

The Future of Customer Experience

Technology Trends in 2024



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Introduction

2023 was a year of significant progress in AI technology. These technological innovations bring important implications for the future of Customer Experience (CX). As we enter 2024, it is crucial to understand how the latest advancements will shape a new era in CX. Areas like customer service operations, feedback management, and customer satisfaction will be transformed.

In customer service operations, AI is redefining the role of the support agent. Intelligent automation streamlines routine tasks and manual work. With this, agents can focus on complex problem-solving and delivering personalized interactions. This shift enhances the efficiency and effectiveness of customer service teams.

Customer feedback management is also experiencing a paradigm shift with AI. Advanced algorithms can analyze vast amounts of customer feedback in real time. This makes the feedback loop shorter and businesses more proactive in adapting to changing customer expectations.

Furthermore, AI is revolutionizing how we measure customer satisfaction. Sophisticated sentiment analysis and predictive modeling create a nuanced approach to measurement. Going beyond traditional metrics, this provides a more holistic and accurate reflection of customer experience.

As we move forward into 2024, it is clear that customer experience will continue to evolve. It's time to embrace AI technology and incorporate it into daily work. That way, CX leaders will be able to deliver the exceptional, personalized experiences that customers expect.



Methodology

The report provides an overview of research conducted between October and December 2023, comprising three distinct phases. In the first phase, 12 Customer Experience leaders were interviewed to gather perspectives on the future of customer experience and technology trends influencing the industry.

Based on themes identified in the interviews, a comprehensive survey was created and distributed to CX professionals. A total of 145 responses were analyzed, and the insights were then combined with those from the initial qualitative phase of the study to create this final research report.

This research report is centered on exploring CX trends and the evolving landscape of technology, specifically focusing on customer service operations and applications of artificial intelligence (AI).

01

In the qualitative phase of the study, 13 Customer Experience leaders were interviewed using a structured interview guide to uncover key themes.

02

The second phase of the study involved a research questionnaire administered online, collecting responses from 145 CX professionals.

03

The final stage of the research project was the data analysis, combining quantitative and qualitative insights from the previous two phases.

Key Findings



CX Maturity x Technology Adoption: The research findings indicate that the levels of technology adoption increase as Customer Experience Maturity increases.



Privacy and security concerns are not the primary obstacles: Operational, financial, and company cultural challenges play a bigger role in decision-making for new technology adoption.



Human connection and empathy prevail: The overall consensus is that, although technology will play a significant role, preserving human interaction and empathy remains critical for effective customer experience management in the future.



Only a small group embraces technology in its early stages: Most organizations in this study reported being cautious about the adoption of new technologies and are not yet using any AI technologies in their customer service operations.



A long way to go for customer-centricity: Despite their efforts to enhance the customer experience, only a small portion of organizations can be categorized as **truly customer-centric** based on their approach to customer operations and practices.

CX Maturity

Organizations can have different levels of Customer Experience (CX) maturity, and it is crucial to comprehend their current situation to gain insights into their operations and technology adoption. CX Maturity of the surveyed organizations was measured using the **Centers of Excellence (CoE) Maturity Model** as a reference.

This model was created to help organizations transform their service delivery and better understand their CX maturity level. According to the model, **CX is the culmination of interactions between a customer and an organization**, extending beyond digital services to encompass internal and external customer experiences.

There are 5 levels of CX Maturity:

- 1 Reactive:** Companies with a rudimentary understanding of their customers.
- 2 Tactical:** Companies that have had occasional forays into customer research.
- 3 Strategic:** Companies with enough customer-related initiatives aligning research and analysis efforts.
- 4 Foundational:** Companies whose CX efforts are coordinated and fit intentionally within well-articulated strategies.
- 5 Customer-centric:** Companies structured primarily around the measurable satisfaction of their customers' needs.



CX Maturity

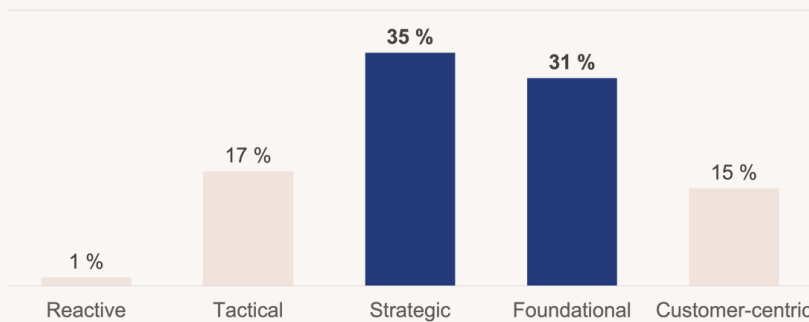
Based on the current capabilities and activities of an organization, it is possible to determine its level of CX Maturity. Once the level is defined, the organization can plan and implement initiatives to move to the next level of CX maturity.

	Access to customers	Voice of the customer	CX expertise
Reactive	Severely limited	Limited to call center	Nonexistent
Tactical	Limited	Contact center is the only potential VoC source	Mentions of customers or UX
Strategic	Available mostly through CX or UX projects	VoC tools in use, but analysis is not well-coordinated	Some roles tied to CX performance
Foundational	Regularly scheduled interactions, project-based deep research	VoC tools widely used by CX functions, but not accessible to other functions	Dedicated CX roles, elements also found in non-CX roles
Customer-centric	Interactions are essential to all or most operations	Sophisticated VoC tools, required for many operations	CX executives and managers

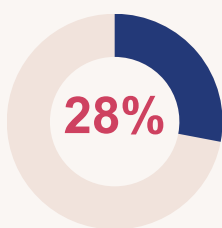
CX Maturity

A **Customer Experience Maturity Score** was calculated for each survey response to outline the varying levels of CX maturity across the organizations that took part in the survey and explore a possible correlation between CX maturity and technology adoption.

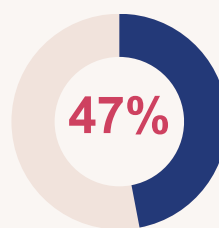
CX MATURITY SCORE DISTRIBUTION



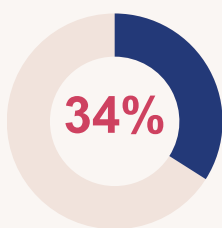
Most organizations in the survey (66%) are either at the **Strategic or Foundational levels of CX maturity**. Only a small portion (15%) are genuinely **customer-centric** based on their approach to customer experience.



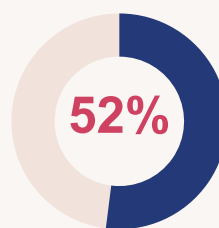
For 28% of the organizations in the survey, **Contact Center** is the only source of Voice of the Customer.



47% of the organizations that participated in the survey have **continuous or real-time customer feedback collection and analysis**.



34% of CX leaders stated that **customer interactions are essential** to all or most operations in their organizations.



More than half of CX leaders reported **limited collaboration** between customer service and other departments in their organizations.



The **correlation between CX Maturity Score and technology adoption** in this study was **0.48**. The positive correlation suggests that as CX Maturity increases, there is a tendency for technology adoption to also increase. The relationship is not extremely strong, but still significant.



Whereas CX is accountable for customer-centricity, the entire organization is responsible for it.

Norman Currie

**Executive Customer, Operations,
and Channel Leader**

Technology Adoption

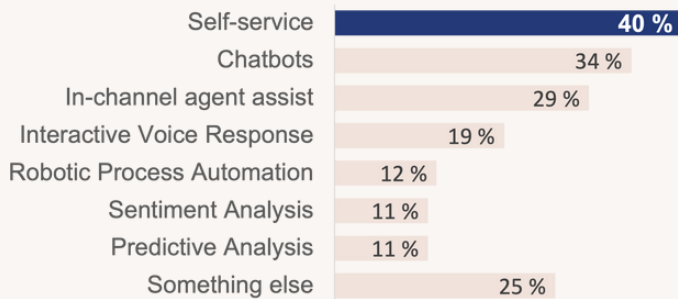
Customer experience has been undergoing a major transformation recently. Global events, evolving customer expectations, and substantial technological advancements are some reasons why. The year 2023 marked a groundbreaking surge in generative AI, reshaping CX practices. The integration of AI into customer service technology is one of the transformation drivers. It is streamlining the workflow of customer service teams and substantially enhancing the overall quality of customer experiences.

Organizations quick to adopt AI-driven solutions in customer experience are experiencing notable benefits. Some of these benefits include heightened efficiency, faster response times, and increased customer satisfaction. These early adopters are gaining a competitive edge in the market. This juncture represents a crucial moment for objective evaluation and strategic implementation of CX technology. This will be an imperative for organizations seeking to retain and delight their customers in an increasingly competitive landscape. The strategic incorporation of advanced technologies positions organizations to navigate and excel in the ever-evolving customer experience landscape.



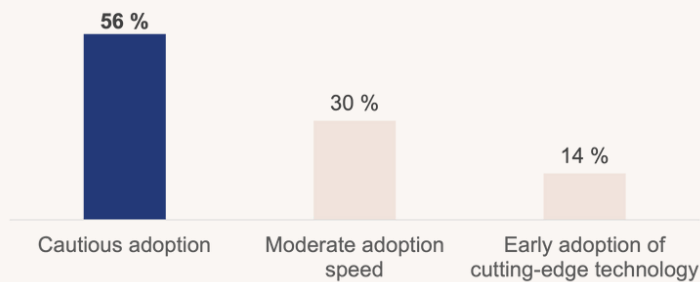
Technology Adoption

TECHNOLOGY ADOPTION RATES



40% of organizations surveyed are using **self-service technology** to improve the efficiency of their customer service operations and chatbots are being used by 34% of organizations. Very few (11%) are using more sophisticated AI-driven technology such as Sentiment Analysis or Predictive Analysis.

APPROACH TO NEW TECHNOLOGY ADOPTION



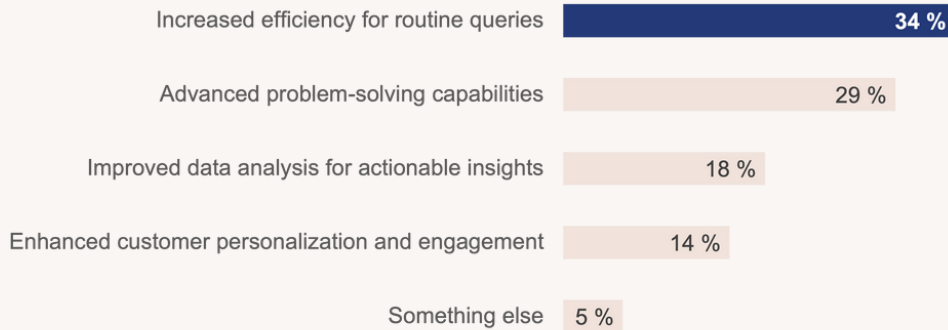
More than half (56%) of CX leaders in the study revealed that their **organizations are cautious** when it comes to new technologies. These organizations are mindful of the considerations guiding their decisions and try to find a balance between innovation and the stability of proven solutions.



Most organizations (56%) in this study reported being cautious about the adoption of new technologies, with **only 14% of surveyed CX professionals stating that their companies are early adopters**. This explains the fact that **57% of the organizations in the study are not yet using any AI technologies** in their customer service operations.

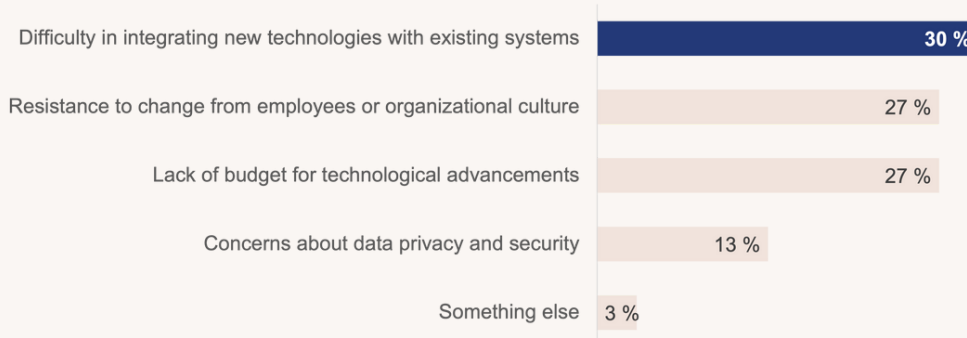
Technology Adoption

PERCEIVED AI TECHNOLOGY BENEFITS



A third (34%) of CX leaders believe that **increasing efficiency is the main benefit of AI technology in customer experience**. 29% of them believe that problem-solving capabilities are the main benefit whereas only 18% see improved data analysis as the main benefit of AI in customer service and 14% see increased personalization and engagement as the main AI benefit.

CHALLENGES IN TECHNOLOGY ADOPTION



Integrating new technology with existing systems was pointed out as the main challenge in technology adoption by 30% of CX leaders who took part in the survey. **Organizational culture and budget** were also among the main challenges faced by organizations when adopting new technologies.



Although most organizations in the survey declared to be cautious regarding new technology adoption, **only 13% mentioned data privacy and security as their main concern**, suggesting that operational, financial and cultural issues play a bigger role in their decisions.



We have customer feedback flowing from email conversations, live chat interactions, and reviews.

I would love it if I could just plug in a ChatGPT into everything and say, 'Tell me what's going wrong and what's going well,' and let's move from there.

Justus Tobergte

Head of Customer Excellence

Bugaboo

Future of CX

Customer Experience (CX) is undergoing a profound transformation, driven by the significant progress in AI-based technology and increased customer expectations. This research focused on three main topics related to the future of CX that were present in most conversations with CX leaders during the qualitative interviews stage.

The role of the customer service agent

Will AI replace customer service agents? The answer to this question is not black and white. Most CX leaders who participated in this project believe that the human element cannot be entirely replaced by AI technology, at least for now.

Customer feedback management

Customer feedback has become more voluminous and diverse, spanning an array of channels, from social media platforms to online reviews. Fortunately, with rapid advancements in AI technology, the capacity to handle this growing volume of feedback has also expanded significantly.

Customer satisfaction measurement

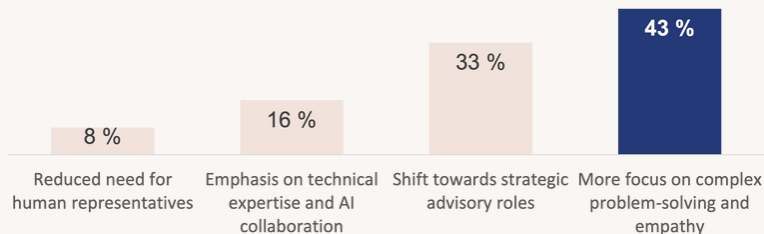
Customers express their satisfaction or dissatisfaction across diverse channels and different touchpoints through which they interact with products and services. That makes it crucial for businesses to aggregate and analyze feedback comprehensively with the help of the emerging technologies.



Future of CX

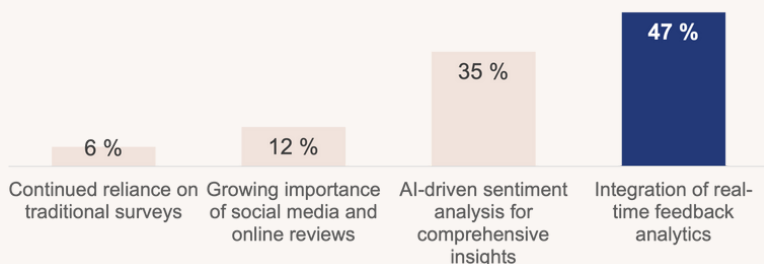
THE ROLE OF THE CUSTOMER SERVICE AGENT

Very few (8%) CX professionals believe that a reduced need for human representatives is what best describes the future of CX when it comes to the role of the customer service agent. Most CX professionals believe that an **increased focus on complex problem-solving and empathy** will define the new role of agents.



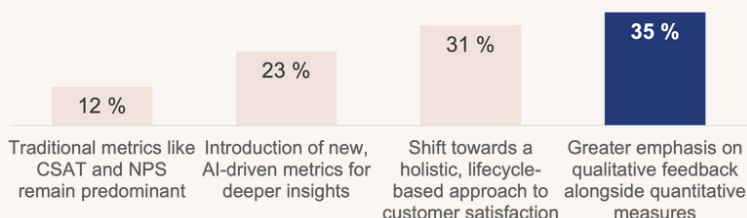
FUTURE OF FEEDBACK MANAGEMENT

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MEASURING AND ANALYZING CUSTOMER SATISFACTION

Only 12% of CX professionals believe that traditional customer satisfaction metrics will remain predominant. The majority believes there will be a **greater emphasis on qualitative feedback** alongside quantitative metrics and a **shift towards a lifecycle-based approach** to customer satisfaction.



Future of CX

The CX professionals who participated in the survey were asked to share their perspectives on the **most significant changes or advancements in customer experience in the coming years**, particularly from a customer service standpoint.

From their responses, several key themes emerged, including the integration of data, a reduction in manual tasks, a movement towards more personalized customer service, and a potential shift back to in-house customer service operations. The increasing importance of AI was evident, with predictions indicating enhanced efficiency, quicker response times, and a transformation from a service-centric agent team to a more advisory or sales-oriented team.

CX leaders foresee a greater reliance on automation and self-service functionalities, emphasizing the need to strike a balance between human interaction and AI capabilities. Additionally, the industry anticipates a shift towards more proactive, data-driven customer service, incorporating the integration of AI, automation, and analytics.

The overall consensus is that, although technology will play a significant role, **preserving human interaction and empathy remains critical** for effective customer experience management in the future. Here's a glimpse of what these CX professionals had to say:



"Increase in **self-service** platform use over agent involvement."

"Preference for **empathy** and human interactions, combining emerging technologies with **personalized human customer care**."

"Better quality and information analysis for **immediate action**."

"Shifting customer service operations **back in-house**."

"Transformation from service-focused to **advisory/sales**-generating roles."

"Adoption challenges and discussions about the **mobile CX journey**."

"Balancing **automation and humanization** in customer service"

"Use of AI to handle **routine tasks**, allowing more focus on complex issues and soft skills."

"Integrated view of the customer and their **journey, habits, and predictive analytics**."

"**Customer sentiment** AI-powered analysis for understanding impact and pain points."



One of the biggest challenges in CX is truly comprehending customer pain points and translating them into tangible product and service innovations.

Gizele Barankevicz

CX Coordinator

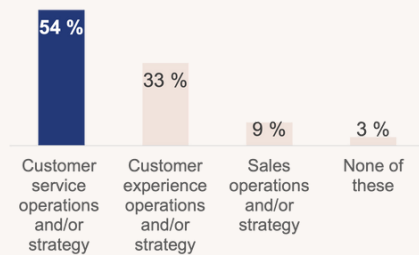
Sanavita

Demographic Snapshot

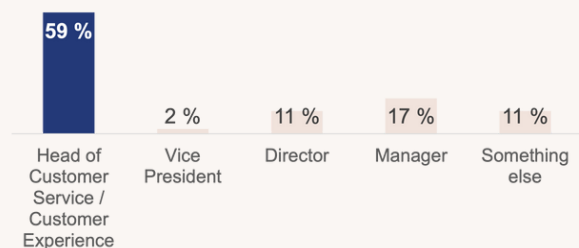
This demographic snapshot provides a comprehensive overview of the respondents' professional roles, company sizes, and industries. The majority of respondents are actively involved in customer service operations and strategy (54%), and 33% are involved in customer experience operations and strategy. The distribution of respondents spans various company sizes, with 55% within the 51-1000 employees range.

Additionally, the data reveals the industry distribution, with a notable representation from Technology/IT Services (23%), Manufacturing (17%), and Finance and Banking (11%). The upcoming charts will visually illustrate these key demographic aspects for a more accessible and insightful understanding.

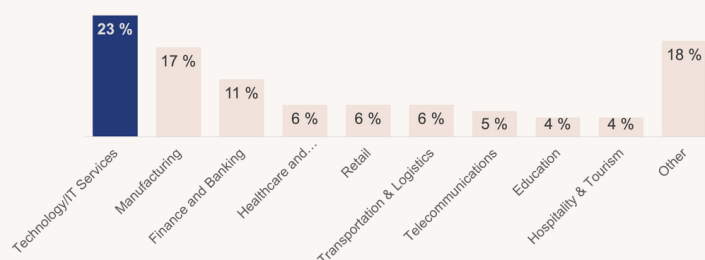
WORK RESPONSIBILITIES



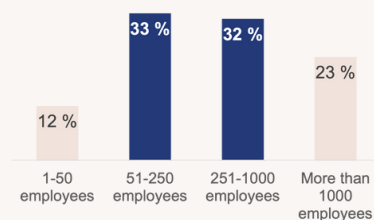
JOB SENIORITY



COMPANY INDUSTRY



COMPANY SIZE





In the future, a significant differentiator for companies will be the ability to reduce overhead while still building meaningful customer relationships. This is where AI will play a key role, especially considering the evolving demographics, such as millennials, Gen Z, and Gen Alpha, who prefer self-service options over traditional channels.

James Sanchez
Customer Success Leader
LeanLaw

Special thanks to the **CX leaders** who shared their voices in this research



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Customer Experience Senior Manager
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Guilherme Lacerda

Head of Engineering
PixForce



SurveyPal has over 16 years of experience and is a trusted **customer feedback solution** used by 600+ customer-focused companies globally. SurveyPal transforms customer feedback into actionable steps for service and product improvement. Unlike traditional survey tools, it listens to each customer's voice, considers context, and focuses on building a clear plan for customer satisfaction and loyalty.

