

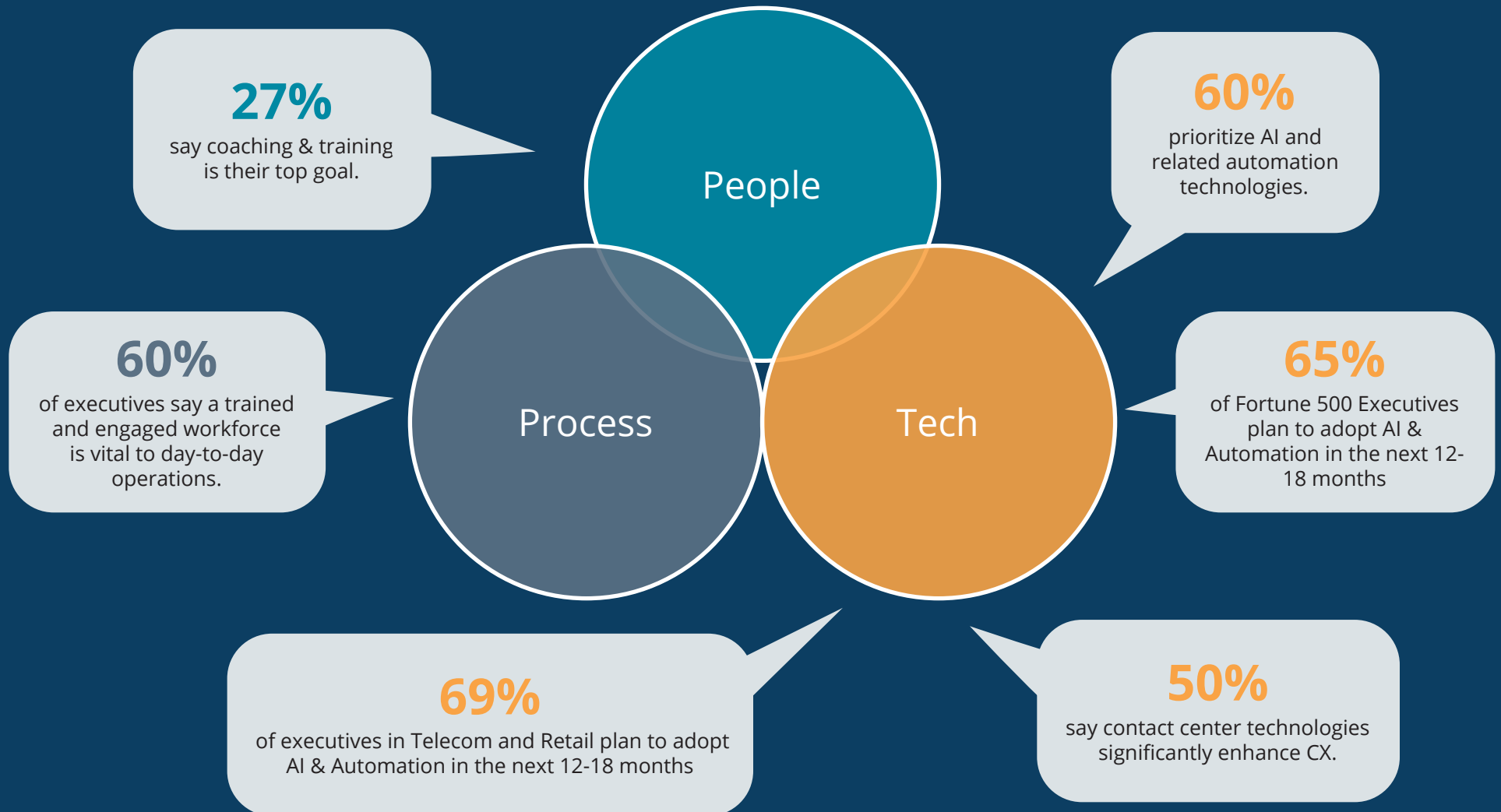
2024

CX EXECUTIVE RESEARCH REPORT



THE
NORTHRIDGE
GROUP

2024 CX EXECUTIVE RESEARCH REPORT BY THE NUMBERS



Summary, Insights, and More

People are the most critical aspect of contact center operations, but technology plays the most significant role in the customer experience, according to The Northridge Group's latest CX Research Report: Executive Edition 2023.

Northridge Group's survey of 200 business executives from Fortune 1000 organizations provides comprehensive information about the state of the customer experience as it relates to contact centers. This report offers actionable insights into the challenges businesses face when adopting new tech, the investments to prioritize in 2024, and how to create a symbiotic relationship between people, processes, and technology.

Join us as we explore the results of Northridge Group's CX Research Report: Executive Edition 2023. All statistics and insights outlined below were obtained directly from our survey.





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Technology and People: Harmonizing Contact Center Dynamics

Although people remain the cornerstone of contact center operations, technology increasingly dictates the quality and efficiency of the customer experience. This interplay is the critical focus of our CX Research Report: Executive Edition 2023.

Neither tech nor support agents exist in a vacuum. They are the two foundational pillars of the contact center ecosystem. Understanding their interdependence will help you curate a better customer experience that supports your long-term organizational goals and bolsters retention.

By the Numbers

Before shifting attention to the deeper insights yielded by our survey, review this rundown of some key findings that have immediate implications for your contact center management strategy.

People vs. Technology Impact

A majority (60%) of executives share that a trained and engaged workforce is vital for day-to-day operations. At the same time, more than 50% assert that contact center technologies significantly enhance the customer experience. The most successful contact center leaders understand that the success of one element is inextricably linked to the other.

Investment Priorities

Investment preferences vary across industries, but there is an apparent tilt toward technological improvements. This emphasis on technology does not diminish the importance of investing in people through training and coaching. Investing in the workforce is especially important in sectors like financial services.

Nearly 60% of respondents prioritize AI and related automation technologies. Executives in specific

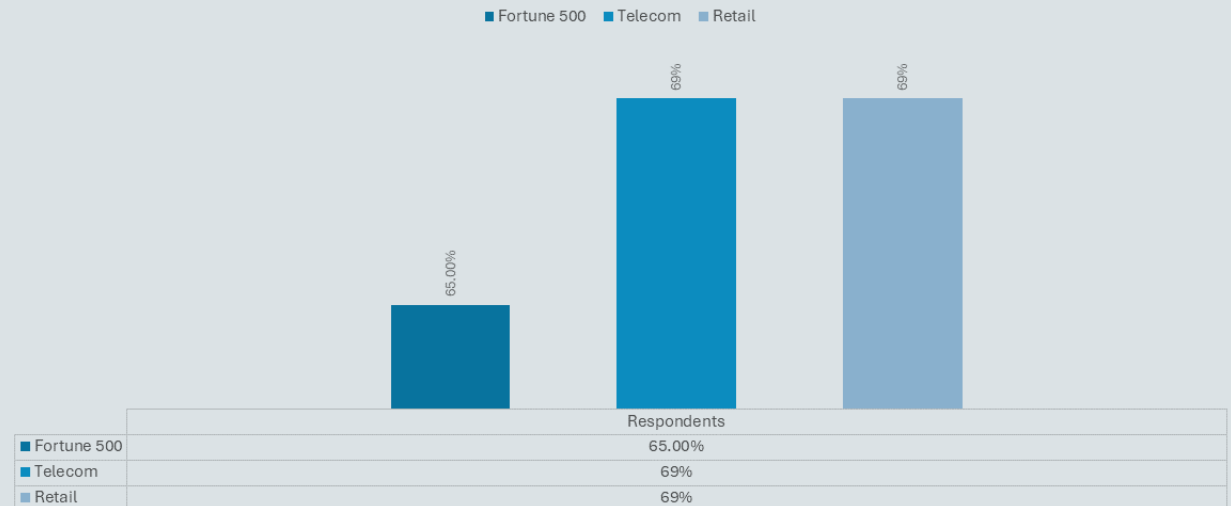
sectors are leaning into AI at an even higher rate: 65% in Fortune 500 companies, 69% in telecom, and 69% in retail. The AI revolution is in full swing, and leaders of the world's top businesses are on board. This generates a new question, however: how to incorporate AI technologies into the contact center efficiently while still engaging the people? Training is at the top of the list.

Coaching and training come in at a distant second to technology, with 27% of respondents listing this

as their top goal. However, 50% of respondents in the financial services sector cite coaching and training as their primary investment priority. This number indicates the recognition of the tight regulations this sector faces, as an under trained workforce can expose businesses to liability.

Companies need to remember that to maximize the ROI of their AI investment, they will also need to invest in training and change management for their employees.

EXECUTIVES PLANNING TO ADOPT AI & AUTOMATION



By the Numbers

Customer Experience Metrics

Everyone understands the importance of customer experience (CX) metrics like customer satisfaction scores (CSAT) and net promoter scores (NPS). Nearly four of five retail executives (78%) consider CX metrics their top performance indicators.

Meanwhile, 61% of all executives surveyed say these metrics are the most important to their organization. Those that recognize the importance of CX metrics are shifting their contact centers to become a loyalty and revenue generating center.

Additional metrics to consider include the lifetime value of a customer, the customer health score, and customer growth engine. These value-based metrics offer executives supplementary insights about a customer's impact at an organization over time. A customer's lifetime value shows the financial impact they have for the duration of their contract, whether months or years. A customer health score provides a value for the health of a customer through select inputs that span the entire customer experience. Discover the customer growth engine by subtracting customers lost from customers gained on a quarterly basis. This number shows customers entering vs. leaving the market journey.

Challenges With Technology Investments

Over half (52%) of respondents find building a compelling business case for technology investments challenging. This issue is acutely felt in healthcare (88%). In our experience, companies that build a strong business case and define the business requirements and technology needs to support those requirements clearly have significantly more successful implementations.

Although technology may require a significant initial investment, the long-term benefits, such as improved customer experiences, increased retention and reductions in care costs are invaluable.

Nearly 60% of respondents from Fortune 1000 organizations say contact center technologies have the greatest positive influence on customer experience. This includes self-service tools, including appointment scheduling applications and online bill pay platforms. In fact, up to 70 percent of medical patients prefer to schedule their own appointments, according to 2021 data.

Automation tools, especially text reminders and after visit communications, are just as important. With the help of automation and AI, connecting with customers before and after visits is not only

quite simple, but proving to be profitable when creating loyalty.

The Workforce of the Future

The workforce dynamics of contact centers vary by industry. While some sectors lean toward traditional in-office setups, others embrace the hybrid model. This diversity necessitates adaptable strategies for training and productivity assessment.

The proliferation of hybrid and remote work is reshaping how businesses hire and manage their workforce. When asked to provide insights about the future workforce, 42% of respondents foresee a hybrid model.

To prepare, your organization must first determine its preferences and consider how these views align with those of current and prospective employees. While you may prefer an in-office approach, many workers find hybrid or remote options more appealing. However, 64% of Fortune 500, 50% of telecom, and 43% of retail executives prefer traditional, in-office setups.

Therefore, you must consider a solution that will meet your staffing needs while delivering the best possible experience to your customers.

By the Numbers

Training and Productivity

The new normal of hybrid workers has managers rethinking how to effectively manage. Nearly 100% of respondents (95%) believe they need separate productivity assessments based on employee location (office, home, and hybrid). Likewise, 92% of executives advocate for location-specific training (those working remotely vs. in-office) and coaching methodologies.

No matter what workforce model you use, managing employees in a remote and hybrid workforce requires changes to the traditional approach. Best practice is to incorporate a variety of learning modalities into any training and coaching methodologies. These should include a variety of interactions that are cadenced and ad hoc to create a connected employee. Companies that build robust knowledge management systems have a significant advantage in building strong performing employees and decreasing the time to ramp-up after new hire training.

Recently, The Northridge Group worked with a nationwide retailer to assess their contact center and identify areas of improvement. Of the many areas we addressed, new hire training topped the list. After redesigning their onboarding training, as well as enhancing Knowledge Articles,

employee retention and engagement increased by an incredible 8% in just one year. Numbers continue to climb in year two.

We saw similar results with a large healthcare company. By redesigning the training process and tailoring the content to meet the unique requirements of both facilitators and employees, the overall experience for both members and providers improved. Across the company's three largest business groups, **we saw increased First Contact Resolution (FCR) rates, decreased Average Handling Time (AHT), and reduced attrition.**

AI and Emerging Technologies

Is your organization ready to embrace the artificial intelligence revolution? Assessing AI integration readiness will help prioritize technology investments and gauge competitive positioning within your sector.

If limited to one investment, 59% of executives would prioritize AI and emerging technologies. This sentiment is particularly strong in the telecom (69%) and retail (68%) sectors.

According to Forbes, the market for call center technology is expected to hit \$2.8 billion in 2024. For telecom clients and executives, leveraging AI

and automation benefits can transform contact centers, leading to more engaging, personalized customer experiences and smarter decision-making. If you're not already considering AI and emerging technologies for your organization, now is the best time to do so.

With AI, telecom service providers can achieve a myriad of objectives, including:

- Increased loyalty and retention — analytics help companies to predict customer behavior in real-time.
- Increased revenue through cross-selling and upselling services— using real-time customer data, companies can anticipate needs and offer the best services on the right channel at the right time.
- Growth acceleration — AI helps providers increase sales by basing channel bundling decisions on predicted customer preferences.

If you're interested in understanding how AI can benefit your contact center, start with an AI assessment with an NRG Subject Matter Expert. They can provide foundational insights into what your operation is currently using versus what you need for scaling in order to remain competitive and offer the highest level of customer service.



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People vs. Technology: A Symbiotic Relationship

The data illuminates a critical divide: While people are indispensable, technology is viewed as the driving force in shaping customer experiences. The success of contact center operations hinges on harmonizing these two elements.

Emerging technology, such as automation and AI, facilitates operational efficiency, but its effectiveness is contingent on a skilled workforce. It's essential to cultivate a well-trained team that can leverage the full capabilities of your contact center technologies.

Technology investments and coaching and training initiatives should be viewed as something other than priorities one and two. Instead, consider them 1a and 1b, as the two investments will complement one another and increase the overall performance of your operations.

Customer Experience: Your Key to Success

Addressing customer experience is foundational to your contact center's success — especially in the worlds of retail and telecom, where customers are king. Companies that invest in a strong data strategy and analytics solution will be ahead of their competitors.

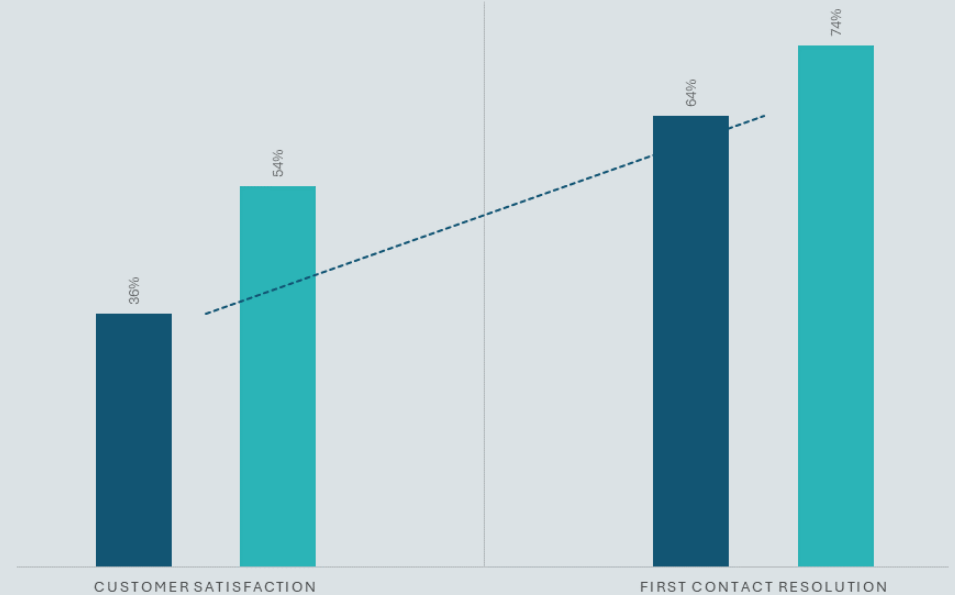
Think of modern data analytics tools as your business's magnifying glass. Analytics tools will show you what you're doing right and where you might be struggling with customer experience. But more than that, they'll give you insight into the root cause of issues so that you know where to focus your resources.

Hospitals already have tons of patient data points at their fingertips: name, physical address, email, phone number, insurance information, employment information. All of these details can be lucrative, high-quality data points, if a hospital leverages them in a strategic manner.

By analyzing patient data, health insurance providers open the doors to a variety of marketing use-cases:

- Identifying core audiences, which in turn, supports the building of successful content marketing campaigns for the target audience(s)
- Targeting patients with relevant ads that speak to their individual needs.
- Pinpointing the marketing channels that drive traffic and offer the most impact.

CUSTOMER EXPERIENCE SUCCESSES



A leading healthcare brand recently partnered with The Northridge Group to promote a better, more consistent customer experience. After making significant enhancements from associate performance pre- to post-engagement, the brand experienced a major positive shift in their customer experience metrics, including an 18-point increase in customer satisfaction (36% to 54%) and a 10-point increase in first contact resolution (64% to 74%).



2024 CX EXECUTIVE RESEARCH REPORT

Navigating the Challenges of Tech Investments

Tech is crucial, but opening up the budget can be tricky, especially in areas like healthcare. Sometimes, the perks of technology aren't easy to see or quantify .

Enter data analytics. These tools will help make a solid case for investing in better tech. Once new tools are part of the equation, analytics software will show the benefits of investment. These will improve the customer's journey, not just the contact center experience. The reason being, the right analytics will point to process issues that need to be corrected.

For example, data analytics are extremely beneficial for conducting a root cause analysis that uncovers why some contact centers struggle with high volumes of repeat calls. Using the data on hand, it's easy to discover the issue, implement a solution and improve the overall customer experience, as well as reduce costs and increase customer retention. First Contact Resolution (FCR) is imperative to a call center's success, and data analytics are a worthwhile investment to ensure daily operations run smoothly.

CX Insights: Final Thoughts

In the future, lucrative contact center operations will coexist in a delicate balance of people and technology. Both pillars are necessary to build a contact center that ensures high-quality, efficient customer experiences and best-in-class results. Creating a rich employee experience where agents are educated and empowered will directly impact your customer experience – raising net promoter scores, increasing loyalty and retention and building an impermeable brand.

Investing in AI and automation technologies for contact centers is a great way to improve the onboarding and training of new employees at a faster rate. In fact, 69% of telecom executives are leaning into AI as a resource for their organizations.

It's also worth exploring the future of the healthcare workforce environment. Although 55% of healthcare executives are open to a hybrid workspace, 50% of telecom executives support an in-office only work environment. Next-gen employees prefer a remote or hybrid workplace, which may conflict with the type of working conditions your organization supports and may be worth re-evaluating.

By leveraging a multifaceted, data-driven approach, you can modernize your contact center management strategies and deliver high-quality service to your customers.

By recognizing and capitalizing on the interrelationship between people and technology, your organization will be able to create a positive customer experience that supports long-term objectives and increases customer retention.





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