect anyone they interact with at the company to have full context of their purchase history, previous interactions and so on. If a customer decides to stop an interaction and resume it later, they want a new support rep to be able to pick up the conversation seamlessly.

If there's a theme connecting these consumer demands, it's convenience. For example, let's say a customer has an issue with a company's online basket. Consumers want assistance on that page - in other words, they expect businesses to resolve their issues where they are. Intriguingly, consumers have also begun to ignore the separation between physical and digital experiences, which will pose a challenge to businesses that operate brick-and-mortar locations as well as online portals.

Customer expectations for conversational service

72 %

of customers want immediate service

71 %

demand natural, conversational experiences

70 %

expect anyone they interact with to have full context

66 %

want interactions to not interrupt their current action

62 %

think experiences should flow naturally between both physical and digital spaces

While consumer expectations for conversational experiences couldn't be clearer, businesses have yet to catch up. According to Zendesk benchmark data, just 42% of businesses offer two or more support channels. Meanwhile, 60% of consumers report interacting with agents who have little or no context, which means customers end up having to repeat themselves - a sure recipe for dissatisfaction.

Customers also complain about support experiences derailing their current task and the inability to stop a conversation and pick it up later with an informed agent. These unmet expectations mean missed opportunities for businesses:



70%

of consumers purchase more from companies that offer seamless conversational experiences. Similarly, 64% spend more when issues get resolved where they already are.

Businesses are building more fluid experiences

So while businesses have yet to provide the conversational experiences consumers demand, there's a glimmer of hope. Decision makers recognise the need and have begun the arduous process of redesigning the customer journey so their businesses can meet this essential pillar of immersive CX.

According to Zendesk's research:

71 %

of these leaders have committed to this reimagining of customer service

60 %

want (or are actively planning) to implement conversational customer service experiences

Those leaders have a clear idea of what their organisations will need to accomplish to meet consumer expectations for conversational experiences. Automation will play a key role in driving efficiency and surfacing the right data to agents, and those reps will in turn need to adopt new ways of working that will enable true conversational experiences to happen. As those customer service teams pivot, their leaders will have to create new metrics to measure the quality of service and agent performance.

Finally, customer service reps will need training to refine their soft skills so that conversations with customers feel warm, personal and satisfying.

75%

of leaders say their goal is to make customer service feel more conversational and less transactional

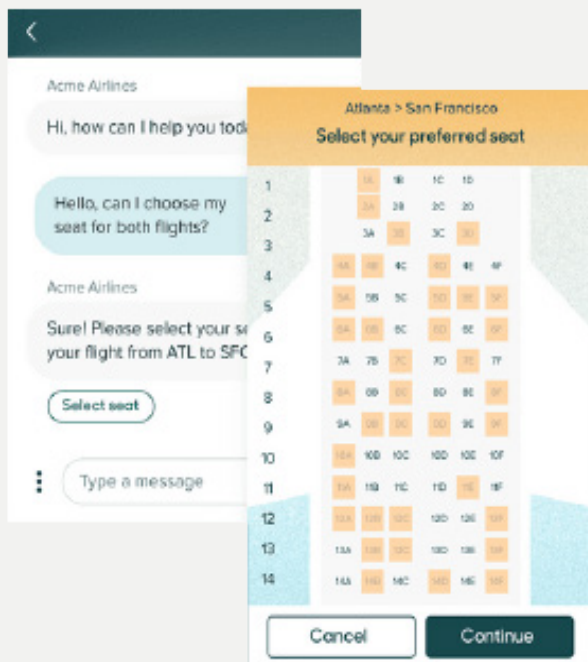
Customer story

How to make customers feel at home

Conversational experiences drive Dorm Room Movers' business. A one-stop shop for storage, moving, and shipping services, Dorm Room Movers leans into the channels its Gen Z and millennial customers prefer: mobile messaging and social media. Whether the conversational experiences are real-time or asynchronous, the end result is the same: friendly, fast and effective service.

**Dorm
Room
Movers**

Use Zendesk to give customers fluid, natural conversations across their journey



Conversational experiences must be fluid and natural, no matter where the customer is in their journey. This is where Zendesk's Sunshine Conversations enters the picture.

Sunshine Conversations enables businesses to connect to any messaging service across any channel, which lets customers reach out anytime and anywhere and its unified customer view provides invaluable context in the event customers need to stop a conversation and pick it up later.

And when those conversations need to expand to more than one agent and consumer, it also provides group messaging functionality to ensure that the right people are involved in the conversation. This means faster problem resolution and richer customer experiences.

Sunshine Conversations also expands the level of service businesses offer via messaging. That can include embedding advanced mini apps within the messaging window (such as a flight seat selector, an add to cart function or payment options) so customers can take immediate action from within the message. That helps businesses meet one of the most important elements of true conversational experiences: being able to resolve a customer issue where they are.

Meanwhile, every business encounters issues that require proactive messaging, whether its service outages or problems with a product. Sunshine Conversations makes sending outbound notifications easy.

Trend 3: Customers are eager for deeper personalisation.

It can be deceptively easy to assume your business has done enough to deliver personalised experiences - you've set up mass emails so that individual customer names appear at the top and you've done some segmentation exercises that have put customers in broad buckets (but little else). What else is there to do?

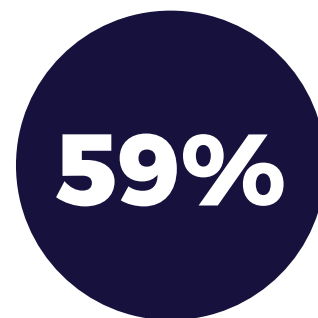
A lot, as it turns out. And, as with the evolution of AI in customer service and the call for offering conversational experiences, consumers are driving this third pillar of immersive CX. Their expectations can be boiled down to one simple concept: they want companies to use the large amount of data they possess to provide truly personalised experiences that transcend typical marketing efforts. Let's take a closer look at what that means.

they crave experiences in which they're a segment of one, not thousands.

Think of it like the barista who greets you by name, starts whipping up your usual order and then asks a follow up question about something you talked about during your last visit. Consumers want that experience at large, whether it's in a brick-and-mortar store or on an e-commerce site.

Expectations of personalisation are more advanced than businesses realise

Here's what Zendesk's research illuminated: most companies hold a rather narrow view of what personalisation means, which is at odds with the 62% of consumers who think these businesses could be doing more. These customers don't want to be lumped into some demographic bucket –



of consumers want businesses to use the data collected about them to create personalised experiences

If that sounds especially challenging - and make no mistake, it is - the payoff for businesses will be profound. By offering personalised support experiences, companies will reap the benefits of deeper, longer lasting relationships with the lifeblood of their endeavours: customers.

And as 77% of business leaders recognise, deeper personalisation leads to increased customer retention (and 66% believe it lowers acquisition costs). These are factors that can't be ignored.



62%

of consumers say personalised
recommendations are better than
generic ones.



60%

find personalised
recommendations valuable

Going beyond marketing

Companies have reams of customer data at their disposal but so far most have yet to leverage that data to even a fraction of its potential.

Sure, mining customer data for marketing-focused personalisation is worthwhile but the bigger picture reveals that businesses have mostly been at a loss for how to put that data to use.

As 67% of leaders told Zendesk, they're seeing disorganised, reactive efforts to use customer data, a trend that's compounded by organisational silos that prevent that information from being shared widely. What's troubling is that 72% of business leaders continue to move forward with personalisation plans that are wildly at odds with what customers actually want.

Those plans - all marketing-based - lean into customer segmentation, previous engagement with marketing campaigns and demographic data.

How can businesses accomplish deeper personalisation?

By connecting data and leveraging untapped service data, businesses can achieve deeper personalisation, moving their organisation one step closer to immersive CX. To get there, however, business leaders must enact plans that will connect data on the back end – breaking down silos – and create systems in which the right data is surfaced when agents need it most.

That said, just 22 percent of business leaders say that their organizations share data well, and 57 percent think they're also not collecting enough data. So while a significant number of respondents—79 percent—believe that service data is invaluable and should be used to drive personalization efforts, stubborn roadblocks remain.

Leaders want to combine customer service data with the other types of data to use across their organisations

82%

are interested in combining service data with customer feedback data

79%

want to merge service data with product data

78%

seek to combine service data with sales data

77%

hope to integrate service data with marketing data

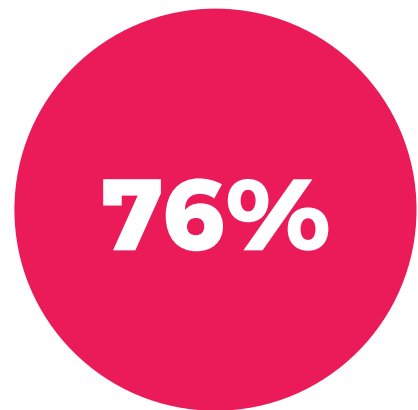
If businesses can dismantle those roadblocks - the aforementioned silos and inability to surface the right data at the right time – and also leverage service information, deeper personalisation begins to come into focus.

For example, service data can provide a host of insights: ticket volume, ticket time, sentiment, CSAT, channel used to contact, length of time to complete a ticket, interaction histories and transcripts, help centre article views, FAQs, as well as interaction reasons.

That valuable service data - directly into their customer relationship management (CRM) platforms. These leaders also envision unifying customer feedback and service data across channels to create real-time customer insights, which could help decision makers form more effective business plans.

And although companies are beginning to glimpse a path towards deeper personalisation for consumers, here's a reality check: just 31% of agents report being able to effectively see and use customer data to improve and personalise experiences.

If meeting customer expectations for immersive CX is going to happen, business leaders need to understand just how vital personalisation will be to that effort – and then plan and invest accordingly.



of business leaders want to create more robust customer records by autopopulating customer information

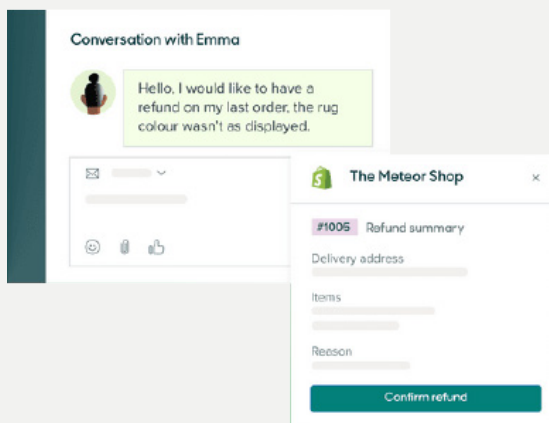
SIEMENS

Customer story

How better data brings innovation

Siemens Financial Services leaned into personalisation for its customers by streamlining the agent experience. Partnering with Zendesk, Siemens Financial Services created a customised app that surfaces customer information from disparate sources into a single view, greatly improving agent efficiency and, by extension, the customer experience.

Provide deeper personalisation with Zendesk



As we've seen, most business leaders admit that their organisations don't collect enough customer data, share it well across teams or act upon it. These are major roadblocks to providing the deep personalisation customers expect.

In Zendesk's Support Suite, conversational data organisation is a feature set that enables businesses to create customised automations and integrations with external systems such as Slack or Shopify. That means

rich service data becomes readily available to agents in a unified workspace. Those customer service representatives can then use that information to offer the personalised experience consumers want. By leveraging conversational data orchestration's automation features, companies can handle routine tasks such as customer refunds and membership renewals, which takes time consuming work off agents' plates so they can focus on making real connections with consumers.

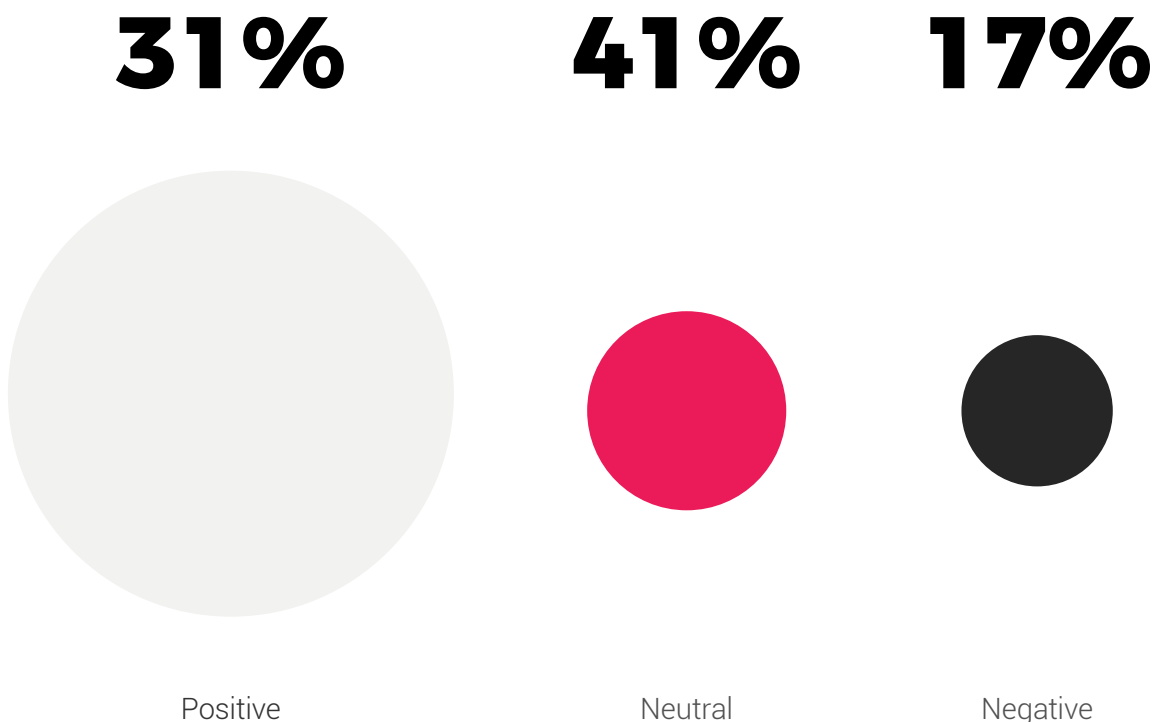
With Zendesk, your business can act on harmonised data and then effortlessly personalise experiences across systems by automating agent workflows and customer interactions.

Trend 4: Consumer wellbeing and sentiment are reshaping CX.

We've all had one of those customer experiences that can only be described as infuriating - the kind that sticks with a person long after an interaction has ended. It's no joke - a negative experience with a company can cause real, lasting emotional damage, not to mention create fierce critics who won't hesitate to spread the word.

Customers are distressed - and businesses are paying the price

How consumers feel about their support interactions over the past year:



When Zendesk asked consumers about their experiences and interactions with support teams, the results were both troubling and eye-opening. Nearly half say that their frustration levels have grown over the past year, 55% feel increasingly stressed and 52% state that support interactions leave them exhausted.

Perceptive business leaders know to pay attention to the proverbial canary in the coal mine. And for good reason: two-thirds of consumers who feel that a company cares about their emotional state are more likely to become repeat customers.

If that's not incentive enough to focus on alleviating customer stress, consider that 73% of those consumers will switch to a competitor after multiple bad experiences - and more than half will head for the exit after a single unsatisfactory interaction.

Unforced errors: current CX fuels negative consumer emotions

On the frontline of support, agents know all too well how their company's customer experience affects consumers - 53% of agents say that their organisation's approach to service leads directly to negative customer behaviour. And because leaders aren't formally tracking sentiment, their organisations fail to remedy these persistent issues - what's out of sight ends up being out of mind.

37%

of agents say that customers often become noticeably angry, frustrated or stressed when they can't complete simple tasks on their own

79%

of agents say a lack of basic information online (a self service gap) plays a role in angering customers

66%

of consumers who often interact with support said a bad interaction with a business can ruin their day

60%

of consumers base purchasing decisions on the level of service they expect to receive

58%

of agents say a lack of consumer data often causes negative experience for customers

Meanwhile, agents frequently struggle with accessing relevant customer information, which also leads to irritated consumers.

As business leaders attempt to lead their companies toward immersive CX, they won't have the luxury of ignoring customer sentiment and wellbeing.

The larger challenge, then, is to formalise ways to both capture and understand consumer emotions. Doing so will create new opportunities to tailor the customer experience to prevent and ameliorate the frustration so many consumers struggle with.

14%

of respondents indicate that the common NPS™ metric is being used to personalise the customer experience

34%

say customer sentiment is being used to personalise the experience a customer receives

So how can companies harness customer emotions to build the strong, personalised relationships that underpin immersive CX?

One underutilised tactic is to use AI-driven technology that enables support organisations to predict intent and sentiment, which can greatly boost customer understanding. If knowledge is power, then gaining a solid understanding of where customers are emotionally will translate into satisfied customers, less harried agents and that true measure of good customer service: increased revenue.

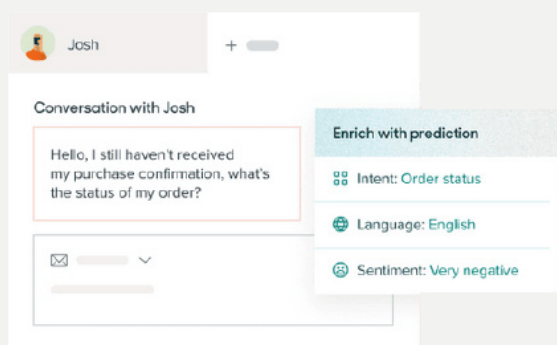
Customer story

Good moods pay off

When Noom launched Noom Mood in 2021, the stress management app got off to a shaky start. To understand how to get the app back on track, Noom partnered with Zendesk to harness the power of AI to analyze 600 tickets for process and product issues, as well as customer sentiment. With the insights from that analysis, Noom launched a customer education campaign that improved customer sentiment and boosted the app's standing in the marketplace.

NOOM

Predict intent and sentiment with Zendesk automation and AI



Gauging customer sentiment might be a tough nut to crack but that's where AI can help. For instance, Zendesk's intelligent triage feature leverages AI to automatically enrich support tickets with highly valuable information, including customer intent, sentiment and even language predictions.

That gives agents key information so they can route, prioritise and finally go into interactions knowing whether a customer is steaming mad, hopelessly frustrated or just about to break up with the company for good.

Because intelligent triage is industry specific and data driven, companies can take advantage of it out of the box. And here's where it gets really interesting: the AI learns as it handles interactions, becoming increasingly effective over time.

Meanwhile, Smart Assist serves as an AI-powered mentor for agents, guiding them towards successful outcomes by providing context and recommendations for next steps. It even trains support reps so they level up their skills as they're helping customers.

Trend 5: CX teams are breaking down silos.

Increasingly, business leaders are becoming aware of the benefits of creating immersive experiences for their internal CX organisations. For too long, these leaders have viewed their customer service organisations as cost centres, not drivers of revenue.

As a result, that mindset has created siloed teams with little connection to their wider organisations, leading to disastrous side effects: agents lack relevant customer data, which then hampers efforts to provide exceptional (or even satisfactory) experiences.

But as business leaders have begun to discover, customers expect data to be widely shared so their experiences can be personalised and immersive. And as those leaders wrestle with the challenge of transforming their support organisations so they offer truly immersive CX experiences, reality has begun to sink in: service can be a key revenue driver.

Getting there, however, is another story. As we saw earlier in this report, just 22% of business leaders say their teams share data well. That's problematic, given that there's a strong correlation between agents having a single detailed view of customer data and their teams' ability to contribute to the bottom line.

So the challenges facing companies have come into focus: silos have to be broken down, with true integration between customer service, sales and marketing. Doing so promises great returns: increased efficiency, better customer experiences and, of course, increased revenue.

Transforming service into true revenue centres

Here's where things get a bit murky: while a growing percentage of business leaders see customer support as a revenue driver (40%), a little more than a third still see service as a cost centre. That said, there's widespread desire (80%) for customer service organisations to become recognised (and proven) revenue drivers.

What would it take to transform support into revenue generators?

Leaders want to combine customer service data with the other types of data to use across their organisations

34%

They could share customer insights across teams

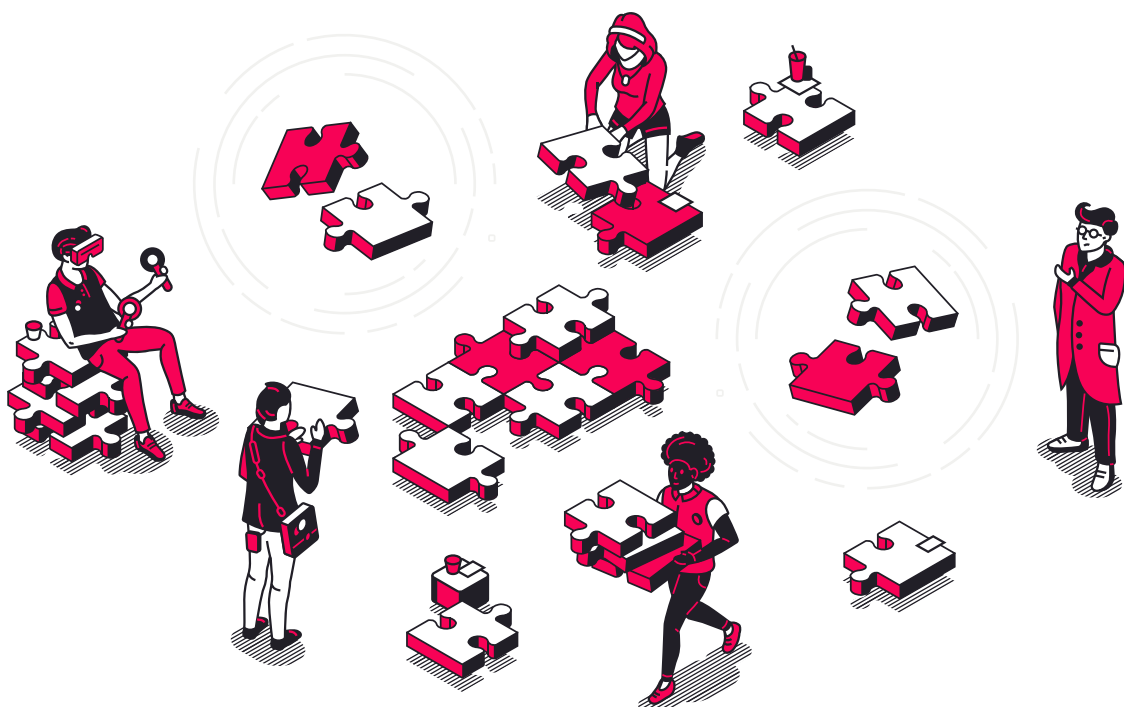
32%

Their agents received more relevant data

30%

They could train agents to sell effectively to customers

Those leaders who do recognise support as a revenue driver, however, have taken decisive action. More than half reported training agents how to identify expansion and sales opportunities, and 47% ensured that their agents have access to the type of customer data that makes revenue generation easier. A significant number - 38% - also developed workflows and processes geared towards revenue generation.



Leaders are considering merging teams and sharing responsibilities

Increasingly, business leaders are contemplating making big changes to how their teams are structured, ones that would blur the lines between organisations. In other words, the expectation that a dedicated support team will be narrowly focused has begun to weaken - and a growing number of companies see all teams as being responsible for the customer experience.

There's widespread recognition that customers expect their experiences to be unified across channels, and that to be successful, companies must be ready to help those consumers with whatever they need, whether that's service or sales. And that changing mindset is having real effects on the ground: 70% of business leaders expect their agents to expand their roles and responsibilities over the next year.

Meanwhile, 72% believe that merging teams and responsibilities around the customer experience will increase operational efficiencies, and 64% already have plans to do so. And as these decision makers slowly move towards a reimagining of customer support - breaking down silos, merging teams and redefining responsibilities - they'll have to leverage technology solutions that enable cross-functional collaboration.

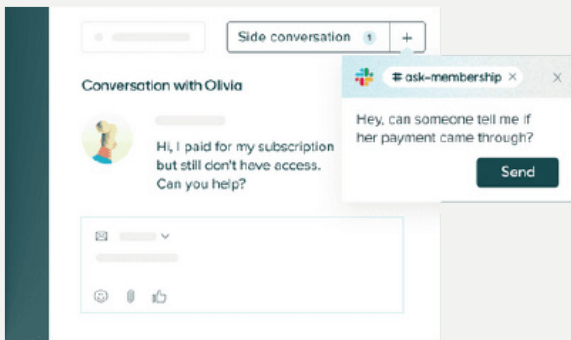
Customer story

This trail leads to better collaboration

Polaris Adventures partnered with Zendesk in an effort to break down silos and increase the support organisation's productivity. Now, each agent can handle 30% to 40% more business, even as the customer base has grown. That boost in efficiency stems from all interactions now happening in a unified workspace, where agents can better collaborate with their partners across the company.



Zendesk makes it easy for teams to work together using their existing tools



Breaking down silos and encouraging the free flow of information between teams both play a critical role in immersive CX. But if it were so easy to remove barriers between teams, everybody would have done it already, right?

One of the most common roadblocks to creating real cross team collaboration is technology the disparate tools that some teams depend on and others never use. But collaboration can be achieved without upsetting the status quo and forcing every team to adopt identical tools.

For example, Zendesk's Support Suite provides robust collaboration functionality in its Agent Workspace. There, agents in a single view can collaborate on tickets with other agents and members of other teams (such as engineering, marketing and sales). The Side Conversations feature unifies these conversations whilst also documenting them for future reference for example, when an agent resolves a rare and tricky problem by reaching out to the team that built the product.

That collaboration would include real-time notifications as stakeholders discuss the issue, no matter their preferred platform - whether that's Slack, Microsoft Teams or another communication channel. But it goes even deeper than that because support tickets can even be linked and created on other platforms, such as Jira, Trello or Asana.

Meet your advantage.

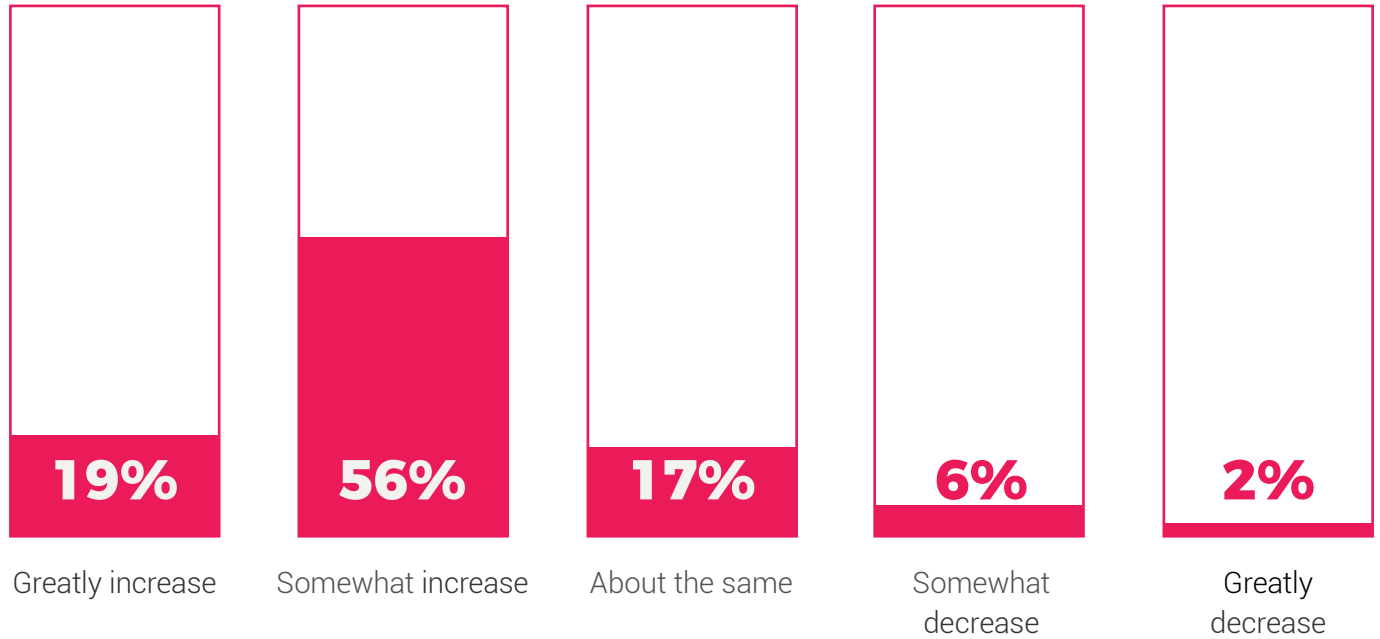
See how your business measures up to the competition based on the data you shared with us about your country, segment and industry.

Data in this infographic section is based on responses from business leaders who took part in our global business survey of nearly 4,800 respondents. 'Don't know/unsure' responses are not included in data visualisations.



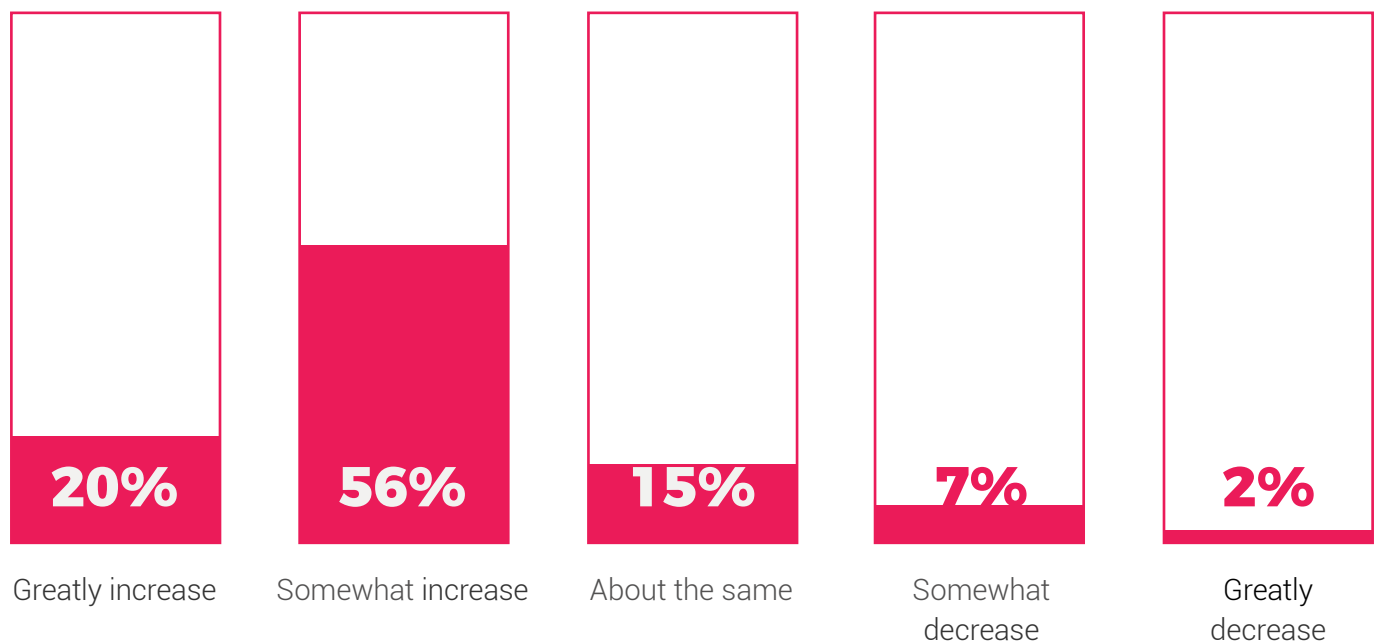
Ticket volumes will increase and companies are investing more in CX – how will your business respond?

Overall estimated ticket volume change over the next year



80% of companies plan to increase their level of investment in CX

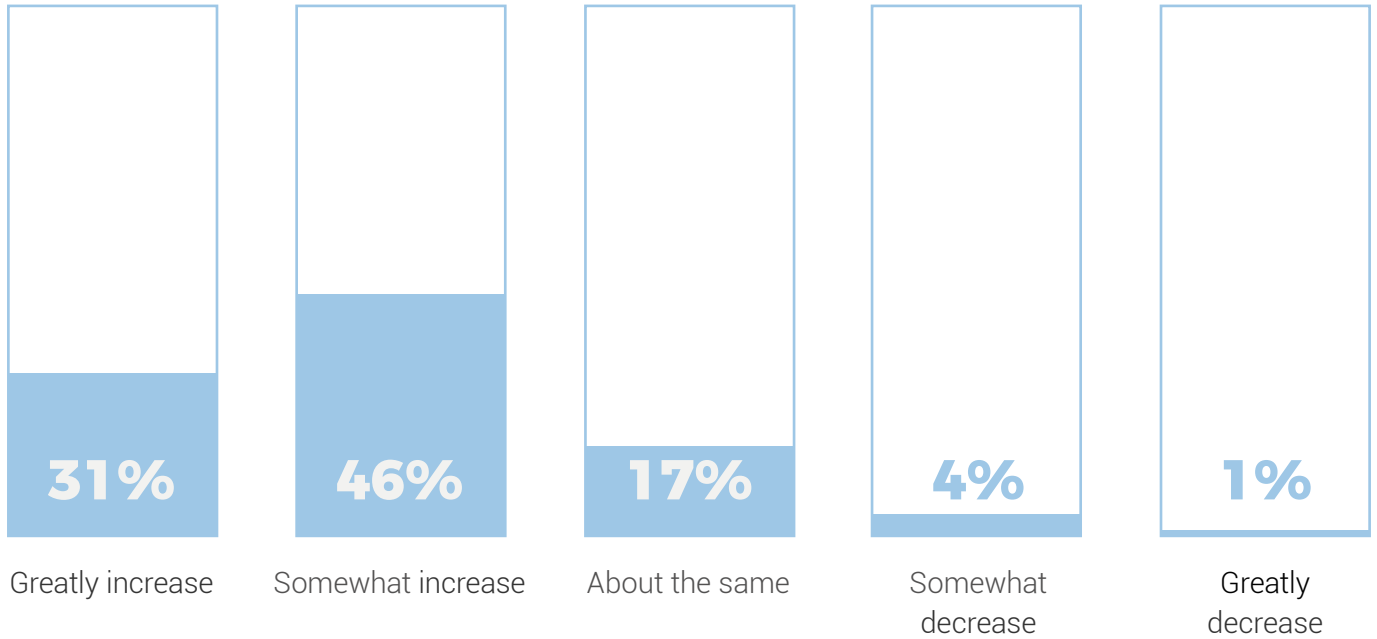
EMEA estimated ticket volume change over the next year



77% of companies plan to increase their level of investment in CX

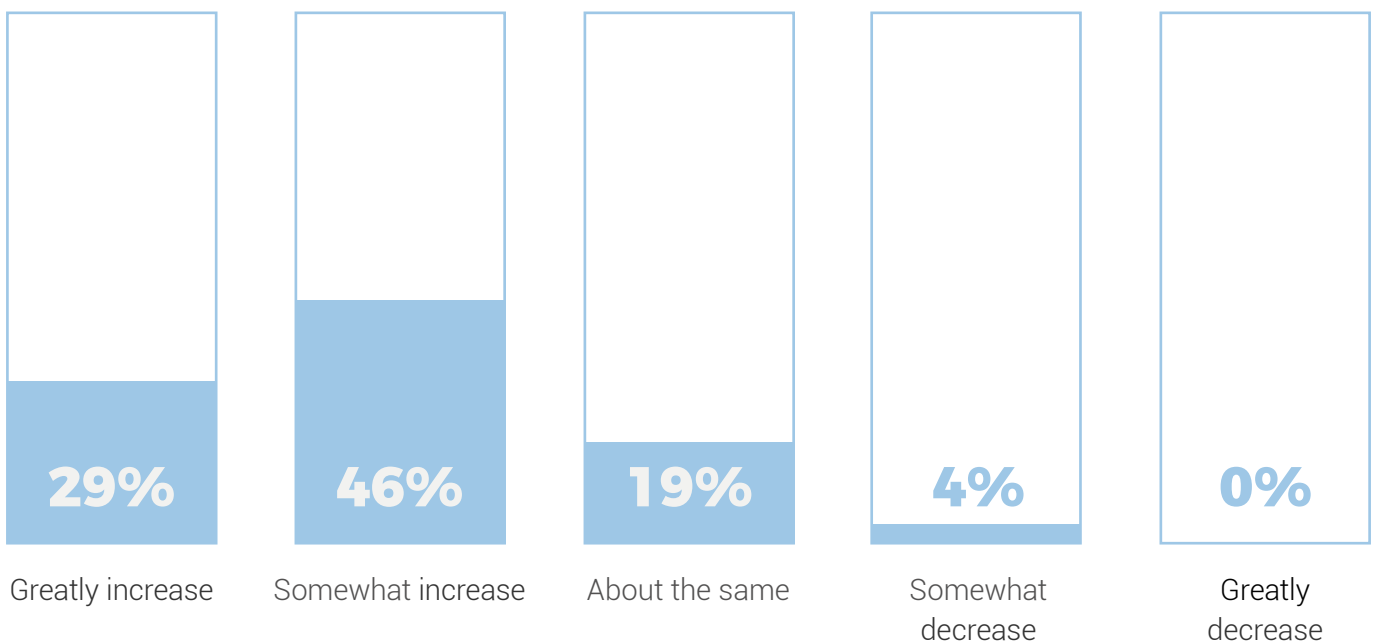
Businesses are experiencing positive ROI on CX. Can your company say the same?

Overall ROI on CX over the past year



52% of companies are performing above their CSAT goals

EMEA estimated ticket volume change over the next year



53% of companies are performing above their CSAT goals

Trend 1: Evolved AI

Many companies believe they're not using AI as well as they should – and they plan to change that. How is your business improving its use of AI?

Overall Top 5 ways organisations are using AI today for CX:

1.	To answer general questions
2.	To make recommendations to customers
3.	To improve agent productivity
4.	To provide customers with 24/7 service
5.	To improve agent workflows

62% of business leaders that feel their organisation is lagging in using AI/bots

67% of business leaders plan to increase pending on AI over the next year

EMEA Top 5 ways organisations are using AI today for CX:

1.	To make recommendations to customers
2.	To answer general questions
3.	During the checkout process
4.	To improve agent workflows
5.	For order management and returns

62% of business leaders that feel their organisation is lagging in using AI/bots

67% of business leaders plan to increase pending on AI over the next year

Trend 2: Empowered conversations

Conversational customer service is the future – will your business keep pace with the changes other companies are making?

Overall Top changes organisations need to make:

1.	Invest in better automation capabilities
2.	Define new success metrics
3.	Implement new work processes
4.	Provide updated training to agents
5.	Better share customer insights across teams

71% of leaders are rethinking the entire customer journey to build a more fluid experience

60% of organisations have yet to implement conversational customer service but are planning to

EMEA Top changes organisations need to make:

1.	Provide updated training to agents
2.	Define new success metrics
3.	Support cross-channel interactions
4.	Invest in better automation capabilities
5.	Implement new work processes

68% of leaders are rethinking the entire customer journey to build a more fluid experience

63% of organisations have yet to implement conversational customer service but are planning to

Trend 3: Deeper personalisation

Has your business done enough to deliver the deeper personalisation customers demand? Here's what your peers think.

Overall

79%

Agree that customer service data should be leveraged more for personalisation

77%

Agree personalisation increases customer retention

66%

Agree personalisation reduces customer acquisition costs

67% of organisations plan to increase spending on personalisation in relation to customer experience and support over the next year

EMEA

73%

Agree that customer service data should be leveraged more for personalisation

73%

Agree personalisation increases customer retention

65%

Agree personalisation reduces customer acquisition costs

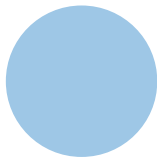
65% of organisations plan to increase spending on personalisation in relation to customer experience and support over the next year

Trend 4: Unlocking sentiment

Despite proactive efforts to improve customer emotions, most companies aren't using emotional data to improve experiences. But that's about to change.

Overall Percent of organisations that personalise customers' experience using:

29%



Customer sentiment

24%



Overall tone

14%



NPS™

71%

of organisations have proactively tried to improve customer wellbeing over the past year

59%

of organisations plan to increase spending on tracking and improving customer emotions

EMEA Percent of organisations that personalise customers' experience using:

25%



Customer sentiment

22%



Overall tone

13%



NPS™

68%

of organisations have proactively tried to improve customer wellbeing over the past year

58%

of organisations plan to increase spending on tracking and improving customer emotions

Trend 5: Integrated teams

When it comes to delivering more immersive experiences, companies must rethink how they operate. Many businesses have already formed plans to do just that.

Overall Percent of organisations that personalise customers' experience using:

72%

of leaders agree merging teams and responsibilities around CX would increase operational efficiencies

64%

of leaders plan to merge some CX responsibilities or teams in the next year

22%

of leaders say their organisation is excellent at sharing customer data across their teams and systems

40%

of organisations view customer service primarily as a revenue driver

EMEA Percent of organisations that personalise customers' experience using:

68%

of leaders agree merging teams and responsibilities around CX would increase operational efficiencies

63%

of leaders plan to merge some CX responsibilities or teams in the next year

23%

of leaders say their organisation is excellent at sharing customer data across their teams and systems

37%

of organisations view customer service primarily as a revenue driver

Key takeaways

Get the Zendesk perspective.

Equip your team with an action-plan to put the trends into practice and lead the industry forward.

To stay ahead, take these 6 steps

As your business takes its first steps toward offering customers truly immersive CX, you'll need a roadmap of trends to watch and actions that can be taken to ensure your company meets consumer expectations.

Zendesk has compiled a handy set of recommendations tailored to your business based on industry, where you do business, and the size of your company. and stays ahead of the competition.

1 Focus on CX

Customer service requests will continue to rise for the foreseeable future, which means that your CX budget cannot stay flat—further investments will be necessary to ensure your organisation can provide the immersive experiences customers expect.

Investing in CX becomes especially important if you want to maintain your customer base during times of economic uncertainty.

77 %

of leaders in your region indicate they will increase their CX budgets over the next year.

70 %

of leaders in your region indicate their organisation is putting a greater emphasis on retaining customers due to expected economic conditions.

2 Keep up with advances in AI

Your organisation must keep up with advancements in AI to provide your customers with better experiences across their journey. The good news is many AI capabilities today work right out of the box, making it easier to implement and drive returns.

As AI constantly evolves, be sure to build flexibility into your planning. Your organisation should be able to quickly adapt your customer experience strategy to take advantage of advancements in AI. Also, don't skimp on AI investments. As Zendesk discovered, 67 percent of leaders in your region already have plans to increase their investments in AI.

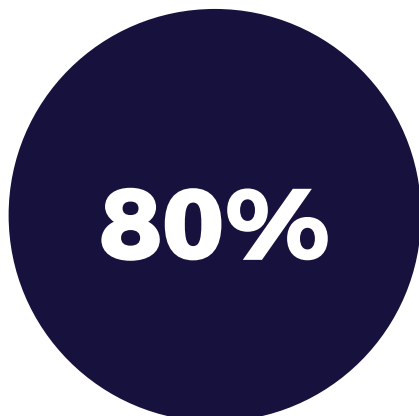
Meanwhile, develop a roadmap that aligns with how consumers expect to interact with bots in the near future. Here is a breakdown of what consumers in your region want from AI in customer service:

- The ability to handle more complex questions
- Personalised responses to questions
- Conversational communication
- Can handle multiple questions simultaneously

3 Lean into personalisation

Delve into personalisation and strategic decisioning by collecting data outside of traditional sources such as marketing - for example, service data. Seventy-six percent of leaders in your industry agree that customer service data is valuable and should be leveraged for personalisation.

It's important to not let data sit in silos - be sure to make it widely available so your teams can put it to its optimal use. Personalisation is difficult at scale if you don't, and 56 percent of leaders in your industry agree.



of agents in your industry say that having access to more tools and data will give them more opportunities to personalise interactions.

4 Build conversational experiences

Offer your customers natural, fluid, and conversational experiences—doing so will keep you ahead of your competition.

Time is of the essence: 62 percent of businesses with 1–99 employees have yet to implement conversational customer service but are planning to in the near future. As you move toward conversational experiences, make sure your CX:

- Enables consumers to immediately engage and get assistance across the channels and spaces they use most.
- Feels natural and fluid to your customers and feature two-way conversations.
- Provides the ability for interactions to stop and start across the channels and spaces.
- Ensures that anyone who interacts with your customer has deeper insights around who they are, context into previous interactions, and their relationship with the company.
- Helps customers get assistance without interrupting or removing them from their primary task.

5 Focus on sentiment

Customer sentiment is a critical strategic asset that your organisation must start collecting and leveraging. Shockingly, only

26 %

of businesses with 1–99 employees use sentiment to personalise experiences and most realise they have some catching up to do.

59 %

who don't currently track customer sentiment are planning to in the next 12 months.

The lift for tracking sentiment data is not as high as you think—there are out-of-the-box solutions that easily automate capturing of sentiment data. Why is capturing customer sentiment so important? Simply put, sentiment data enables you to understand the pain points your customers experience with your product or service. That information will help you make informed strategic decisions.

6 Break down silos

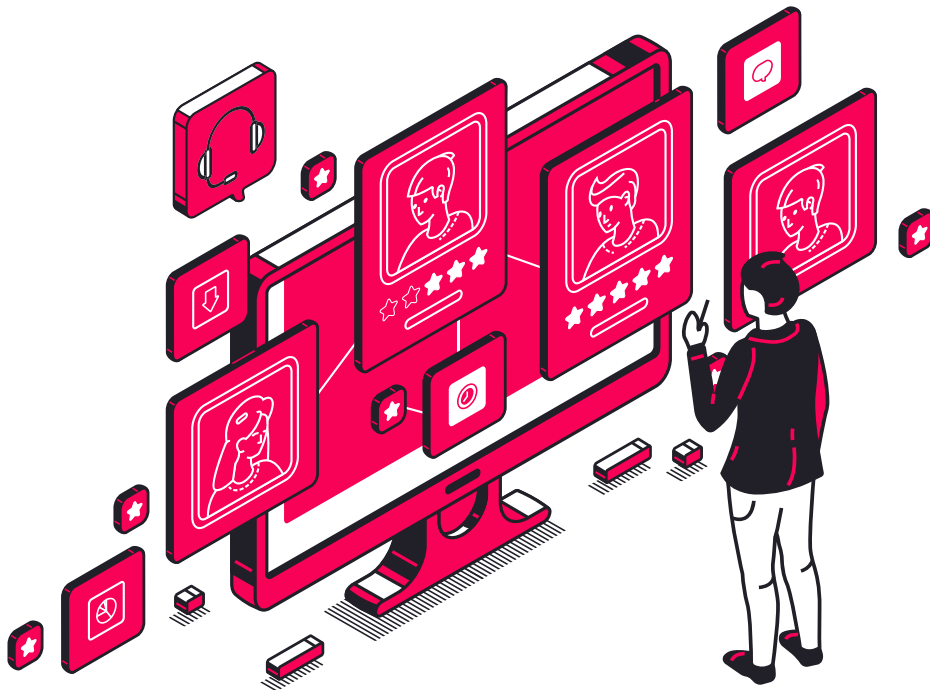
Avoid major growing pains by not limiting the impact CX teams can drive. At each stage of growth, plan for and identify where efficiency can be achieved by evaluating internal CX processes to understand the teams, tools, and data used at each customer touchpoint across a customer's journey.

Also ensure the customer experience tools you use are flexible so that you are always able to offer immersive experiences as needs change with growth.

28%



of businesses with 1–99 employees who see positive ROI from their CX are more likely to say their organisation has plans to merge at least some customer experience responsibilities or teams over the next 12 months.



About Us.

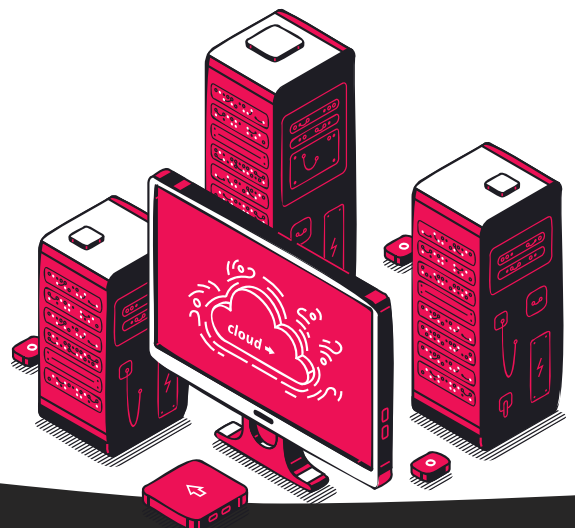
About Connect

Connect are the independent communications experts who can transform how your organisation communicates – both internally and externally. We deliver solutions and services that join up your employee and customer communications across platforms, across sites and across countries, in three core areas: Contact Centres, Unified Communications and Network Services. We provide simple, elegant solutions to the most complex problems.

Accreditation:



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