The business case
FOR EMPATHY

GENESYS

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EXPERIENCE AS A SERVICE
A new paradigm for 21st-century companies

In the age of 24/7 social media, Amazon reviews, and online forums where both customers and employees can vent their frustrations and gripes, companies offering a poor-quality experience are quickly punished.

"Around 2009, social media took off and this was a domain that companies could not control," said Dr. Natalie Petouhoff, Senior Strategic Business Consulting Director at Genesys. "Brands and their reputations were suddenly in the hands of customers. This led to an awakening in corporate America."

But over a decade later, that awakening hasn't prompted deep, lasting change. While 71% of firms in one study cited overall customer experience as their top strategic performance measure, for instance, only 13% of those same organizations self-rated their customer experience delivery as scoring a nine out of 10 or better.[1]

What's missing isn't necessarily investment, technology or attention from leadership, but rather, the right perspective. Executives often are wedded to outdated business models and assumptions; they look at both customer experience (CX) and employee experience (EX) through the prism of conventional metrics like cost and efficiency.

"Customer and employee experience aren't part of the profit and loss metrics. They're not part of the balance sheet," said Dr. Petouhoff. "What gets measured in revenue or cost is how you run your company, but if you don't have employees and customers, you have no business. Their experience is missing from our financial models."

At times, executives, employees and customers might share the same objective — but for very different reasons. Lowering average handle time, for instance, is in everyone's interest. But why? For managers, it cuts costs. For staff, it reduces cognitive burden — the frustration of spending endless hours listening to complaints they might not be able to solve and weren't responsible for in the first place. For customers, the desire is to be heard and understood, not handed off to an automated bot that does not understand who they are, why they're calling or what they need.

> "We've provided digital channels for commerce, but we often leave people hanging. On some digital journeys, I can pause in my journey on their site, and they don't engage. In a car dealership, if I walked in and just stood in the center of their lot… would they let me stand there all day?"
>
> Charles Godfrey, Senior Director, Genesys

1. "2020 Global Customer Experience Benchmarking Report. The Connected Customer: Delivering an Effortless Experience," NTT, 2020.

Some companies look at automation as a cost-cutting tool, ignoring the inferior experience it offers to employees and customers if it's poorly designed and isn't integrated seamlessly into customer service workflows, or where personnel lack access to the prompts and intelligence they need to act. Even in 2016, a global Accenture study found that customers felt as though companies had placed too much reliance on digital technologies, resulting in the development of "human-less" customer service — "human-less" is a proxy for an experience that's lacking in empathy.[2] Since then, many more have invested in digital automation.

If a company looks at a customer as a cost, that company might invest in automation that actually increases the customer's frustration. Conversely, by focusing on the customer and employee experiences first, the metric of success is neither cost nor speed; it's loyalty. A strategic, operational and financial focus on income statements or balance sheets doesn't provide visibility into the value of companies' two most important assets — customers and employees — and of the chief value they offer to companies: their loyalty. That can only be won by engaging them in a positive, life-affirming experience.

"There is a sort of corporate amnesia where who you were at the start of the journey, and where you've been, is completely forgotten. Technology propped up without any context around it."

Charles Godfrey, Senior Director, Genesys

2. "How To Put Empathy Into Action In Your Customer Experience," A Swinscoe, Forbes, December 2, 2021.

Genesys research shows nearly half of consumers feel more connected to companies that remember them; 66% are willing to share data in exchange for a more effortless experience.

2.5x

Research published by Rob Markey in Harvard Business Review has shown that customer loyalty leaders grew their revenue 2.5 times as fast as their industry peers.

92%

In targeted studies, researchers found that companies who demonstrably focus on customer/employee centricity see a 92% increase in customer loyalty.

THE ROI ON EMPATHY

Shifting the focus from cost and efficiency to experience hinges on empathy — putting oneself in the shoes of a customer or employee and reorienting the business from that point of view.

Empathy isn't sympathy, and it's not a "nice to have" competency somewhere in the background. It's a shift in orientation and perspective toward the experience the customer or employee has. It matters to the bottom line.

Customers and employees who feel heard and understood are more loyal. In a world of endless choices, customers can vote with their wallets, changing brands as they please. In a tight labor market where there's a figurative war for talent, employees are mobile, too. In a Genesys study, nearly half of consumers said the companies they regularly do business with don't show them enough empathy when delivering customer service.[3] Another study finds that CX staff want more from their work environment, including clear expectations, increased support and growth opportunities.[4]

Loyalty is valuable. Research shows nearly half of consumers feel more connected to companies that remember them; 66% are willing to share data in exchange for a more effortless experience which, in turn, can help companies improve products and services.[5] Research published by Rob Markey in Harvard Business Review has shown that customer loyalty leaders grew their revenue 2.5 times as fast as their industry peers. Over the following 10 years, they delivered two to five times more in shareholder returns.[6] In targeted studies, researchers found that companies who demonstrably focus on customer/employee centricity see a 92% increase in customer loyalty, an 84% uplift in revenue and a 79% margin in costs saved.[7] Increasing a customer's lifetime value is a long-term mindset that many businesses are missing.

The same dynamics apply to the workforce. In a 15-year study involving interviews with over 20,000 managers, experts found better employee

3. "Personalization and empathy in customer experience," Genesys, June 2020.

4. "Human values: The operating system for a high-performing contact center," Genesys, August 2021.

5. "Personalization & Empathy in Customer Experience: Multinational Consumer Survey," Genesys, June 2020.

6. "The Loyalty Economy," R. Markey et al., Harvard Business Review, February 2020.

7. "2020 Global Customer Experience Benchmarking Report. The Connected Customer: Delivering an Effortless Experience," NTT, 2020.

performance when management styles changed from a command-and-control approach to a more empathy-oriented approach.[8] Cultures where employees are empathetically engaged enjoy a positive domino effect: Higher service quality and productivity leads to higher customer lifetime value. And that leads to increased sales through repeat business and referrals, which leads to higher levels of profit and higher shareholder returns.

Because many products and services are now commodified, positive experiences are an important differentiator for business success. "We are finally at a place where two things have met: One is that expectations are higher than ever among customers and employees, and two is the technology. We finally have the tools to begin to deliver on the promises that we have made but have not been able to keep," said Dr. Petouhoff.

Thriving in tomorrow's economy

These studies show tangible business benefits to empathy today. The payoffs will only increase in the future, as digital technologies merge with the social, behavioral and psychological needs of humans. The best business models will provide highly personalized, contextually relevant, empathic customer and employee experiences as a service — at scale.

We have already seen the forebears of this: Companies who understood that they offer experiences, not just products and services, like Planet Hollywood, House of Blues or the Hard Rock Cafe, who all knew that the food is a prop to deliver "eatertainment," while stores like Cabela's, REI and Niketown draw customers in by offering fascinating displays, great activities and events (also known as "shoppertainment" or "entertailing"). In the future, all businesses will succeed or fail based on the experiences they offer.

What do companies need to do next? They need to listen to the concerns of their customers and employees in the here and now. Over time, they should use this input to reimagine their business; ask fundamental questions about processes; and shift toward proactive, predictive technologies that know what customers and employees need and want before their competitors do — sometimes even before customers and employees know.

To transform from a business-centric model to a customer- and employee-centric business and to drive superior performance, businesses need a systematic way to revolutionize customer and employee experiences. Living in an experience economy, business is no longer B2C or B2B or B2B2C. It boils down to B2E, where the "E" stands for empathic experiences.

8. Marcus Buckingham and Curt Coffman, First, Break All the Rules: What the World's Greatest Managers Do Differently (Washington, D.C.: Gallup Press, 2016).

Living in an experience economy, business is no longer B2C or B2B or B2B2C. It boils down to B2E, where the "E" stands for empathic experiences.
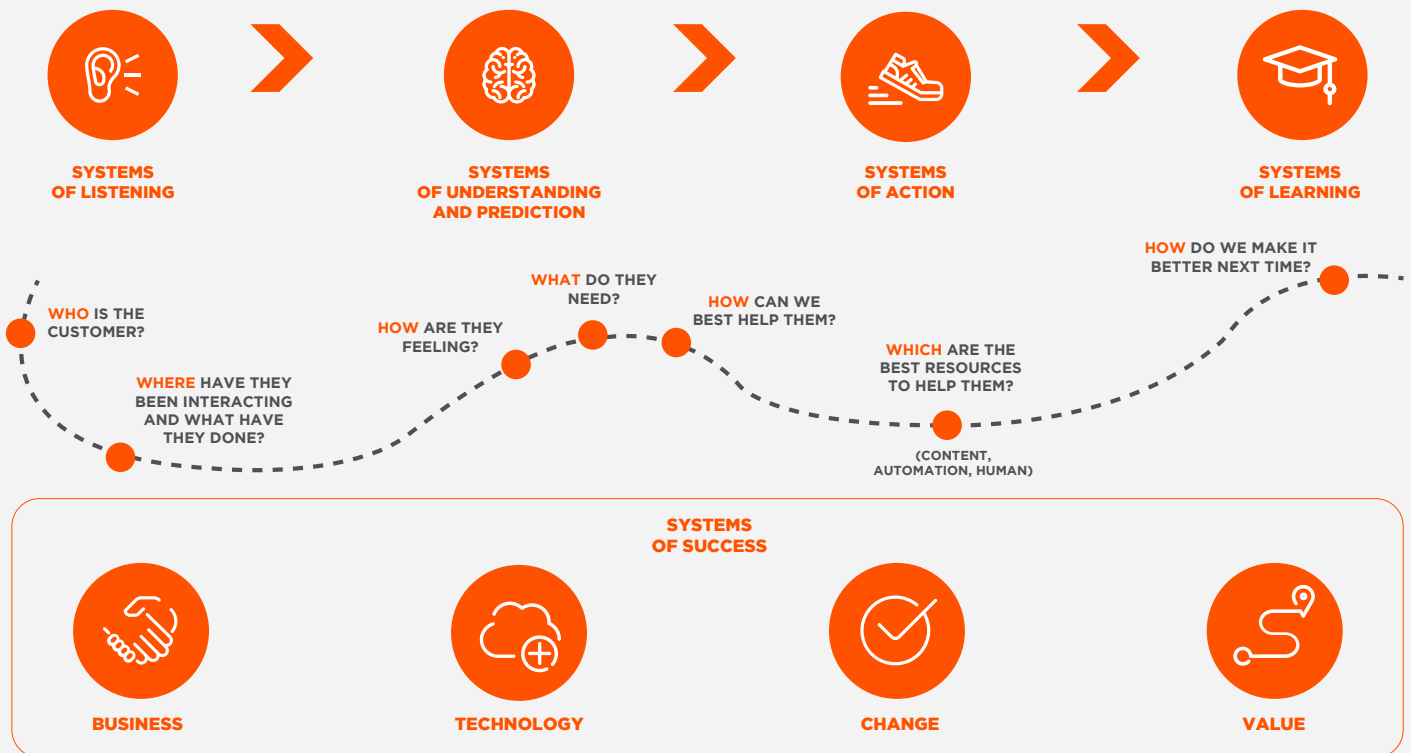
THE SYSTEMS OF EMPATHY

Empathy comes from a place of authentic, human warmth. But it can be nurtured and made systemic through a comprehensive management transformation, embedded into decisions and workflows and backed by the right technology. Companies can deliberately design engaging, empathic experiences for their customers and employees with the same methodology and prioritization they apply to products and services. "Empathy is a design-thinking approach," said Charles Godfrey, Senior Director at Genesys.

To nurture empathy at scale, Genesys has developed a model that shows organizations where it is on the journey toward empathy centricity. The model has five categories of systems: Listening, Understanding and Prediction, Action, Learning, and Success — the last of which captures an organization's culture and agility (see Figure 1).

Figure 1. Empathy in Action

SYSTEMS OF LISTENING

SYSTEMS OF UNDERSTANDING AND PREDICTION

SYSTEMS OF ACTION

SYSTEMS OF LEARNING

WHO IS THE CUSTOMER?

WHERE HAVE THEY BEEN INTERACTING AND WHAT HAVE THEY DONE?

HOW ARE THEY FEELING?

WHAT DO THEY NEED?

HOW CAN WE BEST HELP THEM?

WHICH ARE THE BEST RESOURCES TO HELP THEM? (CONTENT, AUTOMATION, HUMAN)

HOW DO WE MAKE IT BETTER NEXT TIME?

SYSTEMS OF SUCCESS

BUSINESS

TECHNOLOGY

CHANGE

VALUE

EMPATHY IN ACTION™

Across this journey, a company "listens" to what a customer has been doing or saying, "understands" their context, "predicts" sentiment and intent, and then determines who should "act" and deliver the needed solutions at the exact moment the customer needs it — and in the channel suited to their personal preferences. The business can then "learn" from all the experiences it provides, engaging in a self-propelled cycle of improvement.

Systems of Listening

Systems of Listening collect information about who the customer is, where they've been and what's happening to them now. Artificial intelligence (AI)-enhanced data capture includes the ability to track interaction data as a customer navigates the website, selects an IVR option or shares input from internet of things devices.

Companies with advanced Systems of Listening use AI-enhanced technology to develop a deep understanding of their customers and employees.

Leaders in this area maximize opportunities to connect customer and employee data across channels and touchpoints. This goes beyond simple information like names, phone numbers and interaction histories — extending to customer demographics, psychographics, behaviors and preferences, web activity and conversation history, sentiment and loyalty levels.

This results in a 360-degree view of customers that can be shared across the organization. And organizations that can act on this information in real time increase personalization for better self-service experiences, reduced handle times, increased outbound connection rates and higher customer satisfaction.

"When someone's on your website, can you see what they're doing? Can you see who they are and understand where they've been? Can you understand their emotions? Can you understand the things that they've looked at? These are all critical components of an empathy-based approach."

Dr. Natalie Petouhoff, Senior Strategic Business Consulting Director, Genesys

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Systems of Understanding and Prediction

Systems of Understanding and Prediction transform the data layer across an organization into meaningful information. This includes the ability to segment, cluster and enrich customer event data with AI to understand intent, predict outcomes and recommend next-best steps.

People-centered organizations prioritize personalized customer and employee experiences. Leaders recognize that AI is fundamental to dynamic personalization across channels and touchpoints — and they have a clear plan to achieve their business outcomes.

With strong Systems of Understanding and Prediction, leaders use AI to enrich all the data and context they've gathered to proactively discover and anticipate customer needs, rather than just respond.

When a company acknowledges a customer has an open order, is looking for a status update or needs to change an existing appointment, it tells them they're being heard and understood — before they even ask.

Leaders can even do this with virtual assistants, using bots to triage and qualify customer intent and trigger the next-best action. This might mean resolving the customer issue within the bot interaction. Or it might mean recognizing that the customer needs a specialized resource or employee and routing that customer appropriately.

And to make sure the best-fit employee is available, leaders use AI-driven platforms to model demand, generate forecasts and create schedules to match.

Systems of Action

Systems of Action equip companies to engage at the right moment, in the right way, with the right context. This includes the ability to route engagements across any channel to the best resource for the situation — whether that's a self-service tool, bot or employee. For employee-driven engagements, this means surfacing dynamic knowledge as the conversation unfolds to help employees confidently guide customers to a resolution.

Leaders in this space balance cost-effective digital engagement with easy paths to employee-led support. They recognize their digital channels, virtual assistants and frontline employees work together to represent their brand — and that requires seamless coordination.

As companies mature, so do their virtual assistants. Advanced bots can proactively engage users and use customer data to personalize the experience. Equipped with natural language understanding, these bots can address simple customer inquiries and triage more complex ones.

When a human touch is needed, leading organizations ensure a seamless handoff from bot to employee. Leaders gather data attributes from individual customers and employees and use AI to match each customer-employee interaction based on the highest probability for a successful business outcome.

Frontline employees are equipped with a clear picture of the customer's intent, sentiment and needs — available through a single cloud-based desktop. From here, the employee can engage with confidence and empathy. Contextual knowledge assistance is surfaced during the conversation and process automation offloads repetitive, low-value tasks.

Systems of Learning

Systems of Learning capture and monitor the outcomes of interactions for continuous improvement. This includes Voice of the Customer and Voice of the Employee data, as well as progress toward business goals. AI allows business leaders to better gauge success, discover what works best and learn how to adjust.

Leaders in this system capture customer sentiment and feedback at varying levels, during interactions and after. They can also determine underlying causes for changes in customer sentiment along a journey. And they've developed a culture of continuous improvement so they can act on the findings.

Managers use insights from customer feedback and employee performance data to create personalized assessments and targeted training programs. With a granular understanding of what drives employee performance, leading organizations can engage employees through custom career development and motivate teams through shared goals and gamification.

Systems of Success

Systems of Success evaluate an organization's commitment to a people-centric approach, its ability to execute projects and drive change. They focus on people and processes from both a business and technology perspective — how businesses set strategy, architect solutions and achieve goals.

Leading organizations recognize that true transformation comes from the top. Their highest levels of leadership are dedicated to the vision and committed to an enterprise strategy focused on customer and employee experiences.

To help their organizations make this transformation, leaders prioritize change management. They demonstrate empathy, communicate clearly, create focused initiatives and invest where needed.

This typically means advancing their technology infrastructure. Ultimately, leading organizations choose platforms and partners that can connect their customer and employee data, engagement channels, and intelligence. They also look to simplify their technology footprint and administration — and free up IT resources for more strategic initiatives.

As they experiment, leaders use advanced listening capabilities and computational analysis to identify connections between experiences and results. They encourage an agile, cross-functional approach to testing and optimization.
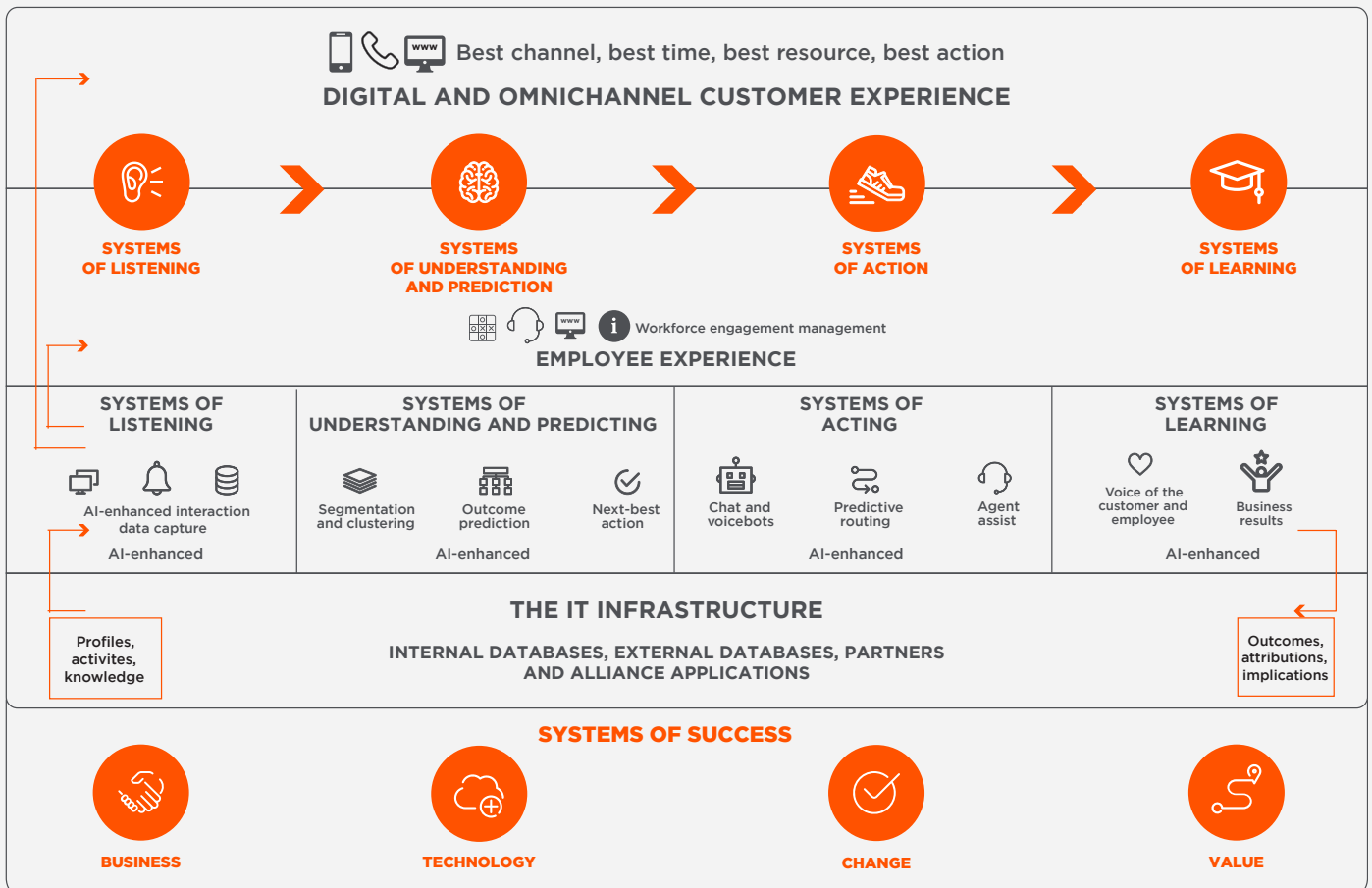
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ORCHESTRATING EMPATHY

While these five system categories are critical in and of themselves, success hinges on the integration and orchestration of empathic (customer/employee-centric) experiences with the technologies highlighted in Figure 2. We call this ability Experience as a Service℠. To deliver Experience as a Service, employee experiences must be orchestrated in parallel with customer experiences. This orchestration nurtures a positive employee experience by reducing cognitive burden, repetition and frustration — and gives them seamless access to everything they need.

Figure 2. Technologies that drive Empathy in Action

Orchestration involves connecting disparate systems, combining AI and customer data to integrate every interaction and deliver superior, contextually relevant experiences in real time.

"The analogy would be a customer going down a highway to reach a destination. By watching them, you can see they're going off the wrong exit ramp by mistake," said Steve Offsey, Vice President of Marketing at Genesys. "Through journey orchestration, you change the message on the sign and get them back onto the highway. AI technologies help you predict that they're going to fall off the right path and then create next-best experiences or actions to guide them to their goal."

Data, along with integration and analytics, can provide the fuel for achieving such orchestration, said Offsey. "Plenty of companies have data, whether in lakes or warehouses, but they can't analyze that data by customer and over time. If you're going to really understand how customers are shaping their goals through journeys, you need a time-based view. You need to be able to understand the behavior of each customer. Journey analytics enables you to monitor, analyze and act on that data to understand and improve customer experiences that can span a single journey or the entire length of the relationship — and, in some use cases, that can span a lifetime."

Offsey believes this data, plus advanced technology, allows empathy-driven orchestration because a company has a holistic and real-time understanding of what a customer has tried to do and where they need help. Personalization and prediction don't simply mean deducing customer information from static information, like what they bought previously or where they live; rather, it's a real-time understanding of their current journey to achieve a specific goal. Asking people is one way of arriving at such knowledge, but this just worsens the customer experience by forcing them to repeat all the steps they've taken.

"Using technology like a journey management platform means you already know what a person is trying to do and where they got stuck. Understanding the unique circumstances that led to a customer's current interaction is what allows you to create truly empathetic experiences."

Steve Offsey, Vice President of Marketing at Genesys

BENCHMARKING EMPATHY: THE JOURNEY THUS FAR

To deepen understanding of where organizations are on their journeys toward empathy-centricity and their strengths and weaknesses in each of the Systems of Empathy, Genesys conducted an executive survey of 453 businesses worldwide across 12 sectors that had revenues ranging from $50 million to over $1 billion.

This survey, **"The Empathy Assessment,"** asked respondents to describe the tools and processes they have in place across the five Systems of Empathy categories, on a graded scale of 1 to 4, with 4 being the most sophisticated and advanced capabilities.
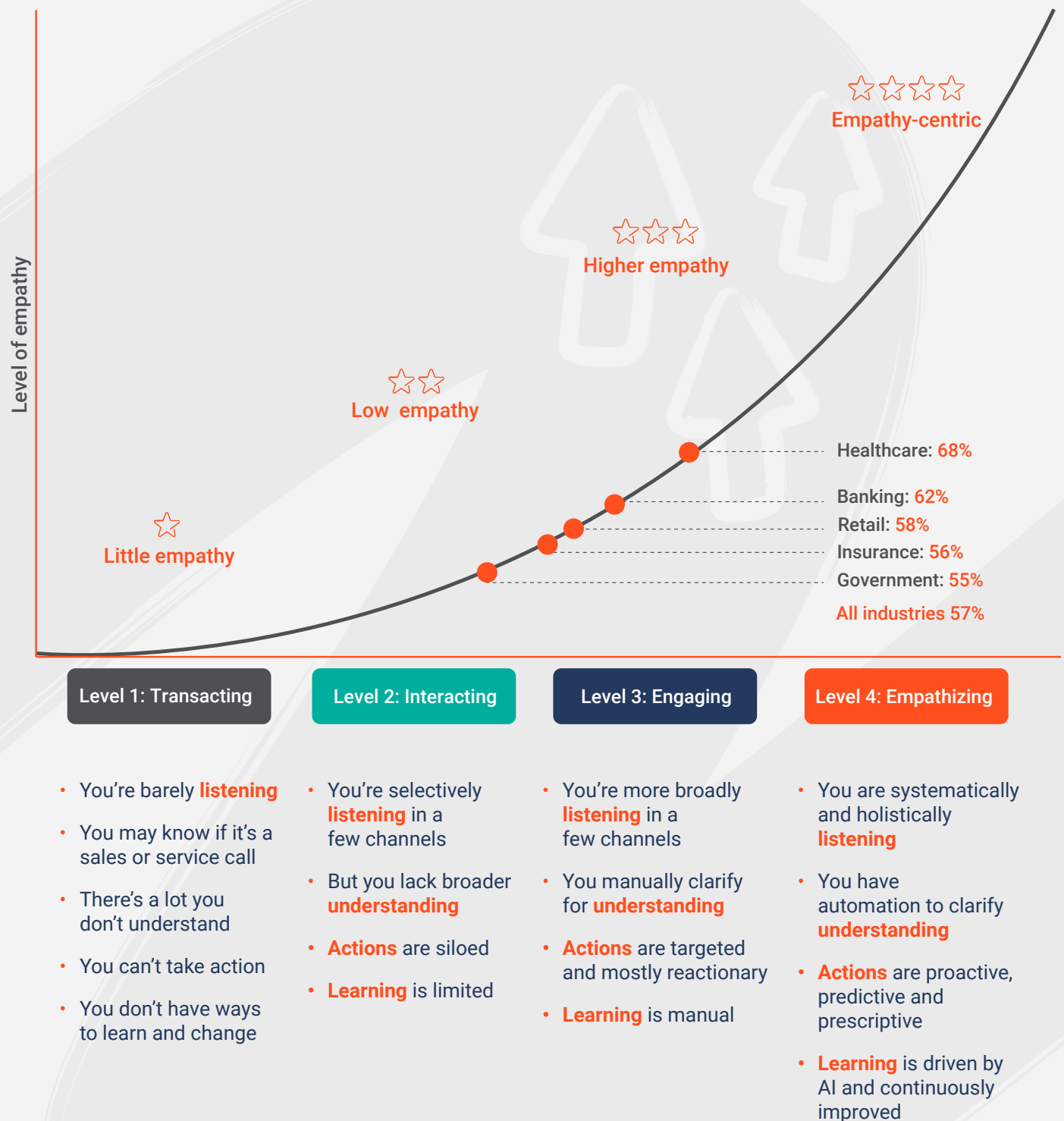
Overall, our poll found organizations are becoming more empathy-centric and are currently optimizing their deployments of technology across the customer and employee experiences. None of the businesses that participated in the survey have reached a stage of becoming truly empathy-centric.

The data showed companies are the most confident in the Systems of Understanding and Prediction and struggle most with the Systems of Success. This indicates the focus has been on improving their ability to capture data about customers and understand their needs, with more limited progress on gathering insights across units and departments in ways that could foster deeper transformation to become an experience-driven business. On a sector basis, healthcare was the most advanced of the group, with government lagging, despite recent improvements in digitalization and customer experience.

Figure 3. The maturity curve for Empathy in Action

Level of empathy

Empathy-centric

Higher empathy

Low empathy

Little empathy

Healthcare: **68%**

Banking: **62%**
Retail: **58%**
Insurance: **56%**
Government: **55%**

All industries 57%

Level 1: Transacting	Level 2: Interacting	Level 3: Engaging	Level 4: Empathizing
• You're barely **listening**	• You're selectively **listening** in a few channels	• You're more broadly **listening** in a few channels	• You are systematically and holistically **listening**
• You may know if it's a sales or service call	• But you lack broader **understanding**	• You manually clarify for **understanding**	• You have automation to clarify **understanding**
• There's a lot you don't understand	• **Actions** are siloed	• **Actions** are targeted and mostly reactionary	• **Actions** are proactive, predictive and prescriptive
• You can't take action	• **Learning** is limited	• **Learning** is manual	• **Learning** is driven by AI and continuously improved
• You don't have ways to learn and change			

Systems of Listening

The survey found that Systems of Listening — capabilities for identifying and responding to customer inquiries in the initial stages of the query journey — was an area of relative strength in "The empathy assessment." That said, there were many opportunities for improvement and variation across sectors — again healthcare organizations were the top performers, with government and insurance having the biggest gaps to close.

Figure 4. Indexed scores for Systems of Listening
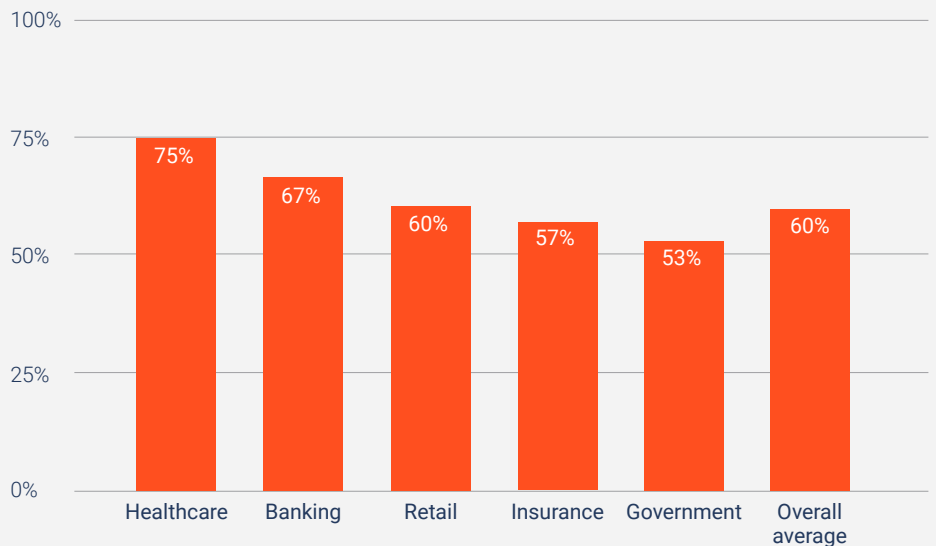
Source: Genesys Empathy Assessment, November 2020

- **Nearly half of companies don't know who's contacting them.** Forty-four percent of respondents have to seek customer identification information during real-time interactions over voice or digital channels.

  Just one in four has reached the best practice of capturing internal identifiers and conducting identity stitching — tying together different identifiers like social media handles and cookies — to build a more complete picture of the user. Healthcare providers were by far the most likely to proactively identify customers in this way. This failure puts a burden on customers to provide their information for authentication, creating frustration as well as a sense that the company isn't engaged with them as individuals. Once engaged, however, companies do seem to use personalized information quite effectively during subsequent real-time interactions, with 75% of respondents using advanced profile information, including preferred communication channels and open issues or orders.

- **Most companies capture customer interaction and event data at the individual level**. Lowest performers only capture their customers' journey trends at an aggregate level, or in individual interactions based on basic channels of email and voice. Positively, the majority (67%) of companies in our survey go further, capturing individual customer interactions and journey data across channels. The top performers also track event data that would impact the customer experience. Four in 10 companies connect customer interaction data and event data across all touchpoints and workflows.

Just one in four companies that participated in the Empathy Assessment has reached the best practice of capturing internal identifiers and conducting identity stitching — tying together different identifiers like social media handles and cookies — to build a more complete picture of the user. This failure puts a burden on customers to provide their information for authentication, creating frustration as well as a sense that the company isn't engaged with them as individuals.

DenizBank ⚓

Case study: Predicting customer needs with a human touch

DenizBank Financial Services Group is one of the largest Turkish private banks, with 690 branches and more than 12,000 employees. To stand out, it wants to be the best in efficiency, cost and process management, CX, and employee satisfaction.

Working across departments, the bank created DENIZ, its virtual voice assistant built on the Genesys Voice Platform, by collecting samples of how customers talk when using IVR. Harnessing natural language processing and voice recognition technology, DENIZ doesn't just pick up on words; it analyzes the customer's previous interactions across other channels to understand the intent behind a question.

Previously, DenizBank had been using touch-tone, directed dialog IVR systems with complicated menu trees. "That wasn't popular with customers," said Esra Turhan, Contact Center Senior Vice President at DenizBank. "We couldn't work out why they were calling or harvest that data for future improvements. But we knew competitors were adapting IVR for call steering. That's why we chose to go a step further."

DenizBank wanted to strike a balance between meeting its growing customer expectations and reducing its costs. "The difference between DENIZ and other assistant services is that it's proactive," added Turhan. "If a customer is having trouble with their PIN or needs a higher credit limit, it doesn't wait until the customer gets in touch — it calls them."
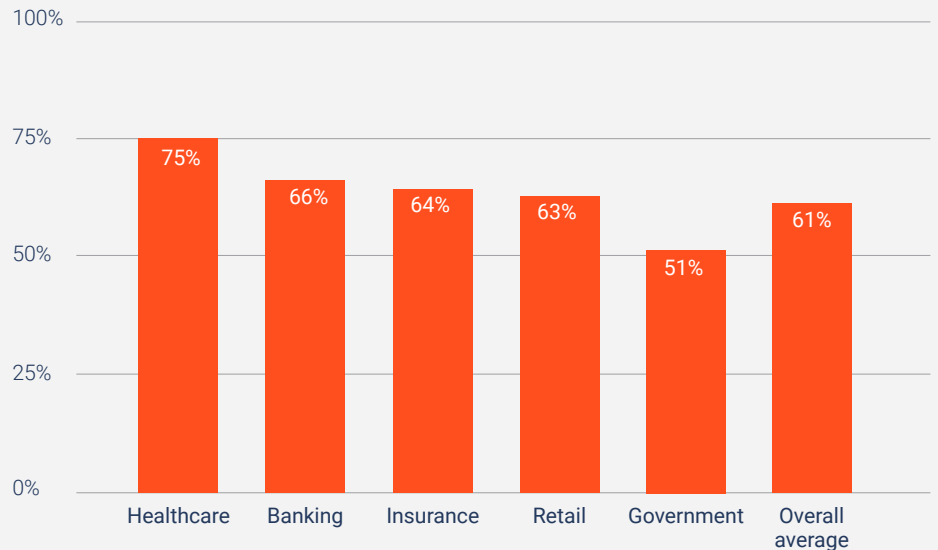
DENIZ processes around 4 million inbound and outbound calls a month — increasing service efficiency and boosting brand perception. Customers are given a natural, intuitive experience that's just like talking to a live human. Using tools such as speech analytics to detect emotion, DENIZ can also tell when a caller is getting frustrated and assist them. If that means transferring a call, DENIZ provides the agent with a summary of the conversation, so customers don't have to repeat themselves.

Around 13% of sales are made through DENIZ without ever having to route through an agent — equating to an eight-figure increase in customer credit limits to date. A faster speed-of-answer has also reduced phone charges, while lower attrition rates are reducing recruitment costs.

> "The difference between DENIZ and other assistant services is that it's proactive. If a customer is having trouble with their PIN or needs a higher credit limit, it doesn't wait until the customer gets in touch — it calls them."

Esra Turhan, Contact Center Senior Vice President at DenizBank

Systems of Understanding and Prediction

Figure 5. Indexed scores for Systems of Understanding and Prediction

Bar chart values:
- Healthcare: 75%
- Banking: 66%
- Insurance: 64%
- Retail: 63%
- Government: 51%
- Overall average: 61%

Source: Genesys Empathy Assessment, November 2020

- **Most companies capture customer sentiment and satisfaction at the end of specific interactions.** Only 2% of companies lack any formal process for capturing customer sentiment. The rest have survey systems in place, either periodical and general relationship feedback, or at the end of specific interactions. The highest performers, accounting for 31% of respondents, use AI to deliver more advanced insights, including automatically transcribing voice and digital customer interactions, identifying frictions and categorizing and extracting sentiment scores. The healthcare and banking sectors were the most likely to deploy AI in this way, and government respondents the least. In the public sector, 10% of respondents are yet to develop a process for capturing customer sentiment and 31% only periodically survey customers for general feedback.

- **Over half of companies are personalizing the use of event data and predictive AI.** A third of survey responses said their company offers a uniform customer experience or very basic personalization, such as knowing the person's name. The larger share, 68%, use recent activity to predict and confirm intent — such as knowing that a customer has a live order/appointment they might likely need assistance with. The most advanced businesses use customer activity data along with predictive AI, such as propensity to buy or sentiment score, to both personalize the experience and guide the customer to the right content or service channel.

Woolworths

"We've seen a two-point jump in NPS, which shows you can introduce conversational AI without sacrificing the customer experience. This innovation was always about being able to better service customers on the channel of their choice, which for many is still voice."

Luke Hymann, Product Manager, Conversational Commerce at Woolworths

Case study: Conversational AI ingenuity

Australia's largest food retailer, Woolworths, serves around 20 million customers a week, including 14 million online shoppers. The retailer faced challenges from the COVID-19 pandemic as it developed digital capabilities while growing at 100% annually.

Woolworths had been using Genesys for many years to successfully manage its voice, email, chat and SMS communications. But when it was faced with a massive increase in customer inquiries, Woolworths needed to scale its service fast — while recognizing that simply hiring more agents wasn't sufficient.

"Instead, we wanted a better way to support growth while simultaneously enhancing customer experience," said Luke Hymann, Product Manager, Conversational Commerce at Woolworths.

Many customer inquiries are related to transactional tasks or simple questions about store hours or marketing promotions. Servicing such a high volume of activity was extending call wait times for customers who wanted answers fast. In response, Woolworths built a smart IVR by integrating the Genesys Engage™ on-premises solution with Google Cloud Dialogflow to create Olive, an ultra-efficient voicebot powered by conversational AI.

"Leveraging the open APIs of Genesys, we created a smart search feature that recognized over 30,000 products in just three months," said Alex Colorado, Engineering Manager, Conversational AI at Woolworths. "So, the customer can simply say 'the oranges are missing from my order.' Olive then cross-checks, processes a refund and sends a text confirmation to the customer — all without human intervention."

"We've seen a two-point jump in NPS, which shows you can introduce conversational AI without sacrificing the customer experience," said Hymann. "This innovation was always about being able to better service customers on the channel of their choice, which for many is still voice."

Systems of Action

Figure 6. Indexed scores for Systems of Action
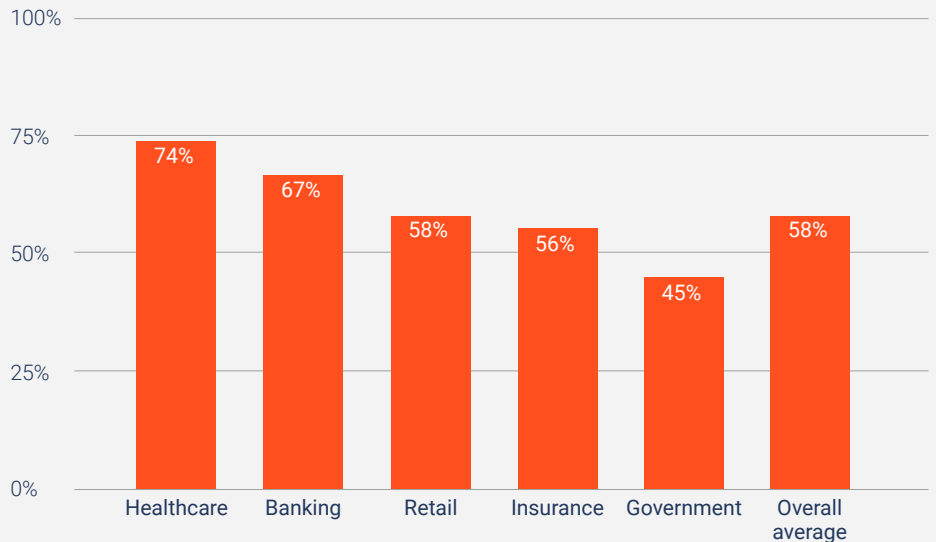
Source: Genesys Empathy Assessment, November 2020

- **Banks take the lead in supporting CX employees with real-time knowledge.**
  The survey found that banking respondents reported the highest level of
  capability in providing detailed information to CX employees. A third of those
  (34%) said they ensure that employees have access to profile information,
  recent interaction activity, transcripts and learned intent from bots, IVR
  and/or digital self-service applications. The banking industry was by far
  the most likely to reach the top tier when it comes to enabling employees
  to offer highly personalized experiences to customers. Nearly half (47%)
  said their employees have detailed customer information and access to
  AI-powered knowledge in real time to guide suggested next-best actions,
  and automation for simple tasks and escalation. This significantly helps
  employee's productivity and engagement. Companies with revenues above
  $1 billion were the most advanced in tech-powered employee support.

- **AI is improving customer understanding and personalization.**
  Almost three-quarters (72%) of the survey panel have begun using AI
  for targeting and personalization, clarifying customer intent and offering
  self-service, and predicting optimal times and channels for outbound
  interactions. Bots are generally becoming more empathetic — proactively
  triggered and using profile information to offer a more personal greeting —
  although a quarter of organizations (23%) require customers to trigger a bot
 that's programmed with a generic "How can I help you?" response.

At the other end of the spectrum, the most advanced businesses (42%) use predictive engagement to trigger bots, a knowledge management platform to surface the right content, and then personalize the experience with a response such as "Hello, [Name], I see you're interested in [predicted intent]. Can I assist you?"

- **Many CX staff still juggle multiple screens and applications.**
There's a significant opportunity for companies to better support employees in their customer interactions. At one-third of companies, staff use multiple windows for customer support and context is not transferred across channels. A further 11% of businesses require staff to use multiple applications to transfer context and complete interactions.

Businesses with greater capability match customers with employees based on the team member's proficiency profile and nature of the interaction. The most empathetic organizations also bring in an AI model to predict success. While healthcare and banking respondents were most likely to self-report in the top tier, company size had little relationship to capability. Even smaller organizations are well-positioned to leverage these tools.
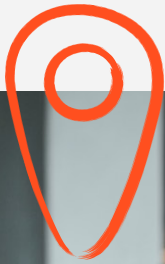
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Case study: Innovating with AI-powered routing

Probe Group is one of Australia's largest business process outsourcing providers, with more than 15,000 agents delivering services onshore in Australia, nearshore in New Zealand and offshore in the Philippines. Guided by the belief that great employee experience translates into great customer experience, Probe wanted to prioritize its workforce management by adopting the best-in-class resources, technology and processes that empower personalized customer services.

Realizing this goal meant Probe had to transform its end-to-end business processes from employee onboarding to service delivery. The company needed an agile way to integrate its many siloed applications, which were hindering employee productivity and experiences. It sought to build work-from-home capabilities to meet evolving employee expectations, as well as business continuity requirements that its legacy on-premises contact center couldn't support.

In addition, the company aimed to improve the speed of its onboarding and service provisioning by closing the gaps in its traditional technology procurement and integration approach. Probe also wanted to improve its efficiency and performance. Lowering average handle time was a particular focus for its contact center — and Probe felt enhanced routing could help achieve this.

Like many organizations, Probe segments its customers into groups and then pushes these contacts to a cohort of agents with matching skill sets. Genesys Predictive Routing takes this approach a step further by identifying the best agent within that cohort for each customer every time — delivering real personalization at scale.

Probe trialed the solution across its two biggest queues and saw dramatic improvements compared to other queues — 94% of the time when predictive routing was turned on. "We're not just talking about efficiency for our agents," said Rohan Khanna, Probe Group CTO. "We're talking about lower wait times. A better NPS score. A much better experience for the customers. We're now up to 19 queues. Genesys Predictive Routing has been really easy to push to clients. And they've been absolutely blown away because it's effortless for their customers."
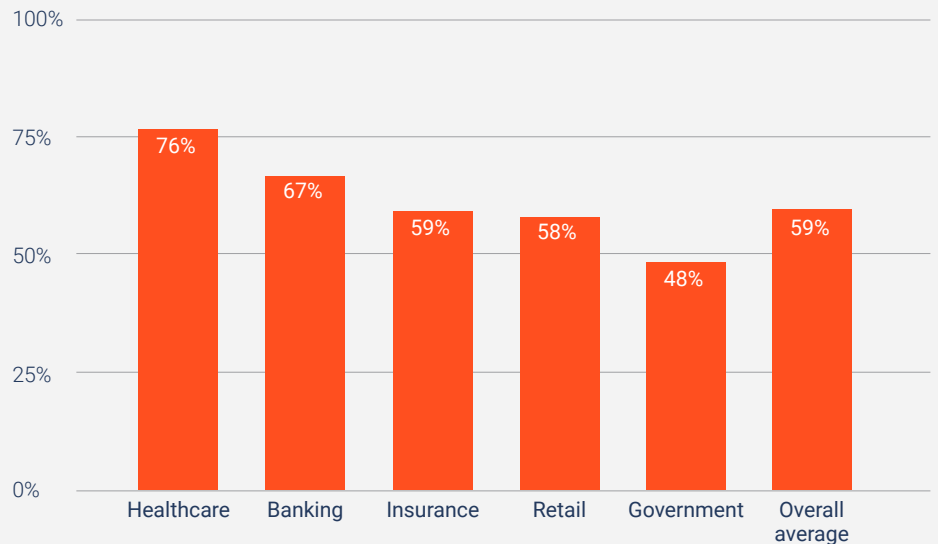
"We're not just talking about efficiency for our agents. We're talking about lower wait times. A better NPS score. A much better experience for the customers."

Rohan Khanna, Probe Group CTO

Systems of Learning

Figure 7. Indexed scores for Systems of Learning

Source: Genesys Empathy Assessment, November 2021

- **Companies recognize the need for individualized employee training.** There's broad appreciation of the need for contact center employees to receive tailored learning. A third of the respondents (37%) said learning happens in the classroom, with additional manager-led training based on performance data. In addition, 29% said they augment team leader-led training with online capability assessments and targeted eLearning. To build a strong system of learning, 34% go even further by using AI to identify capability gaps throughout the employee lifecycle, offering continuous eLearning, career development and gamification.

- **The survey finds customer experience measurement to be a big empathy gap.** Four in 10 respondents review employee and customer experience-related KPIs from time to time, or through surveys and focus groups, thus having no ability to course-correct in the moment. More mature businesses (31%) use AI to evaluate customer and employee experience feedback, make correlations and prioritize issues. A further 29% said they do this continuously, rather than periodically, and use the data cross-functionally throughout both the customer and employee lifecycle.

Case study: Better data, teamwork and job satisfaction

Digital marketing and sales continue to reshape the contact center industry as companies large and small look to accelerate new business. Field Management Ireland (FMI) is leading the charge. From its Dublin headquarters and Belfast office, the company delivers award-winning campaigns along with merchandising, demos, mystery shopping, retail audits and other services.

As a recruitment specialist, FMI can rapidly deploy over 850 staff on a weekly basis, which is one of its major strengths. In today's digital-first world, properly carrying out lead generation and customer acquisition means constantly pushing the boundaries.

"To stay ahead we decided to invest and update our contact center technology," said Rosemary Wynne, Digital Marketing Director at FMI. "That meant swapping siloed systems, teams and work practices for smarter data-driven insights and omnichannel campaigns — with everything managed in the cloud for greater flexibility and efficiency."

Three months after going live, FMI quickly came to terms with the COVID-19 pandemic. "We were a lot more fortunate than many competitors and adapted to home working pretty easily," said Majella Flynn, Operations Manager for FMI. "It helped that we'd removed the old walls between inbound and outbound communications."

FMI clients have noticed the change. Now they can access their data directly, reducing time and effort. Reports automatically land in their inboxes, removing manual processes that used to take up to 90 minutes per client.

Small tweaks, like spotting and solving problems immediately, also make a difference. "Now, our managers and supervisors don't miss a thing," concluded Wynne. "In one case, we fixed a 10% abandonment rate for a client simply by reducing an overly long IVR menu by 40 seconds. That's all it took to transform their sales conversions."

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Rosemary Wynne, Digital Marketing Director at FMI

Systems of Success

Figure 8. Indexed scores for Systems of Success
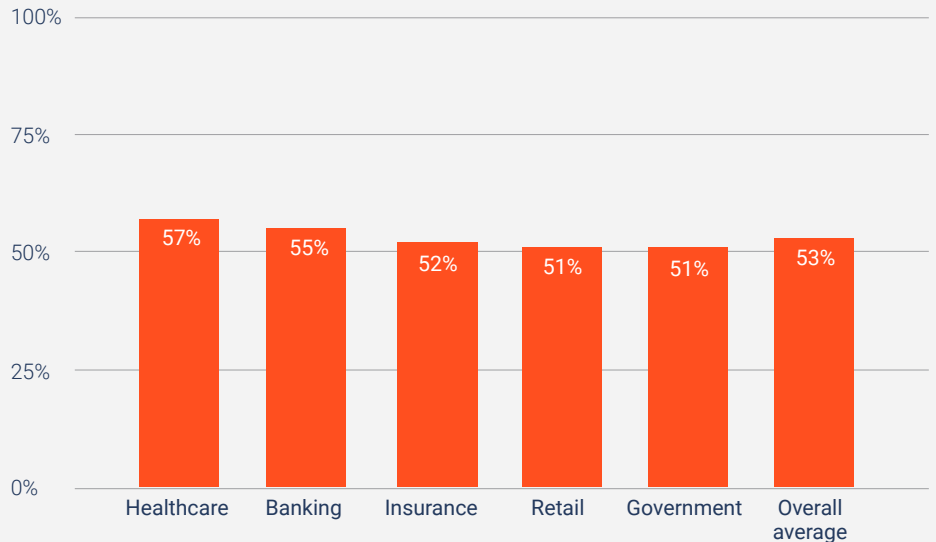
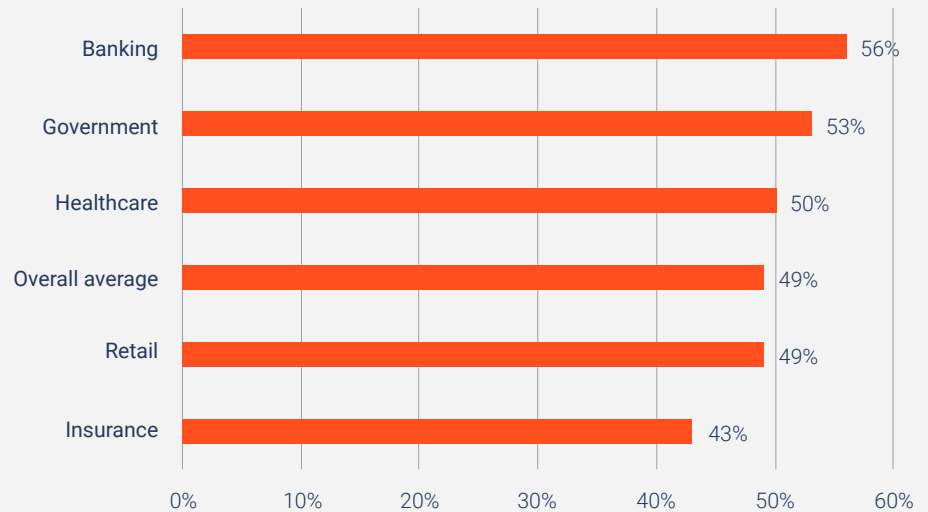Source: Genesys Empathy Assessment, November 2021

- **The survey found that many respondents consider their business to be people-centric.** When asked whether they consider their business to be more operationally driven or people and experience-driven, 43% of respondents said they are "extremely" people-centric (a higher proportion of healthcare respondents were in this category, and a lower proportion of government respondents). Just 11% of respondents evaluated their company as "extremely" operationally driven. Larger businesses were also more likely to be people-centric than smaller companies.

- **Change management capabilities are often insufficient or exist in pockets.** At one-third of surveyed organizations, executives said initiatives fail to realize full value due to poor planning or adoption, or because they are not cross-functionally connected. Those in the middle (34%) are more confident in their ability to manage change and constantly look for opportunities to improve the customer or employee experience. The leaders (29%) adopt a top-down strategy that is aligned to employees' personal goals, measurement, reward and recognition programs, and career growth.

- **Banking and healthcare are cloud leaders for CX delivery.** More than half of survey respondents in those industries said they use cloud technology to orchestrate all components (e.g., data layer, AI, authentication, service monitoring, etc.) through a central experience engine. Overall, 8% of the

respondents primarily operate with on-premises infrastructure and report struggling with siloed technology components and being reactive to service interruptions. Some 56% of respondents are on the path to cloud, operating both legacy systems and cloud technology. Those using a higher proportion of cloud technology have greater data visibility across components and proactive alerting for service interruptions.

- **Organizations struggle to quantify the value of opportunities to improve CX.** Nearly three-quarters (73%) of survey respondents said quantifying the business value of CX improvement opportunities is a moderate or significant challenge. Banking and government respondents reported the greatest challenge in this area with more than half of respondents finding it a "significant" challenge.

Figure 9. To what extent is quantifying the business value of CX improvement projects a challenge? (% selecting "significant challenge")

Source: Genesys Empathy Assessment, November 2021

CONCLUSION

Companies worldwide are making positive changes to deliver empathetic experiences to customers and employees. Yet all the participating businesses in the survey have capability gaps and opportunities to improve their Systems of Listening, Understanding and Prediction, Action, Learning, and Success.

A business transformation toward empathy-centricity goes beyond the reorganization or restructuring of roles, responsibilities, processes and technology. It requires invigorating and inspiring changes in an organization's cultural mindset and shared behaviors.

Deep change, rather than cosmetic window-dressing, means examining your interactions with customers and employees, your workflows and your work-life balance — all with the participation of employees at every level in the organization.

"The most successful approach is not to boil the entire ocean at once but pick an area that is most important to customers and the company — pick a single journey to focus on first," said Steve Offsey at Genesys. "For some companies that might be onboarding, where customers are most frustrated, and it is costing too much. In another organization, it might be a support journey."

Becoming an empathy-based business requires a comprehensive change of culture, organizational design and management philosophy. It requires people to let go of what they are used to. It naturally brings an in-between "valley of despair" as new approaches work themselves out and employees grapple with uncertainty and confusion. But these are the stresses that build the organization's empathy muscle. Change is happening — and it's good.

Take The Empathy Assessment
Benchmark your organization today $\longrightarrow$