Canopus Business Management Group

2019 India Centric Customer Experience Trends

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There are many trend trackers to present a global perspective of CX, but there aren't many in India. We have seen that many global trends apply to India, only with subtle difference.

Here are my key observations about evolving CX trends in India:

General Business & Economic Outlook for CX Professionals

Let's start with General Business & Economic Outlook and their implications on Customer Experience Management (CX).

From "More Data" to "No More Data" for CX

GDPR (Global Data Protection Regulation) implemented in May 2018 in EU, has its ripple effect across various sectors and functions. The most impacted are digital marketing initiatives. The liberal use of 3rd party data in digital marketing had to be officially discontinued.

India centric CX initiatives aimed at providing personal experience to customers (personalization) that are built on 3rd & 2nd party data will hit a road block sooner or later. Data privacy issues are perceived by GoI as a threat to electoral process. Considering this, it may not be wise from now on to build CX programs that bank on 3rd & 2nd party data. For example, customer personas cannot be built on 3rd & 2nd party data or cross selling/upselling using 3rd party data.

Hence CX professionals will start using Zero party data (as defined by Forrester) to build new CX products, services, projects and initiatives

CX investments are not meeting expectations

Many global agencies, including Gartner, present a gloomy situation on ROI on CX programs. As per Gartner, 67% of their respondents are not optimistic about ROI from CX initiatives. While this is a global trend, the story is no different in India. Many organizations

botch up marketing initiatives and CX programs. As per Bain & Co, 48% of business leaders believe their CX to be great, but less than 10% of customers agree to that. Thus CX programs that haven't inched beyond self-gratification and intangible ROI find it difficult to justify their investments.

In coming months, CX Professionals will be challenged by senior management to present business case that provides transparent and traceable results in terms of **Customer Lifetime Value, Total Cost of Ownership, Revenue Churn, etc.**

Conservative Investment in CX
2019 is set to see a stagflationary environment with slow global growth and inflation to rise. IMF predicts global growth rate of 3.5%. Primarily US-China Trade woes & Brexit uncertainty are two key reasons for this forecast. As for India, its growth story is intact and the economy is expected to grow at a healthy rate of 7.5%.

Keeping in mind that general elections are around the corner, investments in CX can take a backseat till Q1 FY20 and even longer when it comes to MSME (Micro, Small & Medium Enterprises)

6 Key 2019 CX Trends to Watch
In the last few years, few distinct trends dominated Indian CX success story. They include deeper CRM adoption, Onboarding Experience Improvement, Close looping complaints & requests, gathering VOC, Introduction of digital channels for Service such as Chat, Self-service kiosks, etc.

What is in store for 2019 and near future?

- ### *Personalized Experience*
  In India, large enterprises in sectors such as Telecom, Financial Services & Retail have been front runners in building capabilities to provide personalized experience to their consumers. But, technology enablement and penetration has largely swayed towards marketing aspects and lesser towards customer service. This has fed the revenue growth engine rather than revenue assurance engine. As this trend is penetrating in other sectors, renewed effort will be in providing technology enabled personalized customer service that will demand lesser effort and time of customers.

- ### *Non-intrusive Experience*
  When is the last time you clicked an advertisement in the middle of an article or newsfeed? It is estimated that only less than 1% of embedded digital advertisements are considered by customers. Further, consumers are now more sensitive to sharing

information. While always evolved customers disliked intrusive personalized experience, we only see this group growing.

With data privacy restrictions, companies will develop CX programs that are non-intrusive. For example, pull based cross-selling rather than push based.

- *Episode Management*
  'Episode' is a relatively new term for CX professionals in India. It is a defined well-defined scenario with definitive start, end point & outcome. For example, a change of address request can be considered as an Episode. As per Medallia, 87% of customers think brands need to put more effort into providing a consistent experience. Many Indian companies deal with monthly volumes of request that are as high as annual volumes of their global counter parts, just for the sheer reason that India's customer base is virtually infinite. That said, culturally Indian consumers are more forgiving when it comes to delays, wrong entries, wrong updates, etc. As this trend is sharply changing, companies have realized the need to monitor and manage each 'episode' separately. Interaction based NPS is a sign of this development. The need to align responsibilities, collect data and monitor real-time progress for each episode is gaining importance. Organizations will need to built capabilities and tools around episode management.

- *Journey Map/Management*
  While the story of improving on-boarding journey and experience is told in every CX conference, as per Accenture, 89% of customers get frustrated because they need to repeat their issues to multiple representatives. This implies that customer journeys have to be refined to find ways to provide seamless CX. Many Indian organizations don't have right internal competency, tools and know-how to map, design & manage customer journeys. Many organizations will focus on mapping customer journeys and building capabilities around this area.

- *Human Centric Designs*
  Service and Process designs in India are usually dominated by choice of technology or platform and efficiency mind-set. Most customer facing processes have been designed for efficiency. While this made a lot of sense when customer base was growing rapidly and with ease, in current scenario, things are bit different. Many sectors have aggressive revenue assurance programs than revenue growth programs. Gartner predicts that, by 2020, poor customer experiences will destroy 30% of digital business projects. So the only sustainable way to assure revenue is by designing processes that reduce customer effort, increase customer productivity and thus create stickiness to a brand.

  Like Journey Management, many organizations don't have complete know-how to build human-centric designs. Thus it will be a slow but sure trend to watch for.

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- *B2B CX*

  Customer Experience is a topic dominated by B2C segment. Since 2017, there is a steady increase in interest among B2B segment to build the foundation of CX. For example, 86% of B2B CMOs say they consider customer experience(CX) to be very important, yet 57% of them say only marginal CX performance, as per Accenture. As of now, 70% of B2B organizations that run CX initiatives still work on bottom-up projects that improve within silos. So, CX penetration in B2B segment is another slow and steady trend.

6 Key 2019 CX Tools or Approaches to Watch Out

- *Omni-Channel Experience*

  Aberdeen Group claims that companies with the strongest omni-channel customer engagement strategies retain an average of 89% of their customers, as compared to 33% for companies with weak omni-channel strategies. Current Omni-Channel execution, revolves around retail and mainly restricted to pre-purchase-to-purchase milestones. There are few used cases for Omni-channel Experience in Customer Service but creating such an experience will require extensive integration of legacy systems and platforms. Implementation of omni-channel capability will have far reaching impact on customer retention and loyalty.

- *VOC*

  Use of digital tools for multi-channel data collection, one-view dashboard, real-time action and integration with existing BI platforms are definitive and affirming trends in India.

- *Predictive Analytics & NLP*

  Capability to process data to build predictive analytics using ML for churn propensity, demand-supply management, interaction management, etc is a global trend that has equal relevance in India. Natural Language Processing (NLP) capabilities help synthesize insights and provide real time resolution to customer ERC (Enquires, Requests and Complaints). This is another affirmative trend that will catch up in India.

- *AI & Chat-bots*

  Use of AI & Chat-bots needs no explanation. Coupled with some of the above tools, this will share the future of CX in India.

- *Zero Party Data Model and Control-Command Center for Data*

Aspects relating to customer data privacy is leading to a trend, where organizations create dedicated ways to manage collection, storage and usage. This includes the emerging role of Chief Data Officer and dedicated Control-Command Center for Customer Data.

- *Augmented Reality in Customer Service*
  Like Omni-channel, the used cases of AR is in pre-purchase-to-purchase milestone. In the coming years, the penetration of AR in Customer Service, such as assisted self-service, etc will hit us.

Conclusion

To conclude, the overall outlook of CXM is very positive for 2019 and near future. As an evolution in this journey, organizations need to recognize the role of CX, beyond the remit of Marketing, by challenging the siloed mindsets and traditionally accepted value addition of CX. Further, CX professionals need to acquire new skills and deliver tangible results to gain acceptance from senior management.

About the author

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