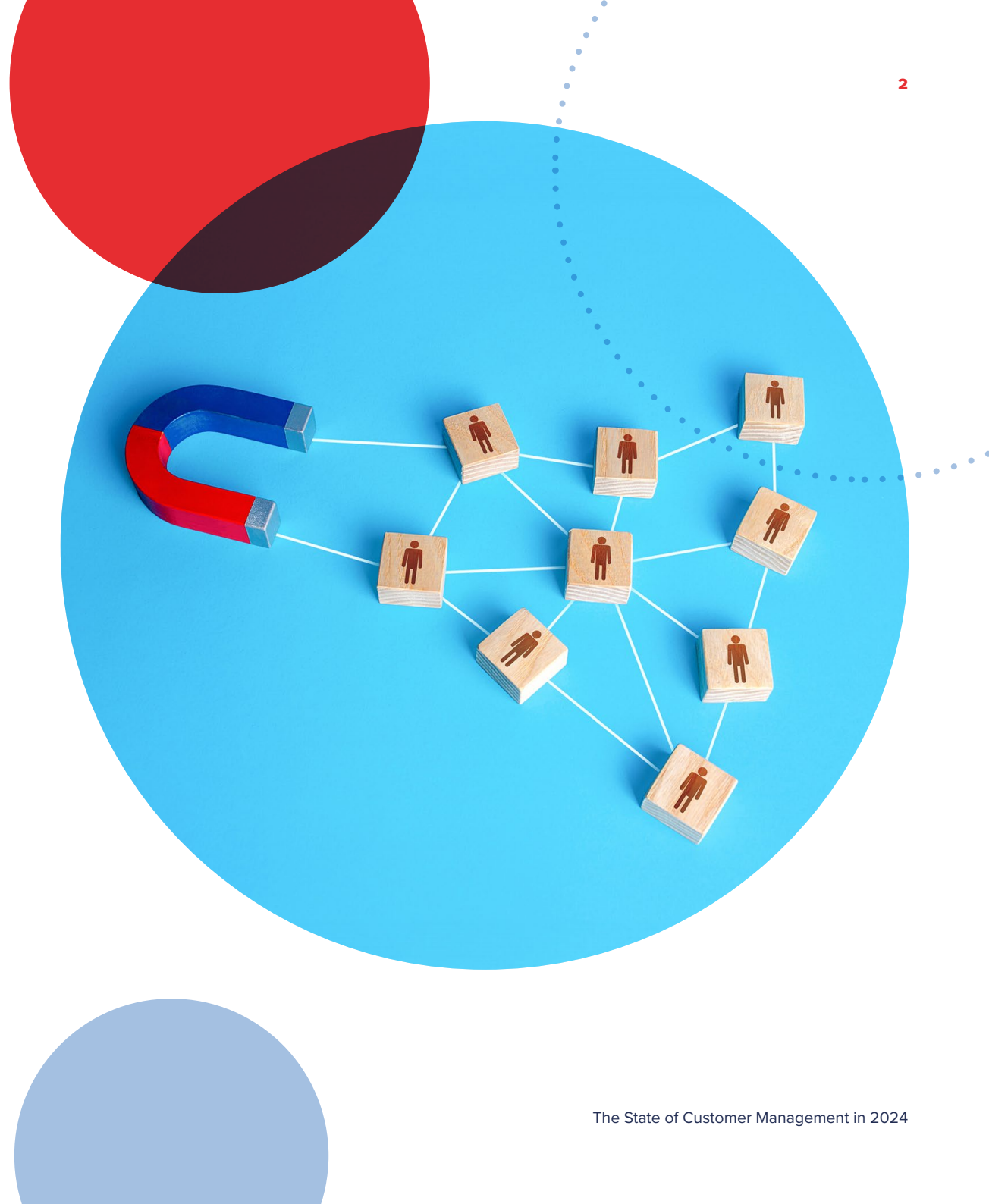


The State of Customer Management in **2024**



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Setting the Stage

As we descend deeper into the (digital) age of the customer, driving customer management excellence is becoming an inherently key component to business success. No longer can companies top their respective fields by simply differentiating on product, or service, or price alone – the holistic experience they provide around their brand, across every touchpoint they serve, is just as important (if not more important!). Customers – be they retail shoppers, energy consumers, budding travellers, or B2B buyers – have seized control over the rules of engagement and they demand nothing less than flawless time-based experiences and highly personalised interactions. Those who find the formula to execute on that remit will be the ones to beat.

In 2023, the visionaries looking to elevate their customer management game became armed with a new toy in the form of generative AI – the greatest technological advancement and the greatest customer experience (CX) disruptor since the introduction of the smartphone. It's impossible to ignore. Are we witnessing a sea change in customer service dynamics whereby automation is becoming more prominent, and the human touch is diminishing? Only time will tell.

But one thing is for sure: this AI revolution is not one to watch from the metaphorical sidelines. It's moving quickly. Innovations are springing up at pace, and it's on company executives to decipher where and how it fits into their organisations.

There are other challenges that present opportunities right now, too.

For one, the time has come to pivot from any legacy infrastructure and build the foundations of nimble and adaptable strategies that can future-proof business resilience. Getting more use out of customer insights is another. Reducing the volume of queries coming into the contact centre a third. In essence, there are a plethora of actions companies can take to affect real, needle-moving transformation in the realm of customer management to better position themselves to forge ahead and weather any unforeseen storms.

This report summarises where the industry stands today. Built on data collected from over 140 customer management experts, it offers a figurative lay of the land in what is a forever evolving, increasingly complex space. It breaks down the priorities that are top of CX agendas,

the biggest barriers to success in the present climate, and the areas poised to see the most investment.

It's all set up to be a groundbreaking year. Welcome to 2024!

About the Author



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Simon Hall is CCW Europe Digital's Industry Analyst. He leads all research projects into the current trends and best practices underpinning customer management, customer experience, customer service, digital transformation, customer engagement, employee engagement, and the contact centre. Simon also hosts a podcast – [In Conversation with CCW Europe](#) – that brings together the leading minds in the customer contact industry from across Europe.

Methodology and Demographics

To understand how the customer management landscape might evolve over the next 12 months, CCW Europe conducted a survey of 140+ thought leaders from the CCW Europe community. All pioneers in their respective domains spanning customer care, support services, customer operations, customer insights, product management, and many more, the respondents collectively came from a range of companies of all sizes plying their trade across all the major industries including financial services, healthcare and pharmaceuticals, hospitality and travel, retail, automotive, telecommunication, energy, and government and NGO services.

This is a snapshot of the respondents' job titles:

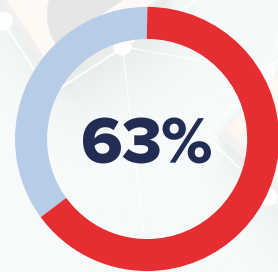
Chief Service Quality Officer, Vice President of Support Services, Director of Product Management, Director of Operations, Director of CX, Vice President of Customer Care, CX Transformation Manager, Global CS and Logistics Lead, Head of Omnichannel Management, Director of CX Management, Customer Journey Owner, Global Head of Customer Operations, Customer Experience Transformation Leader, Customer and Employee Advocacy Director, and Chief Commercial Officer.



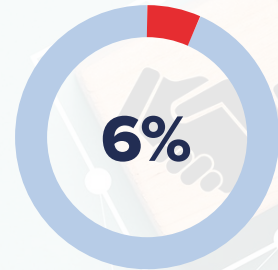
The survey results surfaced four main takeaways. Here, we dive into each one.

1. CX Commands the C-suite Spotlight

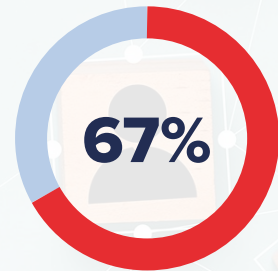
The Key Numbers at a Glance:



63% of respondents report that improving CX strategy is either “high” or “very high” on their C-suite’s agenda in the coming year.



A mere 6% say that CX currently represents a low priority for their executive leadership with a minimal 1% declaring it is “very low”.

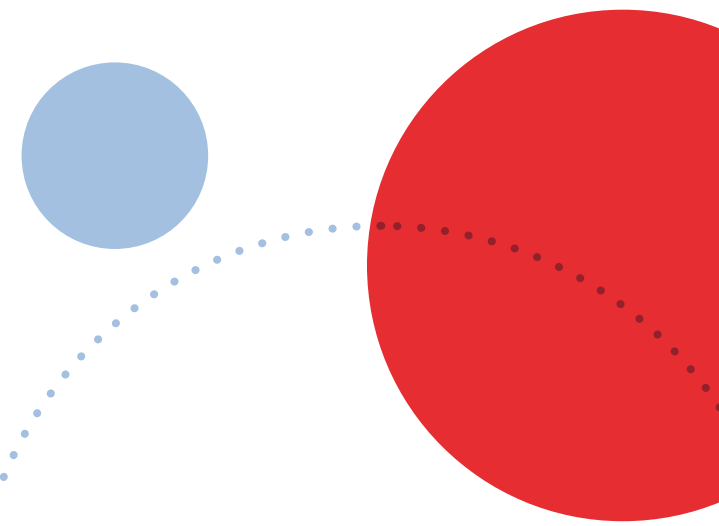


67% will see their CX budgets increase in 2024 while only 13% will have their monetary resources reduced to some degree.

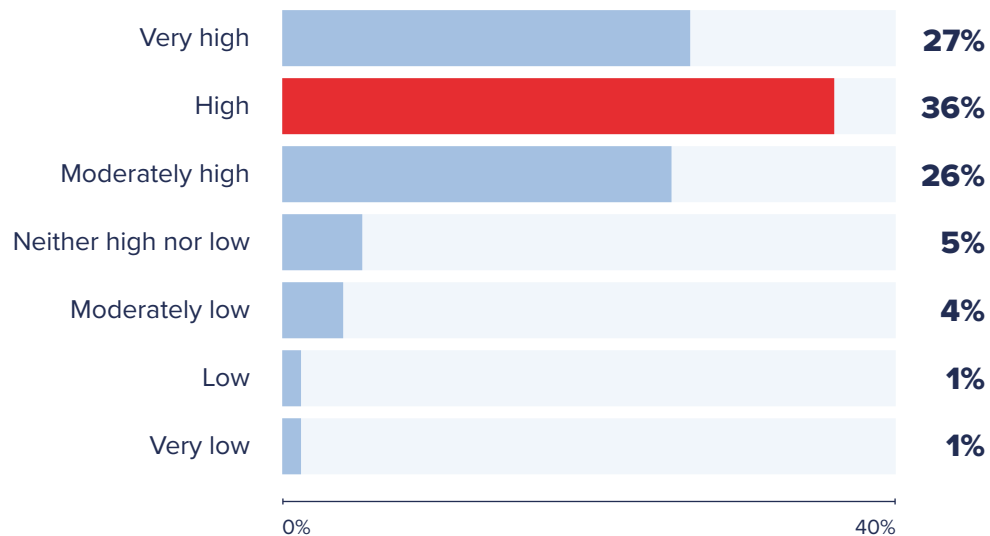
A high commitment and a long-term emphasis on CX have never been more widespread across the B2B and B2C divide, throughout both the public and private sectors. For good reason as well. At a time when economies remain subdued and consumer purse strings remain tight against enduring cost-of-living pressures, smart brands understand that now is the time to double down on the experiences they are providing consumers rather than pursuing acquisition strategies that may not bear fruit.

Of course, this line of focus by no means has to come at the expense of profitability. On the contrary, in fact. There is enough evidence out there to suggest that those who view their CX initiatives as intrinsic value-drivers are more likely to generate higher levels of revenue growth than those who do not. Indeed, the modern, channel-agnostic consumer is an unforgiving proposition – they expect businesses to understand their wants and needs regardless of where they are on their buying journey. To meet such a mandate head on requires

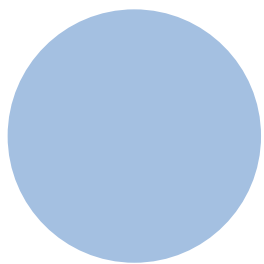
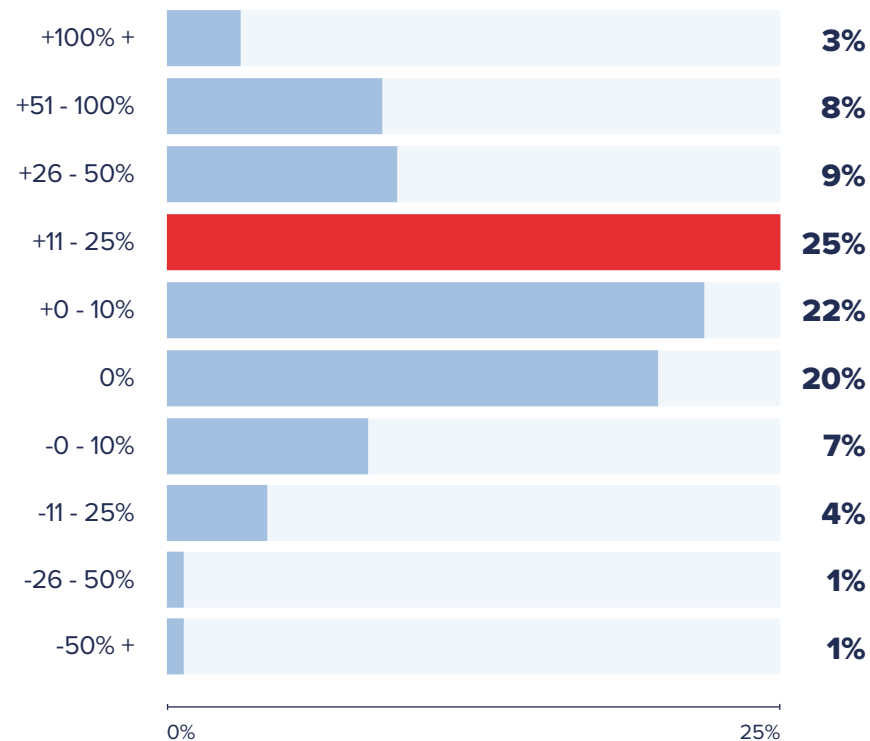
ongoing investment in areas of technology, data, personnel, processes, and culture to name just a handful. Providing a best-in-class customer experience is the responsibility of every department across an organisation, not just a siloed contact centre on the frontlines. Only by adopting that approach – that mindset – can businesses build the truly meaningful, lasting customer relationships that are central to success. And it looks like C-suites are clocking on.



How high on your C-suite's agenda is improving your CX strategy in 2024?

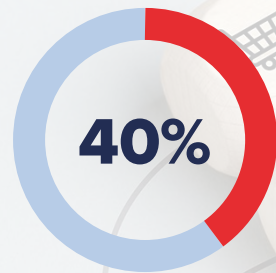


By what percentage will your CX budgets change in 2024?

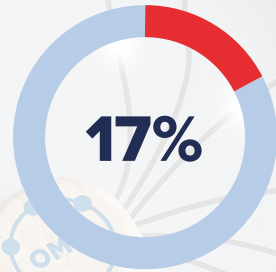


2. CX Priorities Come in Myriad Flavours

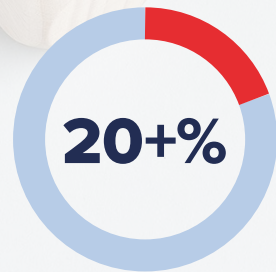
The Key Numbers at a Glance:



“Enabling better CX through technology” will be the number one priority for 40% of customer management leaders over the course of 2024.



“Making better use of customer insights” and “reducing contact centre volume” will be the top concern for 17% and 11% of respondents, respectively.



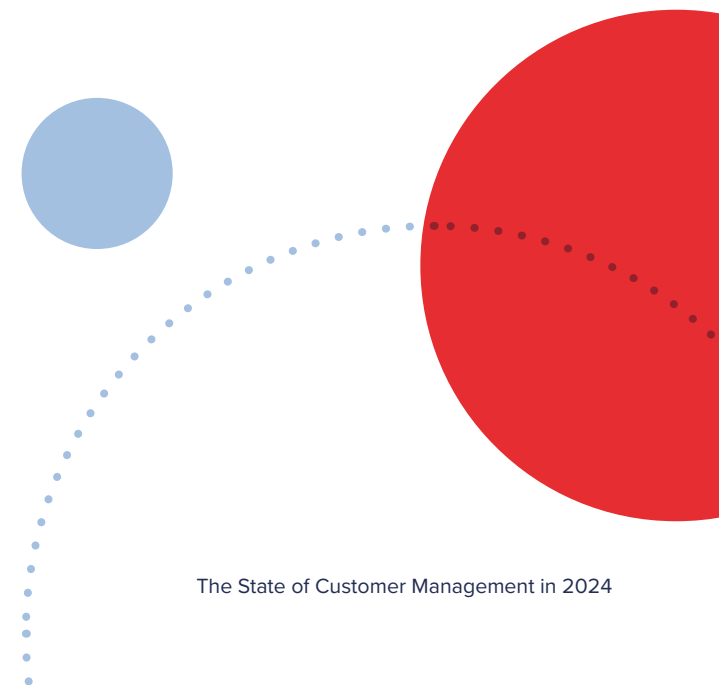
An incredible nine channels have a more than 20% adoption rate when it comes to driving customer engagement.

Customer management leaders are placing their respective resources into a veritable smorgasbord of priorities over the coming 12 months, proving there is no single, one-size-fits-all approach to best-in-class distinction in this industry. Tapping into the promise of technology to enable better CX comes in as the most common focus area while actioning customer insights in more effective ways follows up in second. Curbing the flow of incoming calls and messages to the contact centre rounds out the top three – a position in the pecking order that reflects growing attention to root-cause analysis. Indeed, by looking to fix issues at their source, and creating a more frictionless self-service experience in the process, brands can really start to maximise the impact of their support resources.

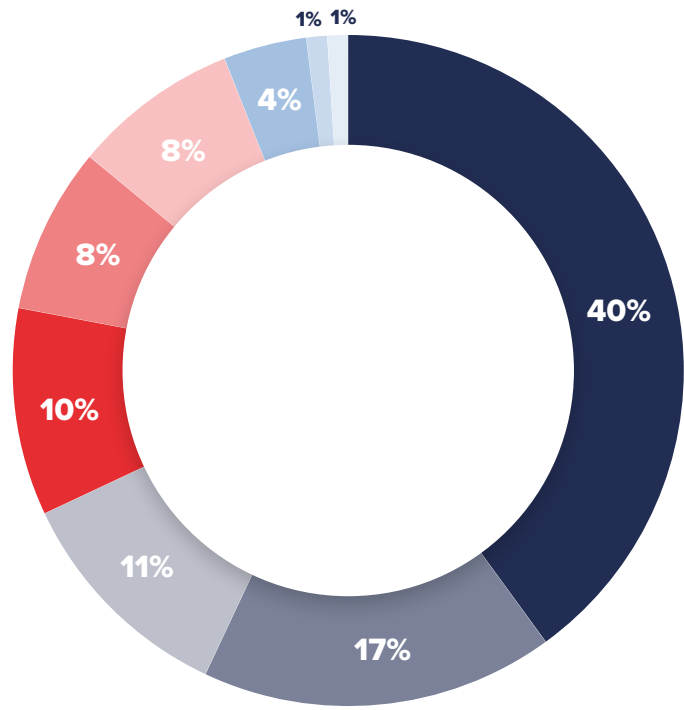
2024 may also bring omnichannel strategies into the spotlight. The sheer number of channels on which consumers play today is both a blessing and a curse for CX organisations. On one hand, they open new doors and new ways to engage. On the other, they represent more stuff to manage

(think: platforms, processes, metrics). Brands that lack intention with their communication strategy and haphazardly add channels without considering the broader picture will only create more obstacles in the long run. A year of consolidation and fine-tuning may be imminent.

And side note: phones are still the primary method of customer engagement, hinting that there is – at least in the here and now – still very much a consumer desire for brands to be human and to be accessible exactly when they need them.

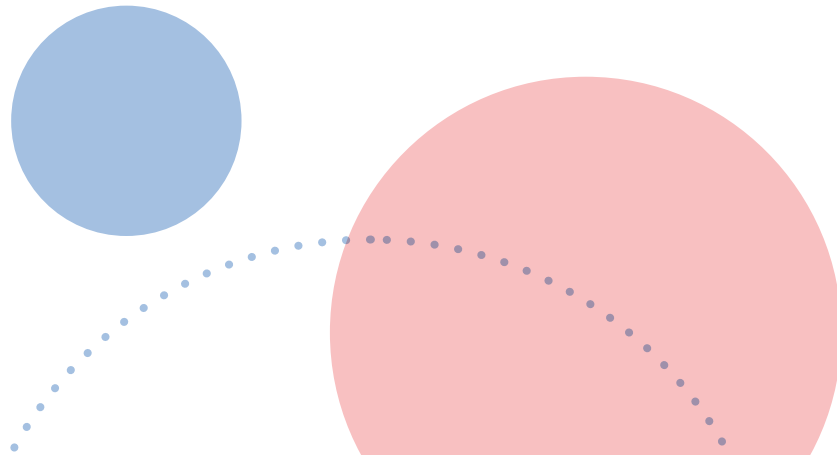
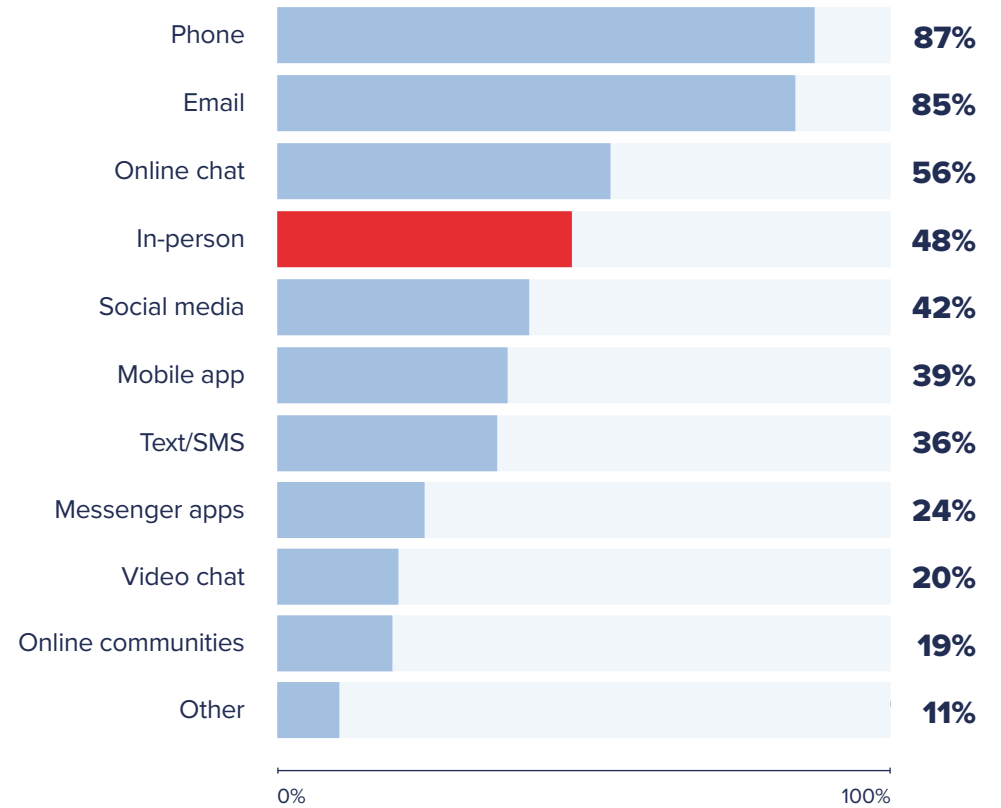


What are your most pressing CX priorities over the next 12 months?



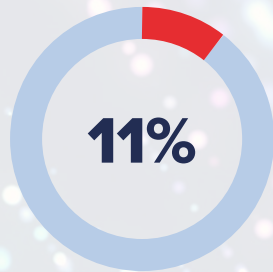
- Enabling better CX through technology
- Making better use of customer insights
- Reducing contact centre volume
- Building a customer-centric culture
- Designing experiences that drive increased loyalty
- Improving customer satisfaction
- Expanding your outsourcing operation
- Better understanding customer sentiment
- Other

Which channels do you use to engage with customers? respondents selected all that apply



3. AI: Reshaping Tomorrow, Today

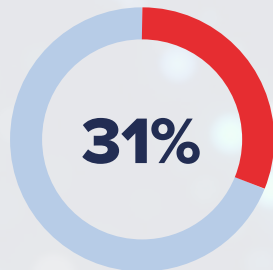
The Key Numbers at a Glance:



Only a fractional 11% of respondents report they are “inactive” in terms of bringing CX-focused AI technology into their roadmaps.



The majority say they are at the “pilot stage” (28%) while roughly one in four (23%) already have “use cases active”.



“Implementation and management costs” (31%) are cited as the biggest barrier to adopting AI, closely followed by “concerns around privacy and regulation” (30%).

We stand at the precipice of a new era in customer management. All thanks to the rapid proliferation of a new wave of AI-driven technologies. Chatter around what’s possible with these solutions has dominated news feeds and conference airtime in recent months and almost all of our survey respondents say they are in the process of embedding AI into their respective products, services, and or strategies. The hope, of course, is that it can unlock improvement across numerous facets of CX (sometimes simultaneously) – everything from supercharging efficiency gains, to fuelling new innovations, to quickening resolution times, to enabling continuous learning. Each designed to leave customers feeling happier, delighted, respected, heard. Most of the early movers who have introduced AI into their business model in some capacity are already reporting that it is having a positive impact on their workforce. A promising sign for the future.

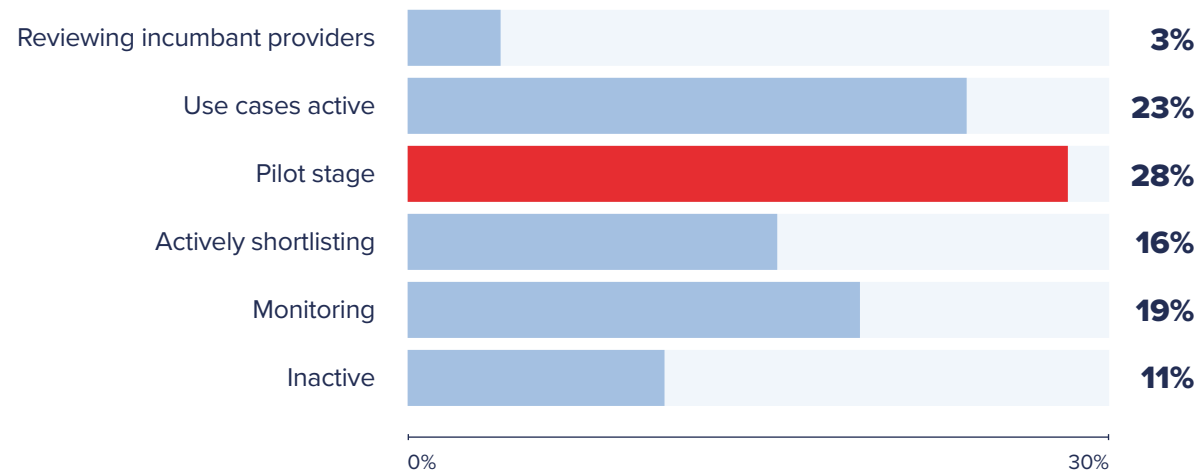
Exerting caution is important here, though. AI is not some sort of silver bullet. The journey to get AI use cases live is lengthy and far from straightforward. It’s

vital that brands view AI as a long-term investment into their customer care ecosystem as opposed to a short-term path to cost savings. Case in point? Chatbots. Perhaps the lowest hanging of all the AI fruit, many of these automated conversational tools are easy to set up but they continue to lack the sophistication required to resolve issues effectively, and, worse still, actually create friction and frustration for consumers. Business leaders must pick their sweet spots with these tools.

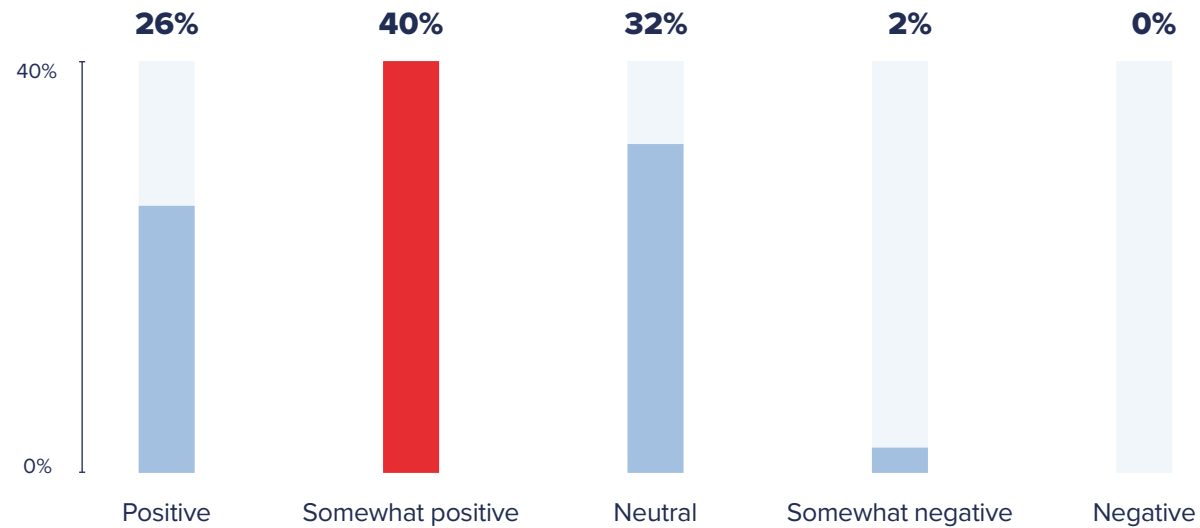
The two biggest barriers to adopting CX-focused AI are currently implementation and management costs and, as is typical when new technology comes onto the market, concern around regulation and privacy. An inability to escape the clutches of legacy technology also ranks highly. But optimism is still the dominant sentiment around AI – more than 65% of the leaders surveyed are either “moderately” or “highly” confident they will implement AI at some point throughout 2024.

In short, this particular conversation is only just getting started. Strap in.

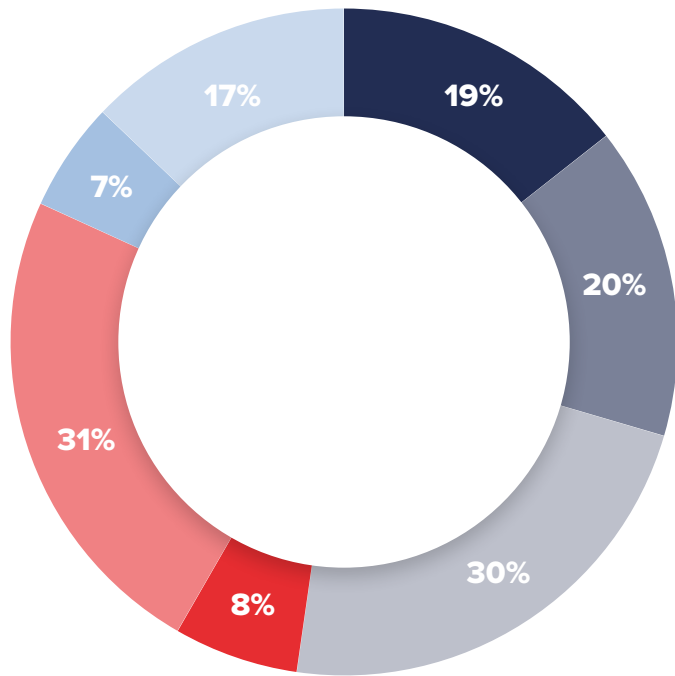
To what extent is your organisation adopting CX-focused AI?



What impact is AI having on your workforce?

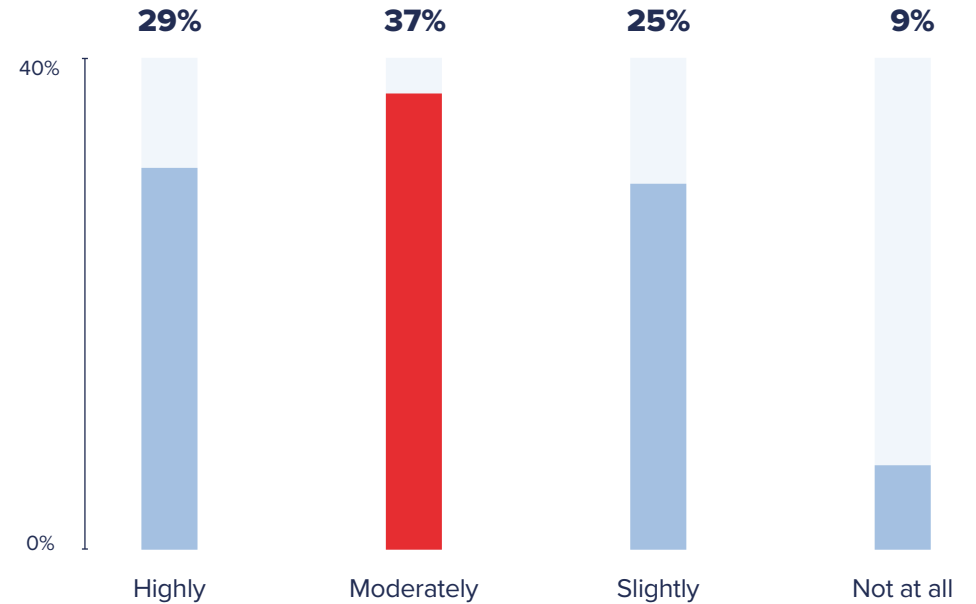


What are your biggest barriers to adopting and utilising CX-focused AI?



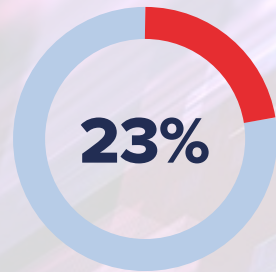
- A lack of knowledge and skilled talent
- An inability to pivot from legacy technology
- Concerns around regulation and privacy
- Ethical questions
- Implementation and management costs
- Internal opposition to change
- Other

How confident are you that within the next 12 months your organisation will have successfully implemented CX-focused AI technology into the business?

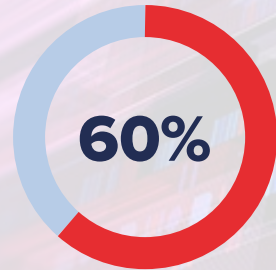


4. Challenges Abound on Multiple Fronts

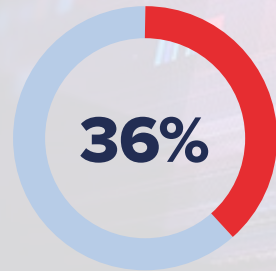
The Key Numbers at a Glance:



Grappling with an “insufficient technology framework” is the predominant challenge for respondents in the context of implementing their desired CX.



A significant 60% report using more than five data sources to execute their strategies with 5% employing more than 30(!).



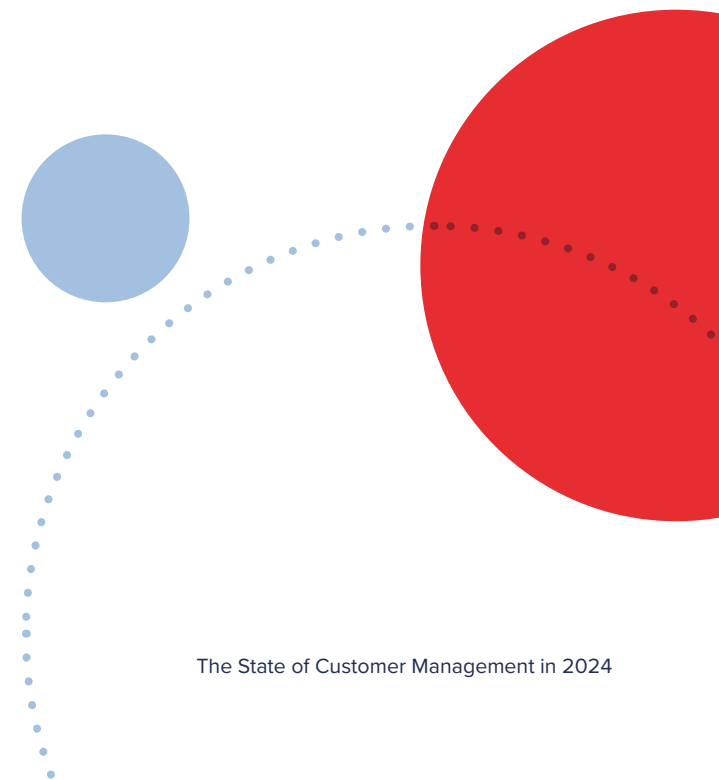
Just over one-third (36%) are “monitoring” personalisation-enhancing technology and only 9% are “inactive” in this area.

The challenges facing customer management teams today are profound, complex, and varied all at once. For our respondents, the top three in this moment are dealing with an insufficient technology framework (23%), working with disparate analytics (18%), and tackling a lack of internal buy-in (also 18%). And suffice it to say: these statistics shouldn’t come as a surprise.

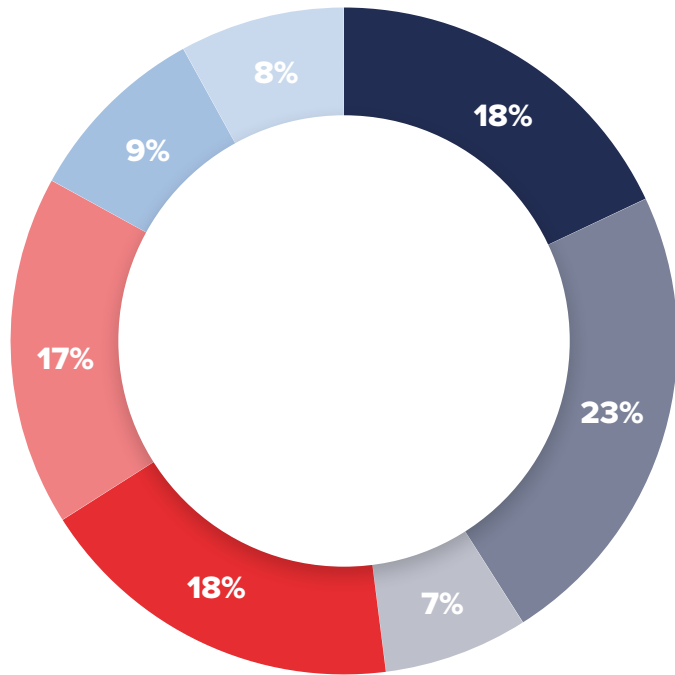
Over the past decade, businesses have been making meaningful investments into their digital infrastructure in order to keep up with changing consumer behaviour. In many cases, this has meant incorporating a steady stream of single point solutions focused on managing isolated channels – an approach that can breed fragmentation and can seriously impede momentum and growth if not carefully thought-out. One quarter of those surveyed (25%) are currently using at least 11 data sources to run their operation, making cross-channel integration that much more difficult. A further 35% are utilising between six and 10. There is no easy fix to the puzzle of siloed customer data and the stepping

stones to centralisation are many. Thoughtful sequencing is pivotal to connecting the pieces.

A few words here, too, on the personalisation imperative. In precis: it’s very real. Table stakes. A consumer expectation these days rather than the nice-to-have it used to be. Brands can ill-afford to get this tenet of CX wrong given that it can directly correlate to greater customer satisfaction and longer-term business prosperity.

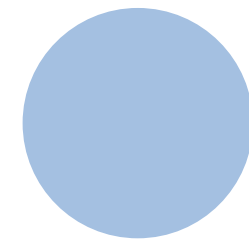
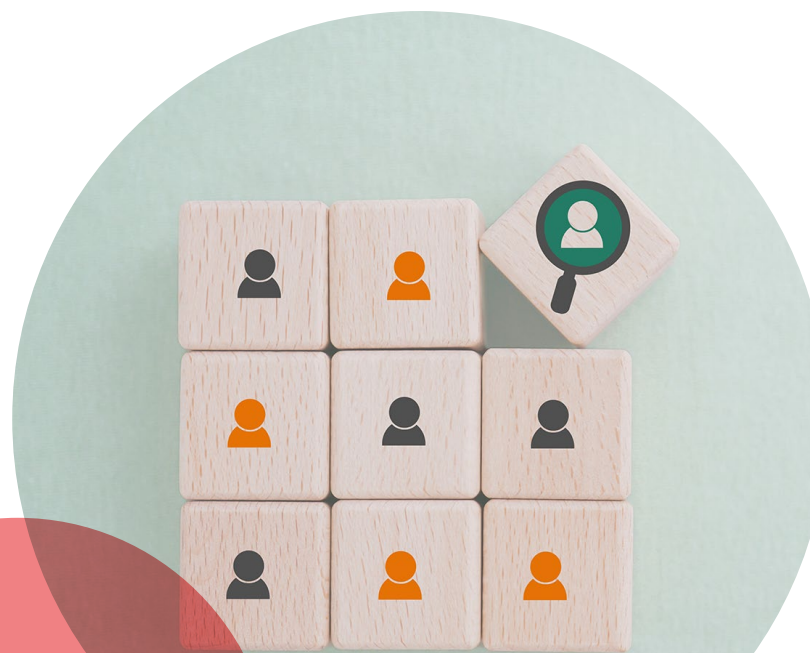
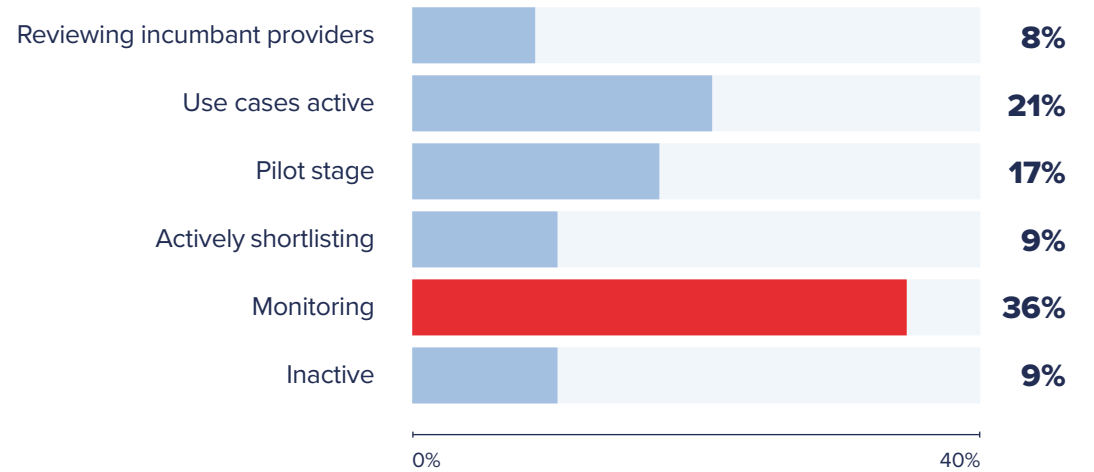


What is your biggest challenge when it comes to implementing your CX strategy?

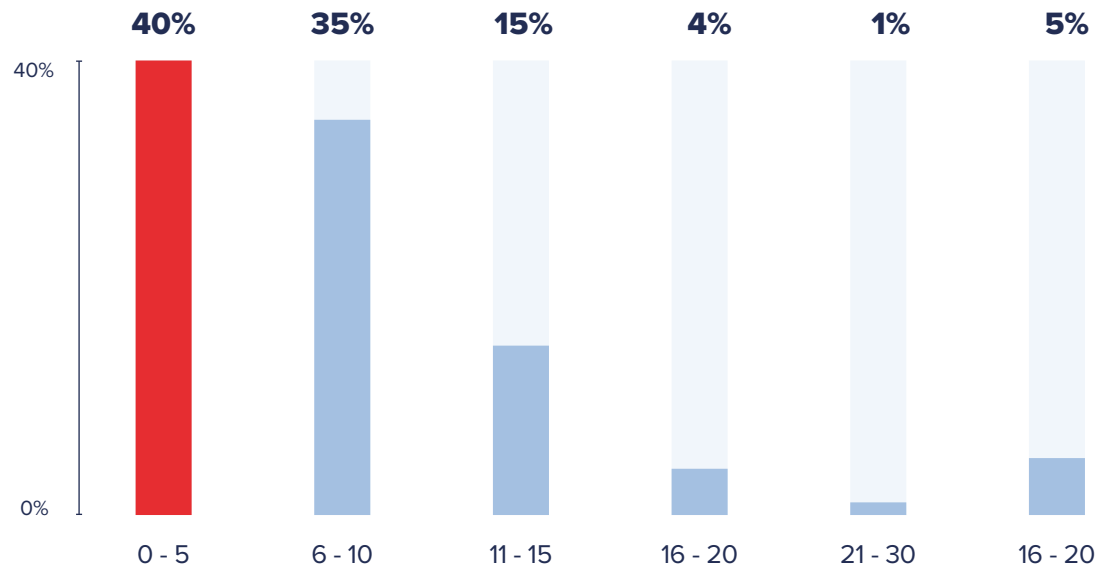


- Disparate analytics
- Insufficient technology framework
- Lack of customer insights
- Lack of internal buy-in
- Measuring ROI
- Not enough data
- Other

To what extent are you investing in technology designed to enhance personalisation?



How many data sources are you leveraging to execute your CX strategies?



Wrapping Up

Has there ever been a more exciting time to be in the world of customer management?

All signs point to the answer being no.

Naturally, there are tough challenges to navigate (as highlighted in this report). But there are tremendous opportunities to really move the dial on what great CX looks like with a host of technological innovations set to penetrate the landscape. For shrewd brands and shrewd customer management leaders, 2024 could be a year to remember!



Practicality Guide

Building Customer Loyalty and Brand Trust with Dialpad



Generative AI is more than just a buzzword of the moment. It's a technological revolution that promises to redefine the customer engagement landscape, and it's crucial to understand its potential. At its core, generative AI involves training algorithms to generate content (be it text, images, videos, or even voices) which is indistinguishable from that created by humans. This innovation has the power to automate and personalise customer interactions at scale, paving the way for a more efficient, engaging, and empathetic customer experience.

Consider this, for example: a virtual assistant that not only answers customer inquiries but also anticipates their needs, converses in a natural tone, and stands available around-the-clock. What was once the wildest imaginings of customer management leaders is now a reality at their fingertips. AI-powered technologies such as this can help support teams provide always-on top-tier service, and ultimately build the foundations of customer loyalty and brand trust.

Let's take a scenario whereby a customer reaches out for help resolving an issue. Generative AI-powered virtual assistants harbour the capacity to understand the problem involved and then recommend relevant solutions, all while maintaining the warmth and understanding of a human interaction. This level of customised support can drive better, faster resolution, and also build a lasting connection with the customer.

At a time of information overload, consumers are more discerning than ever. They expect brands to actively anticipate their needs, offer personalised recommendations, and demonstrate a genuine commitment to their satisfaction. By leveraging generative AI, businesses can better tailor their interactions, enrich their marketing efforts, and streamline their sales strategies to meet the unique preferences and expectations of every consumer. The result? A more loyal customer base who view brands as trusted partners, not just transactional entities. Indeed, building and maintaining customer loyalty and

brand trust is an evergreen challenge. With the right AI-powered tools, though, businesses can become empowered to gather, analyse, and act upon customer insights in real-time. They can also help to predict both customer needs and CSAT scores, offer proactive omnichannel support, and create bespoke experiences that truly resonate with target audiences. In doing so, brands will not only retain customers but turn them into brand advocates. Win-win.

The Future is AI

As businesses navigate the competitive landscape of 2024, the future may well belong to those who harness the capabilities of generative AI to craft next-level customer experiences. Now is the time for brands to make their mark, redefine their approach, and build a legacy of brand trust and customer loyalty that stands the test of time. Dialpad can power this journey – equipped with a suite of AI tools designed to create exceptional customer interactions and solidify brand reputation.

About CCW Europe Digital

CCW Europe Digital is the European chapter of the global CCW Digital community. Our focus is on sharing the content that matters, providing value-rich insights through industry reports, best practices, latest news, interviews with customer contact thought leaders, online and in-person events, and so much more.

By joining our growing network, you will be able to connect, learn, and interact with fellow industry professionals and stay up to date with the latest trends to help you achieve your business goals.

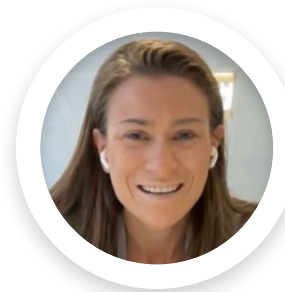
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Simon Hall

Industry Analyst
CCW Europe Digital



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