# The UK Customer Experience Decision-Makers' Guide

**Research Partner**

Noetica.

**Noetica.**

For over 25 years, Noetica has been providing advanced contact centre technologies both directly and through its global strategic partners. Delivered as a cloud service, hosted or on premise, Noetica's solutions cover all aspects of customer interaction across channels with a particular emphasis on outbound outreach.

Our predictive dialler incorporates a number of innovations, some of them patented around the world, which are designed to ensure complete regulatory compliance whilst never compromising on performance. We offer the only solution that features a high-performance predictive dialler with a 0% abandoned call rate.

Through data-enabled precision targeting, highly efficient and effective predictive dialling and agent empowerment, we enable organisations to drive far better return from their outbound activity.

In simple terms, we...

Connect the right agent
To the right customer
At the right time
With the right message

Get in touch with us

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*Contact our experts and we'll be happy to book a demo.*

The 2026 UK Customer Experience Decision-Makers' Guide (8th edition)

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For the last 28 years, Noetica has been providing advanced contact centre technologies both directly and through its global strategic partners. Delivered as a cloud service, hosted or on premise, Noetica's solutions cover all aspects of customer interaction across channels with a particular emphasis on outbound outreach.

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Outbound outreach has changed in nature over time. Whereas in the past diallers were used as an indiscriminate mass calling tool, these days the focus is on precise targeting and solicited calls and messages such as proactive customer service, retention and cross-sales. Cold calling has been on its way out for some time and these days it amounts for less than 10% of all outbound traffic.

Our campaign management solutions are designed to deliver razor sharp data segmentation with a focus on calling the right people at the right time with the right message. Visual tools, such as our distinctive Venn diagram query generator combined with our built-in CRM layer deliver unprecedented power into the hands of non-technical users. Our team of contact centre implementation consultants, with decades of experience in the industry provide professional guidance and advice. Our personalised service is what sets us apart.

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## INTRODUCTION AND METHODOLOGY

*"The 2026 UK Customer Experience Decision-Makers' Guide (8th edition)"* is a major annual report studying the CX strategy, performance, operations and technology aspects of UK organisations.

Taking a random sample of the industry, a detailed structured questionnaire was answered by senior CX and customer contact professionals in 211 UK organisations between September and November 2025. Analysis of the results was carried out in November 2025.

Additionally, a survey of 1,000 UK consumers was carried out in November 2025 in order to understand their attitudes to elements of businesses' CX programmes, what they understand a positive customer experience to be and their opinions of AI in customer contact.

Third-party White Papers, case studies and thought leadership pieces may also be referenced to assist readers who may wish to look more in-depth at specific areas or to gain another viewpoint.

## HOW DO ORGANISATIONS COMPETE?

To maximise profits, businesses have traditionally focused on the variables over which there could be a large measure of control, such as managing the internal cost of production and service provision, employee salaries, price setting and sales resource allocation.

More recently, the increasing use of technology in every part of an organisation has created an unprecedented amount of data for analysis. At the same time, large-scale advertising and widespread use of the Internet has made customers more aware of alternative products and services, meaning greater price competition and the need for companies to differentiate in ways that don't damage their bottom-line.

This meant that organisations competed either through a low-cost product or service, or through selling goods of a higher quality (whether real or perceived) which allows greater flexibility in pricing.

More recently, as the customer has been increasingly held at arm's length (through the use of home shopping, contact centres or websites), the overall customer experience has become a battleground upon which to win customer favour.

**Figure 1: Importance of the factors on which your organisation competes**



Importance of the factors on which your organisation competes
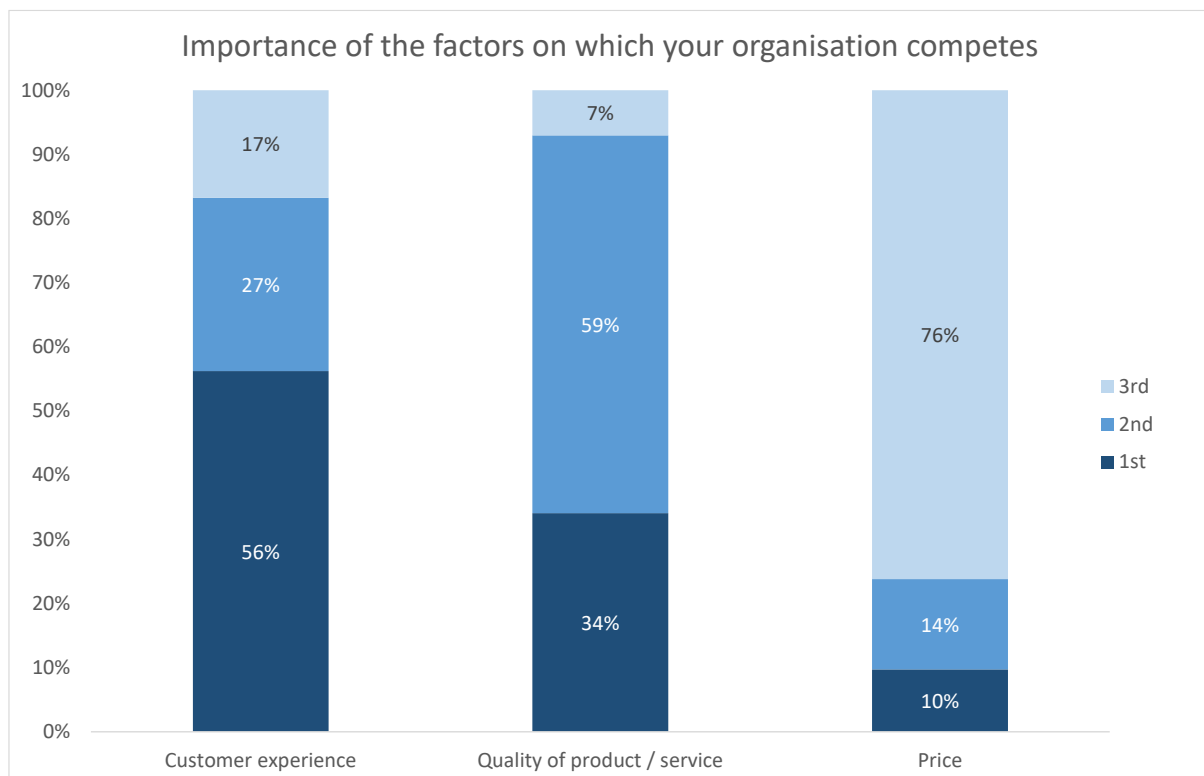
Survey respondents were asked how their organisation competed, ranking three factors in order of importance: quality, price and customer experience.

As competition on price tends to mean lower profit margins for all of the companies in that sector, it is unsurprising that only 10% of survey respondents place this factor in first place. As the country struggles through a cost of living crisis, it is notable to find that businesses are not in general considering price reduction to be a major strategy, perhaps as many producers of goods are also impacted by inflation passed on from their suppliers, and even services companies are experiencing wage inflation which limits their ability to cut prices.

34% of organisations stated that their primary competitive factor was quality, but the majority of companies state that customer experience is their primary means of gaining competitive advantage.

For more than half of all businesses to say that customer experience, rather than price or quality, was the main factor upon which they wish to compete in the market can be seen as being very significant and indicative of the mindset of senior business leaders.

Many organisations are now seeing customer experience as being the key to profitability, but it remains to be seen how ongoing economic challenges will alter strategies or whether the companies themselves actually understand how to turn the dial on customer experience.

**Figure 2: Most important factor on which your organisation competes, by vertical market**



Most important factor on which your organisation competes, by vertical market

| Vertical market | Customer experience | Quality of product / service | Price |
|---|---|---|---|
| Average | 56% | 34% | 10% |
| Technology, Media & Telecoms | 38% | 58% | 4% |
| Services | 47% | 47% | 6% |
| Outsourcing | 48% | 41% | 11% |
| Retail & Distribution | 54% | 31% | 15% |
| Manufacturing | 54% | 31% | 15% |
| Finance & Insurance | 59% | 26% | 15% |
| Public Sector | 65% | 29% | 6% |
| Housing | 77% | 15% | 8% |
| Utilities | 100% | | |
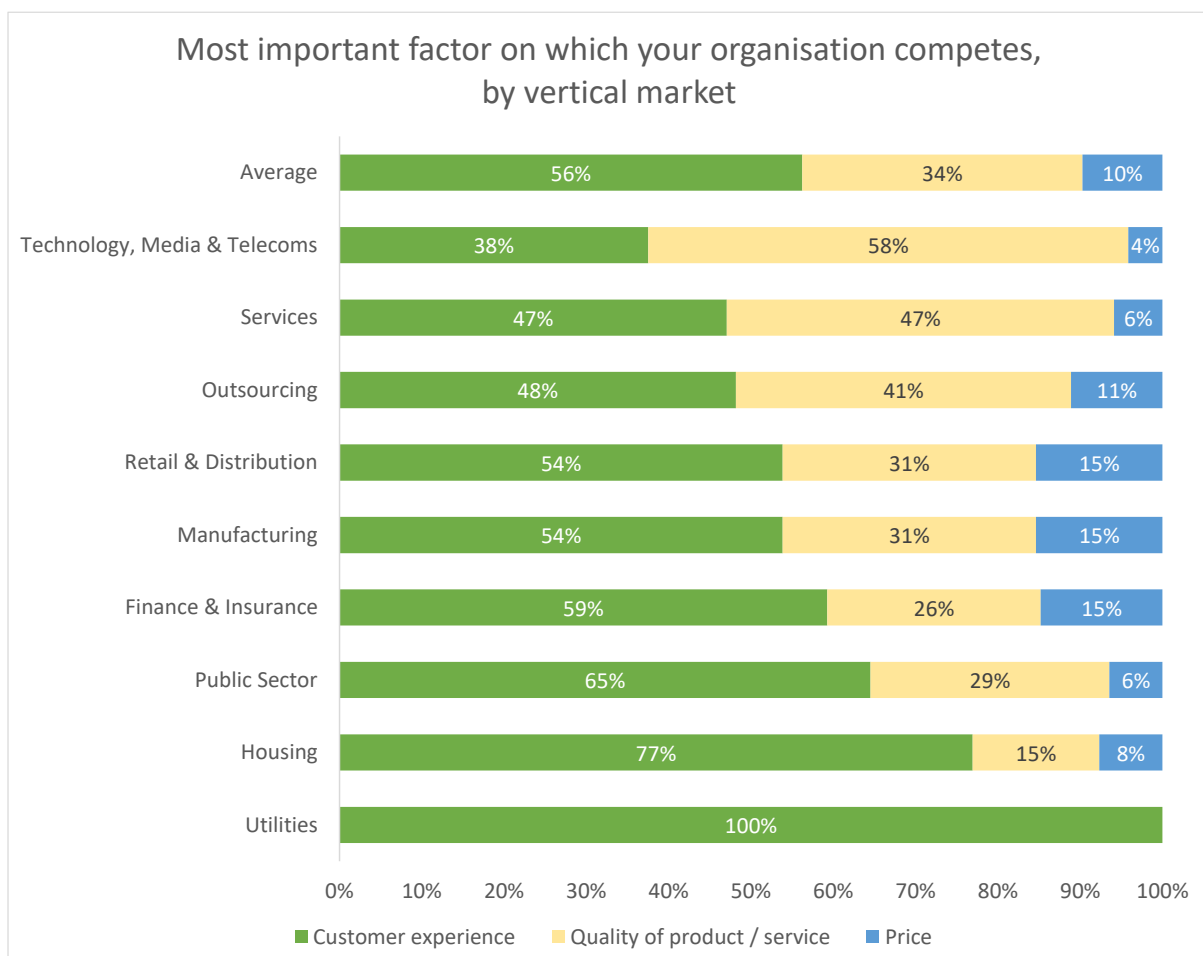
Readers should bear in mind that due to the increased segmentation of data, sample sizes for each vertical market are considerably smaller than for UK businesses as a whole.

All of the utilities respondents stated that customer experience is their key competitive differentiator, as identical products such as electricity cannot compete on quality, nor do they wish to enter into a price war with their competitors.

Only in the TMT (technology, media and telecoms) sector is customer experience thought to be less important than another factor, with the services sector seeing CX and quality as equally important.

## MAIN AIMS OF THE CX IMPROVEMENT PROGRAMME

Survey respondents were asked to rank in importance the main aims of the customer experience programme from the following options:

- to increase customer retention rates and loyalty

- to reduce the cost of serving the customer

- to increase the number of customers they had

- through cross-selling and upselling, to increase the revenue per customer.

62% of respondents placed increased customer retention rates in the first or second position, suggesting that one of the long established aims of CRM – customer loyalty – is a major target for most companies' customer experience programmes.

While this aim remains very popular, it should be noted that the importance of cutting the cost of customer service has risen very significantly in recent years and is now seen as being the most important aim of the CX improvement programme, with 64% placing it in first or second place.

**Figure 3: What are the main aims of your CX improvement programme?**



What are the main aims of your CX improvement programme?
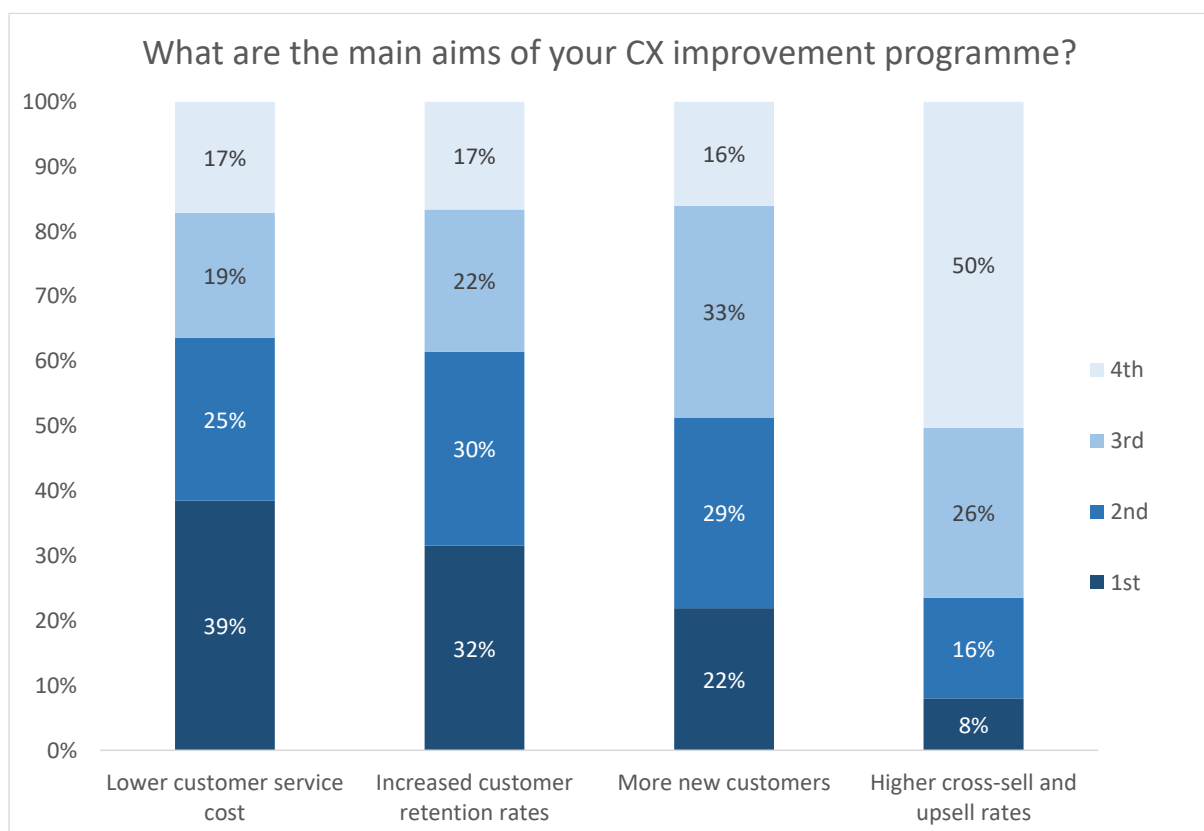
## CX INVESTMENT: PEOPLE, PROCESS, TECHNOLOGY

Respondents were asked to describe the allocation of their investments in customer experience improvements, considering new technology, training of employees, business process improvements and fees paid to external consultants.

'Other' spending includes:

- Benchmarking
- Customer research
- Data management
- In-house development on existing platforms
- Integration of legacy systems
- Setting up outsourcing.

Apart from smaller companies, investments in technology were considerably higher than that of investment in business process improvements.

**Figure 4: Investment in CX improvements, by revenue**
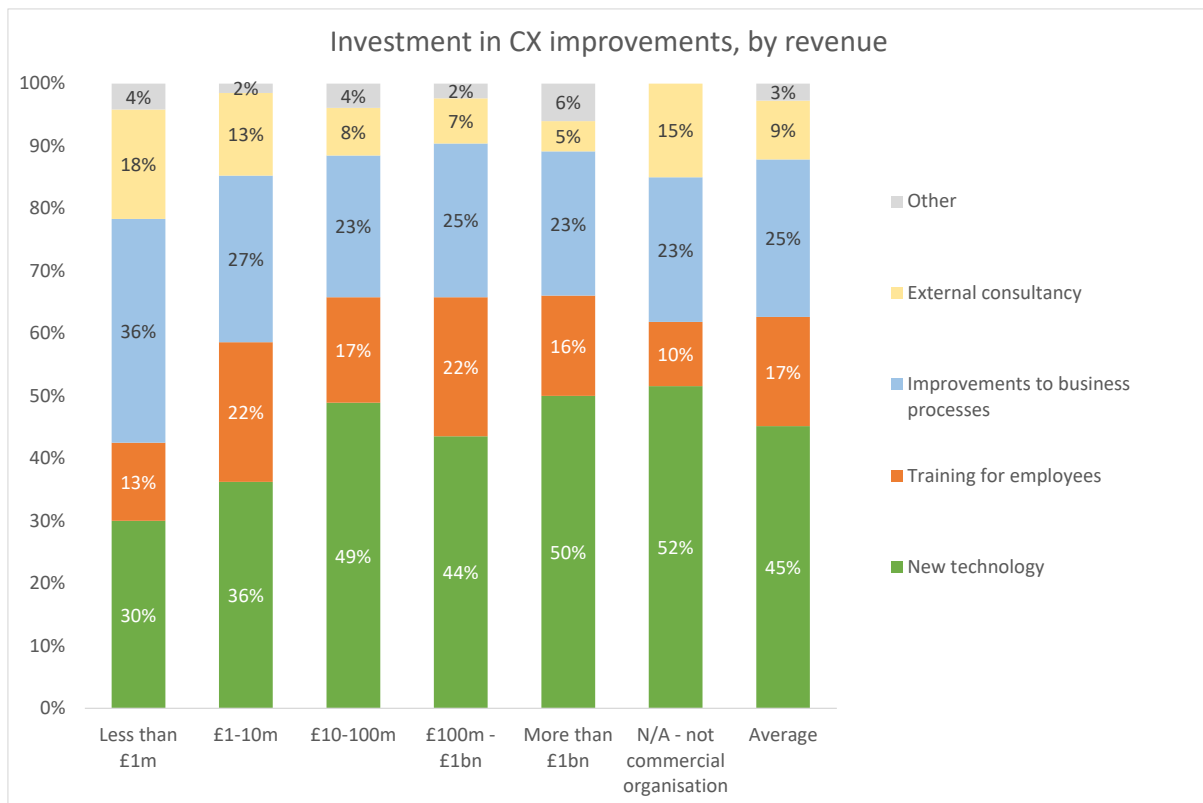
## CX INVESTMENT: CHANNEL FOCUS

Before looking which channels are receiving the most CX investment, it is important to put omnichannel into perspective.

**Figure 5: Inbound interactions by channel (year-end 2024)**
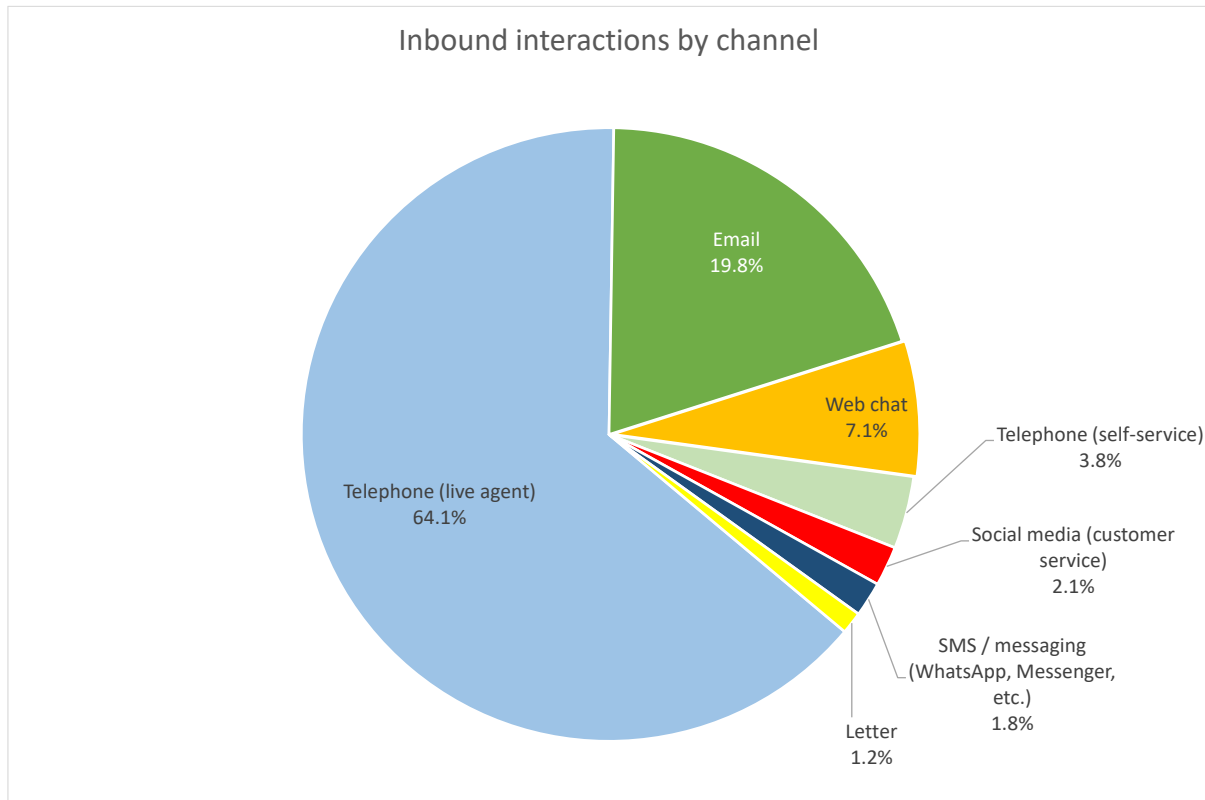


The proportion of live inbound interactions by telephone remains at 64.1%: the long-term gentle downward trend appears to have stabilised in recent years, despite businesses' expectations that phone volumes will decline.

The proportion of telephony self-service interactions rose from 4.9% in 2019 to 6.2% in 2020 and 2021, in line with the growth of self-service across other channels, but has dropped since 2022 and now accounts for only 3.8% of respondents' inbound activity.

The email channel increased significantly in 2017 to around 20%, after being around 15% for a number of years. It is still the largest digital channel at 19.8%

Web chat has grown strongly in recent years, and sees a small increase to 7.1% in 2024. Strong growth is expected by businesses and the impact of AI-enabled chatbots has begun to be felt. Social media's figure has returned to being around 2% after a brief period around the 5% mark.

SMS / messaging steadies at 1.8%, with growth being driven in large part by a rise in WhatsApp / Messenger rather than standard text messages.

Looking at vertical market figures, agent-handled calls are most important to respondents in the housing and insurance sectors, with manufacturing respondents (usually working in B2B environments) and retail (which uses email and web chat) reporting lower levels of telephony as usual. Utilities and TMT have lower than usual live telephony levels this year.

Email is well represented in most vertical markets, with the manufacturing, retail and services sectors the highest. Some new utilities entrants also use a lot of email.

Telephony self-service seems strongest in the utilities sector as usual, and the public sector respondents report a higher-than-usual finding this year.

Web chat is developing a strong presence in retail, so as to encourage and close online sales, as well as handling service queries. Other sectors such as TMT, travel and outsourcing are also using more web chat than historically.

**Figure 6: Inbound interactions by channel, by vertical market**

| Vertical market | FS | HS | INS | MAN | OS | PS | RD | SVCS | TMT | TT | UTILS | Mean |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Telephone (live agent) | 68% | 78% | 76% | 50% | 73% | 72% | 52% | 62% | 45% | 64% | 44% | **64.1%** |
| Email | 16% | 16% | 14% | 27% | 10% | 15% | 26% | 26% | 31% | 17% | 27% | **19.8%** |
| Web chat | 8% | 2% | 6% | 9% | 10% | 3% | 11% | 6% | 10% | 12% | 4% | **7.1%** |
| Telephone (self-service) | 5% | 1% | 3% | 6% | 2% | 7% | 4% | 0% | 4% | 2% | 12% | **3.8%** |
| Social media (customer service) | 0% | 2% | 0% | 6% | 2% | 2% | 5% | 0% | 3% | 4% | 2% | **2.1%** |
| SMS / messaging | 0% | 1% | 0% | 1% | 3% | 0% | 1% | 5% | 2% | 0% | 9% | **1.8%** |
| Letter | 3% | 0% | 1% | 0% | 0% | 1% | 0% | 0% | 5% | 0% | 1% | **1.2%** |

FS – Finance. HS – Housing. INS – Insurance. MAN – Manufacturing. OS – Outsourcing. PS – Public Sector. RD – Retail & Distribution. SVCS – Services. TMT – Technology, Media & Telecom. TT – Transport & Travel. UTILS - Utilities.

NB: "0%" refers to a number lower than 0.5%, rather than necessarily a zero value. Care should be taken when considering vertical market statistics, as the research sample size may be small. Use only as an indication of relative importance.

As not all of the same respondents take part in this survey every year, a jump or drop in the usage of a minor multimedia channel could be an industry-wide phenomenon or a case of a handful of early adopters skewing the results, which is certainly possible where only a few use a channel, and where mean averages are used.

As such, a question is asked to respondents about how each inbound channel will change, so being able to judge if any alterations in the use of channels is due to real changes at a contact centre-level, or is more of a statistical blip caused by a different set of respondents providing data each year.

**Figure 7: How do you think inbound channels will change in your contact centre in the next 12 months?**
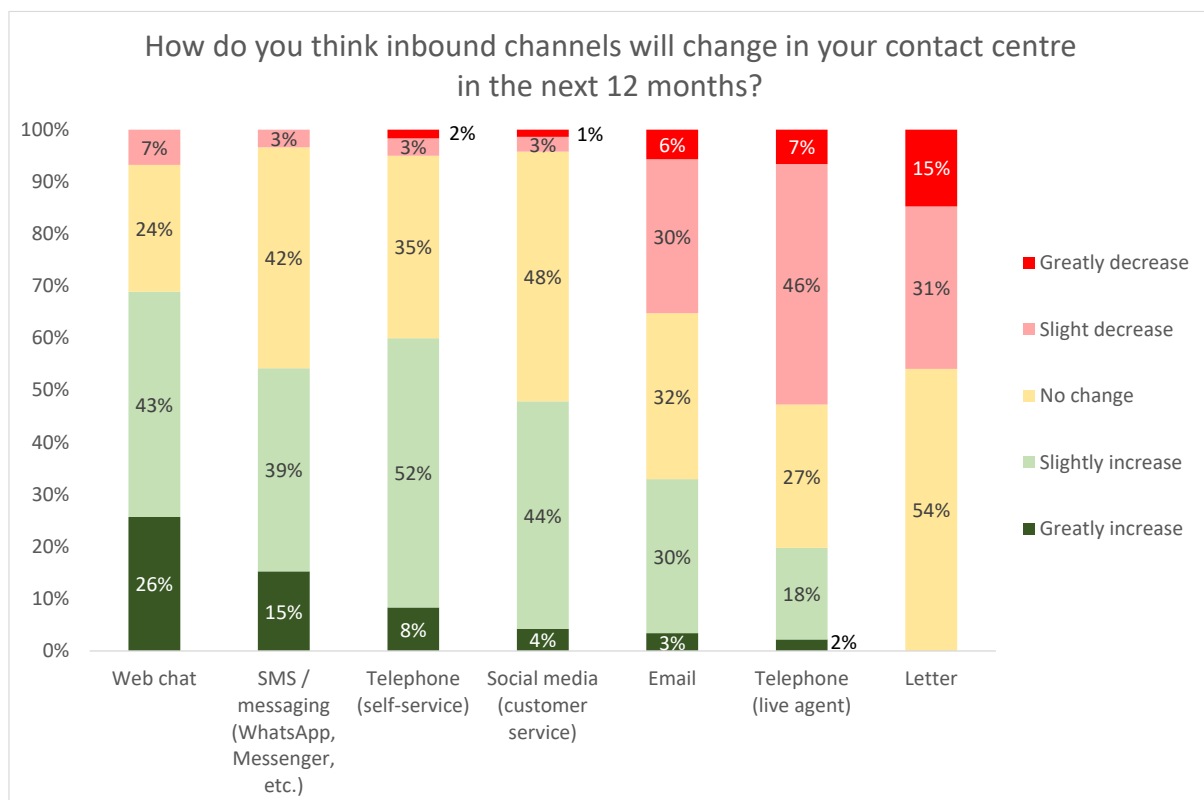


As usual, the traditional media of letters will have a net decline in our respondents' eyes, although this still has a small place in the likes of the insurance, medical and manufacturing industries.

Many more respondents believed the live telephony channel volumes would drop (53%) than thought they would rise (20%), a finding that has grown for some years.

Strong growth is once again expected in web chat interactions, with SMS / messaging and social media also predicted growth. However, after many years of expected growth, respondents expect email volumes to stay fairly flat.

Telephony self-service is expected to grow once again this year, with its twin benefits of customer convenience and low cost still very much relevant. New approaches, such as AI-enabled interactive voice assistants / voicebots, could encourage further use of self-service. Although not shown on this chart, around half of respondents offer an app or mobile service option for customer service.

The previous chart's real message is that channels aren't being replaced, but rather augmented, and businesses have to accept that they need to develop an omnichannel approach, as that's what their customers are expecting. This means that the pressure to unify the view of the customer across channels is a challenge that isn't going to go away.

Turning to how customer experience investment is spent by channel, it is easy to see that for the all of vertical markets studied, digital channels such as email, web chat, website and social media receive far more attention and investment than the traditional telephony channel.

This is despite digital channels accounting for around 25% of inbound interactions (excluding web self-service), compared to around 70% coming through telephony (whether live or self-service).

**Figure 8: Investment in CX channel, by vertical market**



Investment in CX channel, by vertical market

| Vertical | Telephone | Digital | Physical stores | Other |
|---|---|---|---|---|
| Average | 33% | 57% | 5% | 5% |
| Services | 23% | 65% | 8% | 5% |
| Retail & Distribution | 27% | 62% | 7% | 4% |
| Finance & Insurance | 28% | 54% | 7% | 11% |
| Public Sector | 29% | 68% | 3% | |
| Manufacturing | 36% | 61% | 3% | |
| Housing | 37% | 41% | | 23% |
| Technology, Media & Telecoms | 38% | 52% | 10% | |
| Utilities | 38% | 50% | | 12% |
| Outsourcing | 42% | 54% | 1% | 2% |
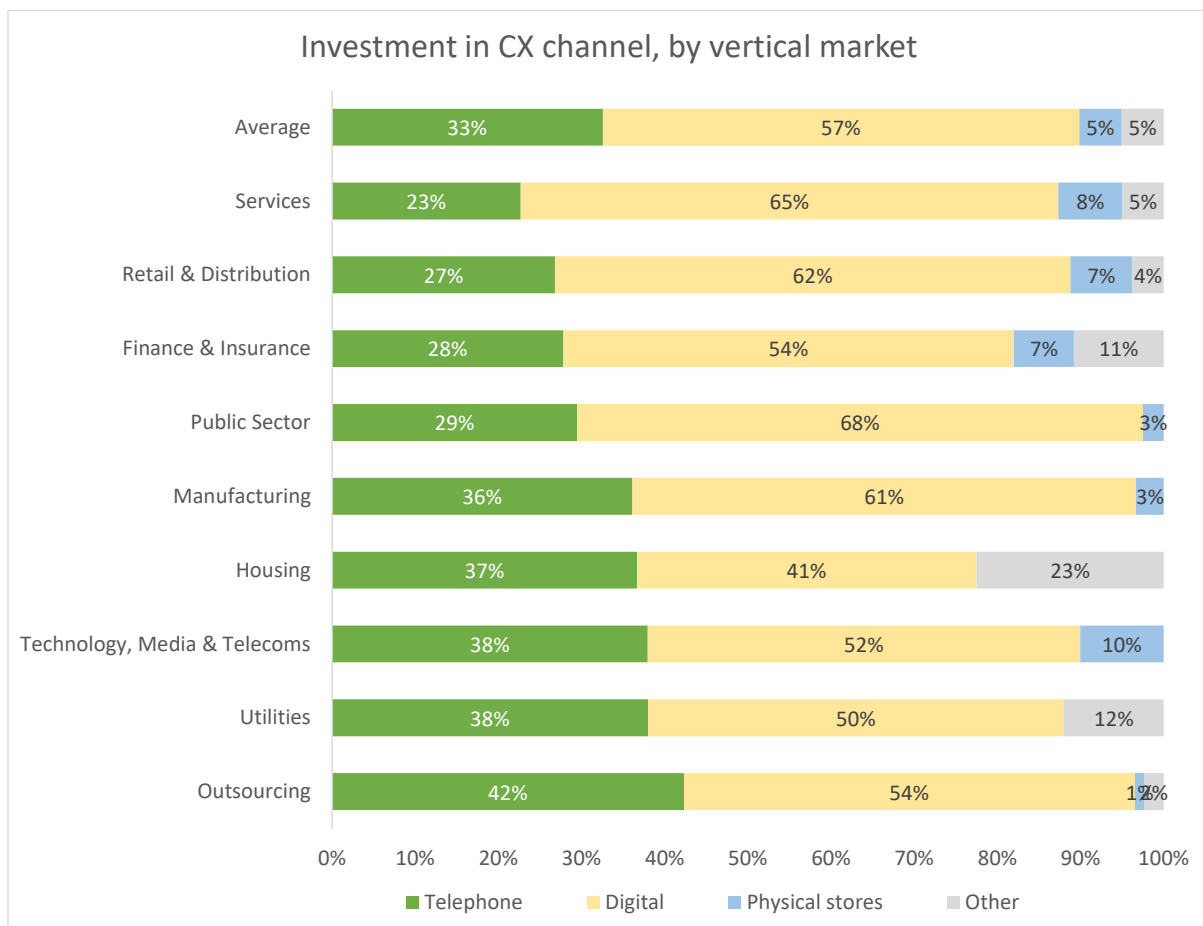
Reported 'other' expenditure includes:

- Back Office processes
- CRM integration
- Infrastructure
- Point of sale infrastructure.

The chart below shows that the smallest businesses studied are embracing the digital channel as a way to give themselves a level playing field when competing against much larger organisations.

While the pattern is not entirely clear, it should be noted that survey respondents with less than £1m in revenue state that 93% of their CX investment is going into digital channels compared to 57% as a whole.

**Figure 9: Investment in CX channel, by revenue**



Investment in CX channel, by revenue

| Revenue | Telephone | Digital | Physical stores | Other |
|---|---|---|---|---|
| Average | 33% | 57% | 5% | 5% |
| N/A - not commercial organisation | 31% | 52% | 3% | 15% |
| More than £1bn | 22% | 60% | 9% | 9% |
| £100m - £1bn | 37% | 55% | 5% | 4% |
| £10-100m | 33% | 58% | 6% | 3% |
| £1-10m | 38% | 61% | 2% | 1% |
| Less than £1m | 7% | 93% | | |
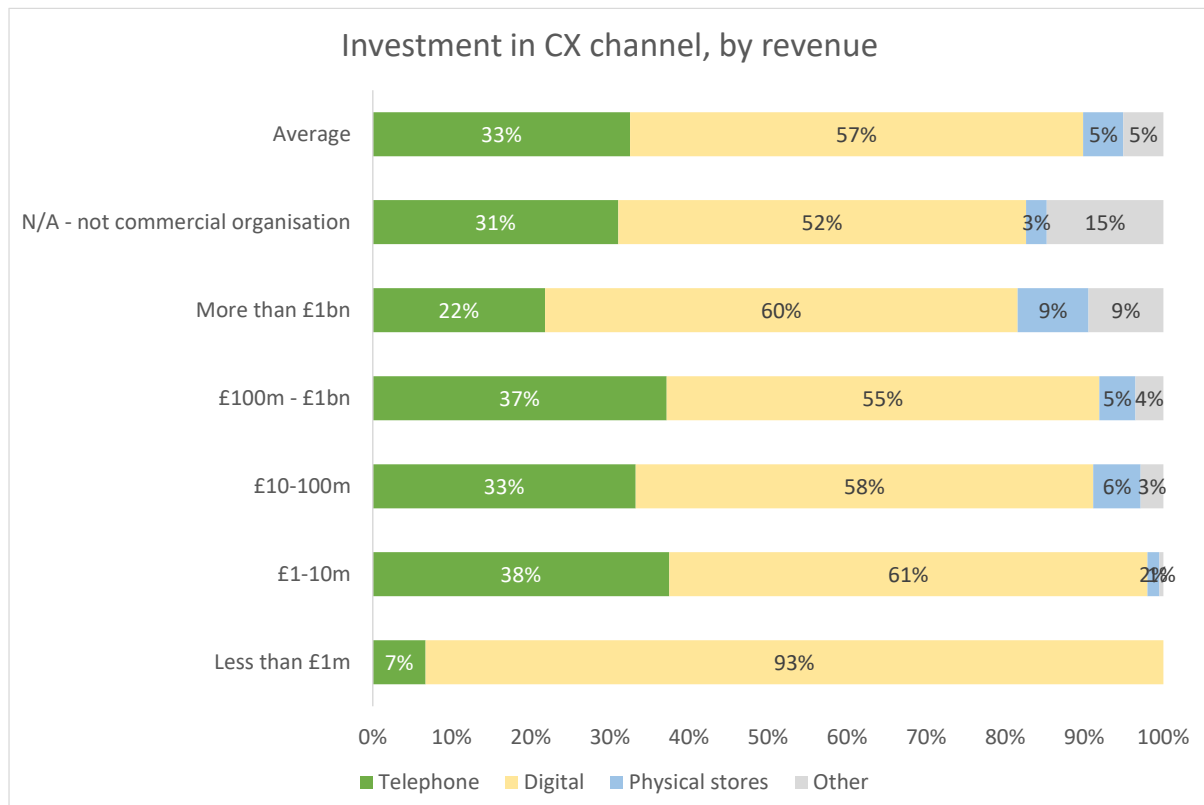
## CORPORATE SUPPORT FOR THE CX PROGRAMME

Respondents were asked how well their organisation currently supported their customer experience programmes. In the main, the results were not entirely positive, with 40% of organisations stating that their CX technology was either poor or average, 39% being lukewarm about the number of dedicated CX employees, and 34% being quite negative about the budget available for CX improvements.

On the positive side, 61% of respondents positively stated that the culture was moving towards customer-centricity and 60% commended their executives' commitment, so it appears as though it is the execution of CX improvement rather than the acceptance of the concept itself which needs to be improved.

Having said that, the widespread finding that there were not always enough time and especially resource for CX improvement shows that having a customer-centric culture does not easily or necessarily translate into actual action to improve CX.

**Figure 10: How well does your organisation currently support your CX programmes?**



How well does your organisation currently support your CX programmes?

| Category | Excellent | Good | Fair | Average | Poor |
|---|---|---|---|---|---|
| Number of dedicated CX employees | 6% | 30% | 25% | 22% | 17% |
| Available resources / budget | 11% | 29% | 27% | 18% | 16% |
| Amount of time available for CX improvement | 12% | 32% | 30% | 19% | 7% |
| CX technology | 13% | 27% | 21% | 23% | 17% |
| Organisational readiness for change | 15% | 35% | 21% | 18% | 11% |
| Building customer-centric culture | 24% | 37% | 18% | 15% | 7% |
| Board level support/executive commitment for CX | 28% | 32% | 20% | 15% | 6% |

When considering the capability of customer experience technology by the size of the contact centre, there are very significant proportions of all contact centre-owning respondents who ranked their CX technology as being poor or average, particularly those with smaller operations.

While there was a positive correlation between contact centre size and the satisfaction with their CX technology, there is still substantial room for improvement.

**Figure 11: How well does your organisation currently support your CX programmes? (CX technology) – by contact centre size**
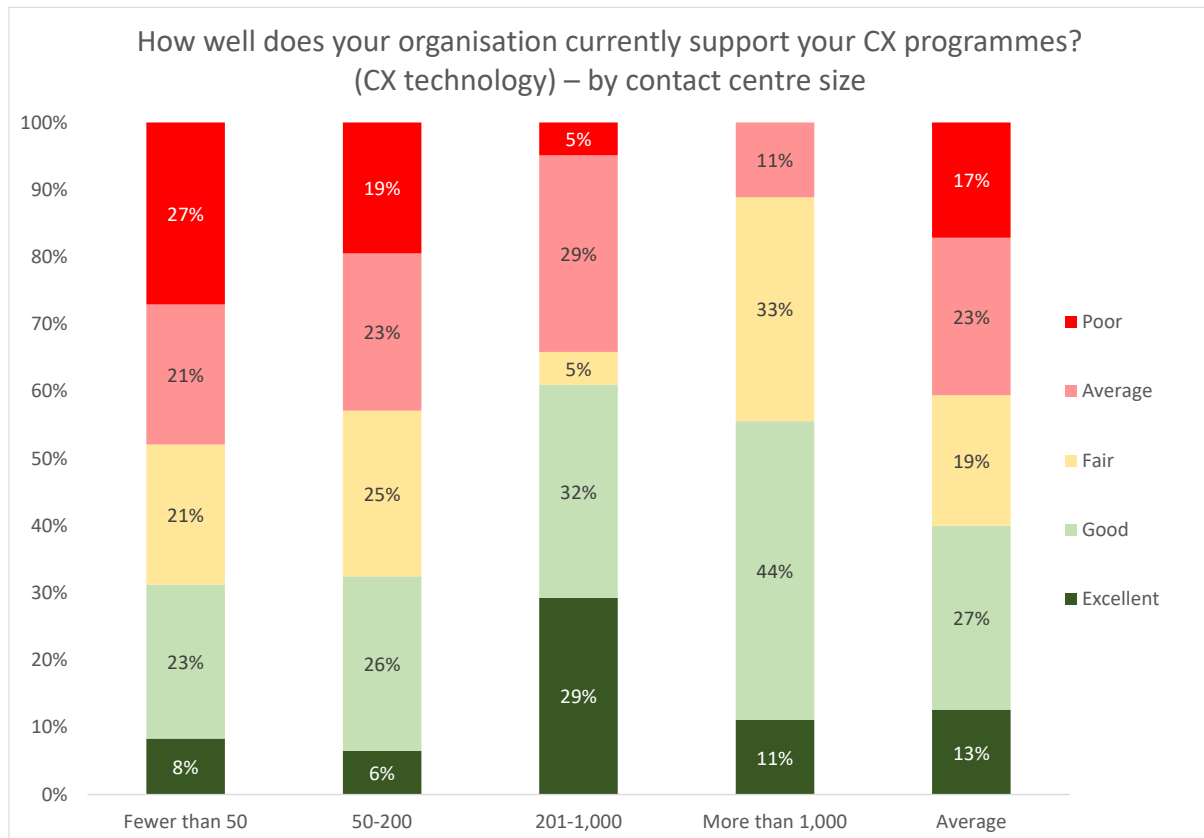


The next section of this report looks in depth at the use of some of the technologies supporting customer experience – in particular within the contact centre – and the plans that organisations have for investing in these in the near future.

## CURRENT AND FUTURE USE OF CUSTOMER CONTACT TECHNOLOGY

The following chart shows respondents' current and future use of specific contact centre technologies.

**Figure 12: Technology penetration and implementation plans**

### Technology penetration and implementation plans

| Technology | Use now, no plans to replace/upgrade | Use now, looking to replace/upgrade | Will implement within 12 months | Will implement after 12 months | No plans to implement |
|---|---|---|---|---|---|
| Video agents | 8% | 6% | 2% | 5% | 80% |
| Gamification | 17% | 3% | 14% | 13% | 53% |
| Automated speech recognition | 17% | 5% | 20% | 17% | 40% |
| Automated outbound dialler | 21% | 7% | 9% | 4% | 59% |
| AI / machine learning | 18% | 14% | 36% | 20% | 13% |
| Robotic Process Automation (RPA) | 29% | 6% | 14% | 11% | 39% |
| Interaction analytics | 29% | 13% | 33% | 11% | 14% |
| SMS / messaging | 47% | 13% | 15% | 8% | 17% |
| Email management software | 49% | 11% | 10% | 11% | 18% |
| Mobile app for customer service | 52% | 10% | 6% | 5% | 27% |
| Web chat | 51% | 11% | 19% | 10% | 9% |
| Social media as a customer service channel | 57% | 7% | 10% | 5% | 22% |
| Workforce management systems | 54% | 15% | 9% | 5% | 17% |
| Touchtone / DTMF IVR | 57% | 13% | 2% | 2% | 25% |
| Management information systems | 71% | 18% | 4% | | 7% |
| Call recording | 78% | 16% | 3% | | 3% |

Legend: ■ Use now, no plans to replace/upgrade   ■ Use now, looking to replace/upgrade   ■ Will implement within 12 months   ■ Will implement after 12 months   ■ No plans to implement

Touchtone IVR, call recording, workforce management and management information systems are amongst the most likely to be upgraded or replaced in the next year.

Many legacy call recording solutions are moving to the cloud, removing the need for on-site storage and maintenance, security management and improving operational flexibility, and the opportunity to upgrade recording systems while implementing analytics is also being taken by many contact centres.

In terms of expected new implementations, AI and interaction analytics dominate once again, with messaging, gamification, speech recognition and web chat also receiving serious interest. There is also some interest in video.

In the longer-term, AI, speech recognition, gamification and analytics were seen by respondents as likely investments.

This may show that businesses are serious about these solutions, or alternatively it may be viewed as something that businesses would like to do, but find it difficult to get around to as they have more pressing tasks in the meantime. Budgetary issues may also play a large part in this.

Recognising that the reality of contact centre investment does not always match the intention shown in the previous chart, the following table gives closer analysis of IT investment priorities.

**Figure 13: Top 5 most important areas of contact centre IT expenditure in the next two years (proportion of contact centres placing solution in their top 5, year-end 2015-24)**

| Technology solution | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| Artificial Intelligence | n/a | n/a | n/a | n/a | 43% | 42% | 50% | 47% | 54% | 67% |
| CRM / Agent Desktop Software | 48% | 56% | 53% | 63% | 43% | 32% | 40% | 36% | 42% | 52% |
| Omnichannel (i.e. getting channels to work together) | 42% | 50% | 55% | 41% | 56% | 51% | 51% | 49% | 53% | 49% |
| Performance & Quality Management | 26% | 25% | 25% | 14% | 29% | 29% | 27% | 32% | 40% | 43% |
| Web Self-Service | 12% | 18% | 19% | 32% | 36% | 36% | 36% | 35% | 42% | 38% |
| Workforce Management | 19% | 29% | 24% | 17% | 18% | 27% | 28% | 33% | 27% | 26% |
| Web Chat | 38% | 31% | 29% | 28% | 33% | 33% | 25% | 28% | 32% | 25% |
| Interaction Analytics | 9% | 8% | 13% | 17% | 19% | 16% | 15% | 18% | 22% | 23% |
| Management Information Systems | 30% | 25% | 22% | 25% | 31% | 26% | 24% | 28% | 22% | 20% |
| Desktop Automation & Analytics | 19% | 25% | 27% | 22% | 13% | 18% | 17% | 20% | 21% | 20% |
| Email Management | 41% | 37% | 31% | 27% | 23% | 25% | 30% | 22% | 20% | 20% |
| Back-Office Integration | 39% | 45% | 48% | 31% | 22% | 22% | 20% | 20% | 19% | 18% |
| Cloud | 18% | 17% | 16% | 25% | 22% | 18% | 21% | 18% | 14% | 15% |
| Telephony Infrastructure (including IP) | 10% | 12% | 7% | 13% | 8% | 10% | 12% | 16% | 15% | 14% |
| Homeworking | 14% | 9% | 11% | 26% | 16% | 28% | 31% | 22% | 14% | 11% |
| Telephony Self-Service (DTMF IVR, Automated Speech Recognition, Visual IVR) | 8% | 12% | 14% | 25% | 21% | 18% | 13% | 14% | 15% | 10% |
| Call Recording | 19% | 6% | 12% | 16% | 10% | 12% | 11% | 6% | 7% | 10% |
| Social Media | 21% | 20% | 18% | 27% | 12% | 7% | 9% | 13% | 9% | 7% |
| Headsets | 7% | 3% | 2% | 2% | 4% | 5% | 3% | 2% | 3% | 6% |
| Gamification | 8% | 9% | 11% | 6% | 9% | 8% | 8% | 7% | 7% | 5% |
| Voice Biometrics | 4% | 3% | 3% | 6% | 7% | 3% | 4% | 5% | 4% | 5% |
| Hardware (including PCs & servers) | 19% | 13% | 12% | 14% | 5% | 8% | 7% | 9% | 6% | 4% |
| Interaction Routing (including ACD/CTI-like functionality) | 17% | 14% | 14% | 3% | 3% | 5% | 6% | 7% | 3% | 3% |
| Outbound Automation | 6% | 5% | 5% | 6% | 4% | 1% | 1% | 6% | 3% | 3% |
| Virtual Contact Centres | 7% | 10% | 8% | 2% | 3% | 7% | 7% | 3% | 3% | 3% |
| Video/Web RTC | 0% | 4% | 2% | 0% | 0% | 5% | 4% | 3% | 2% | 3% |
| Mobile Service | 15% | 13% | 19% | 13% | 9% | 8% | 3% | 1% | 2% | 2% |

The percentages in the previous table are based on the proportion of respondents over the past 10 years placing the specific solution within their top 5 from a list of 27 possible contact centre solutions (AI was only added as an option in 2019).

By showing this historical data, patterns will emerge showing the solutions that are gaining the most interest over the years, and those which are losing their appeal.

Artificial intelligence extends its place at the top of the chart, with two-thirds of respondents choosing this as a top 5 priority for them.

CRM (including improvement to the contact centre agent desktop and contact management system, as well as company-wide CRM) was in no.1 position for a number of years, and although it lost its no.1 spot in 2017 to omnichannel, is still considered one of the key areas of IT investment in the near future.

Omnichannel – which has been defined within this part of the survey as getting the various channels to work together – is placed within the top 5 priorities by 49% of respondents this year. The various supporting applications, such as web chat, social media customer service and email management systems still have significant proportions of respondents placing them within the top 5, although all have dropped considerably since 2015.

After some years of relative stagnation, interest in web self-service has grown significantly since 2018, driven in large part by the promise of artificial intelligence and chatbots providing a superior self-service experience than had previously been the case.

Back-office integration has dropped in importance since the mid-2010s, and is now the 12th highest priority rather than the 4th, as it had been for some years. While respondents are still very aware of the need to underpin the entire customer contact infrastructure – both front and back office – with a robust, stable and non-siloed infrastructure that allows a single view of the customer, the resurgent interest in omnichannel and new enthusiasm for AI-enabled self-service has pushed this down the list.

After a major interest in homeworking in 2020 and 2021, it has lost a lot of ground since, being seen as a top 5 priority by only 11% of survey respondents this year.

Performance management has grown in importance again this year, and although more established contact centre solutions such as MIS and WFM have dropped rankings, investment in these is still a priority for a substantial proportion of survey respondents.

Interaction analytics maintains its ranking in 8th, with 23% of survey respondents placing it as a top 5 priority in the next two years.

## ARE TECHNOLOGY ISSUES HOLDING BACK CUSTOMER EXPERIENCE?

Respondents were asked about the extent to which technology challenges were affecting their ability to improve their customers' experience.

Legacy technology is reported to be a major problem by 49% of survey respondents, slightly higher than last year. This is more likely to be the case in smaller contact centres.

While there has been a very significant move to cloud – supported recently by the need for remote working – it is clear that there is still a long way to go before businesses can fully develop their CX-supporting technology.

**Figure 14: To what extent is legacy technology holding back customer experience? (by contact centre size)**



To what extent is legacy technology holding back customer experience? (by contact centre size)

| | Fewer than 50 | 50-200 | 201-1,000 | More than 1,000 | Average |
|---|---|---|---|---|---|
| No problem | 16% | 13% | 16% | 14% | 15% |
| Minor problem | 31% | 32% | 47% | 50% | 36% |
| Major problem | 53% | 55% | 38% | 36% | 49% |
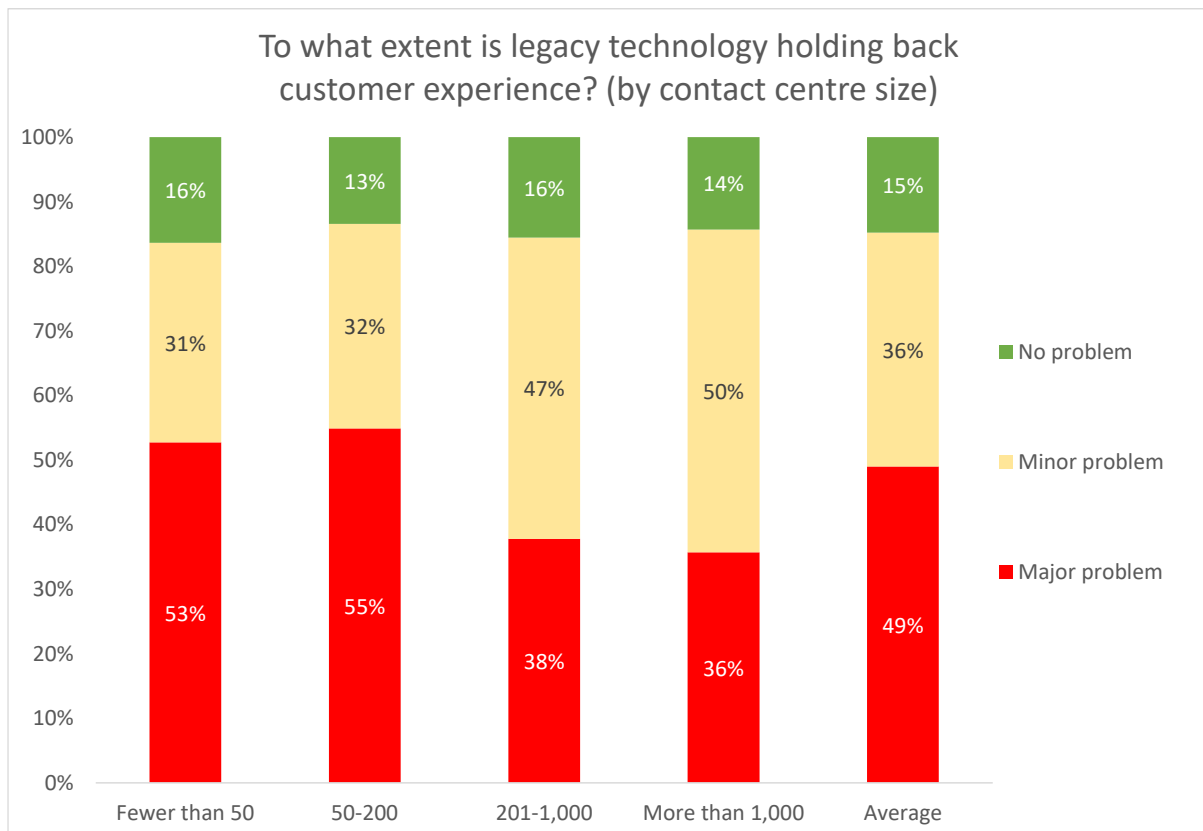
46% of survey respondents also state that not having a single view of the customer across channels is a major problem for them. Those in smaller operations were somewhat more likely to feel this. Again, this is a rise on last year's figures, and not what would be expected from an industry which is focused on digital channel investment, as seen earlier.

Not being able to view the customer across channels means that the full benefit of omnichannel contact cannot be achieved, and that unnecessary time and effort are being spent by the customer, with sub-optimal results for all concerned.

**Figure 15: To what extent is the lack of a single view of the customer across channels holding back customer experience? (by contact centre size)**



To what extent is the lack of a single view of the customer across channels holding back customer experience? (by contact centre size)
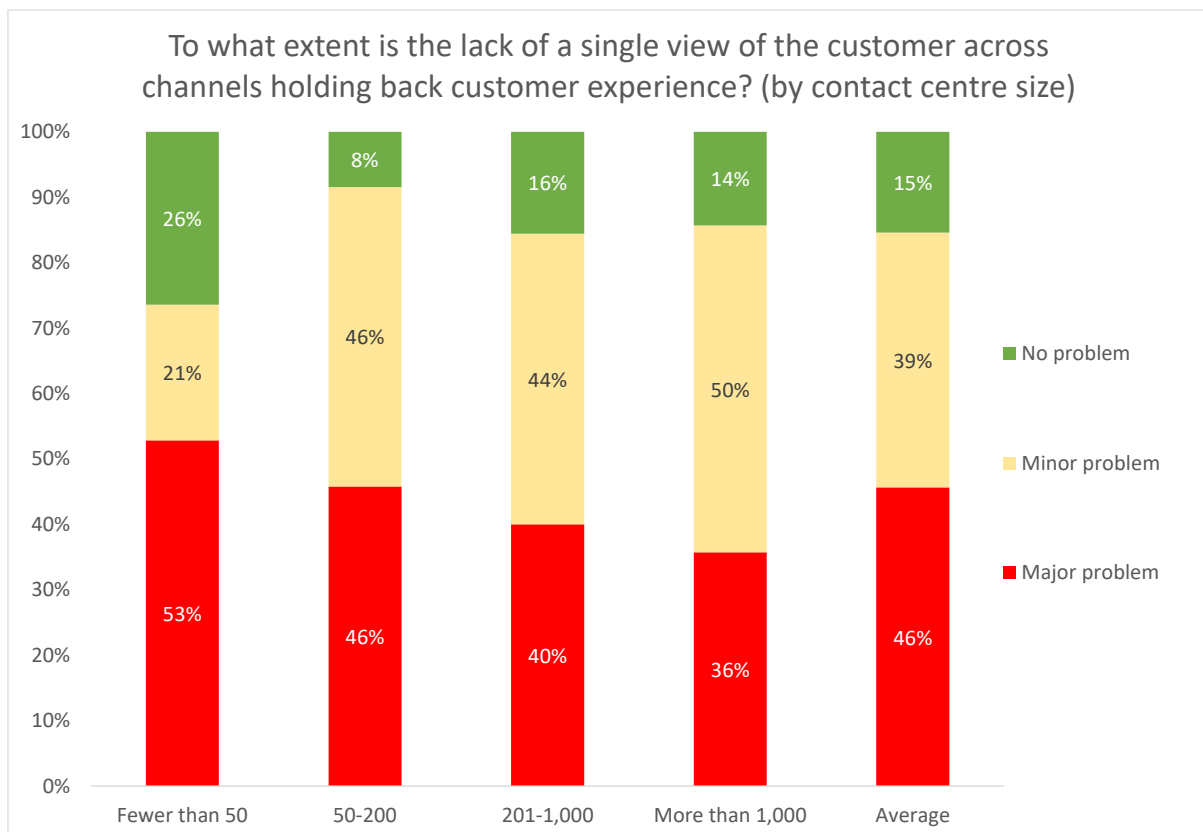
A lack of IT budget for CX-supporting technology was a major problem for 44% of respondents (similar to last year's 43%), with the smallest contact centre operations once again feeling this a little more than larger contact centres.

**Figure 16: To what extent is the lack of sufficient IT resources or budget holding back customer experience? (by contact centre size)**



To what extent is the lack of sufficient IT resources or budget holding back customer experience? (by contact centre size)

| Contact centre size | No problem | Minor problem | Major problem |
|---|---|---|---|
| Fewer than 50 | 9% | 44% | 46% |
| 50-200 | 19% | 34% | 47% |
| 201-1,000 | 12% | 49% | 40% |
| More than 1,000 | 36% | 29% | 36% |
| Average | 16% | 40% | 44% |
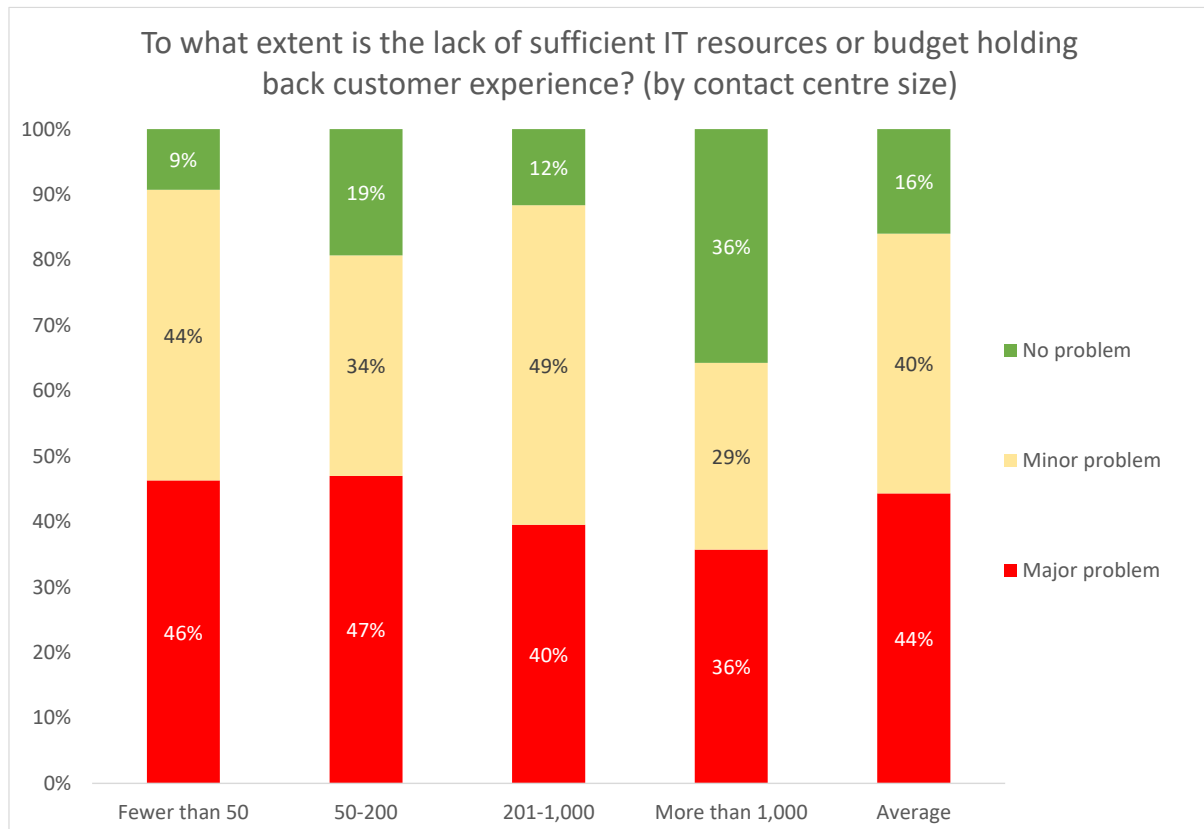
## DOES CX TECHNOLOGY AFFECT CUSTOMER EXPERIENCE?

The following chart looks at the effect that organisations believe specific technologies have on their customers' experience (data are only from the survey respondents actually using these applications).

Generally, they are seen as providing a positive experience for customers, and although touchtone IVR and speech recognition have had a somewhat more polarising view in the past, these applications again receive a strong net positive response this year.

**Figure 17: What effect does technology have on your customers' experience? (if used)**
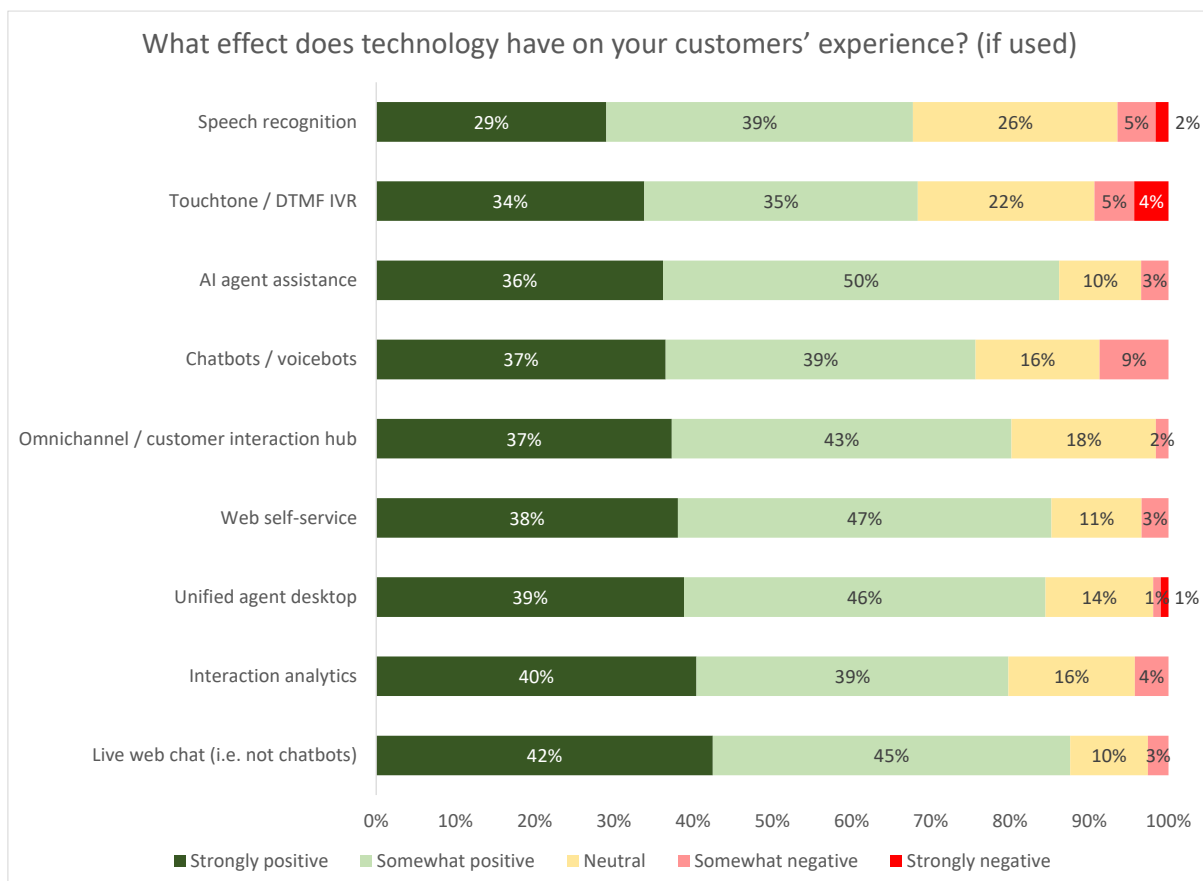


**Live web chat** (used by 77% of this year's survey respondents) offers organisations a chance to cut costs through running more than one chat session at a time with customers, using the time that a customer spends reading and replying to an agent's response to deal with other customers concurrently, with 2 or 3 chats being seen as sustainable.

Web chat is often used as a 'point of crisis' channel, for example, to convert an online shopping basket into a sale by providing timely service, or if a visitor is paused on a web page too long, perhaps as they can't find what they are looking for. In such cases, there are two main benefits to the business to provide text chat: revenue maximisation, and the avoidance of unnecessary calls.

Web chat can also act as a safety net for the customer if an online self-service attempt fails.

An analogy can be made with voice self-service, where a failed session is often ended with the customer 'zeroing-out' (pressing zero to get in touch with an agent). Failed web self-service sessions may end with a phone call being made, but the use of web chat can avoid a number of these, which is a cost saving for the business and better for the customer as well. Survey respondents using live web chat usually see it being extremely positive for customer experience.

Although **chatbots/ voicebots** (used by 58% of survey respondents) don't get quite the same level of positive response of live web chat, 76% of businesses using them say that they have a good effect on CX.

**AI agent assistance** (used by 41% of survey respondents) is deployed in a number of ways that reduces the manual work required for handling customer interactions while boosting the value of each conversation.

It helps agents navigate more difficult conversations and reduce their average handle time with tools that surface relevant information like reminders, coaching, or knowledge base articles.

It also helps agents to follow company compliance regulations, handle customer objections, and identify upsell opportunities by automatically surfacing and tracking key tasks. Lastly, it reduces manual work like note-taking and uploading call transcriptions to the CRM system while increasing the accuracy of call summaries in less time.

**Unified desktop** (used by 53% of survey respondents): Most of today's contact centres use complicated, multiple applications, often only loosely linked, which require skilled and experienced agents to navigate and manage interactions with customers successfully at the same time. Even after the call is completed successfully, each system may need specific inputs from the agent in order to start the required back-office processes or to keep each database consistent with the others.

The result is that even though a contact centre may be staffed with experienced, hard-working and skilled staff, its overall performance is suboptimal, leading to lower profits, customer satisfaction and unnecessary costs, as well as downstream service issues.

The variable capability of agents is also a contributory inhibitor to quality improvements, profit maximisation and an optimised customer experience. One possible solution is to look at an overall unified desktop environment that includes dynamic scripting, as well as understanding agent training needs through an integrated solution including call recording and analytical functionality, delivering up-to-date performance metrics and in-call information supporting cross-selling and upselling offers.

Although the unified desktop can be seen as an internally focused technology, the vast majority of respondents believe that its ability to provide in-call support to agents and reduce downstream errors has a very beneficial effect upon customer experience.

**Web self-service** (used by 88% of survey respondents) is also seen as being of positive benefit to the customer experience, and as the cost per automated support session is estimated to be between 40 and 100 times cheaper than a live call to an agent, it has significant benefits to the business too.

Many customers will visit a website first and will try self-service, but if this experience does not give them what they want immediately and accurately, they will either call the business or go elsewhere.

Where the customer is tied into an existing business, this will result in a higher cost of service and decreased customer satisfaction but where the visitor is only a potential customer, a failure in web self-service may mean the loss of a sale. Providing effective web self-service options – with a clear path to escalation to a live agent, along with any contextual customer specific information – is in the best interests of the business.

**Interaction analytics** (used by 49% of survey respondents) can be used in many different ways to address various business issues. This is an advantage – it is hugely flexible – but it can also make its message to the market more complicated. However, depending upon how interaction analytics is used, it can assist in:

- agent improvement and quality assurance
- business process optimisation
- avoidance of litigation and fines
- customer satisfaction and experience improvements
- increases in revenue and profitability
- improvements in contact centre operational performance, and cost reduction.

Like most contact centre applications, analytics can be used to cut costs, but its promise goes far beyond this. No other contact centre technology provides the business with this level of potential insight that goes far beyond the boundaries of the contact centre and can offer genuine and quantifiable ways in which business processes can be improved.

Amongst the survey respondents which use interaction analytics, there is a general feeling that it impacts somewhat positively upon the customer experience, although perhaps not quite to the same extent as customer-facing technology such as web chat. As a large amount of interaction analytics is done historically, the immediate benefits to the customer may not be as apparent.

Businesses using an **omnichannel customer interaction hub** (65%) are very positive about the effect on customer experience. Omnichannel describes the goal of customers being able to contact (and be contacted) through any channel – switching between them during the interaction as appropriate, while taking relevant data and history along with them – with a single, unified view of the customer's journey being available to the agent.

For true omnichannel, the platform, infrastructure, applications and resources need to be available to identify, route and switch interactions between agents and channels seamlessly, while keeping all relevant data gathered in the course of the interaction: larger operations are more likely to have made this investment.

One of the main irritants for a customer is having to contact the business on numerous occasions, often through different channels, about the same issue. Omnichannel promises a way in which this experience can be made less painful and more effective for both customers and businesses, by providing a single view of the customer's journey – not just that particular interaction, but the entire experience – so that agents do not have to repeat questions and can treat the customer's request more effectively.

The feeling amongst respondents is that **touchtone IVR** (used by 71% of survey respondents) is a little less beneficial to the customer experience than most of the other technology applications surveyed, despite its widespread prevalence.

IVR was typically implemented as a cost-saving measure, rather than something to improve the customer experience, and although visual IVR promises to benefit both business and the smartphone-owning customer, its uptake is currently low.


Despite the wider and more powerful functionality that **automated speech recognition** (used by 31% of survey respondents) gives to an IVR system, significant inhibitors can be present.

It is generally acknowledged that speech recognition can be considerably more expensive to implement than DTMF IVR, and is also likely to require significant, highly-paid in-house resource to fine-tune and operate it going forward. Some solution providers note that the majority of businesses' interest in moving from DTMF to speech recognition comes when the existing telephony self-service legacy system is approaching end-of-life.

The success or otherwise of speech-based IVRs is very affected by how callers are encouraged to use the service. It has been the case that some speech implementations have actually made life more difficult for the customer, who may not have the confidence that the system will understand their natural language request and provide very short, one-word answers; if nothing is given in the way of prompts or examples, callers may give too little or too much information as they are unsure of the sophistication or capabilities of the system, and this may be a reason for high self-service abandonment rates.

Survey respondents are increasingly positive about the effect that speech recognition has had on the customer experience, and we would expect this to increase as AI-driven voicebots become mainstream.

## THE ROLE OF ANALYTICS IN CUSTOMER EXPERIENCE

Customer interaction analytics offers huge opportunity to gain business insight, improve operational efficiency and develop agent performance. In fact, the list of potential applications for this technology is so high that businesses could be forgiven for being confused about how to target and quantify the potential business gains.

Organisations using analytics were asked how useful the solution was for improving various aspects of the customer experience, either directly, or through improving internal processes which then had an impact upon the overall customer experience.

**Figure 18: Usefulness of analytics for improving CX**
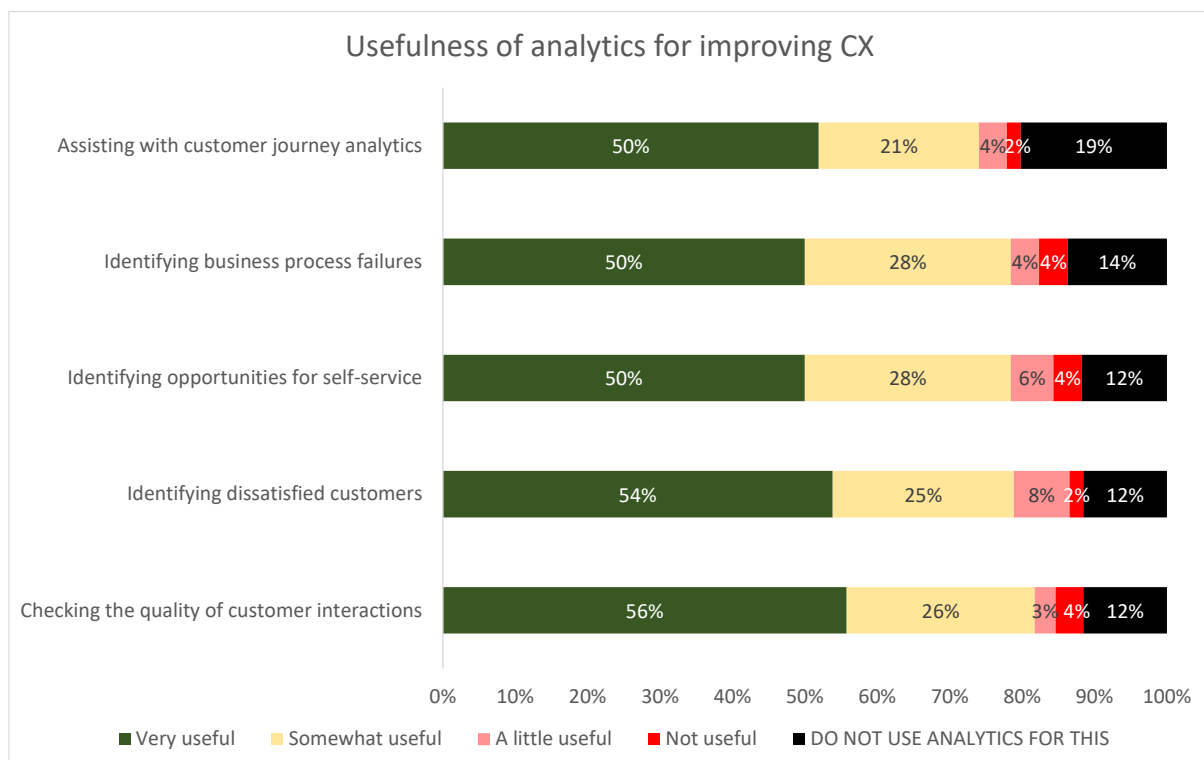


The overall conclusions were surprisingly consistent: in all analytics use cases, over half of respondents that used analytics for the stated purpose said that it was 'very useful' with around 30% saying that it was 'somewhat useful'. These figures are somewhat more positive than has been the case in the past.

## THE ROLE OF AI IN CUSTOMER EXPERIENCE

Survey respondents were asked which AI applications they are currently using with their contact centres, and what their plans were for future implementations.

**Figure 19: Current and planned use of AI contact centre applications**

### Current and planned use of AI contact centre applications

| Application | Use this now | Plan to use this within 2 years | No plans |
|---|---|---|---|
| Predicting customer behaviour | 9% | 53% | 38% |
| Voicebots | 10% | 46% | 44% |
| Fraud detection / customer authentication | 16% | 46% | 38% |
| Sentiment analysis (in-call) | 17% | 55% | 28% |
| Agent assistance / co-pilot (in-call) | 21% | 59% | 21% |
| Updating the knowledge base | 25% | 53% | 22% |
| Generating notes and call summaries | 27% | 57% | 15% |
| Customer journey analytics | 28% | 49% | 22% |
| Sentiment analysis (analysing multiple calls) | 31% | 49% | 20% |
| Form-filling / starting processes | 31% | 41% | 27% |
| Call transcription | 34% | 44% | 22% |
| Intelligent call routing | 36% | 41% | 22% |
| Chatbots | 48% | 41% | 11% |

Unsurprisingly, chatbots were by far the most frequently used AI application. AI agent assistance is in place in 21% of businesses surveyed (up from 14% last year), and again has the greatest proportion of survey respondents planning to implement it within two years. Sentiment analysis, knowledge base updating and auto-summarisation were also expected to grow very strongly.

Survey respondents were asked about the benefits they wanted to see from AI.

**Figure 20: Most important outcomes from current or future use of AI**
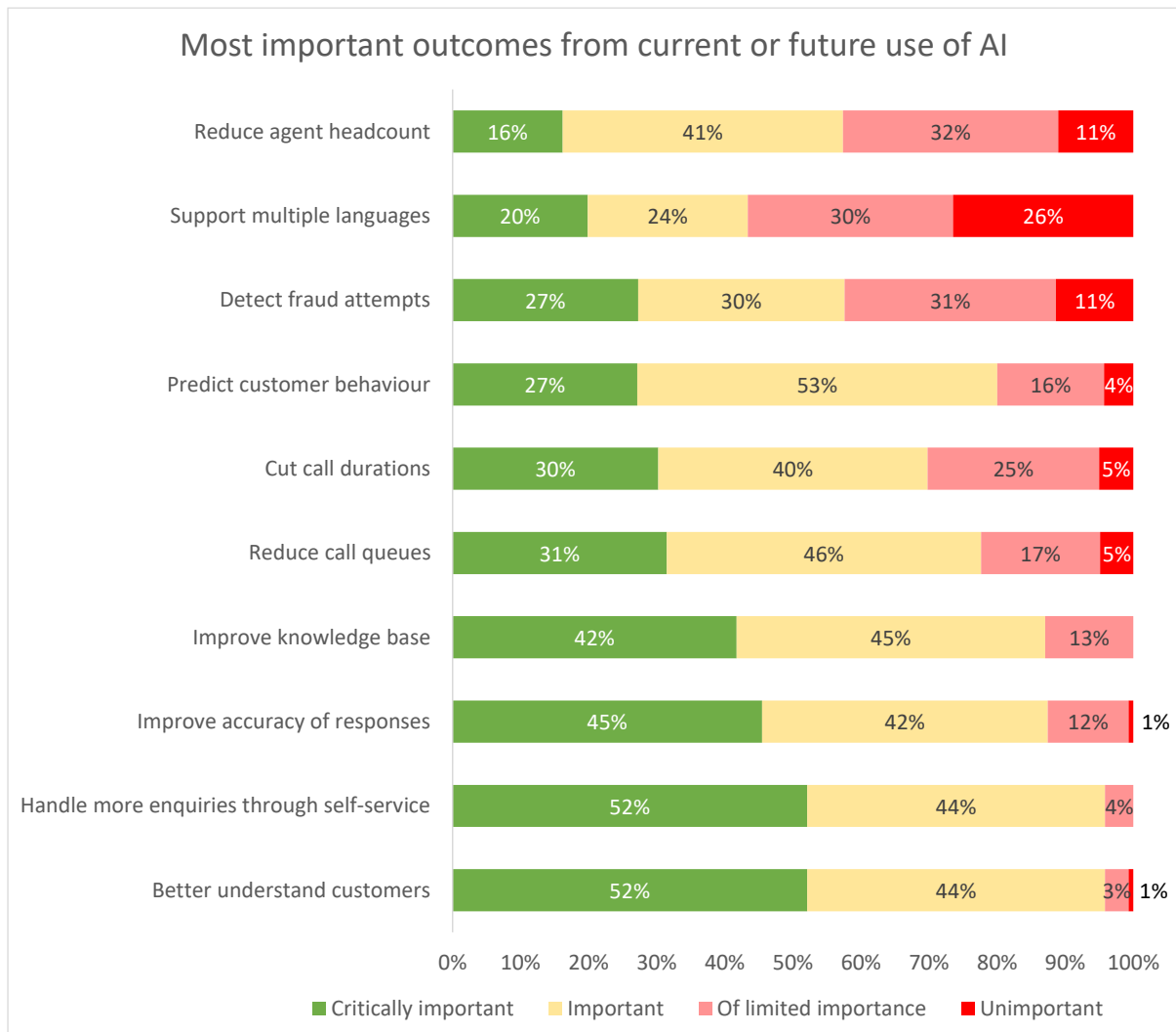


Interestingly, while 16% said that reducing agent headcount was of critical importance to them, 43% said that it was of either limited, or no importance.

AI is looked upon to be vital as a means to increase the sophistication, accuracy and effectiveness of self-service, and also as a way to improve the understanding of customers.

The improved provision of information – quicker and more accurate – across all channels is also a key driver of AI implementation.

Improving telephony operational performance through reduced call lengths and queue times is seen as less important, despite the powerful effect this can have on customer experience.

Survey respondents who were currently using AI were asked about the outcomes and results that they had seen as a result.

As the use of AI in the contact centre is in its relative infancy, readers should be aware that the small sample size needs to be treated with caution.

There was a widespread positive response from those using AI to improve self-service – which as a previous chart showed was mainly from chatbots – and an improvement in the knowledge base was also seen.

There was much less use of AI to detect fraud attempts, to support multiple languages or predict customer behaviour, and these applications were not unanimously agreed to be successful at the moment.

**Figure 21: Have you seen these outcomes from your current use of AI?**



Have you seen these outcomes from your current use of AI?

| Outcome | Yes | No | Don't use AI for this |
|---|---|---|---|
| Detect fraud attempts | 7% | 10% | 83% |
| Predict customer behaviour | 11% | 12% | 76% |
| Support multiple languages | 13% | 12% | 75% |
| Cut call durations | 21% | 14% | 65% |
| Reduce call queues | 24% | 13% | 64% |
| Better understand customers | 25% | 12% | 63% |
| Reduce agent headcount | 26% | 14% | 60% |
| Improve accuracy of responses | 28% | 12% | 60% |
| Improve knowledge base | 31% | 5% | 64% |
| Handle more enquiries through self-service | 36% | 8% | 56% |

The chart below shows the same information as the previous diagram, with the survey responses "Don't use AI for this" removed to clarify the positivity or otherwise that actual users of AI experience.

There was widespread satisfaction with the use of AI to improve knowledge bases and handle more self-service enquiries.

While the use of AI to detect fraud attempts and to predict customer behaviour received more negative than positive comments, there were significant minorities of AI users in almost all use cases who had not seen the outcomes they wanted to from their implementations.

This suggests that AI – both the technology itself and businesses' use of it – still has a considerable way to go before it can be said to be entirely fulfilling its purpose.

**Figure 22: Have you seen these outcomes from your current use of AI – definite responses only**

## Have you seen these outcomes from your current use of AI – definite responses only

| Outcome | Yes | No |
|---|---|---|
| Detect fraud attempts | 42% | 58% |
| Predict customer behaviour | 48% | 52% |
| Support multiple languages | 53% | 47% |
| Cut call durations | 60% | 40% |
| Reduce agent headcount | 65% | 35% |
| Reduce call queues | 65% | 35% |
| Better understand customers | 67% | 33% |
| Improve accuracy of responses | 69% | 31% |
| Handle more enquiries through self-service | 81% | 19% |
| Improve knowledge base | 86% | 14% |
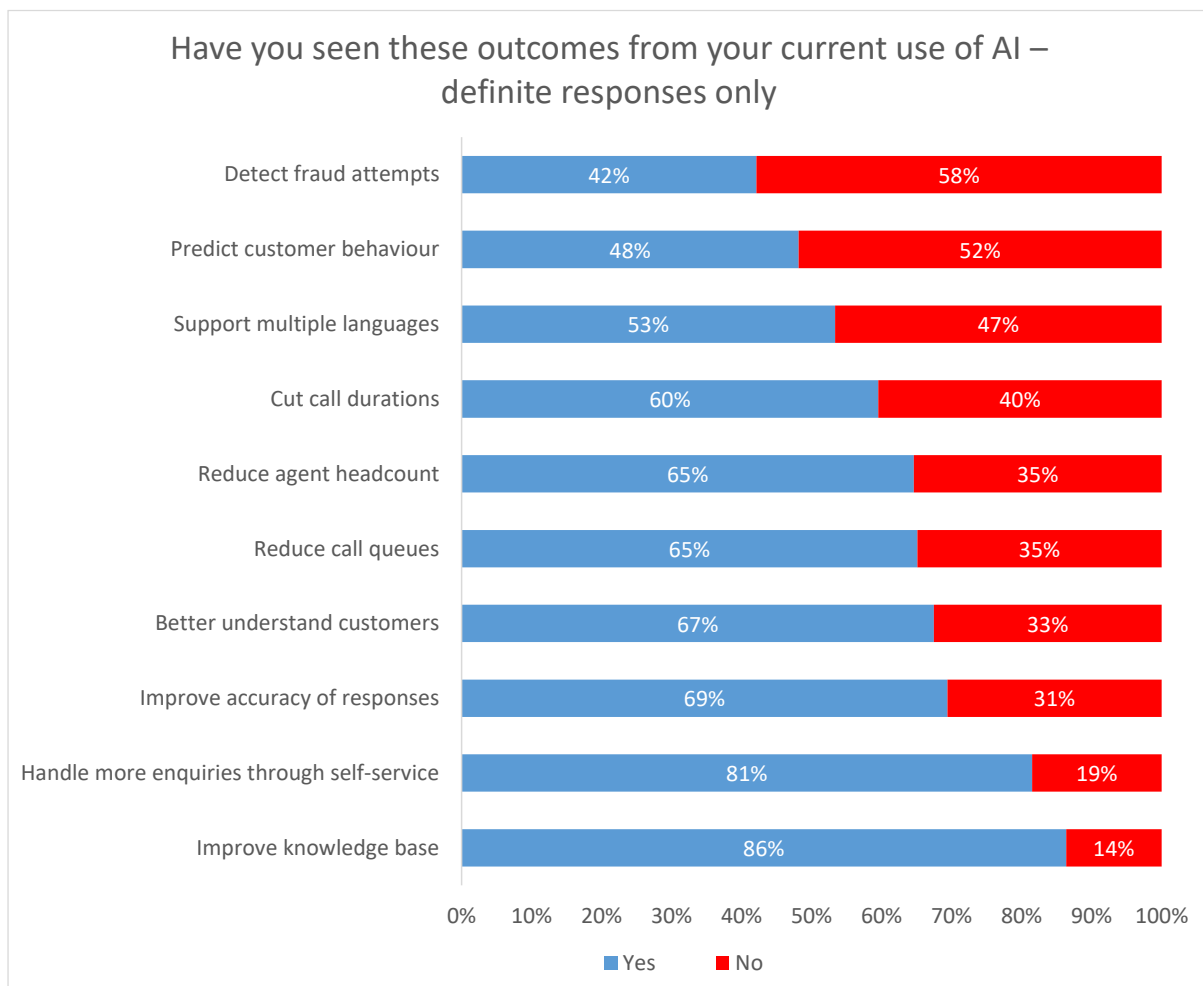
There is more research about the use of AI for specific contact centre business and operational use cases at www.contactbabel.com/research.

# Rumours of the death of outbound were greatly exaggerated

For several years now the imminent demise of outbound calling has been viewed as a foregone conclusion across the contact centre industry. This assumption was based on eminently reasonable arguments. Increasingly stringent regulations, the move to mobile and the shift to messaging apps have made the outbound voice channel seem obsolete. Indeed, the statistics seemed to confirm the trend. Telemarketing and cold calling in particular are quickly becoming a thing of the past.

However, paradoxically, the latest research suggests that the outbound dialling market is growing at an unprecedented rate. The global predictive dialer software market size is expected to expand at a CAGR of 42.3% from 2025 to 2030 and reach USD 25.52 billion by 2030[1]. How can that be? The answer lies in the fact that the use of outbound dialling has shifted away from telemarketing into areas such as proactive customer contact and inbound deflection.

Inbound calls are unpredictable. Customers will call in at the time of their choosing and expect to be answered promptly. This leads to expensive overstaffing or unhappy customers waiting in ACD queues. Outbound however is highly controllable and much more efficient. The ability to shift traffic from inbound to outbound means reduced overstaffing and happier customers. There are two technologies which have contributed to the ability to channel inbound traffic to outbound. These are messaging apps (including SMS) and Artificial Intelligence.

AI is beginning to play a major role in the resurgence of outbound calling. For instance, having a voice bot converse freely with a customer and offer medical appointments or delivery slots is becoming increasingly commonplace. Not only that, but AI is also able to predict with a high degree of accuracy the nature and timing of specific customer needs and create targeted calling lists for diallers to use.

After all, the whole point of delivering excellent customer experience is to anticipate each customer's specific needs and connect to the right person at the right time with the right message. This is precisely the kind of technology that Noetica has been perfecting over nearly three decades, staying one step ahead of the curve, constantly innovating. Today, as the industry takes its first steps into the brave new world of AI, Noetica finds itself yet again taking a leading role in this exciting journey.

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[1] ©Predictive Dialer Software Market Size, Share & Trends Analysis Report, 2025 – 2030, Research & Markets Report, November 2024

## CUSTOMER OPINIONS AND EXPERIENCE WITH AI IN CX

The customer panel was asked about their experience of using AI for customer service, in particular how it compared to the service experience provided by live agents.

The 20% of survey respondents who stated that they had never knowingly experienced AI customer service have been removed from these figures, leaving the 80% who believe that they have done so.

**Figure 23: How does AI compare to human agents in your experience?**
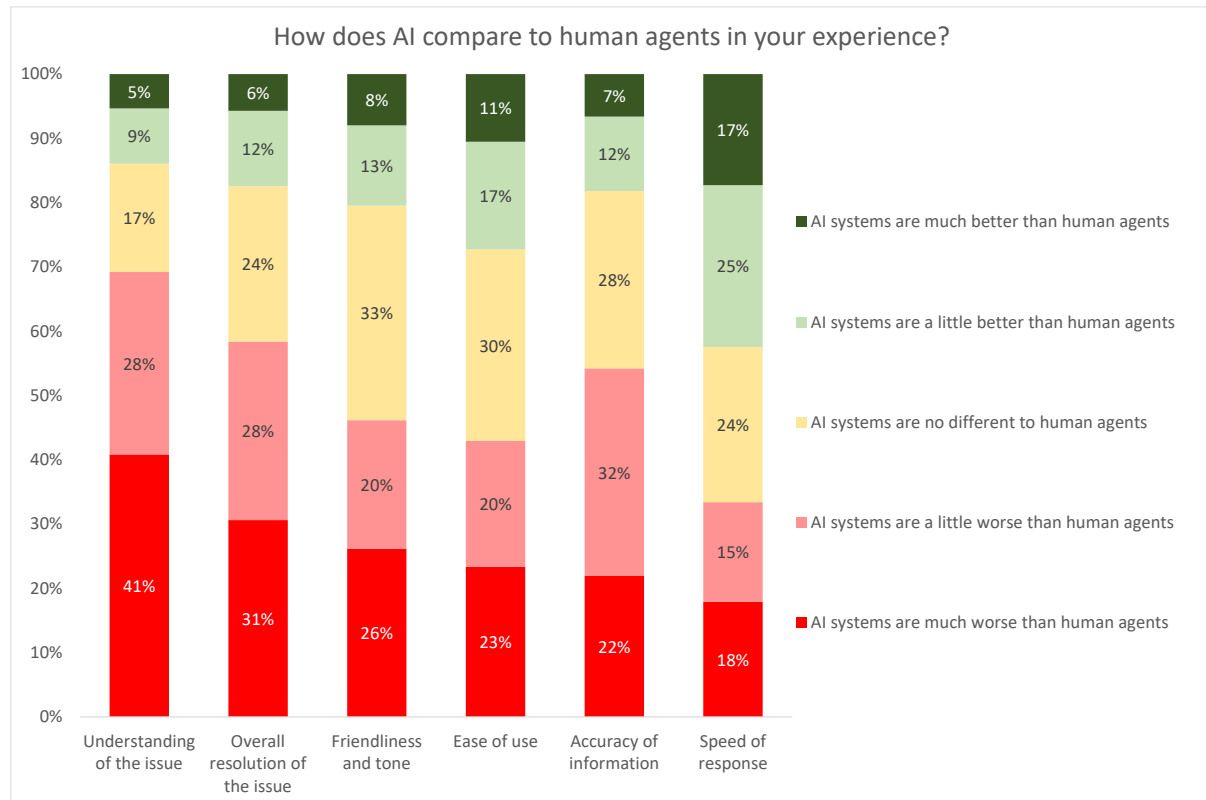


The customer panel reported that the speed of service from AI was generally quicker than live agents, which is to be expected.

However, the rest of the experiences were less positive, with 69% of customers stating that AI's understanding of the issue was poorer, 59% that the overall resolution was worse and 46% that the friendliness and tone was inferior.

Perhaps most concerning is that 54% of customers found that the accuracy of the information provided by AI was not as good as that given from live agents: if AI is to grow and be accepted, the quality of responses has to improve considerably. If not, customers will refuse to engage fully with the system. This is an issue that is industry-wide: if there are sufficient poor customer experiences with AI, then customers will become generally 'inoculated' against trying to use them, regardless of how effective an individual organisation's AI system is.

## WHEN WOULD YOU LIKE TO USE AI FOR CUSTOMER SERVICE?

Our 1,000-strong customer panel were asked under what circumstances they would prefer to use AI to answer their queries rather than talking to a live agent.

The exact question asked was "When contacting an organisation, in which, if any, of the following situations would you prefer to deal with AI rather than a human?".

It is important to note that we cannot assume that if the answer is negative (i.e. the survey respondent does not prefer AI in a specific case), that they then by definition prefer a human – it may be that they have no strong feelings either way, which is why the final option of "Never – I always prefer a human" has been included.

**Figure 24: When contacting an organisation, in which situations would you prefer to deal with AI rather than a human?**



When contacting an organisation, in which situations would you prefer to deal with AI rather than a human?

- Never — I always prefer a human: 38%
- When I'm following up on an existing case: 8%
- When I prefer not to talk to a person: 16%
- When contacting outside of normal business hours: 21%
- When I want to avoid waiting in a queue: 27%
- When I need a quick answer to a simple question: 43%
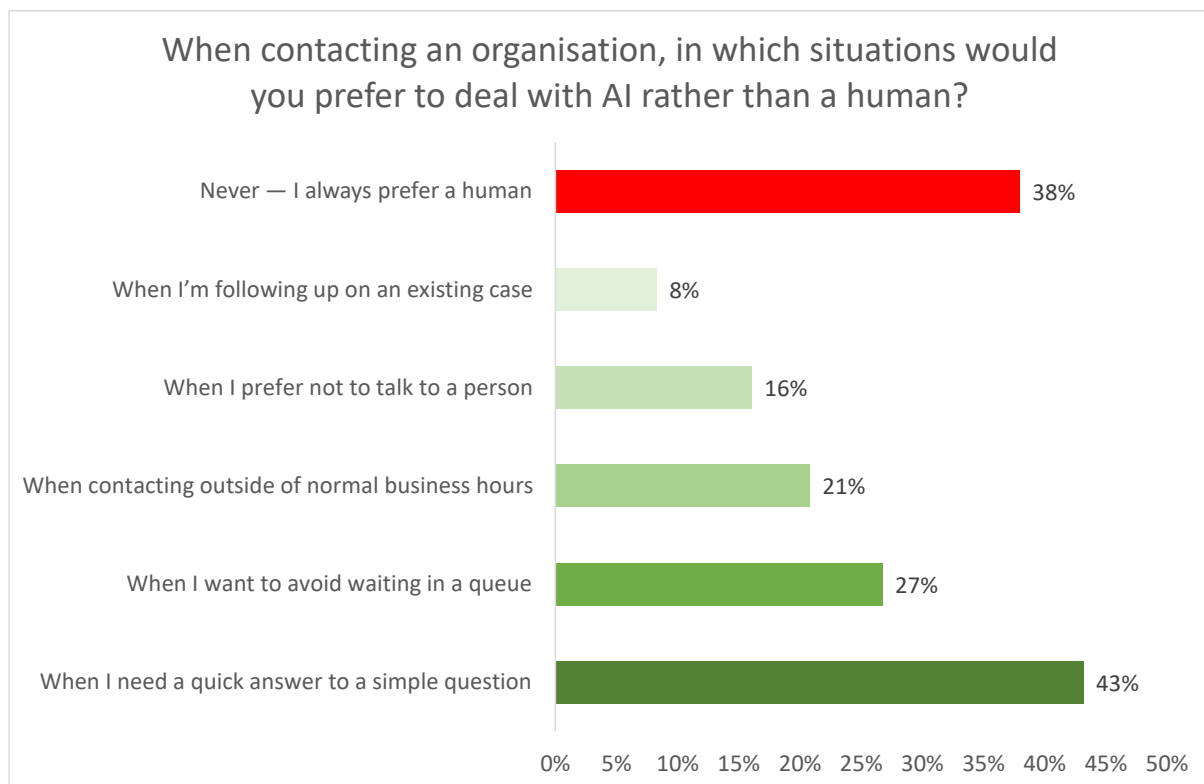
62% of survey respondents state that there are circumstances in which they would prefer to use AI rather than speak with a live agent.

By far the most popular situation is where the customer wants a quick answer to a simple question. This is what most AI is currently used for – usually chatbots, regardless of whether they are truly AI-enabled or not – and aligns closely with one of the main reasons that business state they are implementing AI: to improve self-service uptake.

This customer interest in a speedy response is shown in the second most popular response, where customers want to avoid waiting in a queue. As short queue times – along with first-contact resolution – are the main drivers of positive customer experience, this again is to be expected.

Customers are showing organisations that they are willing to use AI-enabled self-service if it provides them with what they need: a quick and successful outcome.

Other situations where AI is preferable to an agent are less popular, but still have their proponents: the ability to contact an organisation at a time that suits the customer is very popular with some groups, and sometimes – depending on customer circumstances or personality – AI may actually be preferable to speaking with another person, even if queue times are short.

There was little customer belief that AI would be better for following up on an ongoing issue than speaking with a live agent, which seems to indicate that as far as customers are concerned, AI is still of most use for handling simple queries.

Looking in more depth at this question, we have segmented answers by age group.

The situations below are displayed with the most popular on the left, with the final column on the right showing the proportion of respondents who would never prefer to use AI.

**Figure 25: When would you prefer to use AI rather than talk to a person? (by age group)**
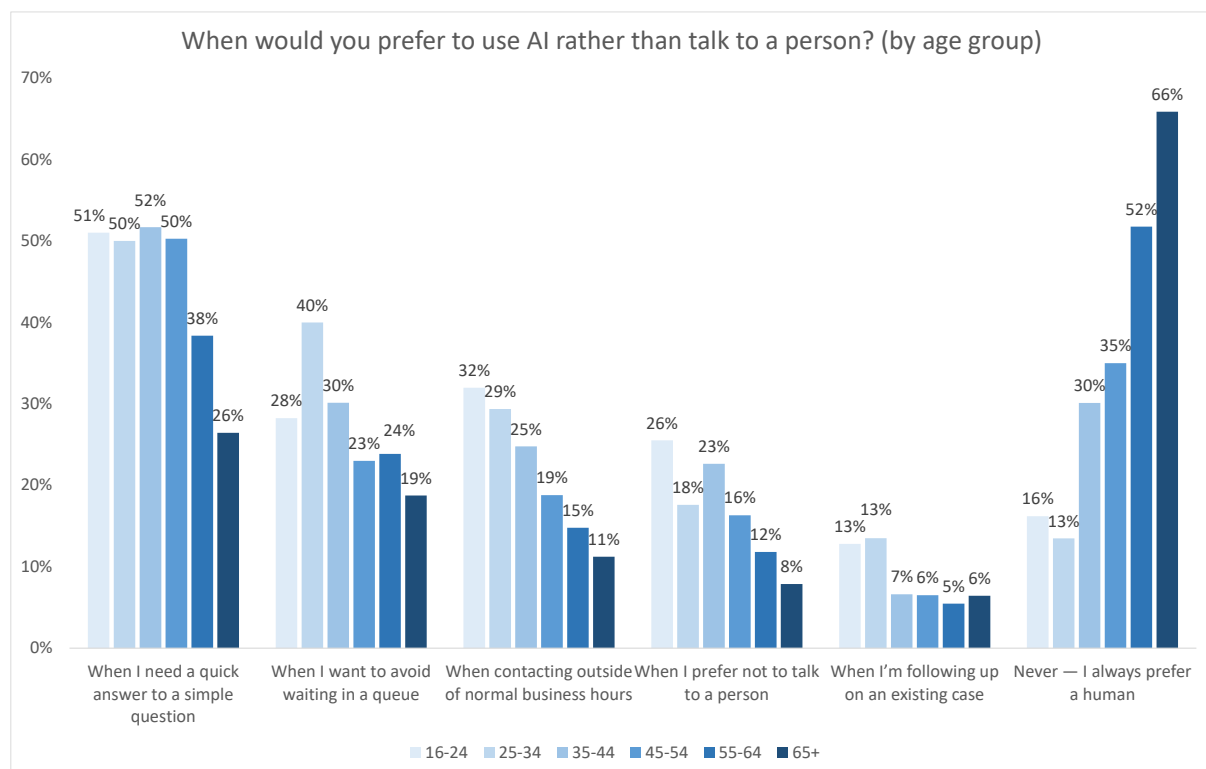


As detailed above, AI seems well placed to answer simple questions – the main current use of self-service – with at least half of all respondents under the age of 55 choosing AI over live agents. While the 65+ group are much less keen, the self-service situation is still the one where it is most likely for this customer group to choose AI over a live agent.

Avoiding spending time in a queue is also a fairly popular choice, although only 27% of all respondents chose to use AI over a human for this purpose.

Differentials between the youngest and oldest age groups are less here than for many other situations: in most of these situations, the proportion of 16-24 year-olds choosing AI over live contact is at least double that of the 65+ group, but here it is only 47% higher. Young people are generally more acceptant of AI, but older people have had much more experience of being stuck in contact centre telephony queues, so more are willing to choose AI over live contact than might be thought.

Using AI to contact a business outside office hours has a very strong correlation by age, which is supported by evidence elsewhere that long opening hours is an important factor for many younger customers.

AI is rarely preferred when the customer has to follow up an existing case.

More than half of the 55+ age group state that they would always prefer to speak with a live agent rather than AI, which emphasises the scale of the task that organisations have to move customers to automation and away from a preference for the live channel.

Looking at the same data segmented by socioeconomic group, ABs are more likely to choose AI in general, particularly for quick answers to simple questions.

DEs are more likely than any other group to always prefer to speak with a person rather than use AI, although it should be noted that the majority of this group (52%) have at least one situation in which they would use AI in preference to speaking with a live agent.

**Figure 26: When contacting an organisation, in which situations would you prefer to deal with AI rather than a human? (by socioeconomic group)**



When contacting an organisation, in which situations would you prefer to deal with AI rather than a human? (by socioeconomic group)
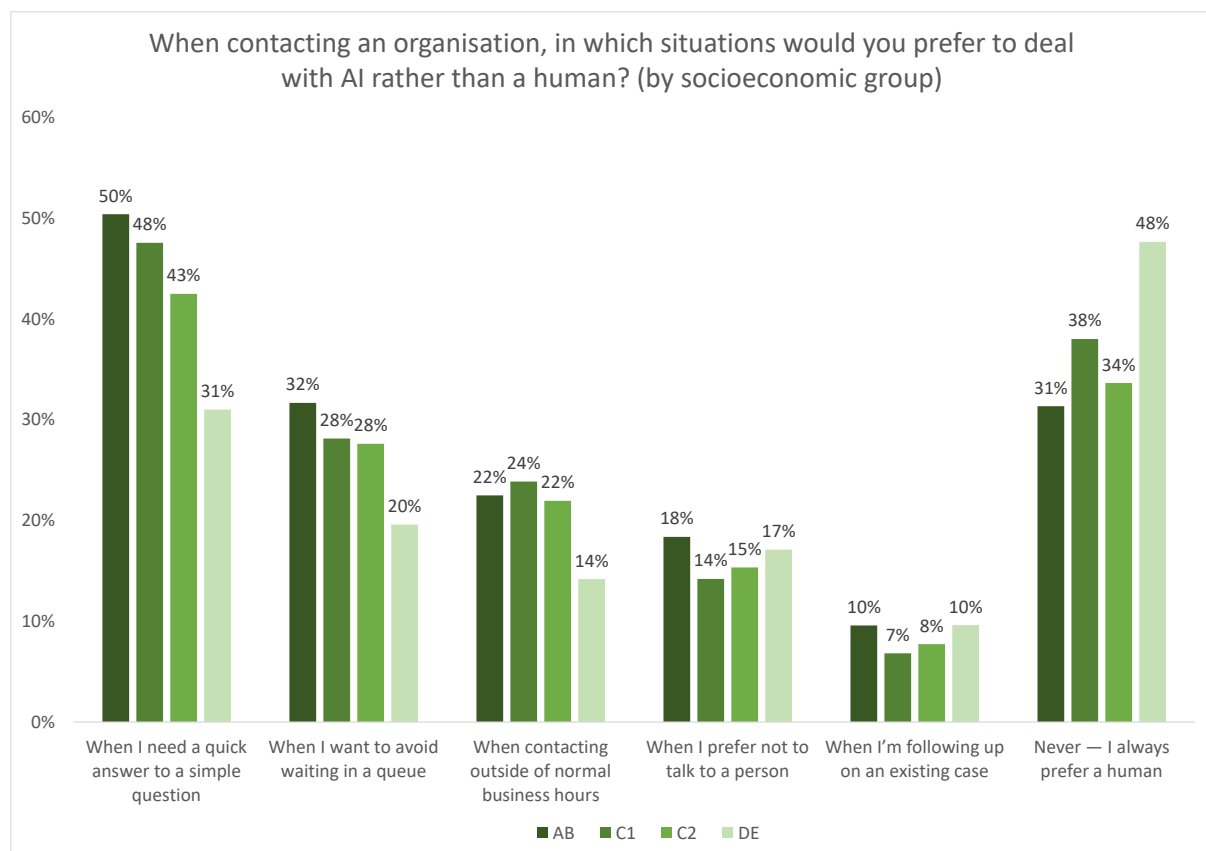
## CONCERNS ABOUT THE USE OF AI IN CUSTOMER SERVICE

The survey panel of 1,000 UK customers were asked to what extent, if any, they were concerned about six potential issues with using AI for customer service.

78% stated that they were concerned to some extent about AI increasing the difficulty of speaking with a live agent if required. This is an accusation that is often levelled – with some justification – at self-service functionality, whether voice (being stuck in 'IVR Hell'), or web-based. Customers are clearly bringing their own real-life experiences to AI service, and many are already concerned that organisations will use AI to deny live service to them.

Another major concern is that the AI will provide inaccurate answers or fail to understand them at all. Again, this attitude is likely to be based on customers' own experiences with self-service, particularly around speech recognition's frequent failure to understand context or anything other than the keywords it is looking out for.

Around two-thirds of the customers surveyed had concerns that AI may result in job losses for customer service staff, and that AI would provide lower levels of empathy and understanding than live agents.

While data security and the hidden use of AI were seen as less concerning, it should still be noted that at least 60% of the customers surveyed saw these as potentially concerning.

It is clear that organisations face a struggle to get a quick and widespread acceptance of AI in the customer service arena.

**Figure 27: To what extent are you concerned about each of the following when dealing with AI in customer service?**



To what extent are you concerned about each of the following when dealing with AI in customer service?

| | Very concerned | Concerned | Neutral | Less concerned | Not at all concerned |
|---|---|---|---|---|---|
| Data security | 33% | 27% | 24% | 9% | 6% |
| Hidden or unclear use of AI (not knowing if it's AI or human) | 34% | 31% | 24% | 6% | 5% |
| Lack of empathy or understanding | 39% | 28% | 21% | 7% | 5% |
| Job losses for customer service staff | 40% | 27% | 22% | 7% | 5% |
| Being misunderstood or receiving inaccurate answers | 49% | 31% | 14% | 4% | 2% |
| Difficulty reaching a human agent | 50% | 28% | 15% | 5% | 3% |

Looking in more detail at these concerns, by age groups, it is clear that in general, concerns are greater in older cohorts.

Data security is one of the concerns where age is much less related to the level of unease felt by customers.

It may be that the younger generations are more educated about the dangers of data and confidentiality breaches, and many are very technically aware and spend more time online than older generations.

**Figure 28: Concerns about data security when dealing with AI in customer service (by age range)**



Concerns about data security when dealing with AI in customer service (by age range)
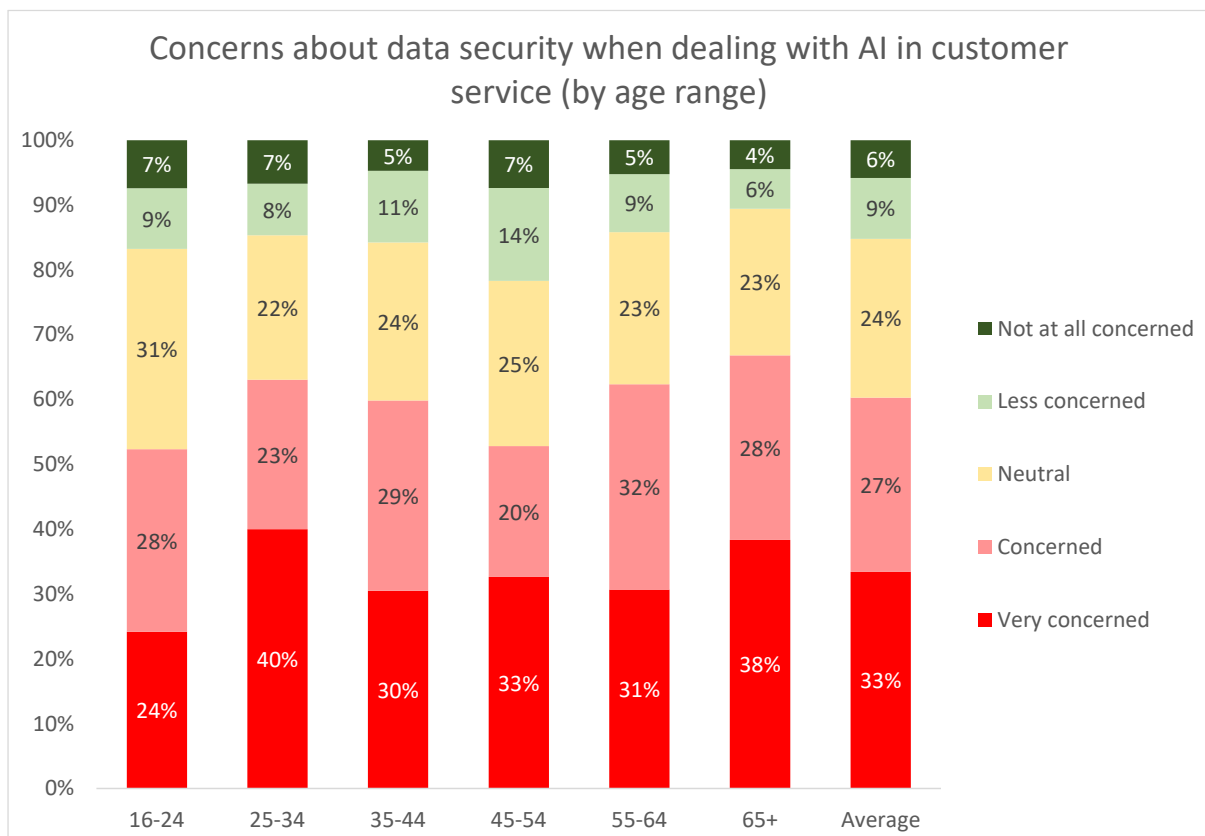
80% of the customer survey panel were concerned to some extent that AI will misunderstand them or provide inaccurate information.

This was particularly strong in the older cohorts, but this is one of the most widespread fears across all age groups.

Stories of AI hallucinations are widespread, and while generative AI tools – and the ways in which this functionality is being implemented – are improving rapidly, this is clearly a barrier to the uptake and trust that the customer base as a whole is displaying.

Implementations should focus on getting simple answers right all of the time, rather than trying to solve every query through AI – in this case, 99% right will not be enough: it is the 1% wrong that customers will remember, and may well assume that other organisations' AI will suffer as a result of customer cynicism and poor experiences elsewhere.

**Figure 29: Concerns about being misunderstood or receiving inaccurate answers when dealing with AI in customer service (by age range)**



Concerns about being misunderstood or receiving inaccurate answers when dealing with AI in customer service (by age range)
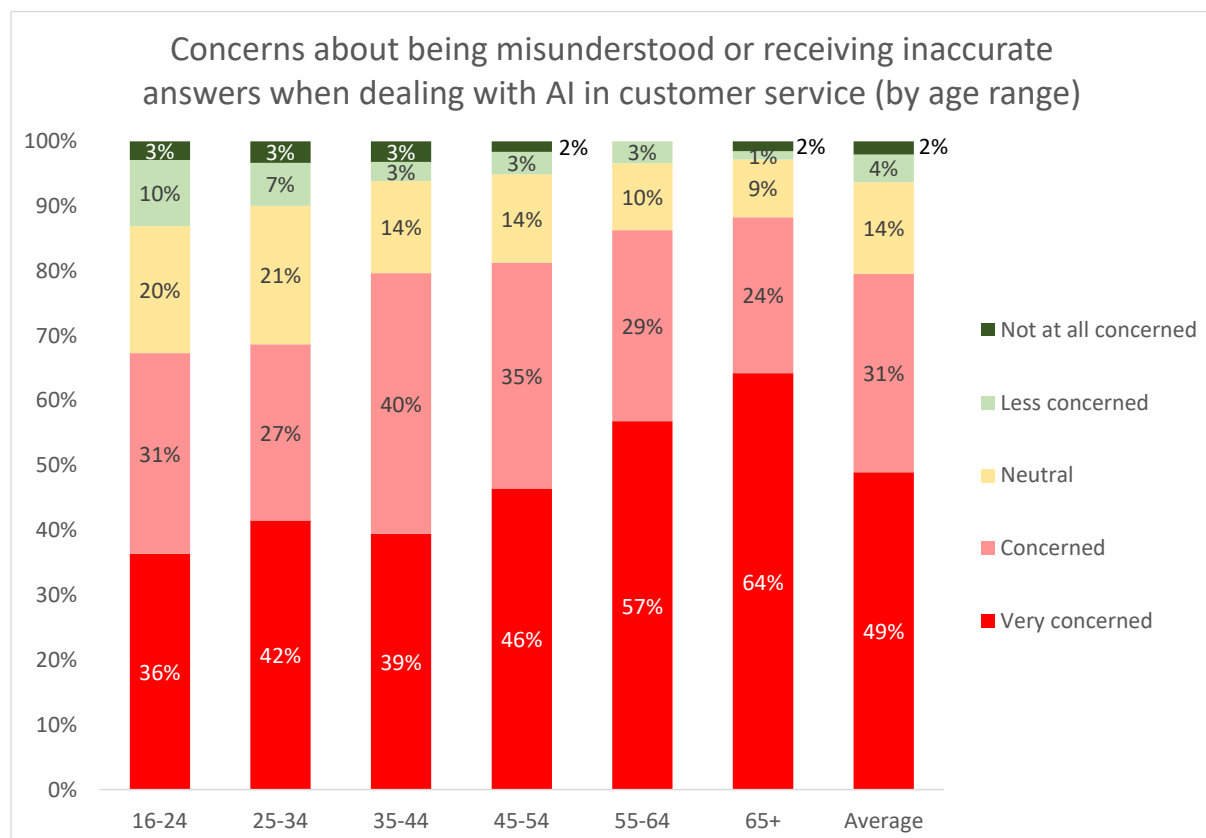
At 89%, concerns that AI will block customers reaching a human agent where they need to is of major concern to the oldest age cohort.

Experienced customers have seen on multiple occasions that self-service tools – in particular DTMF IVR – seem to have been implemented in order to keep customers away from live agents.

Whether this outcome was what organisations actually wanted to happen is irrelevant: many customers see self-service as denying them the right to speak with someone.

Any self-service implementation – AI-enabled or not – needs to have a clear and easy option to contact a live agent. Forcing someone to stay on a self-service channel is a self-defeating strategy: in the case of IVR, customers will zero-out or choose irrelevant IVR options just to speak with someone, or abandon the company altogether. For web self-service, organisations that hide the phone number deep in the website are just causing themselves as many problems as their customers.

When implementing any new customer-facing solution, organisations need to provide extra levels of reassurance to build customer confidence: people are usually willing to try something new, but need to know that they have options if it doesn't work out or if for whatever reason they know that they need to speak with a person.

**Figure 30: Concerns about difficulty reaching a human agent when dealing with AI in customer service (by age range)**



Concerns about difficulty reaching a human agent when dealing with AI in customer service (by age range)
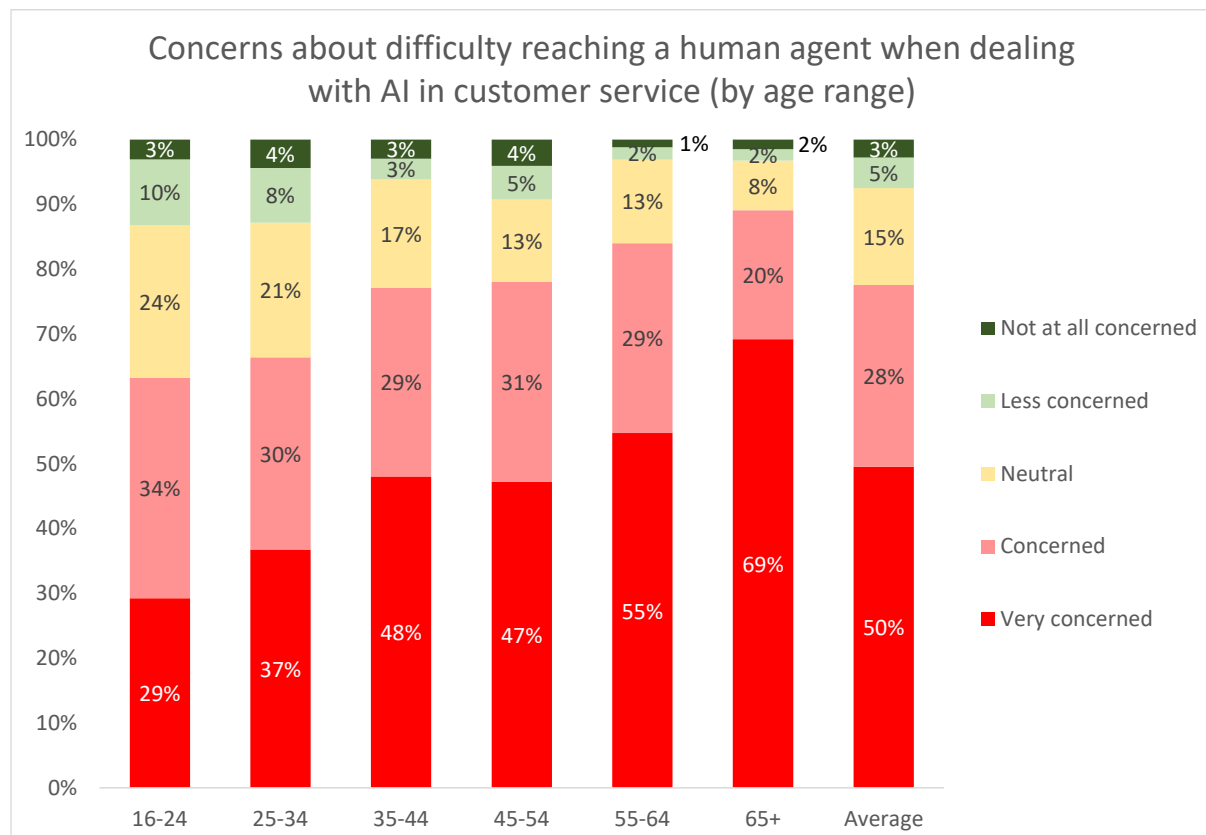
It would be surprising if customers thought that AI would provide the same levels of empathy and understanding that a human agent provides.

In fact, concerns around this are lower than for some of the other potential issues studied here.

It may well be that customers do not expect particularly high levels of empathy from AI, and might even be put off if they were handled by a bot which was aping human behaviour too closely.

Having said that, customers are clearly concerned that AI will not be able to understand them, and this will be a challenge for organisations to overcome. Many self-service implementations, particularly speech recognition and rules-based chatbots, have worked on a keyword basis, rather than encouraging natural language.

The level of sophistication, context understanding and functionality now available means that the use of natural language makes AI more effective, but customers do not yet know this. One chatbot looks much like another: how do customers recognise whether they should use a couple of simple keywords, or if they should spend the time and effort to explain their exact situation? This is an industry-wide challenge that will not be resolved overnight.

**Figure 31: Concerns about lack of empathy or understanding when dealing with AI in customer service (by age range)**



Concerns about lack of empathy or understanding when dealing with AI in customer service (by age range)
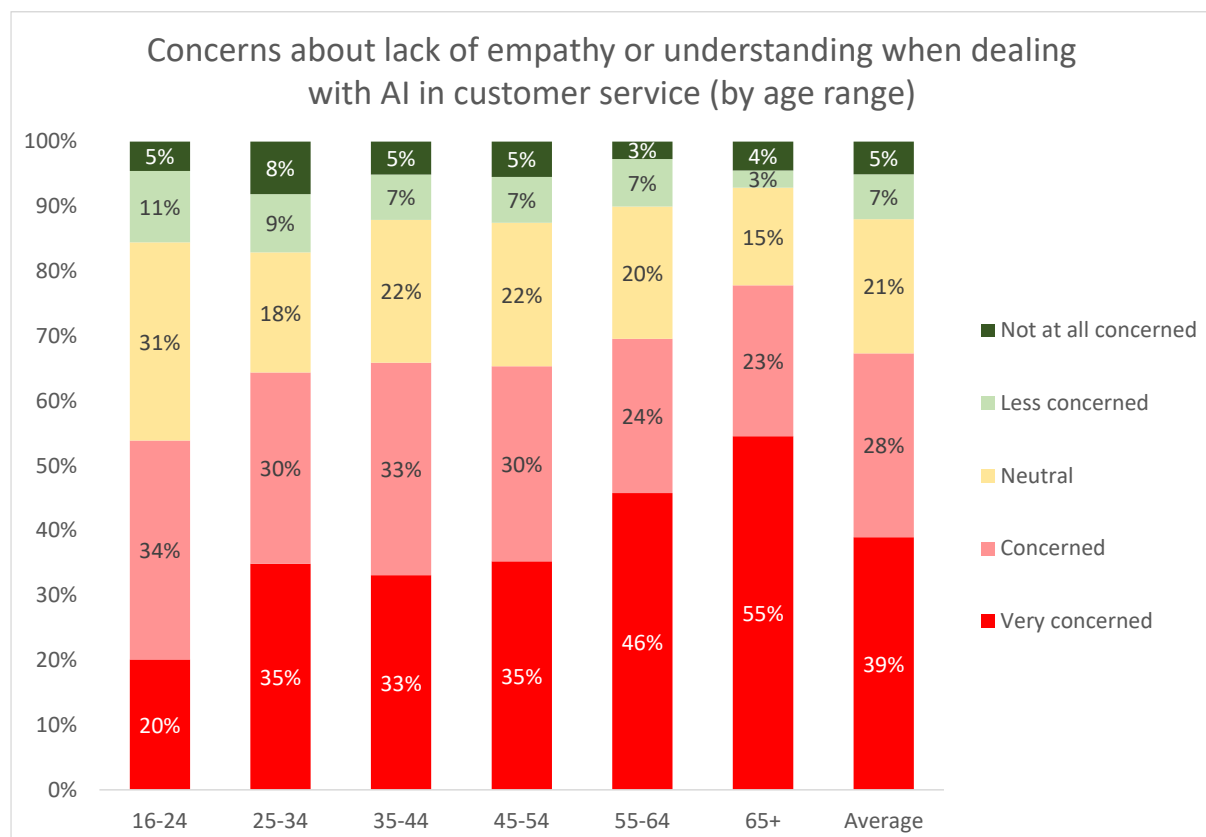
Some solution providers are proud of the lifelike nature of their AI, but it seems that hiding the use of AI may actually be of concern to many customers.

There is no absolute consensus on whether AI use in customer service should be disclosed, but research and expert opinion increasingly lean toward transparency.

Studies show that openly identifying an AI assistant generally supports trust and strengthens reputational integrity, as transparency is perceived as ethical and reliable.

However, some experiments indicate that non-disclosure of AI presence can boost short-term metrics such as purchase conversion, but these gains may be wiped away by the long-term risks of customers feeling deceived once they discover the interaction was automated.

Most evidence suggests that AI disclosure does not significantly harm satisfaction in typical service scenarios, and that the design quality of the AI experience matters more than whether the user knows it is a bot.

Regulatory and ethical pressures are also pushing organisations toward clearer signalling, particularly where sensitive data or consequential decisions are involved. The prevailing view is that transparent disclosure is becoming the safer and more sustainable path.

**Figure 32: Concerns about hidden or unclear use of AI when dealing with AI in customer service (by age range)**



Concerns about hidden or unclear use of AI when dealing with AI in customer service (by age range)

| Age range | Very concerned | Concerned | Neutral | Less concerned | Not at all concerned |
|---|---|---|---|---|---|
| 16-24 | 25% | 27% | 27% | 12% | 9% |
| 25-34 | 31% | 26% | 30% | 7% | 7% |
| 35-44 | 31% | 43% | 18% | 4% | 5% |
| 45-54 | 32% | 28% | 28% | 7% | 5% |
| 55-64 | 32% | 35% | 24% | 6% | 2% |
| 65+ | 47% | 27% | 19% | 3% | 4% |
| Average | 34% | 31% | 24% | 6% | 5% |
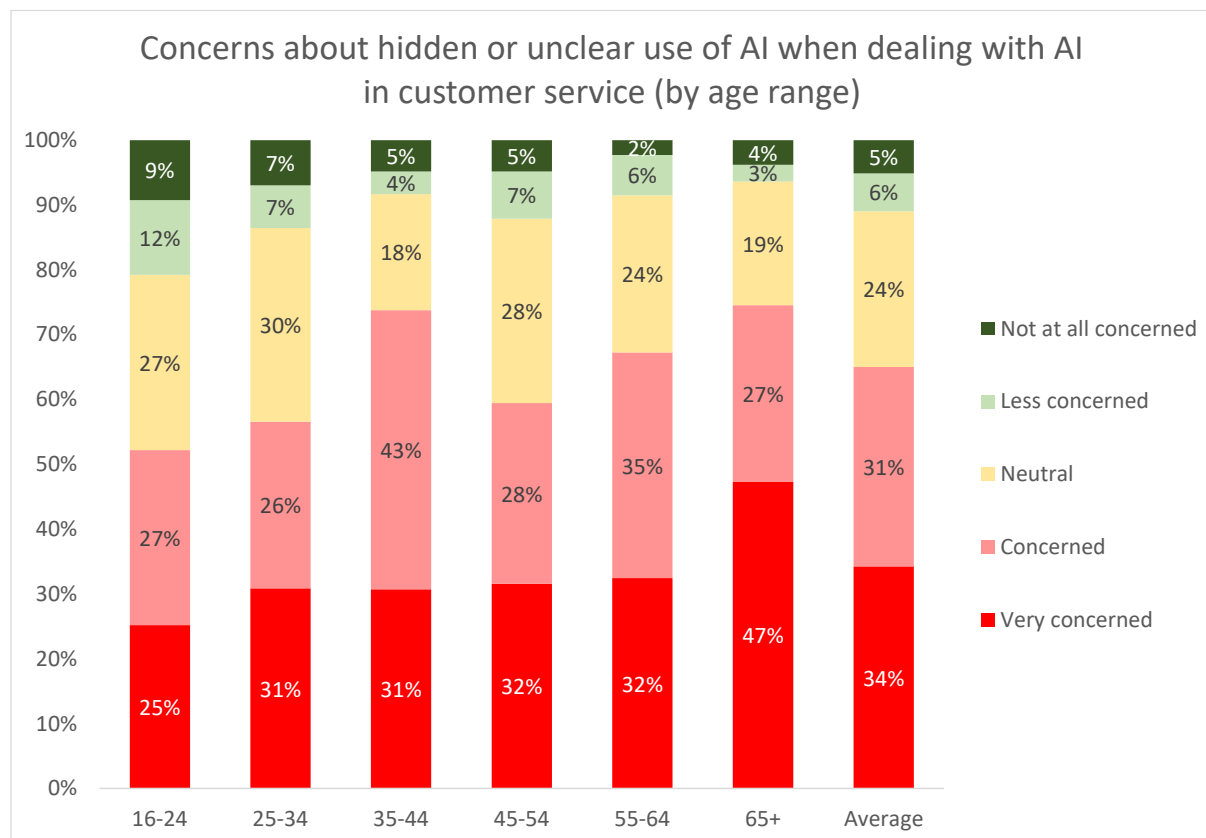
67% of survey respondents were concerned about the potential impact of customer service job losses due to the impact of AI.

For an industry where conventional wisdom – as reported in the press – is that contact centres are 21st century sweatshops which are unpopular with customers, the high levels of concern shown across the board are surprising.

Perhaps the truth is that most customers are experienced enough to know that to get their issue resolved most effectively, talking with live agents is most likely to get them the best outcome.

There are of course also legitimate concerns about how high levels of unemployment will impact the country as a whole, although we believe it is more likely that any decrease in agent headcount will be gradual and be driven by a lower replacement of staff who have left, rather than wholescale redundancies – although it is almost certain that there will be some high profile instances of this.

**Figure 33: Concerns about about job losses for customer service staff when dealing with AI in customer service (by age range)**
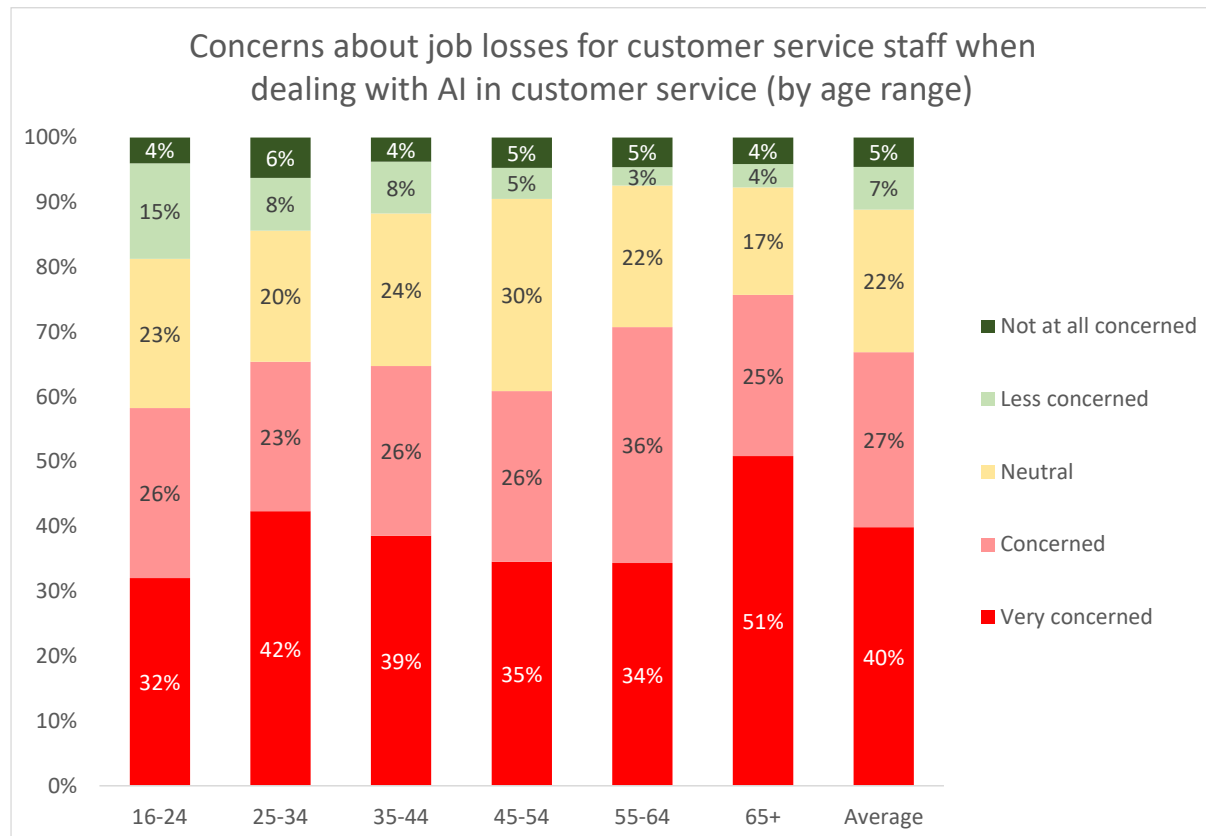
## WHAT DOES CX MEAN TO A CUSTOMER?

It is difficult for an organisation to be confident about which of the many elements that go towards a great customer experience are actually the most important, and consequently should receive the greatest investment and resource.

This section looks at the importance of key factors which occur within the customer experience when a customer contacts an organisation, from the perspective of the business and also from the customer.

### THE VIEW FROM THE BUSINESS

Organisations were asked to rank by importance eight factors that could be said to impact upon customer experience.

**Figure 34: What do you believe is the importance of these factors to a customer when contacting your organisation?**



What do you believe is the importance of these factors to a customer when contacting your organisation?
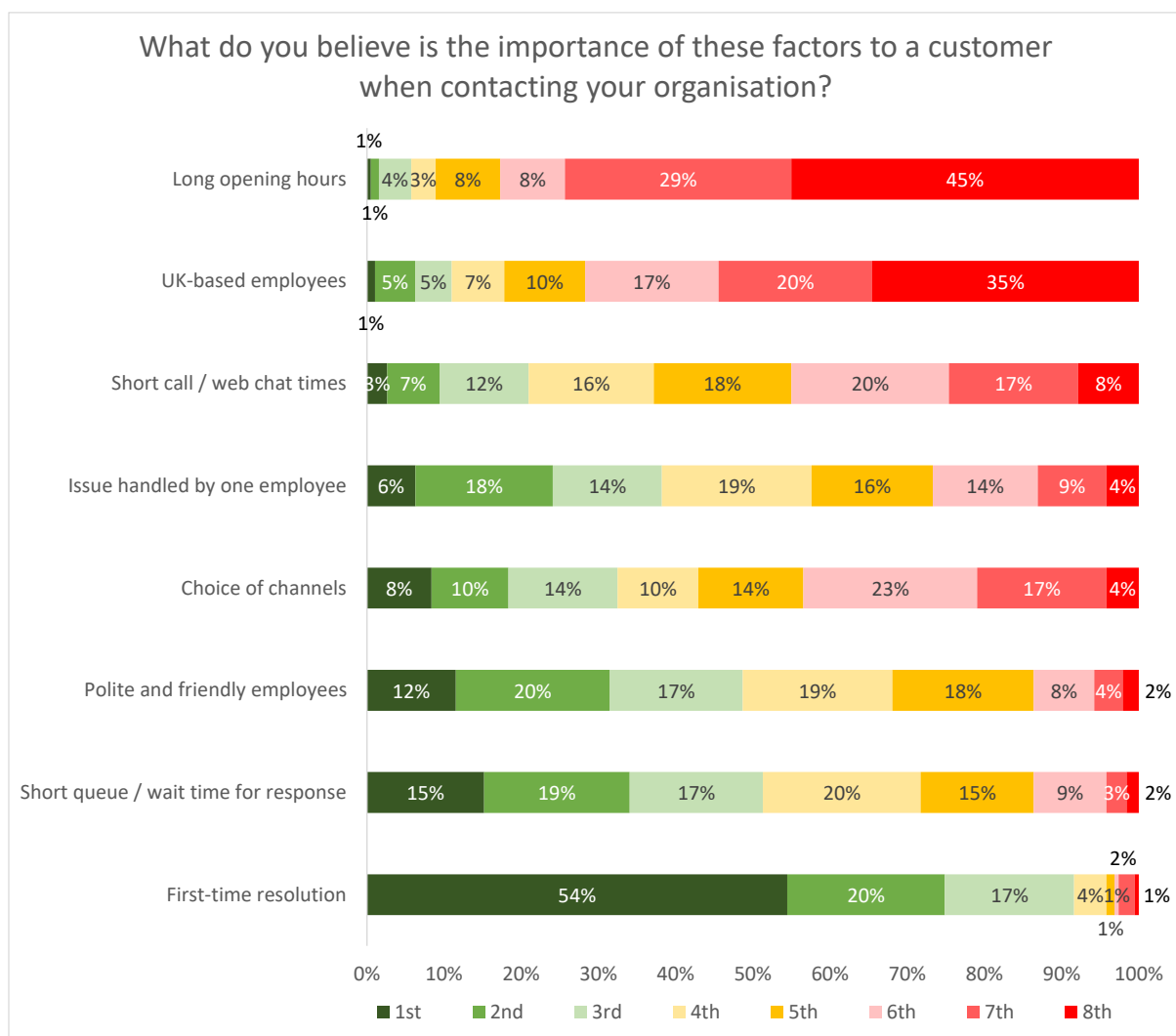
As with many past ContactBabel surveys, first-time resolution was clearly seen as being the most important factor impacting upon customer experience, with 54% of respondents ranking it in first place, and a further 37% placing it within the top three: the highest on record

A short queue time or wait time for a response was also seen as being important, being ranked in the top 3 by 51% of respondents, with polite and friendly employees being ranked in the top 3 by 49% of organisations surveyed.

Having the issue handled by a single employee was placed in the top 3 by 34% of respondents, with a choice of channels making the top 3 for 32% of respondents.

The following section considers these elements of the customer experience from the perspective of customers themselves, and there are some significant differences of opinion between organisations and customers on what impacts the most on customer experience.

ContactBabel commissioned the research firm Aurora Market Research to carry out a survey of 1,000 UK consumers. One of the purposes was to identify any differences in opinion between organisations and customers about what were the most important customer experience factors when contacting an organisation.

As such, consumers were asked to state which were the top three most important factors to them when contacting an organisation, with the same factors presented to them that had been offered to organisations within the business survey which most of this report is based upon.

Figures below are expressed as the percentage of each age group that expressed an opinion.

**Figure 35: What are the top 3 most important factors to you when contacting an organisation by phone or digital channel? (by age range)**



What are the top 3 most important factors to you when contacting an organisation by phone or digital channel? (by age range)

| Factor | 16-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65+ |
|---|---|---|---|---|---|---|
| Long opening hours | 19% | 28% | 26% | 27% | 13% | 9% |
| Short call/web chat times | 31% | 26% | 27% | 21% | 17% | 10% |
| Choice of channels | 29% | 38% | 26% | 27% | 25% | 26% |
| Issue handled by one employee | 36% | 29% | 32% | 25% | 30% | 39% |
| Polite and friendly employees | 51% | 51% | 37% | 33% | 35% | 41% |
| UK-based employees: | 30% | 33% | 40% | 48% | 60% | 60% |
| Short queue/wait time for response | 54% | 45% | 52% | 63% | 56% | 54% |
| Your question/issue is solved first-time | 50% | 51% | 60% | 57% | 64% | 60% |

The previous chart shows the importance of various customer experience factors as an aggregated bar chart, segmented by age so as to show the factors that were of most importance to customers in each age range. Aggregating the results allows an understanding of which factors were placed in the top three overall, while also providing insight on age-related opinion.

For example, 30% of the youngest age group (16 to 24 years old) stated that having UK-based agents was one of their top three most important factors, whereas 60% of the oldest age group (over 65 years old) placed this in their top three.

This consumer research has some interesting findings when comparing consumer attitudes to businesses' beliefs:

- both businesses and consumers agree that first-contact resolution and short wait times are the most important factors impacting upon customer experience when contacting a business, with the latter far more important for customers than businesses believe

- long opening hours are judged more important by customers than businesses, especially for customers between 25 and 54

- having UK-based employees is seen as far more important to customers than businesses believe, particularly for the older cohorts.

When considering these findings from the perspective of the various age ranges, the importance of first-contact resolution is the most important to most of the older age ranges, although of a little less importance to the youngest cohorts.

The requirement for UK-based employees is much less important for the younger demographics, although still very important for older customers. There is also a pattern that oldest age group is less likely to be happy with being passed between agents.

25-44 year-olds place more importance than the oldest or youngest cohorts on longer opening hours. Further evidence for younger age groups' valuing of its time can be seen in relatively high importance being placed upon short call/web chat duration compared to the oldest generations.

Interestingly, this year there is much less difference between age groups on the value of having a choice of ways to communicate with the organisation, suggesting that non-voice channels are becoming more acceptable for older people.

However, the youngest age group are certainly not willing to sacrifice courteous service for time saved, as 51% of under-35 year-olds place 'polite and friendly employees' in the top three factors, making it one of their most important CX factors.

This may be because the youngest age groups have the least experience of dealing with businesses and contact centres, perhaps lacking some of the confidence that comes with years of speaking with businesses, and to have a friendly and approachable agent is valued very highly.

When segmenting the consumer data by socio-economic group, there is much less difference than when considering age groups.

The AB segment seems to value short queue times more than average.

UK-based employees are more important to C2DE respondents.

**Figure 36: What are the top 3 most important factors to you when contacting an organisation by phone or digital channel? (by socioeconomic group)**



What are the top 3 most important factors to you when contacting an organisation by phone or digital channel? (by socioeconomic group)
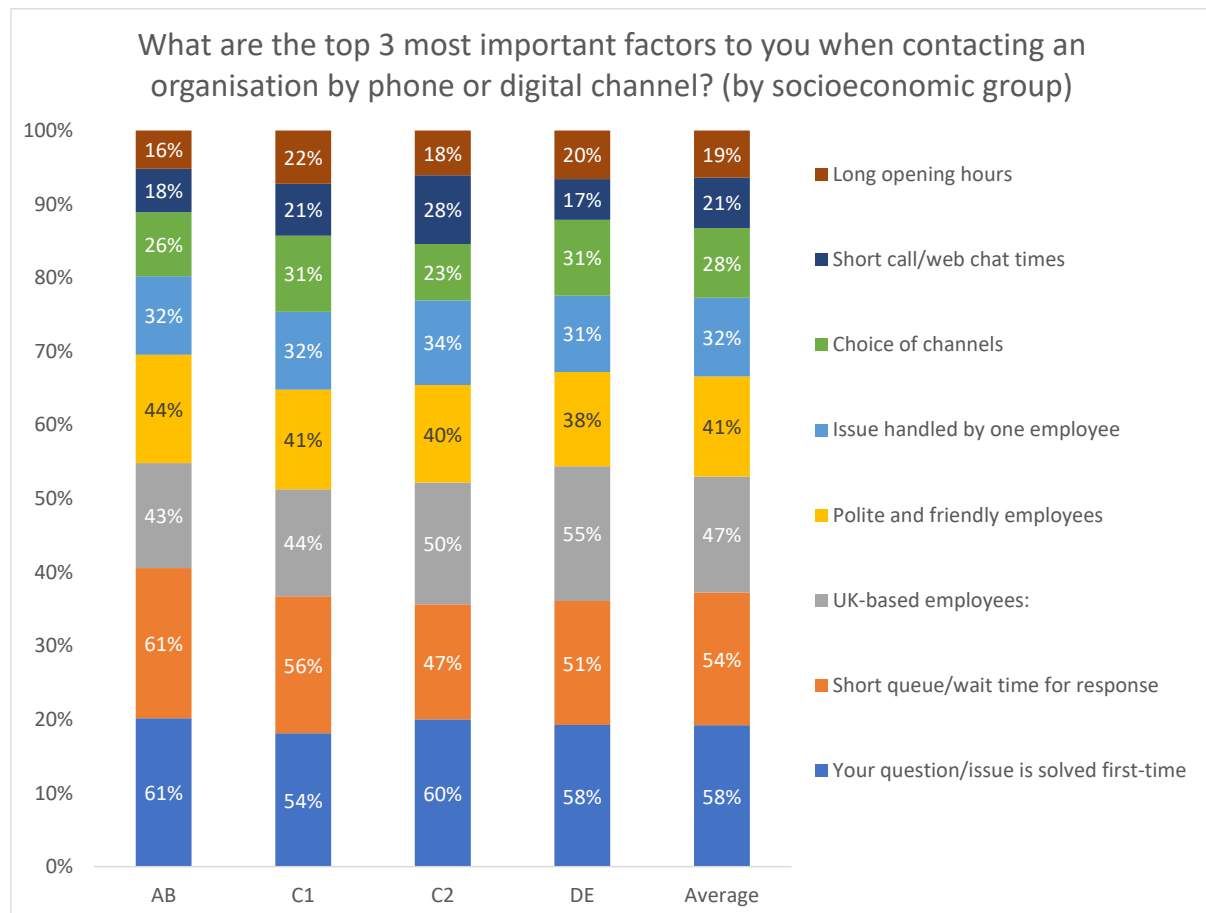
Definition of socioeconomic groups as used by ONS (UK Office for National Statistics).

AB: Higher & intermediate managerial, administrative, professional occupations
C1: Supervisory, clerical & junior managerial, administrative, professional occupations
C2: Skilled manual occupations
DE: Semi-skilled & unskilled manual occupations; Unemployed and lowest grade occupations

Looking at reported differences by gender, women were more likely than men to want UK-based employees (51% / 44%), and polite and friendly agents (43% / 39%).

Men reported short call / web chat times to be in their top three CX factors more often than women (26% / 16%).

## WHAT DO CUSTOMERS ACTUALLY GET WHEN CONTACTING AN ORGANISATION?

The previous section of the report looked at what customers want when they're contacting an organisation, but what exactly do they feel that they receive?

The general view across the customer survey is that they hit roadblocks fairly often. The standout finding – which won't come as a surprise – is that 81% of survey respondents felt that the queue time was too long very often or fairly often. As shown later, this has become considerably worse in recent years and needs to be dealt with urgently.

More than a quarter of respondents often feel that IVR menus are too complicated, and almost two-thirds state that they very or fairly often get passed around the contact centre. A similar proportion say that they are only calling because they've tried and failed to get their issue resolved online.

Of interest is that 55% of customers report that they can't hear clearly, or have to repeat themselves very or fairly often, with a similar proportion stating that they have to call back multiple times and that they are asked too many security questions.

**Figure 37: Customer issues – an overview**
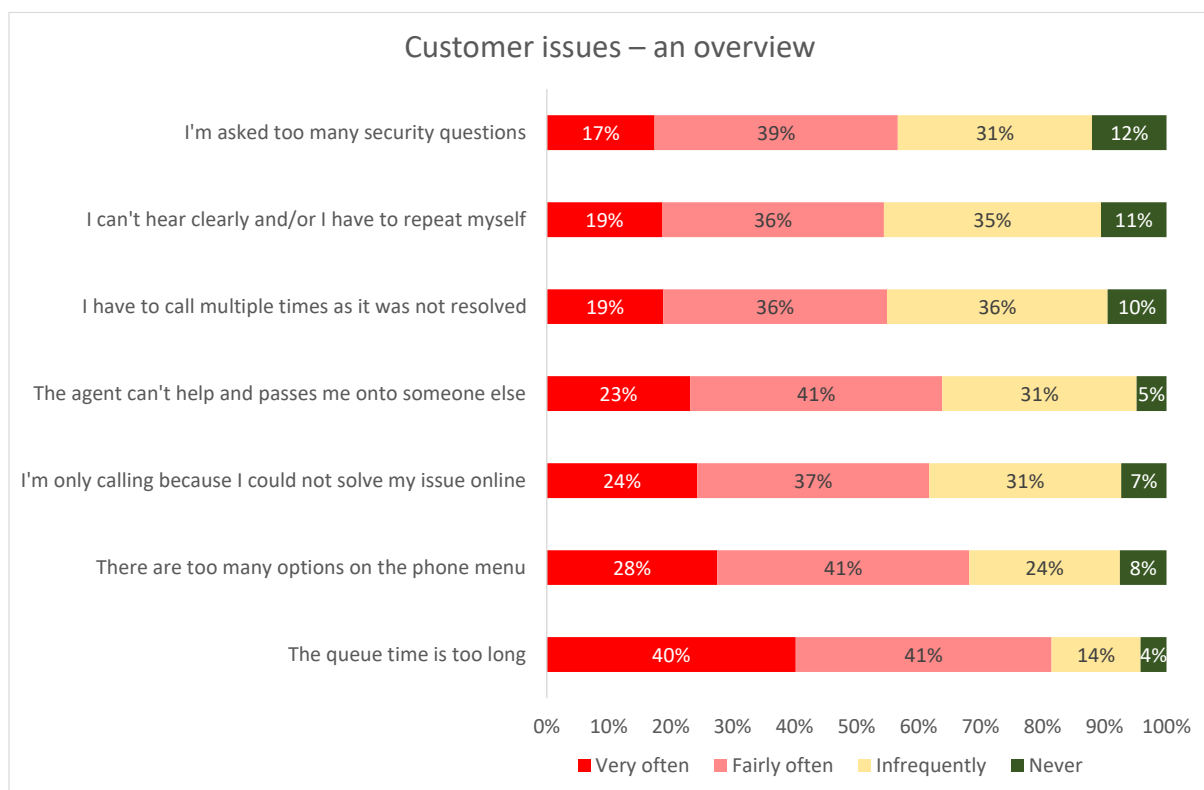


The following sections look in more detail at customers' actual experience and opinions of the two main drivers of CX – first-contact resolution and long wait / queue times.

## FIRST-CONTACT RESOLUTION & THE CUSTOMER EXPERIENCE

Our customer survey showed that first-contact resolution was vital to the customer experience, particularly amongst older customers.

Looking at how often customers felt that they experienced having to call back multiple times, younger customers were slightly more likely to feel that they had to do this, although around half of respondents from all age groups stated that they had to do this very often or fairly often.

As first-contact resolution (FCR) is such a key to customer experience, organisations should be focusing their attention on identifying and resolving the issues that cause repeat calls, as it impacts not only on cost but also strongly on customer satisfaction.

**Figure 38: Customer Issue: "I have to call back multiple times and explain the issue from the beginning" (by age range)**



Customer Issue: "I have to call back multiple times and explain the issue from the beginning" (by age range)
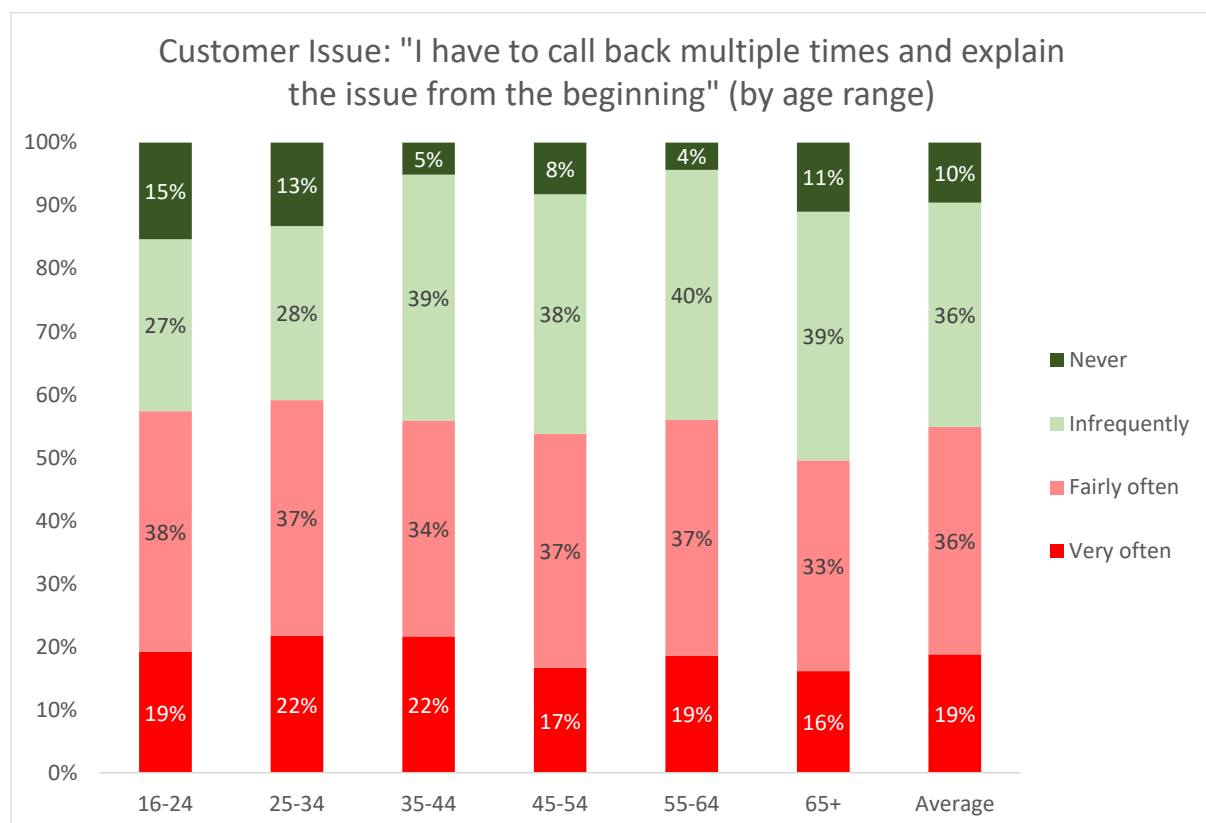
While first-contact resolution is vital, it should be acknowledged that FCR rates are not simple to understand and have to be viewed in context: for example, an improving business may well see its FCR rate actually decline after it implements process improvements.

This seems counter-intuitive, but if the business had been handling live calls that were more suited to self-service or avoidable through better marketing communications, getting rid of these 'easy' calls entirely will make the FCR rate decline.

If many calls are about the same issue, and are answered quickly and accurately, it improves FCR rates, but of course piles up cost and impacts negatively upon other performance metrics, such as queue length and call abandonment rate.

Businesses should consider the reasons for these unnecessary calls, rather than just focusing upon a single metric, as high first-contact resolution rates may actually be masking underlying problems:

- The contact centre is handling simple and repetitive calls that could be moved to self-service, or which could be addressed on a website and through better marketing communications

- Callers are dropping out of self-service to speak with agents because the self-service application is failing in its task and should be re-engineered

- Unclear marketing communications are causing customers to call

- Calls are being received that are actually driven by mistakes from elsewhere in the enterprise.

When businesses begin stopping unnecessary calls at the source, those left are usually of a more complex nature. This will lower first-call resolution rates initially, allowing a clearer picture of what is really happening in the contact centre to emerge, which can then be addressed more fully.

As the contact centre adapts and invests in better ways of handling customer requests, first call resolution rate increases and parity resumes. The exodus of 'easy' work to self-service channels may not be quite balanced by immediate balancing improvements in knowledge sharing and other agent support processes that would mean stable first call resolution rates.

The ContactBabel report, "The Inner Circle Guide to First-Contact Resolution", looks in depth at how to measure and improve FCR.

## QUEUE / WAIT TIMES

There is no great surprise that the most widely reported customer issue is that the queue time / speed to answer is too long.

Looking at segmentations by age group, older customers are more likely to report long queue times happening very often, with almost half of over-55-year-olds stating this to be the case.

**Figure 39: Customer Issue: "The queue time is too long" (by age range)**
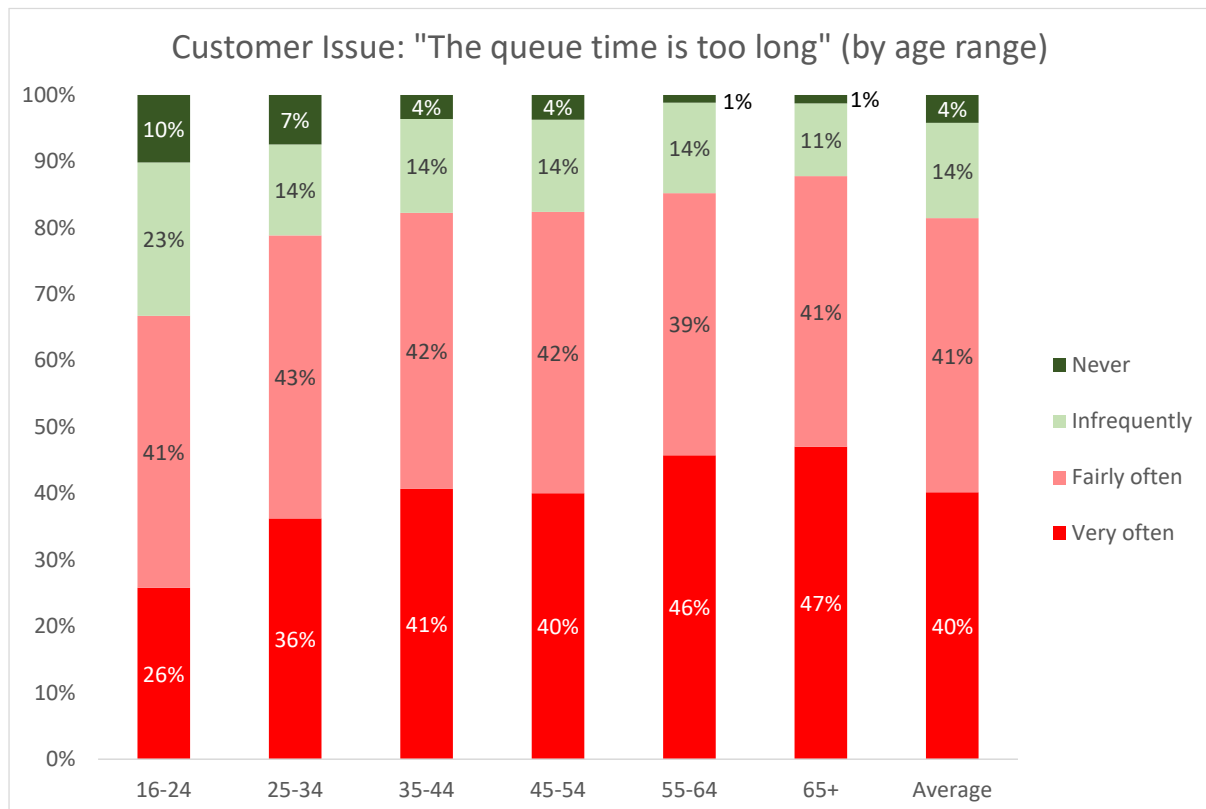


As the following charts show, customers are not imagining that the average speed to answer is excessive: the industry statistics bear this out.

Speed to answer plays a vital part in improving the customer experience, and also feeds into other performance measures such as call abandonment rate: obviously, the longer the queue, the more people will abandon the call.

The following chart shows historical figures for average speed to answer and call abandonment rate. From 2009 onwards there has been a gradual increase in average speed to answer, with a huge uptick in 2020 and 2021 caused by pandemic-related working practices and an increase in demand experienced by some businesses. Despite a return to some sort of normality, speed to answer remains extremely high compared to the historical norm.

Call abandonment rate did not show any particular upward trend, with all but three of the 14 survey results showing data between 5% and 6% between 2004 and 2019. 2020's abandonment rate was up by 20% and was almost certainly linked to the changes in speed to answer, with 2022 being the highest yet recorded.

2024's call abandonment rate was back to historical norms: perhaps customers now expect long queue times to be the 'new normal'?

It is also worth noting that customers' **perceptions** of how long they have been queueing are far higher than reality: past ContactBabel UK research asked customers to estimate their typical wait time, which was reported to be 23 times higher than the actual industry average, showing that the effect of queue times on customer experience is exceptional.

**Figure 40: Historical average speed to answer & call abandonment rate, end-2004 - 2024**
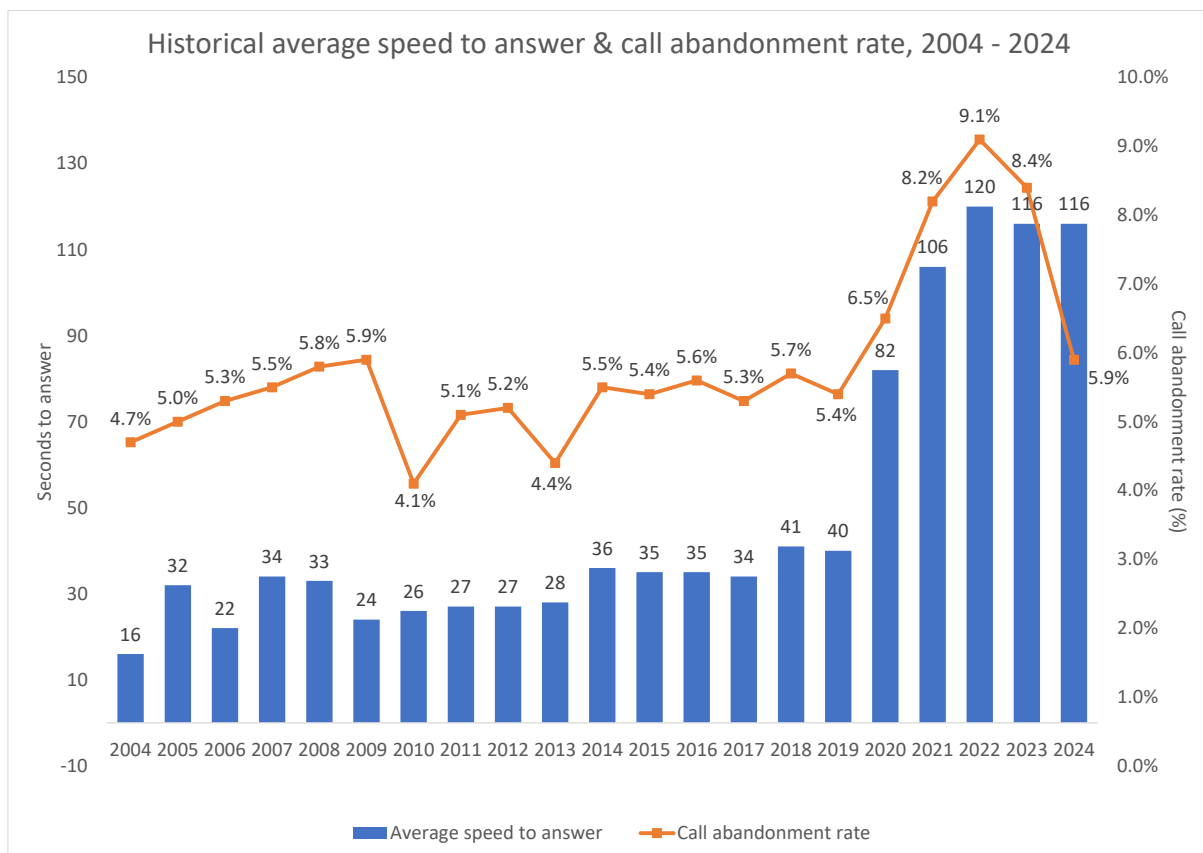
## OMNICHANNEL: THE CONSUMER'S CHOICE

There are two main factors that influence contact centres within any vertical market: the commercial activity within that sector, and customers' requirements and preferences for contacting organisations.

It is not only the nature of the specific business vertical market that needs to be considered. The urgency, complexity and emotional importance of the interaction is perhaps at least as important as the nature of the business that is being called: for a customer calling a bank, a simple balance request and an urgent call about the progress of a mortgage application are very different types of call, and should be treated as such.

The Customer Interaction Cube (below) is a structure developed to categorise the different types of customer interactions that businesses have to handle, considering the urgency, complexity and emotional input of the interaction from the customer's perspective.

Businesses could use this to analyse their volumes of each type of interaction, cross-referencing it with other variables such as the time of day these types of interaction are received, and the customer demographic preferences seen elsewhere in this report in order to support the relevant channels through the promotion of alternatives to live calls, and the correct levels of resourcing.

Doing this will not only improve the customer experience, but also reduce the cost of service through anticipating the likely resourcing required and even proactively engaging with the customer on lower cost channels first.

# The Customer Interaction Cube
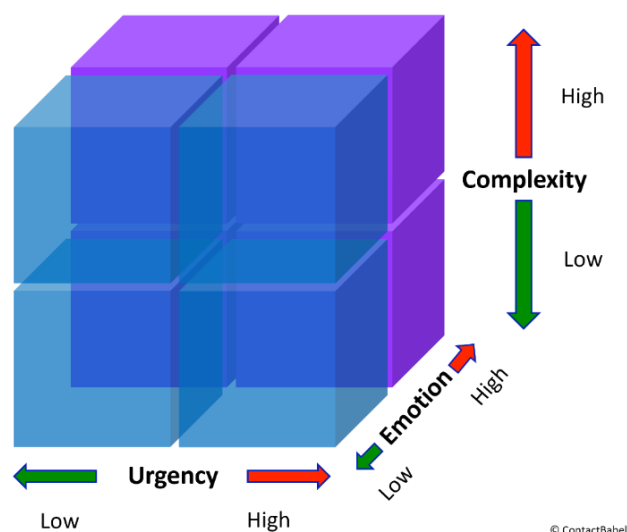
Using this 2x2x2 cube as a structure, there are eight types of interaction, a combination of either low or high urgency, complexity and emotional input. Each of these eight interaction types may best be suited to specific channels, and both business and customer can benefit from matching channel with interaction type.

The examples shown below of various scenarios and the channels most suitable for these are suggestions, and will differ between customer types, businesses and vertical markets, but may offer a tentative framework for readers to build their own scenarios.

It should be noted that the results of the customer survey that follow this section suggest that different age groups and socioeconomic segments have their own views on how they prefer to contact a business in each of these cases. Primary and secondary channels are suggested, but will differ between organisations and customer types.

**Figure 41: The Customer Interaction Cube and suggested associated channels**

| Emotional importance | Urgency | Complexity | Examples of interaction | Primary channel | Secondary channel |
|---|---|---|---|---|---|
| Low | Low | Low | Meter reading; casual product research | Self-service | Web chat |
| Low | Low | High | Instructions on how to program a TV remote; find out about proposed planning / house building | Email | Phone |
| Low | High | Low | Top up mobile credit; check payment has been made | Self-service | Phone |
| Low | High | High | Details of how to make an insurance claim; understand mobile roaming charges before imminent trip abroad | Web chat / self-service | Phone |
| High | Low | Low | Book train tickets for important engagement | Self-service | Phone |
| High | Low | High | Complaint about incorrect billing | Phone | Email |
| High | High | Low | Simple question about imminent desired purchase (e.g. delivery, personalisation, return policy) | Web chat | Phone / social |
| High | High | High | Household emergency advice; 999 | Phone | Web chat |

There are many other variables that could be considered as well::

- Demographics

- Ownership of smartphone / broadband impacts upon channel availability

- Time of day (i.e. is this an out-of-hours enquiry? Is the customer at home, at work, or travelling?)

- Whether the request is specific to an account, or a generic issue (i.e. is it necessary to pass through security first?).

While the 2x2x2 cube can help businesses to estimate the current and potential volumes and resourcing required to serve the customer base, it is important to remember that similar types of customer interaction may require very different handling depending on circumstances.

For example, a query about product delivery may be a small part of a wide-ranging research process carried out by a particularly thorough prospective customer, or may be asked by a customer who has just realised they've forgotten about an important birthday and needs immediate, accurate information.

McKinsey talks about the 'moment of truth' in customer interactions[1], often occurring when the customer has an unexpected problem or has a high emotional stake, when long-term loyalty and customer advocacy can be won or lost depending on the outcome and the way in which it is handled.

Businesses and their representatives should be aware that these relatively rare occurrences offer great opportunities. Recognising and handling these moments of truth appropriately – moments which are defined as such by the customer, not the business – will have a far greater long-term impact on customer satisfaction and loyalty than the dozens of competently-handled, forgettable interactions that may have happened previously.

Although the 2x2x2 cube gives some indication of the types of interaction that are more likely to be 'moments of truth', which businesses may choose to be handled by their more experienced and empathetic agents, they are by their nature difficult to predict.

Where permitted to be used, speech analytics solutions can indicate a measure of stress in the customer's voice through sentiment analysis, flagging this up to the agent within the call.

In any case, if the customer has already tried two or three other channels without success, it might be thought that even the most competent and empathetic agent will find it difficult to turn the moment of truth around positively.

However, the 'peak-end' rule, a psychological finding where we recall a memory based upon how we felt at a peak (or trough) moment as well as how we felt at the end of the situation biases the memory of the overall experience, and gives live agents a chance to rescue even particularly poor customer experiences.

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[1] http://www.mckinsey.com/business-functions/organisation/our-insights/the-moment-of-truth-in-customer-service

For more information on this and other customer engagement methods, please download "The Inner Circle Guide to Customer Engagement & Personalisation".

For this reason, a true omnichannel approach is vital which offers the same high level of service and knowledge through each channel.

Equally important is the freedom for agents to act in way appropriate to the situation – for example, if a 'high-emotion' interaction happens on social media, which can't be handled on that channel (e.g. it needs to go through security, or is too complex and lengthy for a non-voice channel), the agent should be given the license to place an outbound call to that customer in real-time, rather than advise them to call the contact centre. While this will impact upon the social media channel's service levels while the agent is away from it, the moment of truth offers the opportunity to lock-in that customer's loyalty.

For contact centre operations traditionally run on a structured command-and-control basis, this may sound chaotic, but businesses have to decide if the occasional relaxation of their own procedures is an acceptable trade-off for providing the customer with something that they truly value. Agents need to be given *carte blanche* to deliver in 'moments of truth', and the training and support to recognise when this is happening.

This is not to say that 'moments of truth' necessarily have to be handled by a live agent. The only reason that many customers abandon self-service at the point of crisis in order to ring the contact centre is because self-service cannot deliver what they need. If companies focused on providing more sophisticated and reliable self-service applications, these channels could also deliver as much customer benefit at these moments of truth.

For example, if a passenger misses their plane, they are then likely to engage in a long and complicated discussion with a live agent (either at the airport or in a contact centre), involving alternatives, connections and payments.

If, on missing the last call for the plane, the customer were immediately provided with an SMS or email detailing the various options available to them, which they could then select and rebook at once, this would be more convenient for the customer and significantly reduce the cost of service to the business. Perhaps more importantly, the customer would feel that the airline is looking out for them, creating long-term loyalty out of the negative experience of missing a plane.

The survey of 1,000 UK consumers carried out for this report attempted to understand which the channels of preference would be in cases of high emotion, urgency and complexity through presenting survey respondents with three hypothetical scenarios:

**High emotion**: **notifying a company that an incorrect item has been sent to them**. Being sent an incorrect item is often frustrating, as not only has the desired product not arrived, but the customer is then left with the problem and effort of returning the item.

**High urgency**: **checking the arrival time of a flight that the customer is meeting**. This is likely to be an urgent interaction as it is very time-sensitive. Complexity is very low - as the required information is simply a time - and in the majority of cases, should have a fairly low emotional impact.

**High complexity**: **receiving guidance on completing a mortgage application or tax form**. This is likely to be a complex and long interaction, but is unlikely to have high levels of urgency or emotional response.

## HIGH EMOTION INTERACTIONS

Consumers taking the survey were asked to imagine that a much-desired product they had ordered from a company had arrived but was incorrect. In this circumstance, they were asked which would be their preferred method for contacting the company to notify them that this was the case.

The most popular option was to email the organisation, with 35% of respondents choosing this method. The second most popular, at 24%, was phoning the contact centre, and web chat was also fairly popular, with 13% respondents choosing this as their preference.

There was a strong pattern based on the age of the survey respondent and their preferred channel: the older demographics were the most likely to pick up the phone, and a little more likely to make a physical visit to the shop or office.

Web chat was a fairly popular option with the 25-54 age group, and email is most popular with the younger cohorts.

14% of the sub-25 year-old age group would choose social media, which is a major finding for businesses serving these types of customer.

**Figure 42: Preferred method for contacting a company (high emotion interaction), by age range**
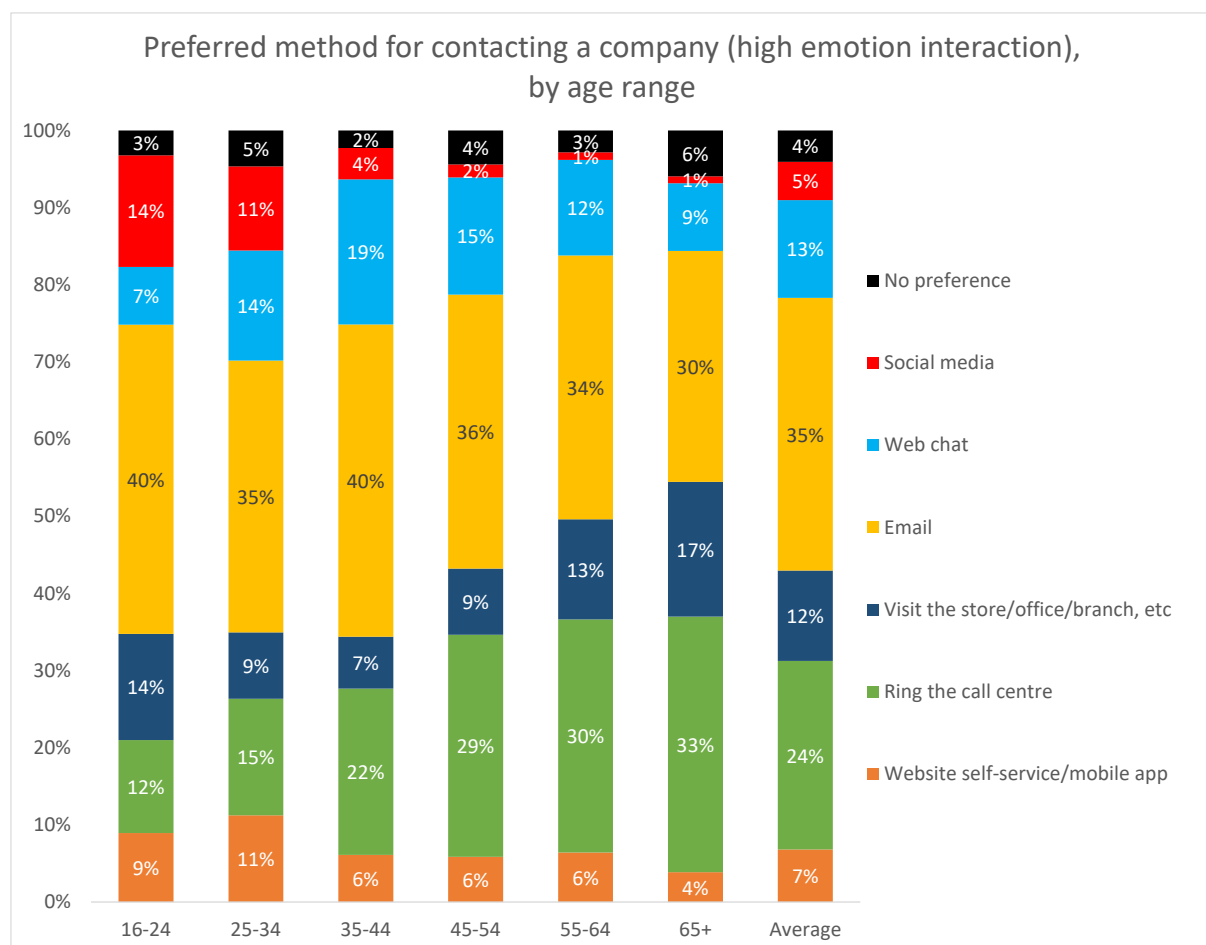
When considering the preferred method for contacting a company with a high emotion interaction, email was the most popular choice for all social groups, particularly DE.

Face-to-face interactions were a little more popular with ABC1.

Patterns of channel preference are far stronger by age rather than socio-economic group in this case.

**Figure 43: Preferred method for contacting a company (high emotion interaction), by socio-economic group**
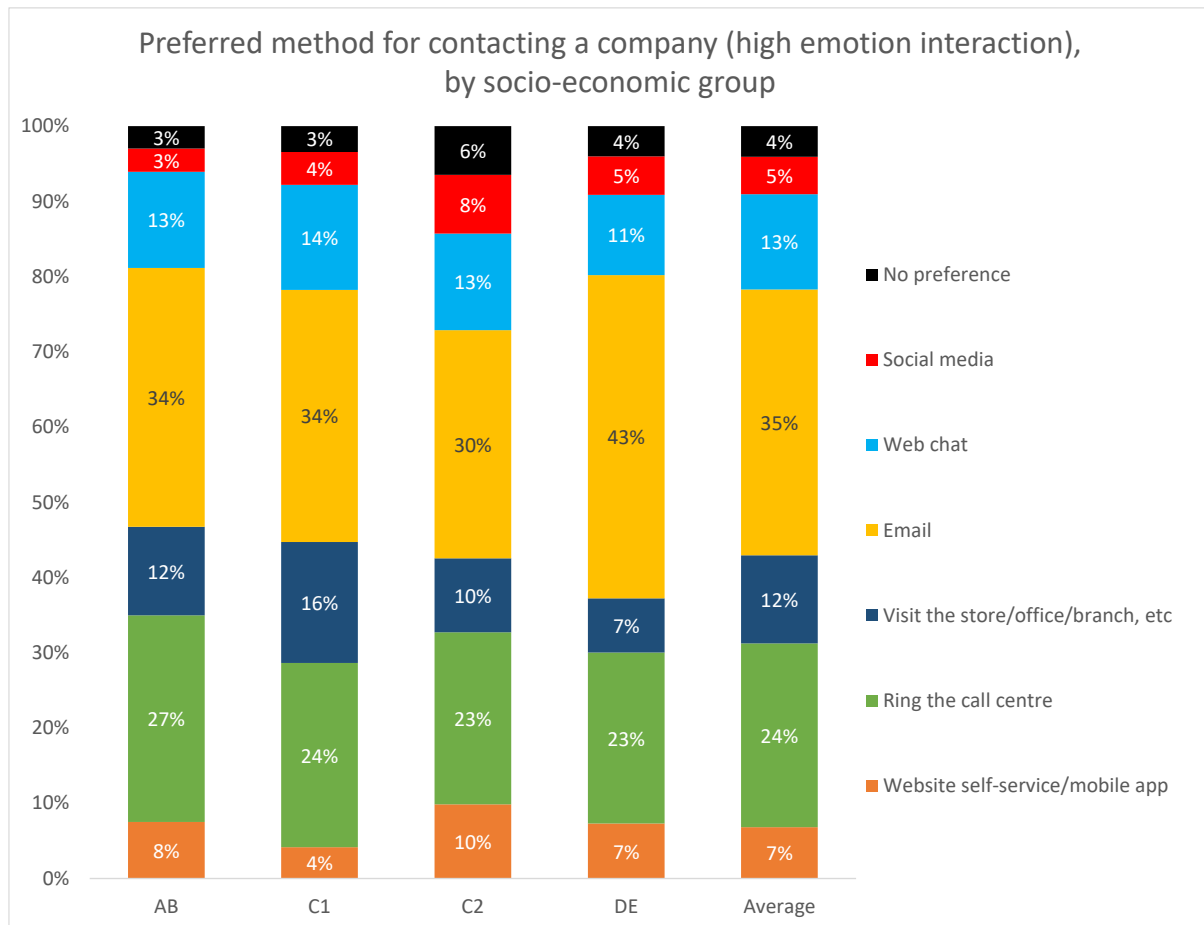


There was little difference by gender, with women being a little more likely than men to use web chat, whereas men were a little more likely to make a visit to a shop or branch.

As this research has been running annually for eight years, it has enough history to look at how channel preferences are changing.

The pandemic has clearly made a significant and seemingly lasting change to how customers prefer to interact with businesses.

The chart below shows the change in how customers prefer to handle high emotion interactions.

Although there has been a drop in the proportion of customers choosing the email channel, there has not been the attendant increase in telephony that can be seen in other interaction types (urgent and complex), although there has been a rise in the preference for face-to-face interactions.

It should be noted that research for the customer survey is usually carried out in early Q2 of each year, and that 2020's figures consequently do not show the full impact of the first pandemic lockdown. Statistics from 2021 onward are taken from customers who have experienced the decline in service levels that was undeniably present in many companies due to the pandemic.

**Figure 44: Change in channel preference (high emotion interaction), 2018-25**



Change in channel preference (high emotion interaction), 2018-25
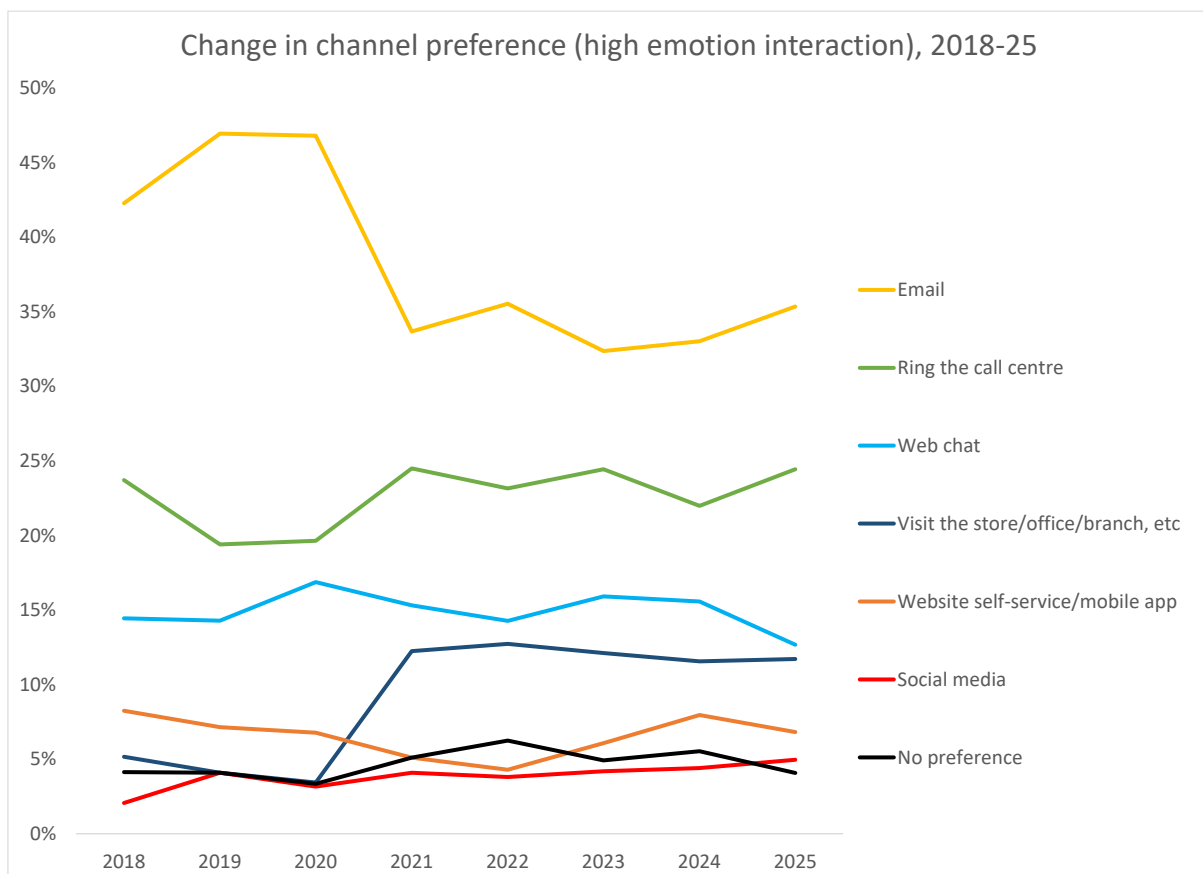
# HIGH URGENCY INTERACTIONS

Survey respondents were asked which would be their preferred channel of choice in an urgent situation, for example where they were meeting somebody from a plane and needed to confirm the time at which to be at the airport.

The most popular channel was that of web self-service – a change from last year's response of live telephony – with older age groups more likely to choose this as their no.1 option.

This is perhaps the beginnings of a reversion to pre-pandemic findings, which put web self-service as clearly the most popular channel of choice, and may be a reflection of customers' greater acceptance and comfort with self-service.

Email and social media chat were more likely to be preferred by younger demographics, but not exclusively by any means. A fair proportion of 35-54 year-olds would choose web chat for an urgent enquiry.

**Figure 45: Preferred method for contacting a company (high urgency interaction), by age range**



Preferred method for contacting a company (high urgency interaction), by age range
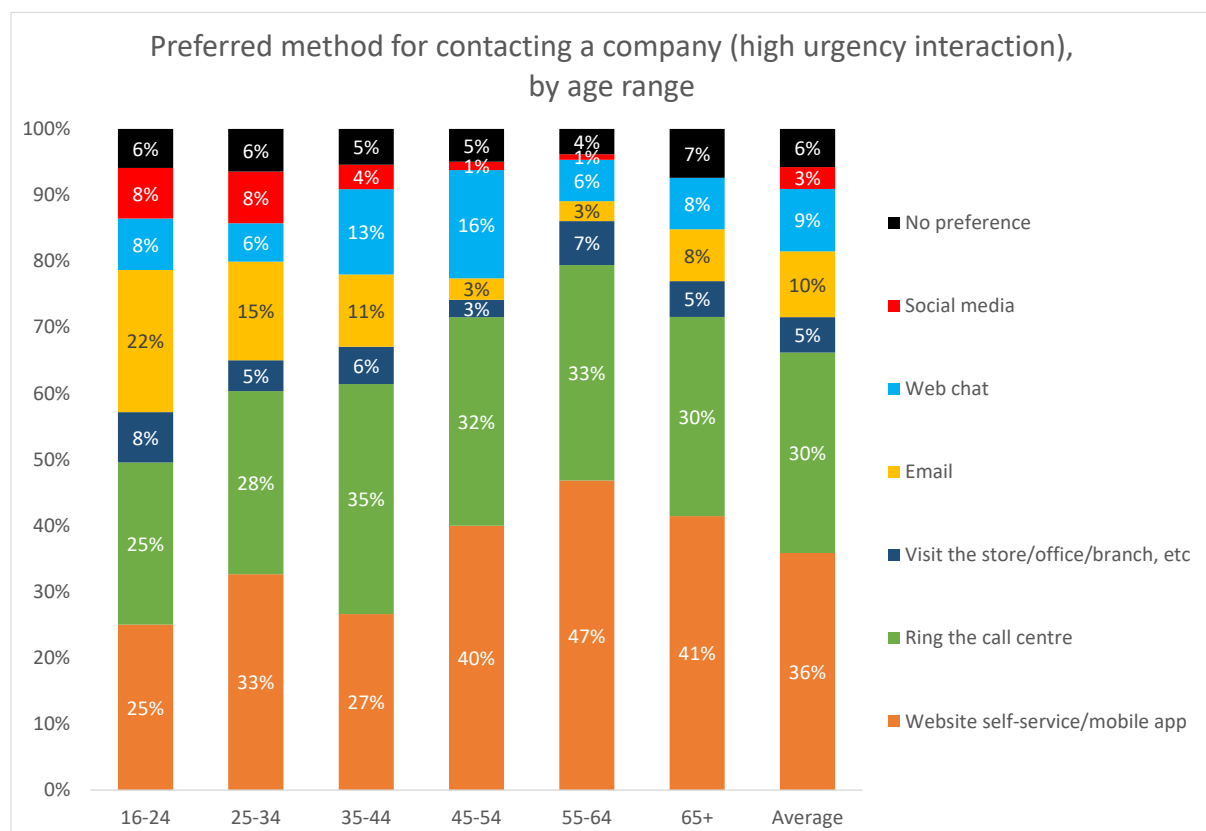
When considering socio-economic groups, web self-service was the most popular option for C1 respondents, with almost as many AB respondents preferring telephony to self-service.

However, there is little real pattern across groups when considering preferences for digital channels.

**Figure 46: Preferred method for contacting a company (high urgency interaction), by socio-economic group**



Preferred method for contacting a company (high urgency interaction), by socio-economic group
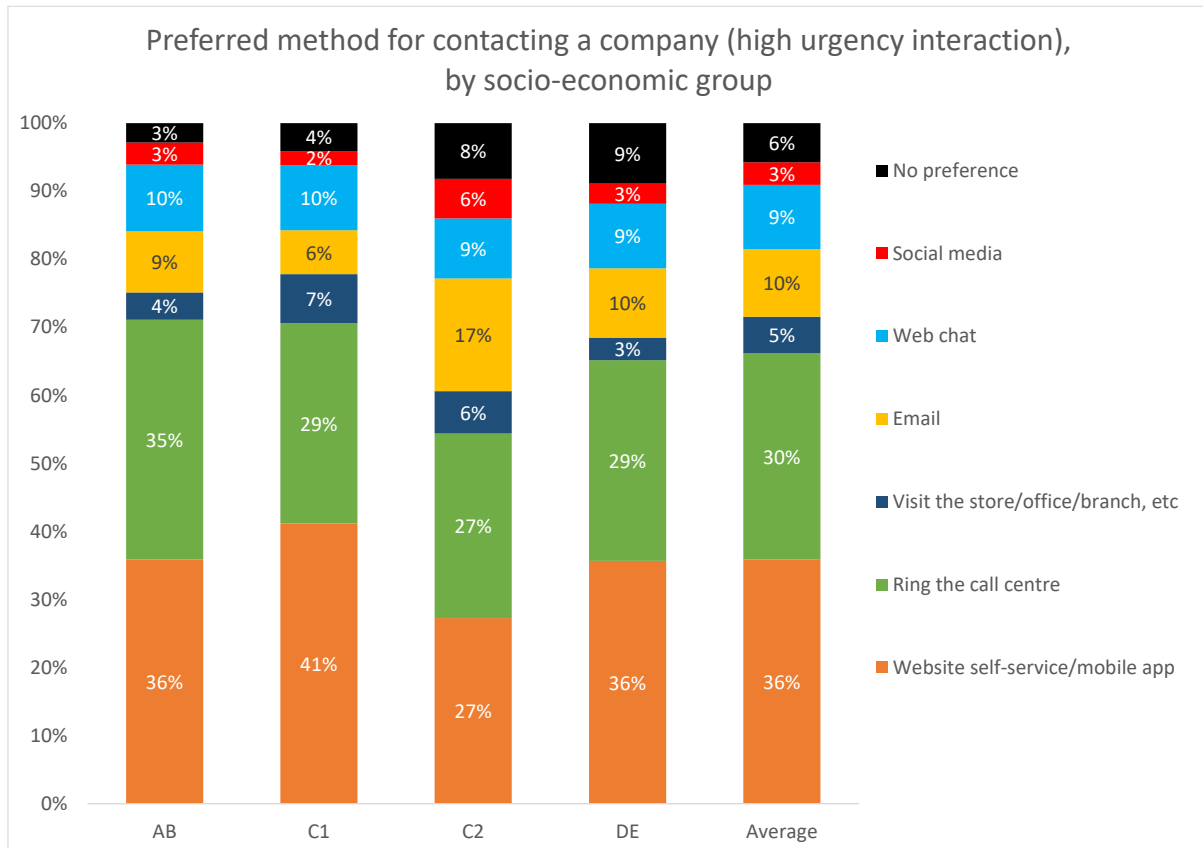
Women are somewhat more likely than men to call the contact centre in cases of urgency (31% and 26%), with men being more likely to use email (12% against 8%).

The effects of the pandemic can be seen clearly: live telephony replaced web self-service as the preferred channel for urgent interactions between 2021 and 2024, despite the massive investments put in place by many businesses to achieve the opposite effect.

It is not possible to state with complete confidence why this should be, but it may be that many customers have experienced very poor levels of customer experience from some companies that struggled in the pandemic and afterwards, and that they have reverted to the channel that they associate with confidence, flexibility and resolution: telephony.

Web self-service regained first place in 2025, but there is little real difference between preferences, and it will be interesting to see if web self-service regains its primacy in future years as its sophistication increases and customers' confidence improves.

**Figure 47: Change in channel preference (high urgency interaction), 2018-25**
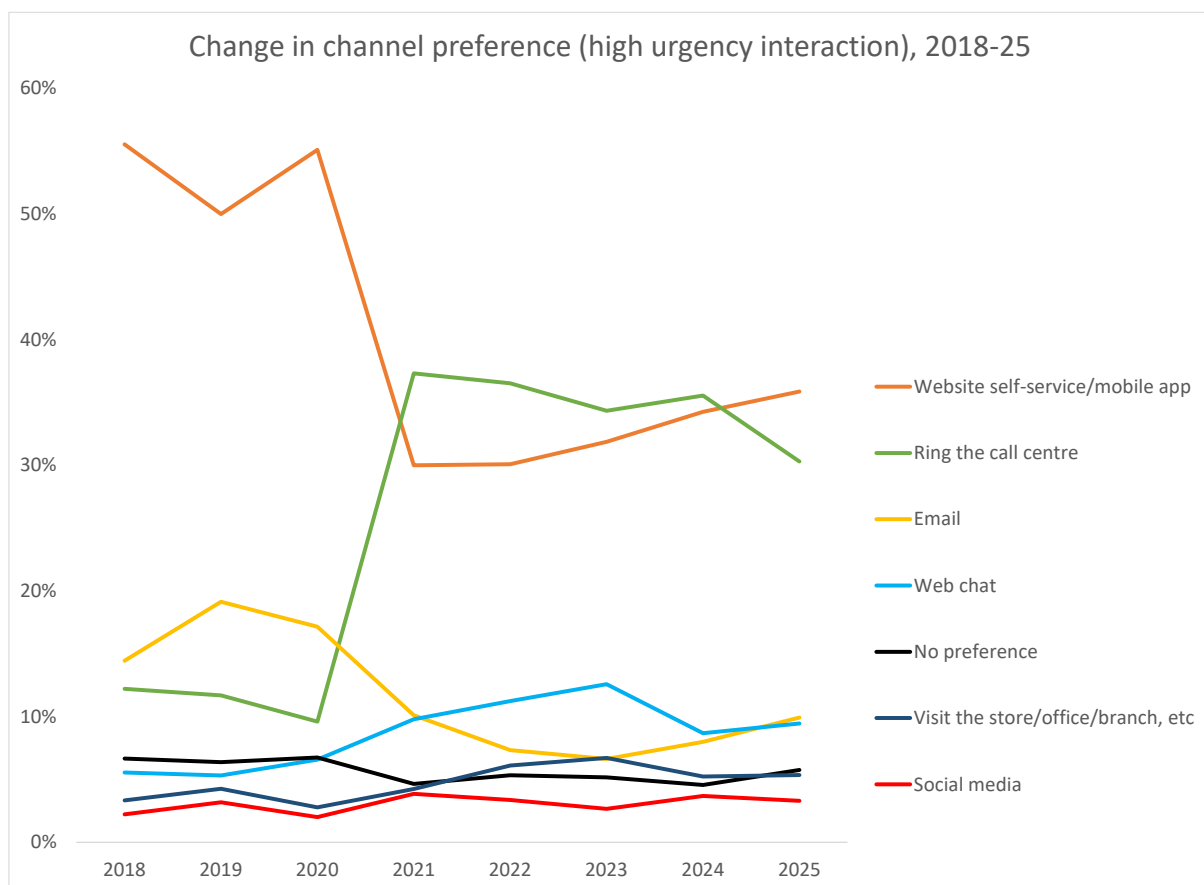
## HIGH COMPLEXITY INTERACTIONS

For highly complex interactions, such as getting expert guidance with a tax form or mortgage application, the most popular contact choice pre-pandemic had been making a physical visit to an office or branch, which was much more popular with the older demographic.

However, this option has dropped in popularity, probably due to the customers getting out of the habit of making unnecessary visits during the pandemic, particularly as the experience would likely to be different than what they are used to, although it is still popular with older customers.

As a result of this, telephony has risen from 16% in 2018 to 40% in 2025.

Web chat was also seen as an appropriate primary channel for complex interactions by a significant minority of 35-54 year-olds.

Email is generally much less popular than it is for high emotion interactions, possibly due to the probable requirement for back-and-forth communication, although the younger demographics are more likely to consider this their preferred channel. It is also worth noting that 13% of 16-24 year-olds choose social media.

**Figure 48: Preferred method for contacting a company (high complexity interaction), by age range**



Preferred method for contacting a company (high complexity interaction), by age range
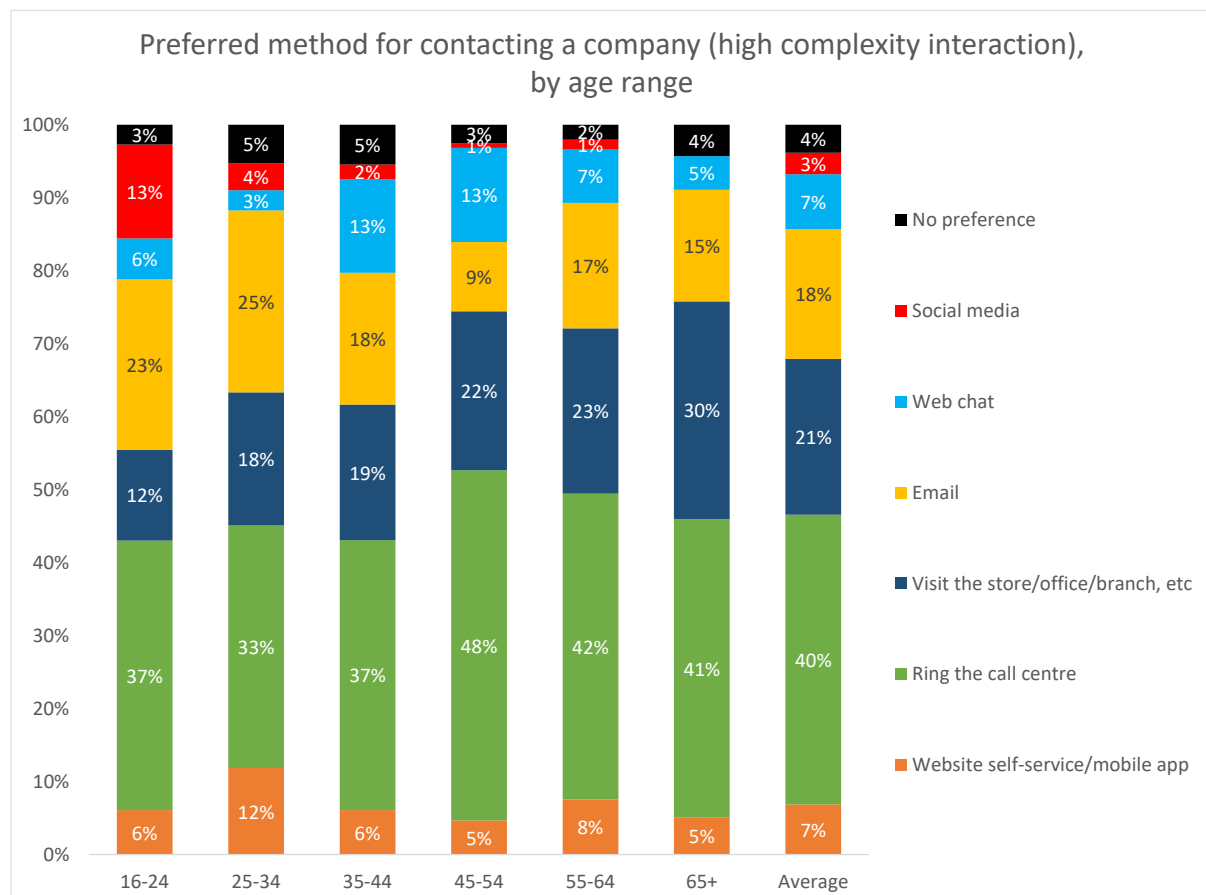
Telephony is the most popular choice for all demographics who have a complex query.

Apart from this, there does not seem to be much of a pattern, although ABC1s report a greater preference for web chat, with DEs stating a higher than average preference for web self-service.

**Figure 49: Preferred method for contacting a company (high complexity interaction), by socio-economic group**
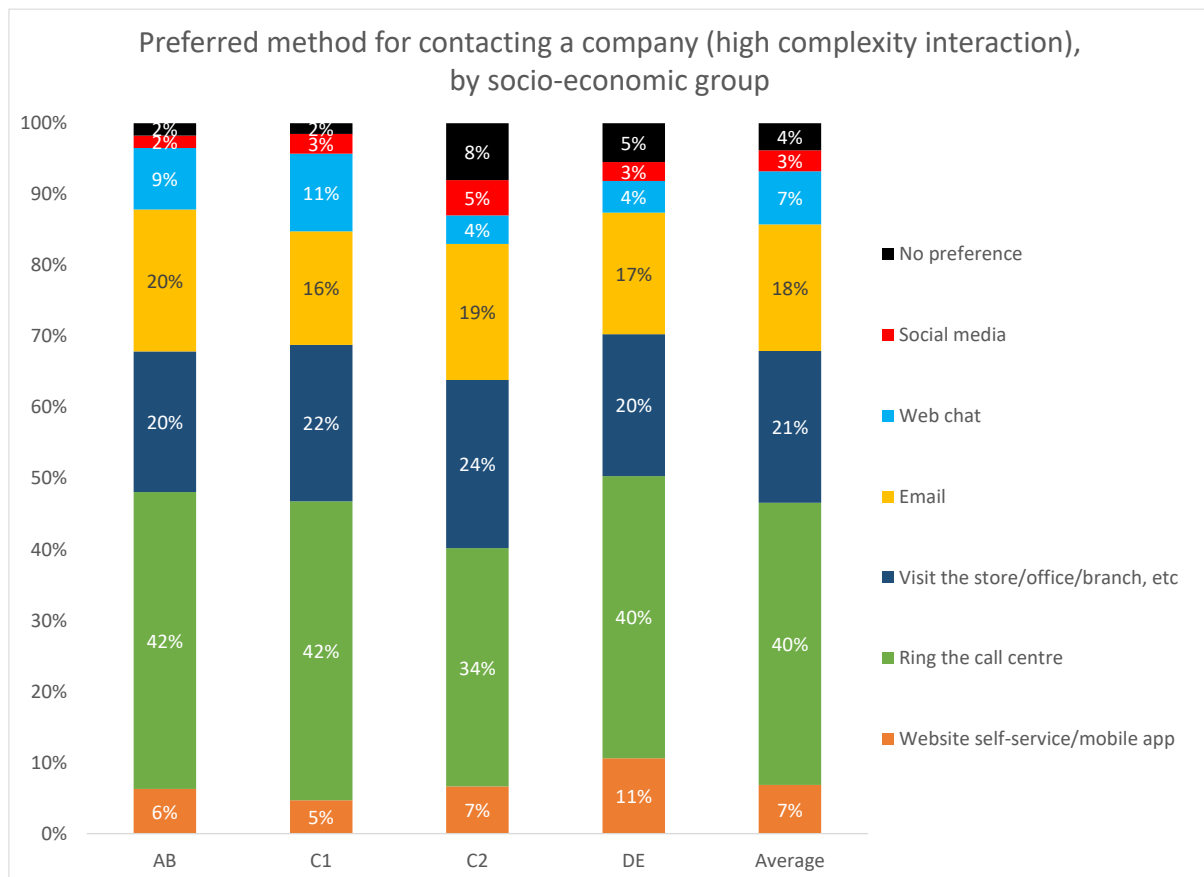


Women are much more likely than men to call the contact centre (42% against 33%), with men being somewhat more likely to use web self-service or email.

As with urgent requests, the preference for telephony jumped hugely during the pandemic and has remained high.

Web self-service has seen the greatest drop in preference, with customers preferring to be reassured by an actual person: this is borne out by the relatively low drop in face-to-face communication, as if this was simply a matter of not wanting to risk these situations for health purposes, then telephony would have replaced face-to-face. Email is also less likely to be seen as a channel of preference for complex enquiries.

It seems as though customers – possibly through their own unsatisfactory experiences – have formed an opinion that they simply want to be talked through their complex issue in real-time.

**Figure 50: Change in channel preference (high complexity interaction), 2018-25**
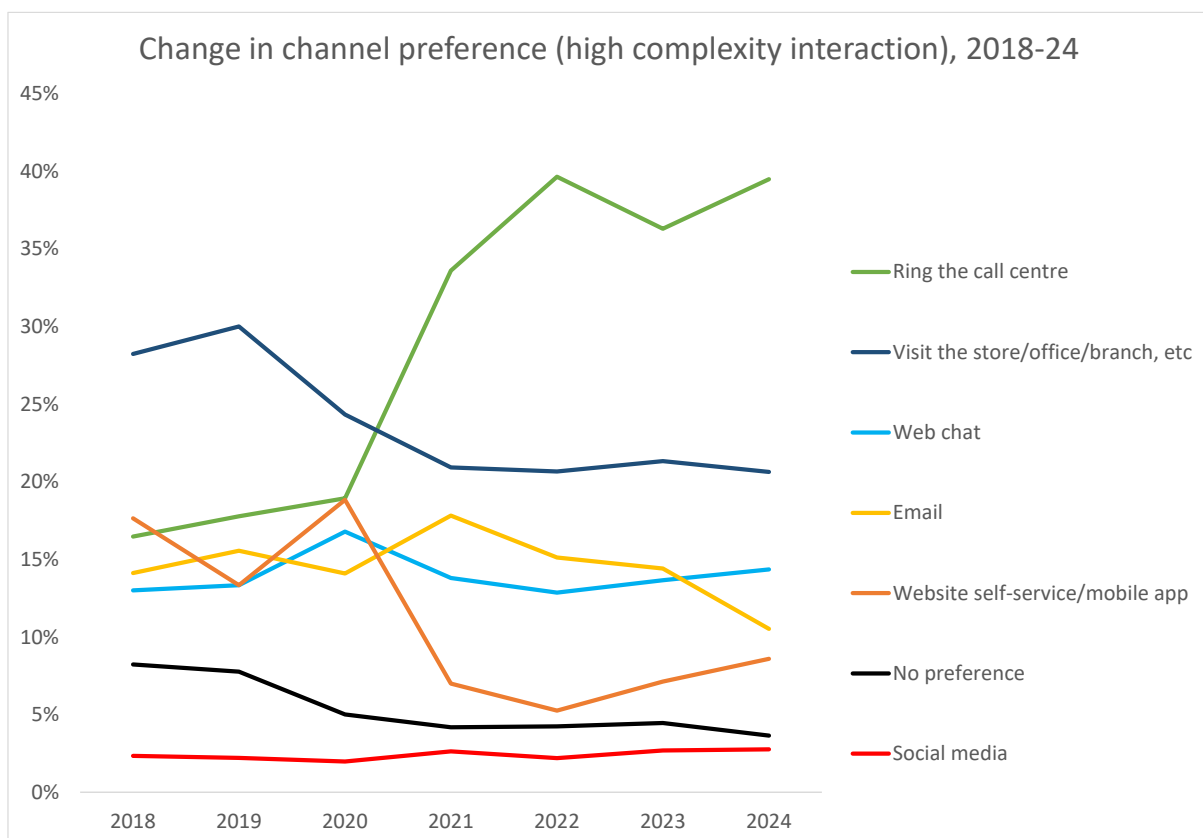
## THE VIEW FROM THE BUSINESS

Businesses were asked their views on what they thought the best channel for customers to use would be for each of the three scenarios (high emotion, high urgency and high complexity).

Telephony was seen as very much the front runner, with the majority of businesses stating that customers would be better off picking up the phone for any type of interaction.

Email was sometimes seen as appropriate for complex interactions (although customers have become less keen on this), and web chat (and to a lesser extent, web self-service) for urgent issues was also seen as a possibility.

**Figure 51: Businesses' view on best channels for customers to use**
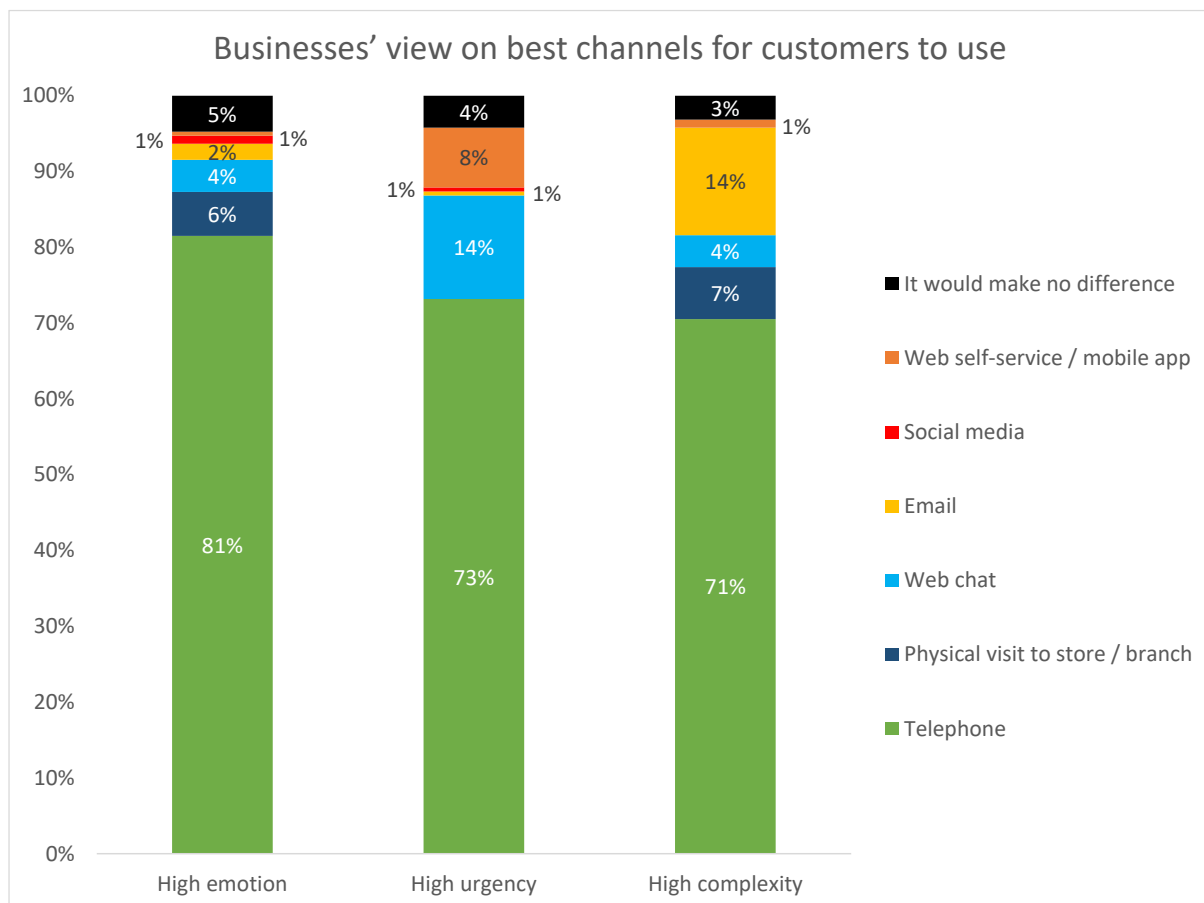
Most survey respondents are generally confident that they understand the reasons customers make contact with businesses, and also that they know why they are choosing to use the method that they do.

While it is positive that businesses believe they understand customer motivations, the fact that they are investing far more in digital channels than telephony – despite the customers' clear requirement for the latter and the declining performance of this channel – suggests that there is a certain amount of wishful thinking going on.

**Figure 52: "We have a detailed understanding of the reasons customers make contact, when they make contact, and all the methods that they use."**



"We have a detailed understanding of all the reasons why customers make contact, when they make contact, and all the methods that they use."

Strongly disagree 4%
Strongly agree 11%
Disagree 13%
Neutral 21%
Agree 51%
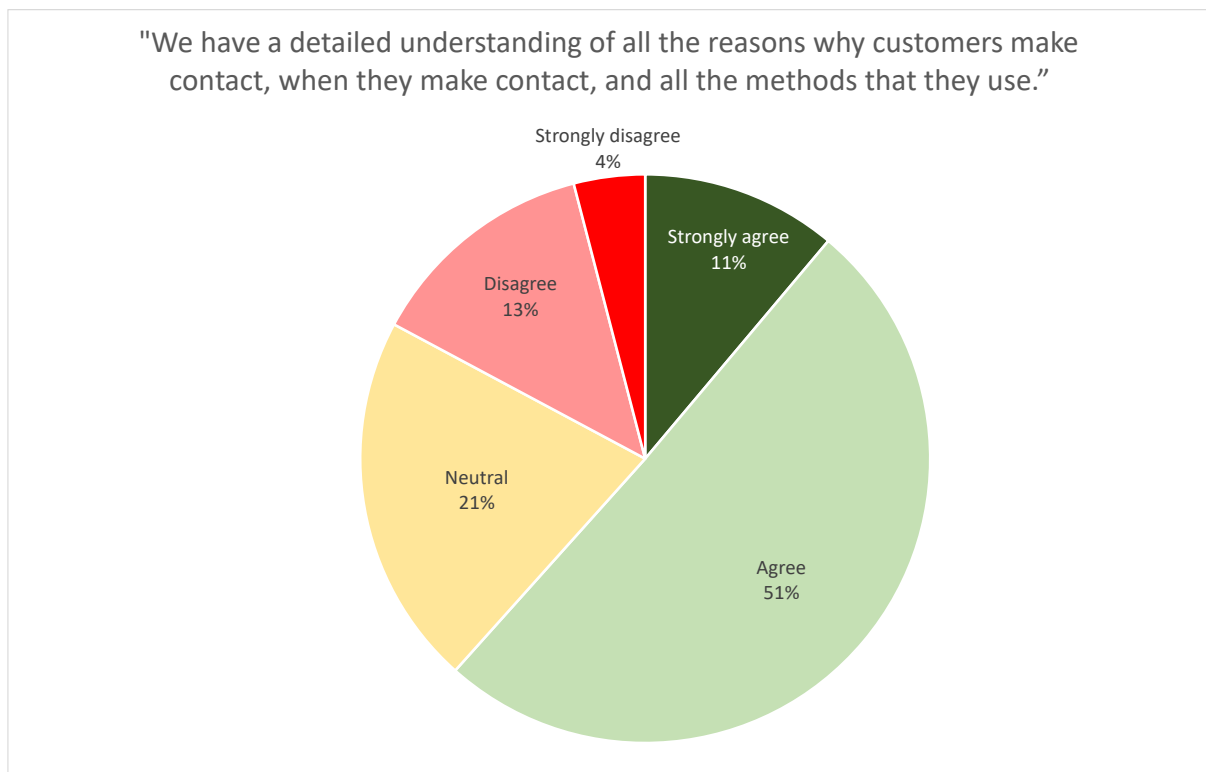
## CX BENCHMARKING

To improve customer experience, it is necessary to be able to measure it. There is no single best method or benchmark to use for doing so that applies equally to every company or type of customer base, but many organisations will use a mixture of data sources and methods to approach the issue from various angles.

## CUSTOMER SURVEYS

Customer surveys are an integral part of most businesses. Many organisations now have "Voice of the Customer" programmes, often based around large-scale analysis of call recordings, but the more traditional, direct methods of understanding customer experience and requirements are still very much present.

The numerous methods of directly surveying customers include:

**IVR**: at the end of the call, and after agreeing to do so, the customer may be passed through to an automated IVR system, which typically asks a mixture of open and closed questions which can be answered with a combination of touchtone and speech. This has the benefit of immediacy in that the caller will be able to give an accurate assessment of the call and the agent. Additionally, the business may be alerted in near-real-time to any major problems through pre-programmed automated SMS or email alerts.

The speed and ease with which an agent-invited IVR survey can be implemented gives it a distinct advantage over a survey conducted via outbound calls. The resources and staff time required to make outbound calls often mean that they are conducted erratically and rarely during peak times which undermines the quality and usefulness of the data collated. As agent-invited IVR surveys are automated, they require little staff input and can monitor customer satisfaction whenever the contact centre is open.

**Outbound automated surveys** are becoming more prevalent. After the call has been concluded, the caller's number may be put into an outbound dialler's queue, which calls them and offers an IVR survey. The speed with which this call-back is made is crucial to the take-up rate of the survey, with up to 70% acceptance rate if the call-back is in minutes, but perhaps only 10% if the call is made over 48 hours later.

**Written**: some businesses ensure that a system-generated email is sent to the customer soon after an interaction takes place, often requesting detailed feedback through open-ended questions.

Typically, more customers who have had a poor experience will bother to complete the questionnaire, skewing the figures, and although some good and detailed learning points can emerge, it's perhaps only appropriate if the customer has engaged very deeply with the business on a number of recent occasions (e.g. completing a mortgage application) or with a demographic that has more time available to them, especially older people.

However, email does allow immediacy and offers a customer a chance to express themselves more fully, rather than simply with numerical scores. This method also has the advantage that it can be fully automated.

**Detailed person-to-person interviews** have an important role to play, particularly where the feedback generated can be compared side-to-side with feedback by other methods. Having quantitative and qualitative data provides valuable feedback that can't be achieved by adopting a single surveying method.

**Web forms** are becoming increasingly widely used as an increasing number of customers visit a website initially to see if they can find the information or resolve the issue themselves.

Online survey invitations that pop up within a couple of seconds of entering a website are widely used, although many customers find them intrusive as they have not yet found the information that they require. Using a little more intelligence around when to offer the survey to the customer provides far higher take-up rates and more accurate, informed feedback.

**Outbound**: the contact details of a proportion of incoming callers can be passed to a dedicated outbound team, who will call the customer back, often within 24 hours, to ascertain the customer's level of satisfaction with the original call.

Sometimes customers will find this intrusive, while others will welcome the chance to provide feedback. Additionally, certain companies employ outside agencies to survey customers regularly, which may be useful in benchmarking exercises, since they will apply a more formalised and structured approach to data gathering and presentation. The automated option as mentioned in the IVR section above should also be considered as an option.

**SMS**: Text messaging has the advantage of immediacy of sending and also of reporting on the results. It is a cheap way of carrying out surveys, and can be linked to a specific agent, allowing the contact centre to use this information for agent performance as well as satisfaction with the business.

However, SMS does not support particularly detailed questioning, and businesses will have to collect mobile numbers if they do not already have them. Take-up rates are better than many other forms of feedback (at around 25-35% on average), and younger and more time-poor customers are more likely to respond, providing a wider universe of responses across demographics.

This form of survey can allow the contact centre to identify very unhappy customers and schedule an outbound call to deal with the problem.

Different customers will prefer to be surveyed in different ways and a survey platform should have the flexibility to support IVR, web, text and written surveys and collate the results in a unified reporting system. Not only will this mean that businesses are increasing the number of customers accessed, but a different quality of feedback and level of insight will be received from each approach.

Regardless of whether or not surveys identify specific agents, a key to customer feedback success is whether the survey implemented is considered by agents as just yet another form of monitoring, or a genuine attempt to help them provide better service in the long run. Agents tend to respond well to successful customer satisfaction improvement initiatives as they usually make their job easier and more rewarding.

Keep the survey process simple, focus on agent engagement and act quickly to provide positive feedback to the team. It's more important to get the survey adopted as a positive part of the company's customer service strategy than it is to design the academically perfect survey that has a negative impact on the morale of the team.

It is vitally important before beginning to survey customers, that a business:

- Clearly determines the purpose and aims of the survey

- Considers adopting a variety of question types. Scored questions enable a business to produce statistically significant and representative data. Free comments allow the gain of real insight into customers' perception of service

- Selects an experienced company to set up and host the survey. Businesses will benefit from their expertise and knowledge and avoid potentially costly errors and missed insight

- Ensures that the survey can be carried out throughout the day, including peak times, to gain a true picture of the customer experience

- Makes sure that the results of the survey can be collated and analysed in a wide variety of ways. It is pointless to amass information if it cannot be evaluated and the results disseminated usefully

- Has procedures in place to act upon the information that it finds. The survey may have uncovered some broken processes in the service which need attention. It will also inevitably throw up disgruntled customers whose specific concerns need addressing. In this instance, the survey platform should provide some mechanism for alerting and following-up to ensure that dissatisfied customers are quickly escalated to the appropriate staff

- Adopts a unified approach across the business to assessing and monitoring customer satisfaction. If a business continues to reward agents based on traditional call performance metrics, it risks not supporting the right behaviours needed to produce superior customer experience. If agents are rewarded based on customer satisfaction ratings, it will increase agent engagement and retention at the same time as improving the service it offers to customers.

More information about this is available from "The Inner Circle Guide to the Voice of the Customer".

## EMPLOYEE FEEDBACK

Voice of the Employee (VoE) programmes are part of the workforce engagement management suite, discovering how agent feel about their work and the organisation, with the end goal to understand and improve outcomes for employees and the business.

Some of the purposes of VoE include:

- improving employee performance and retention

- identify areas of underperformance in the organisation

- understanding and addressing the causes of boredom and burnout in front-line employees

- improving employee motivation and aligning them with business strategy and culture

- as happy employees directly affect performance and customer experience, making the workplace and culture more pleasant will benefit everybody.

VoE programmes survey employees through tailored questions in order to gather insight about current levels of engagement by role, team, department, etc. Not only do front-line employees appreciate being listened to, but to be able to see any changes and improvements made as a result of their comments is very motivating.

Team and individual development plans can then be published, progress tracked and results shared. VoE survey findings can provide insight to other parts of the WFO suite (e.g. coaching/eLearning, and also gamification and performance), and also be connected to other metrics including absence, attrition and customer-focused scores.

VoE helps organisations understand what their best-performing employees are thinking and engage with them to keep them loyal. It is important for any VoE programme to be set up so as to be able to release actionable insight: not just answers to questions such as 'How engaged with the business are you?', but also **why** this is, how it can be improved and what effect on the business will this have.

VoE in the contact centre should discover whether agents have all the tools they need to deliver a successful customer experience and whether they are encouraged and empowered to own the customer's issue or feel as though they are managed and judged solely by internal metrics.

Many contact centre employees are finding that the calls they are now handling are becoming increasingly complex, as many of the simplest interactions are being resolved through self-service. Where support systems and training have not been upgraded accordingly, this can lead to stress and demotivation as not been able to help customers effectively is a very negative experience. This issue is only likely to get larger over time, particularly as customer expectations are always rising.

Successful VoE is a long-term, ongoing project rather than simply being a snapshot of a moment in time, and it is important to create buy-in at the top of the organisation by sharing the goals and insights with senior management and linking any results to improvements in business performance.

## COMPLAINT ANALYSIS

Complaints are a potentially rich environment for businesses to understand where they are going wrong, and which issues are in danger of turning a customer into an ex-customer. For many businesses, each complaint is dealt with on a case-by-case basis, with little in the way of categorisation or structure being put in place formally, and little chance of communicating findings in an actionable way to the relevant department.

Speech analytics gives businesses a chance to quantify the reasons that customers complain, identifying the most important factors, assessing trends and spikes, and providing hard recommendations based on every call taken.

Analytics allows businesses to track words and phrases related to complaints (such as 'supervisor', 'manager', 'complain', 'unhappy' etc.), allowing escalation to a supervisor, or screen-pop to the agent to provide them with a revised script or suggestions of how to handle the call.

Emotion detection and sentiment analysis – where permitted to be used – may also be used to identify unhappy or wavering customers within the call, updating supervisors who can then intervene or advise the agent accordingly.

John Seddon uses the term "failure demand" to describe calls that are created by the inability of the business's systems to do something right for the customer:

> "A failure to do something - turn up, call back, send something...causes the customer to make a further demand on the system. A failure to do something right - not solve a problem, send out forms that customers have difficulty with and so on - similarly create demand and creates extra work. Failure demand is under the organisation's control, and it is a major form of sub-optimisation."[2]

Seddon cites the instance of the bank where failure demand created almost half of the calls which they had to deal with.

Another classic example of failure demand is where emails go unanswered, leading to calls being made (first-stage failure demand). Later, the email will be answered, unnecessarily, as the customer already has their answer or has gone elsewhere (second-stage failure demand). This redundant work will then impact on other (still live) messages in the email queue, creating a vicious circle of failure demand.

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[2] *Freedom from Command and Control: A better way to make the work, work*, John Seddon

The chart below shows that while almost half of survey respondents agree to some extent that they understand where failure demand is occurring, it is by no means universal.

**Figure 53: "We have a detailed understanding of failure demand within the contact centre, and know where process issues or bottlenecks are occurring."**



"We have a detailed understanding of failure demand within the contact centre, and know where process issues or bottlenecks are occurring."

Strongly disagree 4%
Strongly agree 2%
Disagree 9%
Agree 47%
Neutral 38%
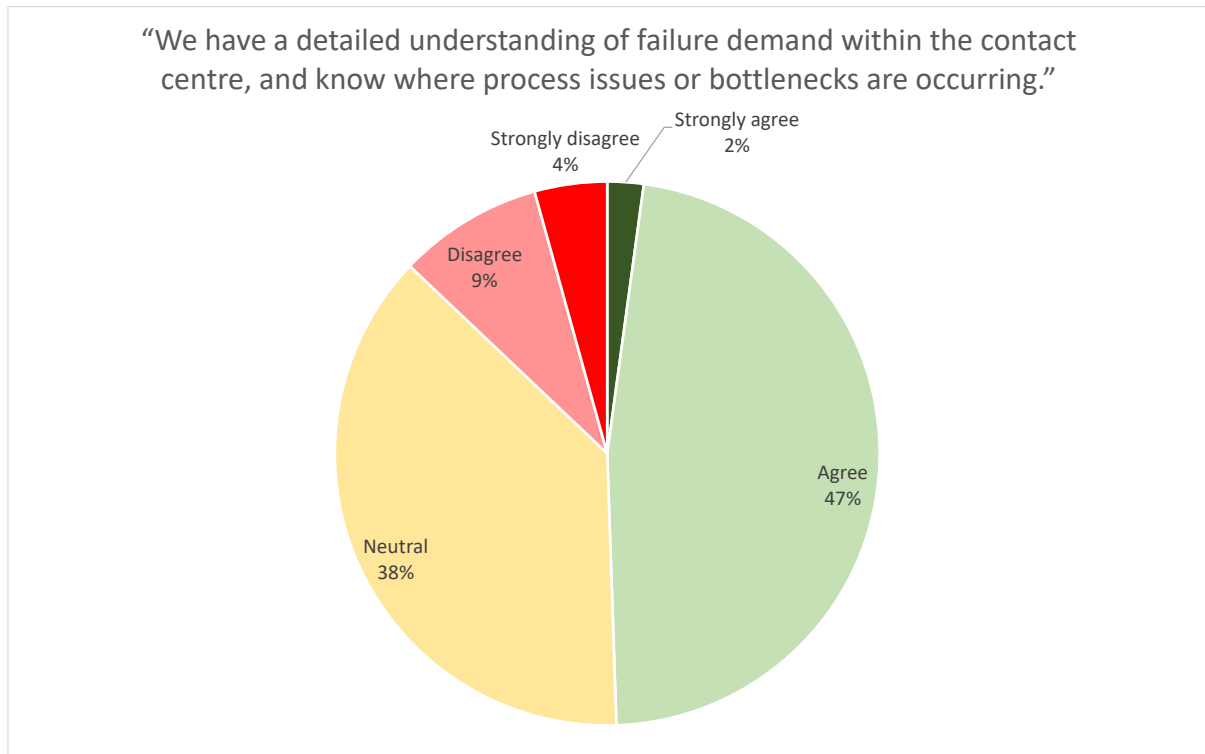
Redesigning and restructuring the way in which work flows around the organisation, putting the contact centre at the heart of it, rather than treating it as a separate silo, will go much of the way to reducing unnecessary contacts. The customer ends up getting a better service from the whole company, not just the contact centre.

One way in which this can be achieved is to unify and automate the agent desktop through AI agent assistance, bringing in the relevant data automatically, depending on who the caller is and what they want. At the end of the call, the correct data is written to the relevant places, and the correct processes kicked off automatically, meaning that the right departments will be provided with the right information, thus reducing the risk of failure demand, unnecessary calls and irate customers.

This also takes the pressure off the agents to remember which systems to update and how to navigate through them within the call (which causes long delays, negatively impacting customer satisfaction), or in the wrap-up, which risks agent forgetting to do things, and also decreases agent availability, increasing the queue length, and decreasing customer satisfaction.

In cases where multiple processes have to happen in order for the customer's requirement to be met, automated outbound messaging to the customer, whether by email, SMS or IVR is likely to reduce the number of follow-up contacts that the customer feels that they have to make.

Information on failure demand can be gleaned from analysis of the contact centre, which holds huge amounts of knowledge about customers' views of the products, services, competitors and company. Feedback loops can be established to push information and insights upwards to those who can make a difference in product development, process improvements and customer strategies.

AI-enabled interaction analytics offers businesses the chance to mine huge amounts of data and find patterns and reasons in a timely fashion, and it is vital then to act upon this knowledge, proving to both customers and agents that the business takes them seriously.

On average, 7.6% of survey respondents' calls were complaints, and of those calls, 86% were not about the contact centre itself (or its staff), but rather 'failure demand', caused by a breakdown of process elsewhere in the organisation.

However, the contact centre has to deal with the fall-out, and further failures within the complaints procedure (or lack of it) can see customers calling into the contact centre again and again, becoming more irate each time, despite the real problem lying outside the contact centre.

There is also the case that there is a blurring of responsibility between the contact centre and the rest of the business so that lines of demarcation over where the fault lies can be difficult to find.

For example, a telecoms provider that has taken an order for a new line has to rely on the rest of the organisation to provision and deliver this correctly. If the agent takes the contact email down incorrectly, the customer will not receive any information about their order, which may have a query on it.

When the irate customer rings in to complain, the problem may appear to be with the back-office processes where the order has halted, but the fault actually lay with the original agent. Whether this is tracked or reported on correctly is not a certainty, so any analysis of the split between contact centre / back-office complaints should be treated with caution.

There is also a real risk especially within large contact centres that a single agent does not have the capability or responsibility to deal with the customer's issue, which may reach across various internal departments (e.g. finance, billing, provisioning and technical support), none of which will (or can) take on full responsibility for sorting out the problem.

A clearer upward trend can be seen when looking at the proportion of calls that are complaints in general, from less than 4% in 2010 to around 10% more recently.

There may be multiple reasons for this: businesses may be failing the customers more often; customers may have become more demanding; or customers may have moved away from the traditional form of complaint – the letter – and prefer to use the phone to complain instead.

Certainly, many contact centre decision-makers state that the most effective channel to use for complaints is the telephone, and it may be that customers have found this out for themselves over the past few years.

**Figure 54: Proportion of calls received that are complaints / target of complaints (mean average), 2010-25**



Proportion of calls received that are complaints / target of complaints (mean average), 2010-25

Legend: % of calls that are complaints ; % of complaints about the contact centre
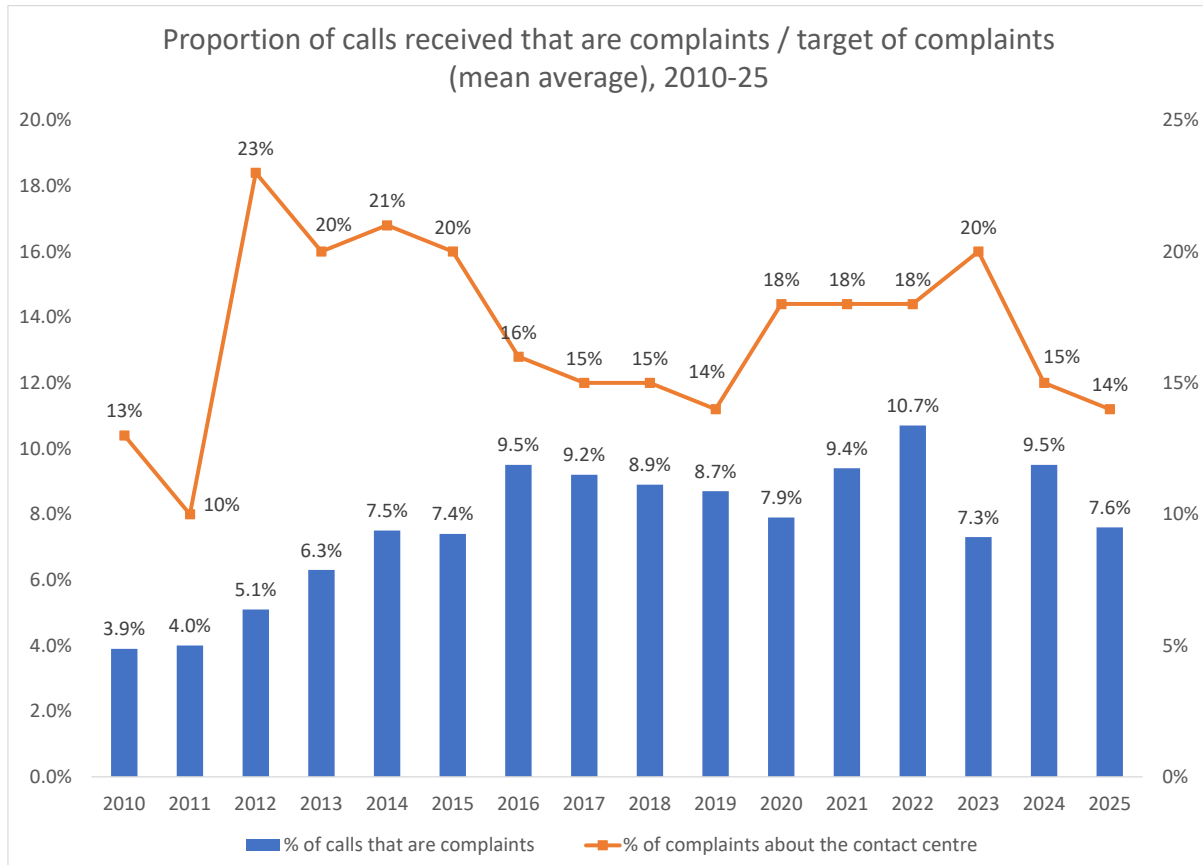
Combining the two sets of data on the previous chart – the proportion of calls that are complaints, and the proportion of complaints that are about the contact centre (rather than the wider business) – gives the following chart: the proportion of calls that are complaints about the contact centre.

This is a figure that contact centre decision-makers should be interested in, as these complaints not only cost money to handle, but are in large part avoidable in the first place.

Since 2012, the figure of contact centre complaints was generally relatively steady at around 1.5% of inbound calls. Although the figure grew in 2020-22, the figure at the end of 2025 was only 1.1%.

This may not seem particularly high, but with 8.7bn inbound calls per year and typical cost per call £6.25, handling the 1.1% of calls that are complaints about the failings of the contact centre itself costs the industry around £600m per year.

**Figure 55: Proportion of calls that are complaints about the contact centre, 2010-25**



Proportion of calls that are complaints about the contact centre, 2010-25
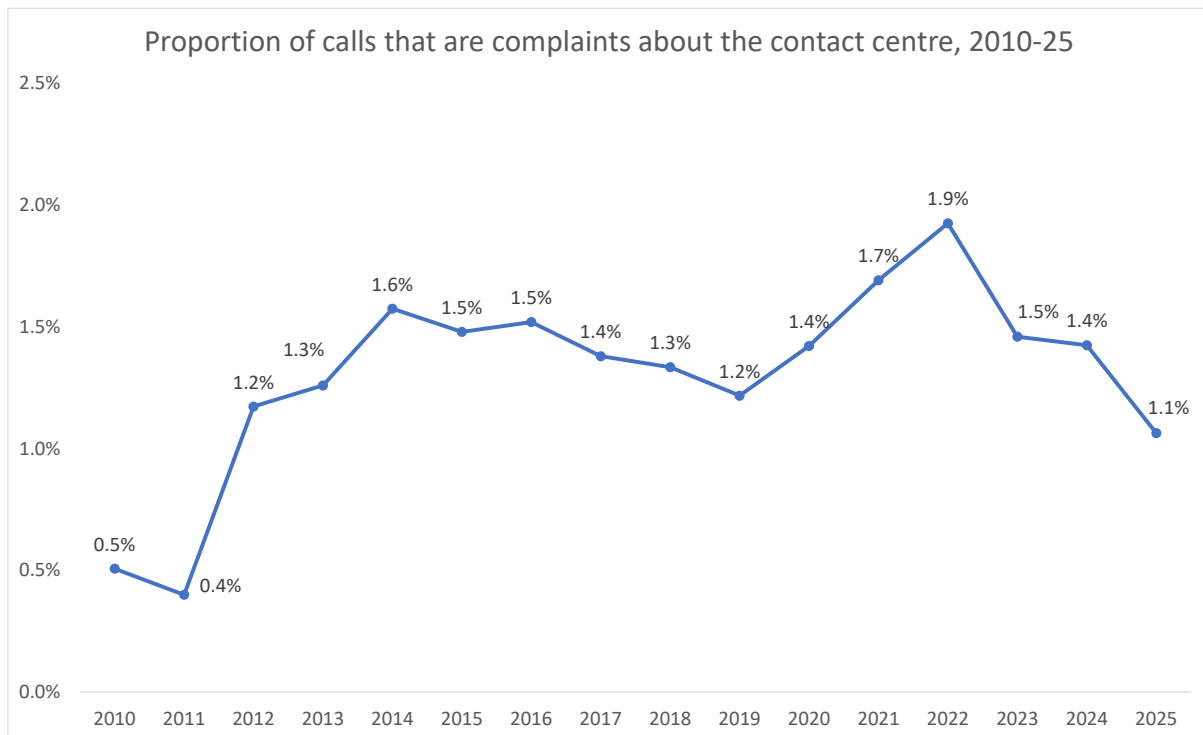
The following chart shows how survey respondents handle customers that are identified as being dissatisfied.

It is heartening to see that very few organisations choose to do nothing in these cases, with a majority making an outbound call. Sending a letter or (more usually) an email is also quite a popular choice, especially with B2C companies.

**Figure 56: How is a dissatisfied customer contacted?**



How is a dissatisfied customer contacted?

| Category | Percentage |
|---|---|
| No action taken | 3% |
| Send SMS / message | 7% |
| Flag them as dissatisfied on the CRM system | 27% |
| Send letter / email | 40% |
| Make an outbound call | 75% |
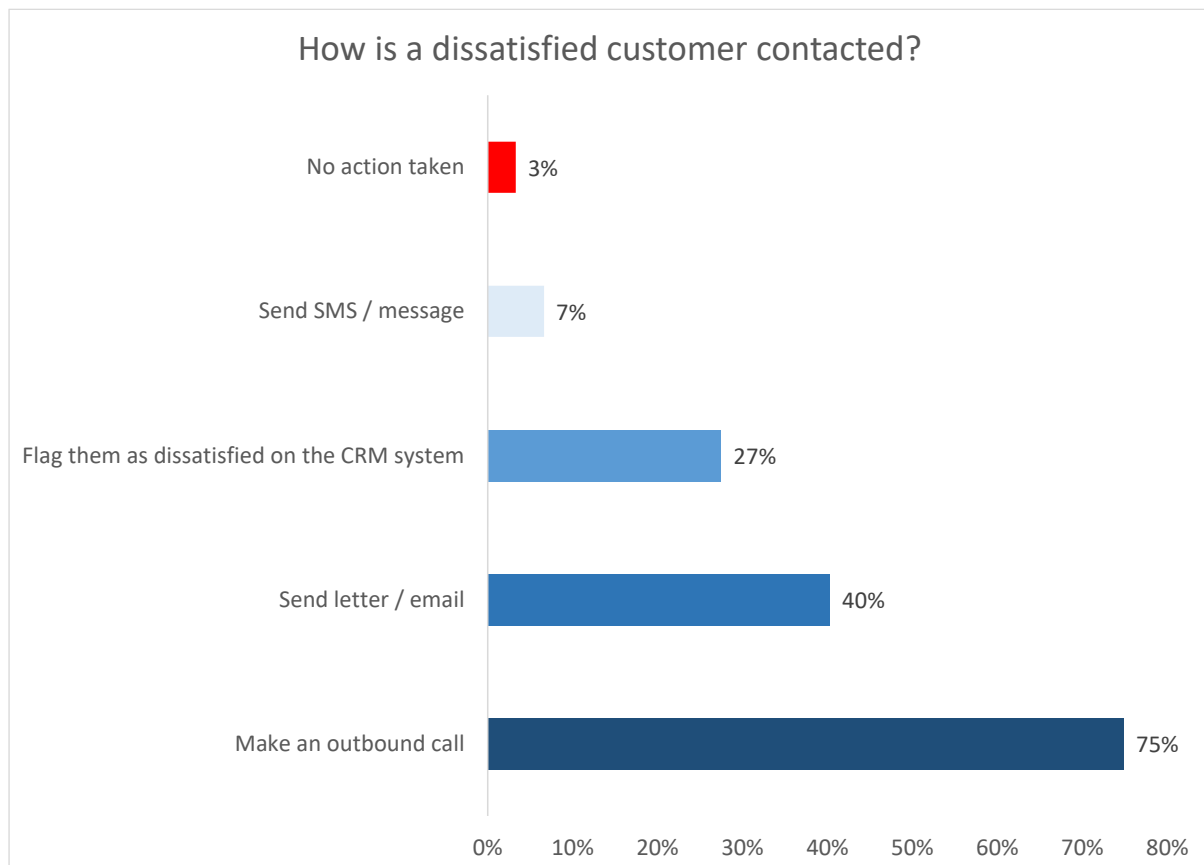
## INTERACTION ANALYTICS

There has been a great increase in customer satisfaction surveys in recent years, with the widespread uptake of the Net Promoter® [3] score (NPS) being a good example of companies' desire to learn what their customers actually think about them.

However, research has shown that a 'satisfied' customer isn't necessarily a profitable or loyal one, and the results of customer surveys, particularly the written or telephone-based variety (the latter of which, despite its limitations and expense, is still seen as the best method), are carried out at a time when any feelings about the original interaction may have changed or dissipated, are prone to inaccuracy, delay and lack of detail.

With all of the methods of customer surveys, the questions are fixed in advance, and if the right questions aren't asked, the level of actionable insight is low. In many cases, a business might know that x% of its customers are satisfied, and y% dissatisfied, but it still has no real idea why this is, or even how it will impact upon their profitability.

As an addition to customer satisfaction surveys, interaction analytics allows a business to gather customers' views within the interaction itself – guaranteeing immediacy and accuracy – and can be applied across 100% of calls, rather than focusing on the outlying 'very dissatisfied' or 'delighted' customers.

Furthermore, through widespread and detailed analysis of what the call is about, the type of language or messages used in the call, how the customer was handled, and the eventual outcome, businesses will be able to learn how to improve their customer retention and satisfaction in real-life, bypassing the standard metric (e.g. "83% of customers are satisfied") and getting to the root causes of satisfaction or dissatisfaction and sharing the results with the rest of the operation.

Some solutions use historical analysis of call characteristics, agent behaviours and interaction outcomes to estimate customer satisfaction or Net Promoter® scores on every call, and can also predict the attrition of customers based on what they have said and what has happened within the call, allowing the business to act swiftly.

AI-enabled sentiment analysis can identify negative customer emotions and means that calls can be flagged for further review or action, reducing potential losses from customer churn and addressing dissatisfied customers who might require higher-cost interventions later. This can be done either to identify specific calls, or at a wider level to see which processes or products are causing the significant negative customer sentiment.

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[3] *Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.*

## VOICE OF THE CUSTOMER ANALYTICS

Recently, there has been a great increase in the number of organisations implementing "Voice of the Customer" (VoC) programmes, increasingly based around large-scale analysis of call recordings, as well as using formal surveys of customer experience to offer the customer a chance to feed-back, and the business to learn.

VoC programmes strive to capture customer feedback across multiple channels of engagement (IVR, live agent, email, etc.), while enabling closed-loop strategies to support customer retention, employee development and omnichannel experience optimisation. VoC programmes typically trigger alerts with role-based delivery via the use of text and speech analytics, offer statistical modelling services to pinpoint root causes, and digitally track progress and results with case management.

The definition of what a VoC programme includes runs the gamut across vendors from simply sending alerts based on key words derived from a survey, to more complete solutions that directly contribute to contact centre optimisation and overall CX improvement.

Examples of more complete VoC programme features include:

**Closed Loop**

- Automated Alerts: as surveys are completed, real-time alerting capabilities will immediately identify and inform teams of customers in need, while assigning ownership for follow-up

- Callback Manager: an interactive system that enables callback teams to conduct detailed case reviews and disposition follow-up activities for eventual root-cause analysis

- Case Management: root-cause exploration tools enable back-end analysis of the customer's initial concern, enabling operational support teams to uncover, track and mitigate systemic problems proactively.

**Coaching**

- In-The-Moment Coaching Tools: as surveys are completed, real-time alerting capabilities will identify when a frontline employee is in need of immediate coaching intervention

- Performance Ranker: the performance ranker helps managers develop weekly and monthly coaching plans by outlining strengths and weaknesses for each employee, while identifying opportunities for peer-based knowledge sharing

- Behaviour Playbooks: playbooks with scorecards help managers coach specific behaviours by outlining how to best demonstrate each of them, showcasing best-practice examples and suggesting sample role-plays.

**Reporting**

- Real-time Insight – text analytics zeros in on key issues from multichannel survey feedback

- Role-based Reporting – define type and frequency of report delivery based on responsibility, title, geography and more

- Call Recording – drill-down detail includes IVR and live agent call recording for additional insight.

VoC programmes are frequently ongoing engagements with results measured by internal CSAT scores, NPS benchmarks and efficiency improvements.

Alongside direct customer surveys, VoC analytics solutions can also gather insight from recorded digital and voice channels. Aggregation of customer surveys and analytical results can identify the root cause of any issues identified, and provide actionable insight for changing processes and/or agent handling techniques.

VoC should be seen as a continuous process, rather than a one-off project, and ongoing analysis allows the business to operate a closed-loop system, whereby identified issues can be actioned and continuously checked to make sure that the problem does not reoccur.

## MYSTERY SHOPPING

Mystery shopping is often used by retailers in order to measure and confirm that the experience a customer has with an organisation is one which the business actually intends them to have. Mystery shopping does not have to happen within a physical store, as it is also possible to carry out these activities with the contact centre or online.

Businesses may wish to make sure that specific actions are being carried out consistently, such as greeting a customer or asking if they need help with packing their purchases, and can also be useful more subjectively to understand the general feeling that the customer has about communicating with the business.

Mystery shopping is generally better suited to B2C organisations, as B2B mystery shopping may require specialist information and can be an extremely complex sales process, involving ratification of a potential customer's identity and *bona fides*.

While mystery shopping has a part to play in understanding customer experience, the fact remains that the actual mystery shopper is not a real customer, and is acting based on specific instructions given to them by the company.

Additionally, customer experience data will be taken from a relatively small sample size of mystery shoppers, rather than a larger proportion of the customer base which can be accessed through surveys or analytics.

## THE USE OF CX BENCHMARKING METHODS

The chart below shows the use and effectiveness of the methods of gathering customer experience covered earlier in this chapter.

The majority of respondents use customer surveys, employee feedback and complaint analysis in order to learn about customer experience, with 44% using speech analytics and mystery shopping.
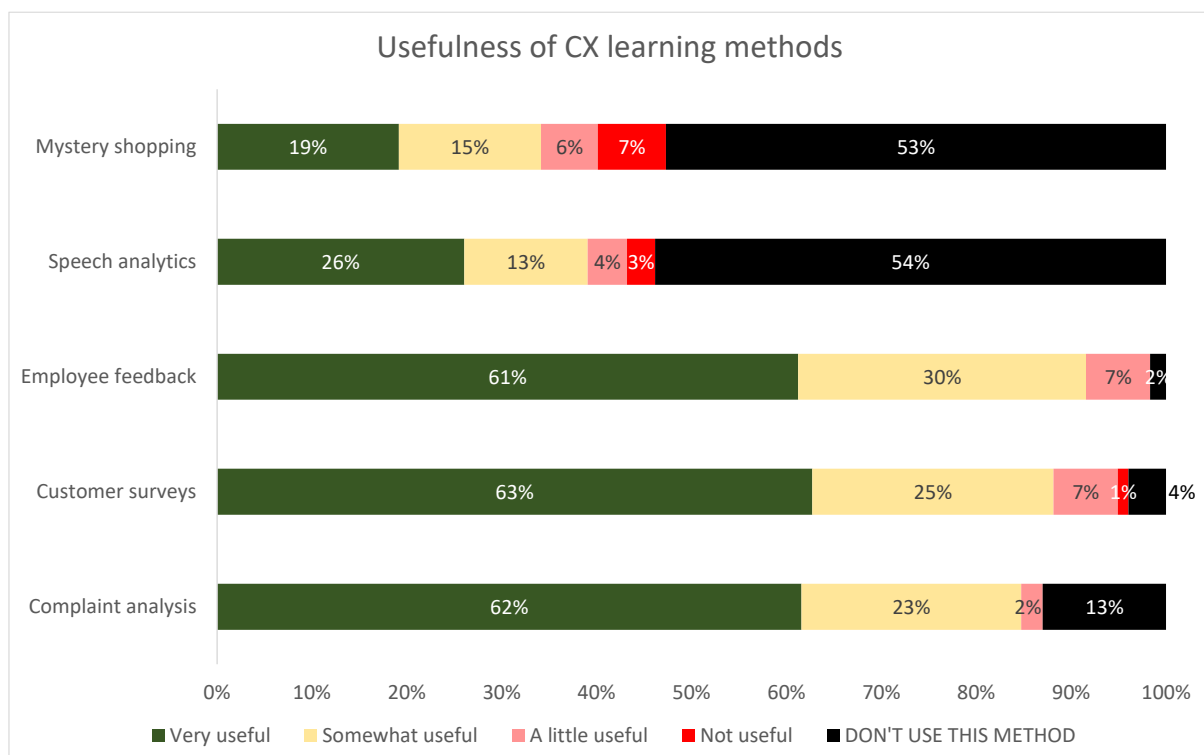
Direct customer surveys are seen as an effective method of gathering customer experience data, with 66% of **respondents who use this method** stating that it was very useful. Employee feedback (62%) and complaint analysis (71%) were also seen as very useful.

There was a lack of a generally agreed view on how effective speech analytics and mystery shopping were: while 57% of those who use speech analytics to understand customer experience data find it very useful, 15% state it as being of little or no use.

However, it is worth noting that these figures are far more positive than they have been in the past, suggesting that businesses and solutions are becoming better at using analytics for this purpose.

Respondents reported a somewhat mixed picture with mystery shopping, with 40% of those using it stating that it is very useful and 28% finding it of little or no use.

**Figure 57: Usefulness of CX learning methods**



Usefulness of CX learning methods

| Method | Very useful | Somewhat useful | A little useful | Not useful | DON'T USE THIS METHOD |
|---|---|---|---|---|---|
| Mystery shopping | 19% | 15% | 6% | 7% | 53% |
| Speech analytics | 26% | 13% | 4% | 3% | 54% |
| Employee feedback | 61% | 30% | 7% | | 2% |
| Customer surveys | 63% | 25% | 7% | 1% | 4% |
| Complaint analysis | 62% | 23% | 2% | | 13% |

Businesses were asked which of six quantifiable benchmarks that they use in order to measure customer experience and satisfaction.

- Net Promoter Score®, otherwise known as NPS, is an index ranging from -100 to 100 that measures how likely customers are to recommend a company's products or services to others. The question asked to customers is:

  - "On a scale of 0 to 10, how likely are you to recommend this company's product or service to a friend or a colleague?"

  - Based on their rating, customers can then be grouped into in 3 categories: detractors, passives and promoters. 'Detractors' score lower than or equal to 6,  'Passives' score 7 or 8 and 'Promoters' answered 9 or 10.

  - NPS is determined by subtracting the percentage of customers who are detractors from the percentage who are promoters. For example, if 50% were promoters and 10% detractors, the NPS would be +40. This allows businesses not only to focus upon increasing the proportion of people that actively like and evangelise about the company, but also to bear in mind those at the opposite end of the spectrum who are negative.

- Customer effort scores look to understand the ease or otherwise with which the customer has interacted with the company on a particular occasion. Often, there will be a five-point scale running from "very easy" to "very difficult", which can be converted into a quantitative metric. Various methods of calculating customer effort scores and pitfalls to avoid can be found within this referenced article[4]

- Quality scores differ from company to company, but are based on interaction scorecards on which employees are scored over a number of calls or interactions each week or month, and include factors such as compliance, quality of greeting and call termination, cross-selling and upselling attempts, fluency of communication and other factors deemed important by the business

- Customer retention rates are generally based on the percentage of customers renewing contracts, and are typically used by businesses within contract-based industries, such as insurance and telecoms

- First-contact resolution rates can be complex to measure, and as no widely accepted external standard is present, this is of most use as an internal benchmarking metric. It is a major driver for both CX and contact centre costs

- CSAT (customer satisfaction) scores do not have a fixed and widely-accepted scoring system, but are more wide-ranging. Businesses may decide that they want to track the proportion of customers who report being "very satisfied", score them at 5 out of 5, etc.

The most widely used customer experience benchmark is the general customer satisfaction rating, which is used by 85% of respondents. First-contact resolution rate is used by 78%, NPS 75%, customer retention rate 51% and agent quality scores 78%. Customer effort score is much less widely used, however is still in place in 42% of respondents.

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[4] https://www.callcentrehelper.com/how-to-calculate-customer-effort-94671.htm

Respondents that used these customer experience benchmarks were asked to rate how useful they were.

The chart below is ranked in order of the highest proportion of respondents reporting the CX benchmark was "very useful", where used.

73% of the respondents **that used it** stated that they believed that customer satisfaction score was a useful indicator of customer experience, being the highest-rated metric.

Most of the other customer experience benchmarks received very similar scores, with 50-65% respondents stating that they were 'very useful', and around 25-40% stating that they were 'somewhat useful'.

**Figure 58: Usefulness of CX benchmarks**



Usefulness of CX benchmarks
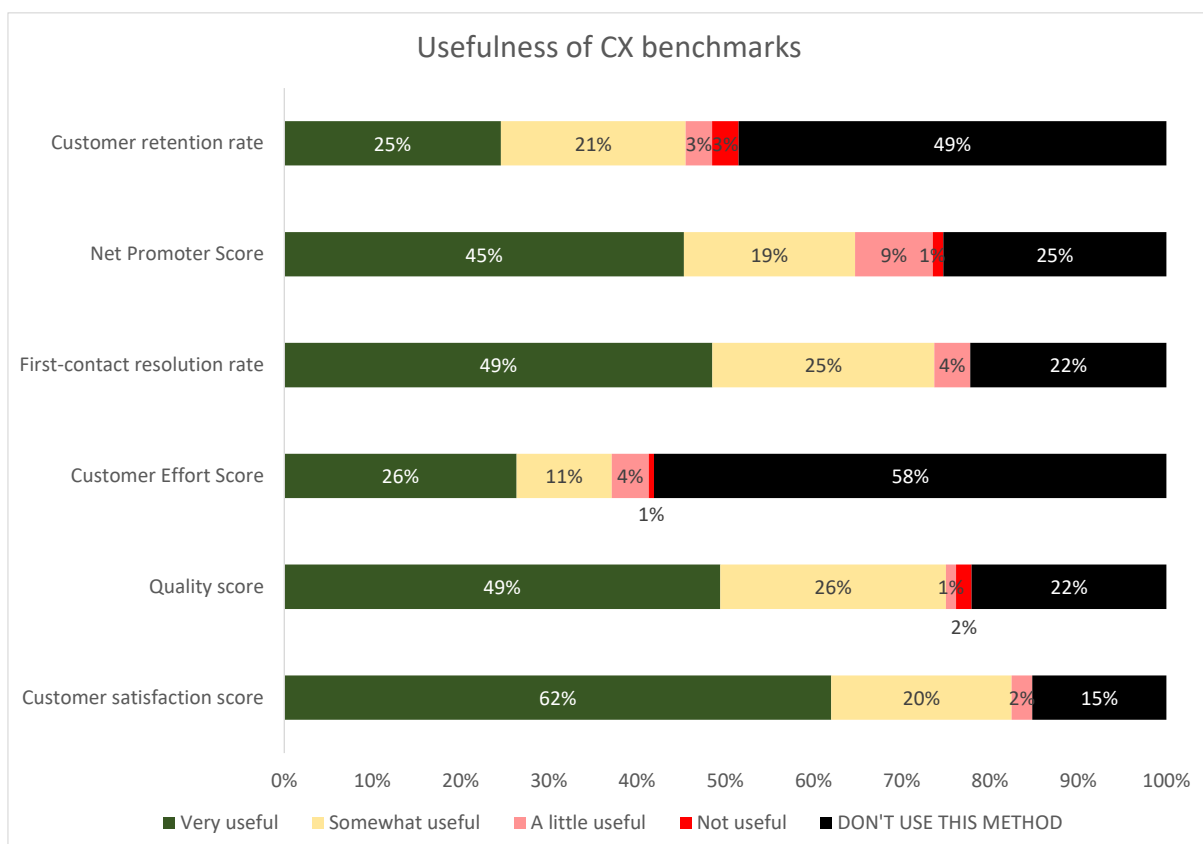
As customer experience benchmarks change from company to company – there is no generally accepted customer satisfaction rating or quality score that allows direct comparison between organisations – only NPS easily allows head-to-head comparison across companies, although there were not enough responses from each vertical market to be able to give a full picture.

**Figure 59: Net Promoter Score by range distribution**



Net Promoter Score by range distribution
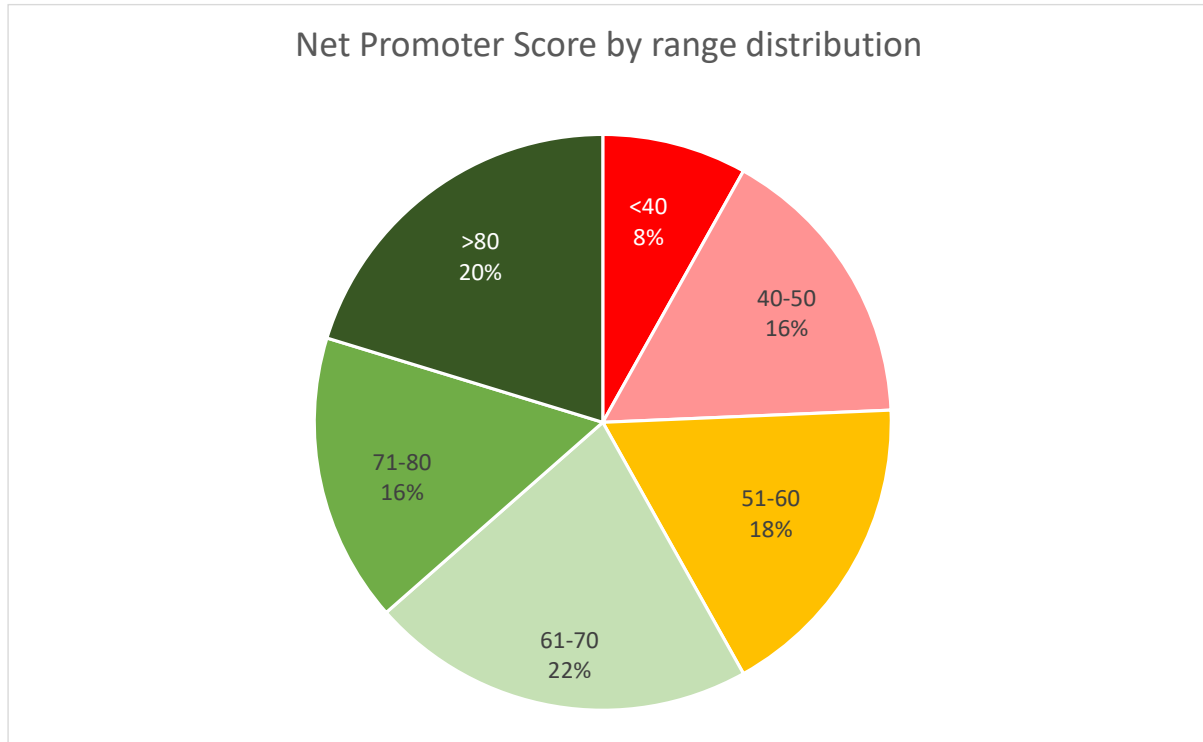
The chart above shows the distribution of NPS across ranges, with only 8% of respondents under +40, and 20% at +80. This is an improvement on recent years.

Only a few vertical markets provided sufficient NPS data to report upon:

- Financial Services: +52 (against a target of +55)
- Outsourcing: +72 (against a target of +65)
- Retail & Distribution: +62 (against a target of +66)
- Services: +77 (against a target of +78)
- Technology, Media & Telecoms: +72 (against a target of +77).

Mean average: +63 (2023: +58), against a target NPS of +65.

Median average: + 66 (2023: +61).

Looking at quality scores, the fact that there is no single industry-wide quality measurement score makes head-to-head comparisons difficult. As such, we have normalised the data to act as a percentage of the maximum (100%).

The majority of respondents report a quality score of over 90%, with only a small proportion achieving lower than 80%.

**Figure 60: Quality score**
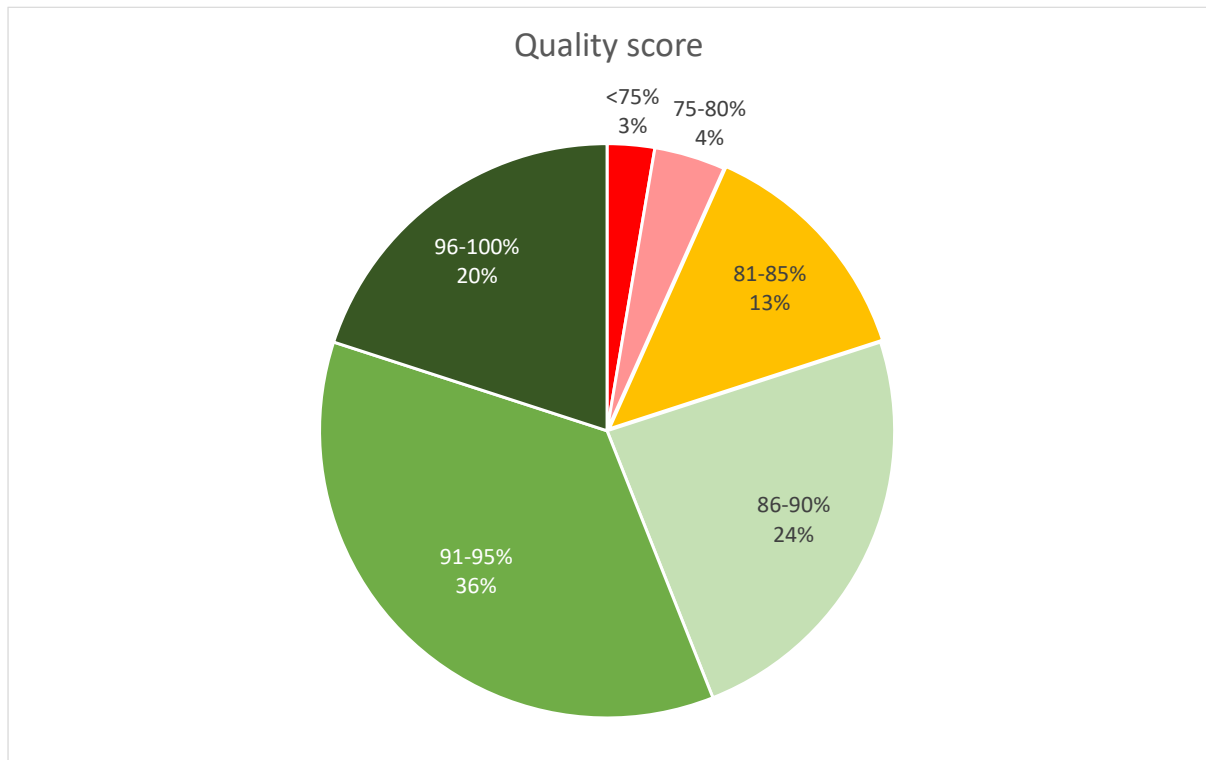


Only 16% of survey respondents are currently missing their quality target, and 68% report beating their target quality score, an improvement on last year's figures.

The mean average quality score was 104% of target.

In the same way as with quality scores, customer satisfaction scores are not necessarily directly comparable between organisations. However, where possible, the data was normalised as a percentage.

The majority of survey respondents achieve CSAT scores higher than 85%, although 14% report getting CSAT scores of under 75%.

**Figure 61: Customer satisfaction score**



Customer satisfaction score
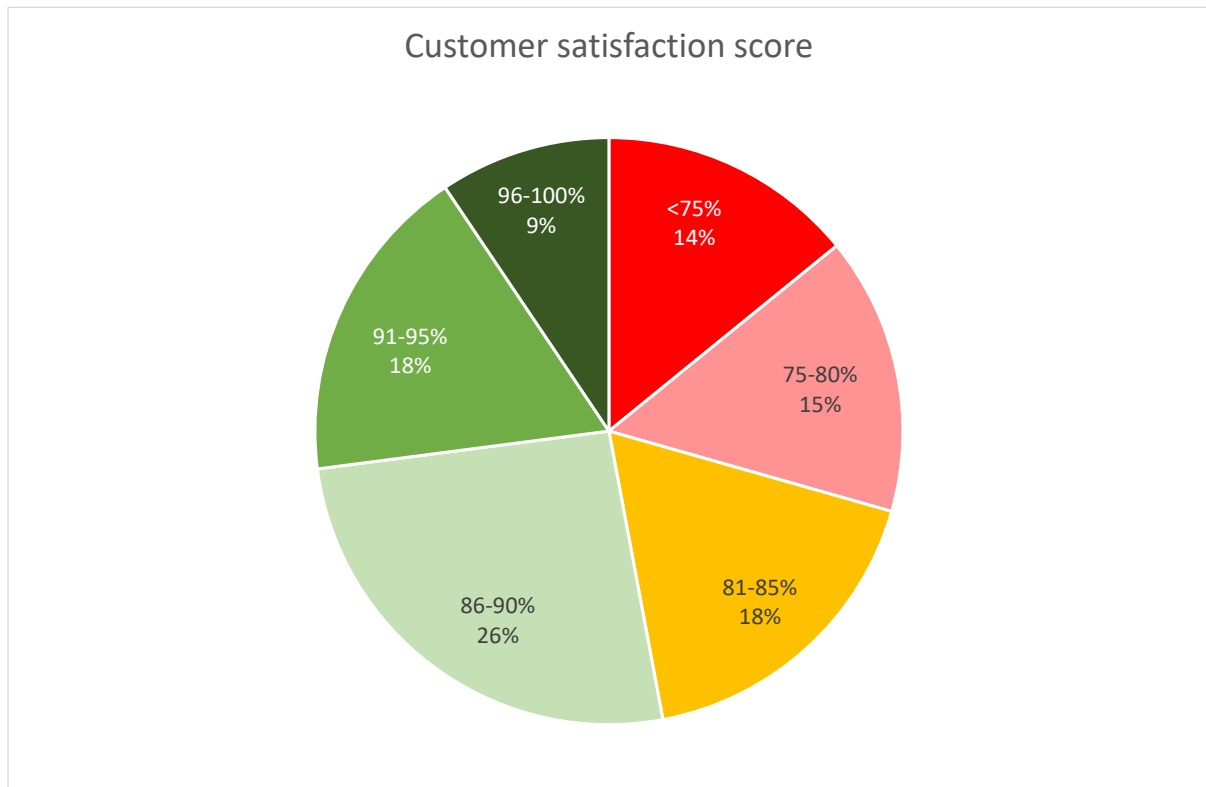
Only 11% of respondents were more than 10% below their target, with 48% above it, which is a slight improvement on last year.

On average survey respondents report being at 99% of their CSAT average.

Survey respondents were asked to pick a single customer experience metric upon which their board or senior management team most judged the success or otherwise of the customer experience programme.

There was a wide mix of responses, with NPS and customer satisfaction score accounting for 47% of responses.
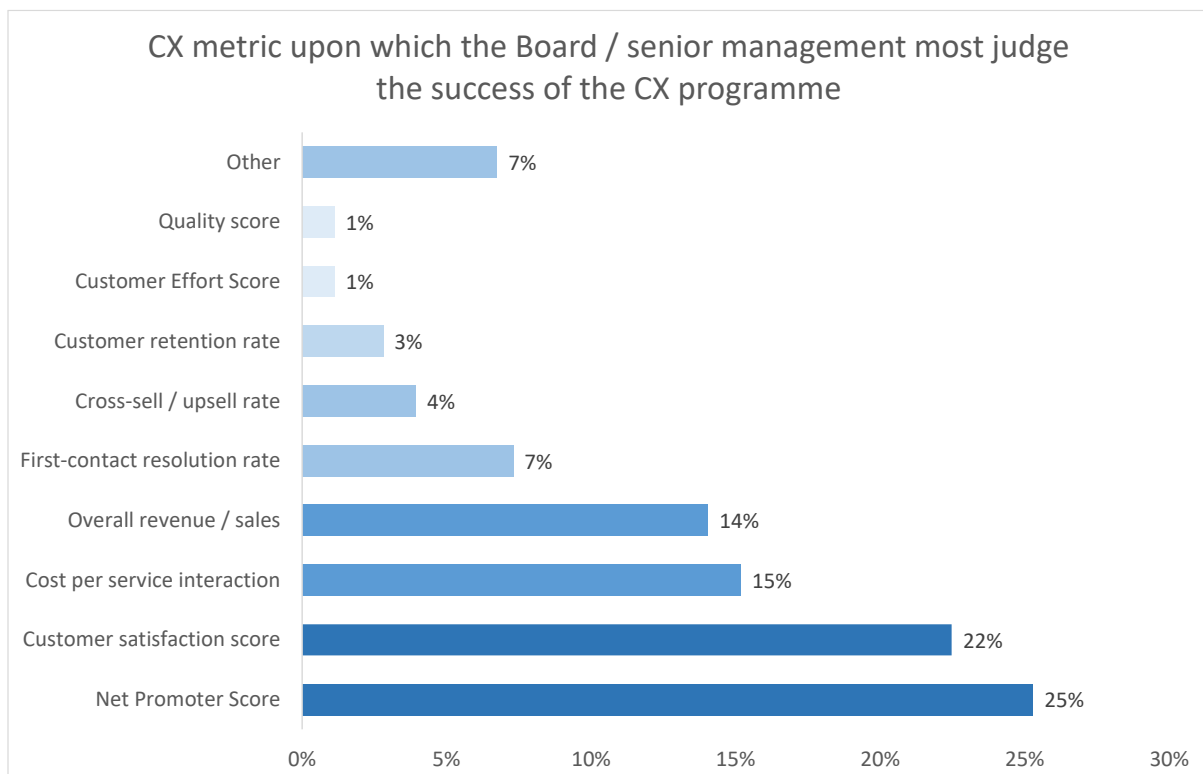
Of note is the fact that first-contact resolution rate was identified as being the key CX metric for senior management by only 7% of respondents, despite both the customer and business survey results earlier in this report showing clearly that first-contact resolution was the most important factor in influencing customer experience. However, this is an improvement on previous years' figures.

The 'other' category includes:

- Number of customer issues/complaints
- Service level
- Call response rates and anecdotal feedback
- Complaints per million
- Feedback from customers
- FTE (staff volume) reduction

**Figure 62: CX metric upon which the Board / senior management most judge the success of the CX programme**



CX metric upon which the Board / senior management most judge the success of the CX programme

| Metric | Percentage |
|---|---|
| Other | 7% |
| Quality score | 1% |
| Customer Effort Score | 1% |
| Customer retention rate | 3% |
| Cross-sell / upsell rate | 4% |
| First-contact resolution rate | 7% |
| Overall revenue / sales | 14% |
| Cost per service interaction | 15% |
| Customer satisfaction score | 22% |
| Net Promoter Score | 25% |

Non-commercial organisations were more likely to rate CSAT, FCR and cost per service interaction highly.

There was a strong positive correlation between contact centre size and the importance of NPS, with 67% of 1,000+ seat organisations stating this to be the most important metric compared to only 6% of sub-50 seat contact centres.

Smaller operations were also likely to place more emphasis on cost per service interaction.

Survey respondents were asked if their customer-facing employees were financially rewarded based on any customer experience factors. Only a minority stated that they did so.

27% of businesses reward agent based on quality scores, and 26% do so based on the cross-sell / upsell rate.

It is disappointing and surprising to see the lack of importance placed by respondents upon rewarding high first-contact resolution rates despite its overwhelming importance to the overall customer experience programme.

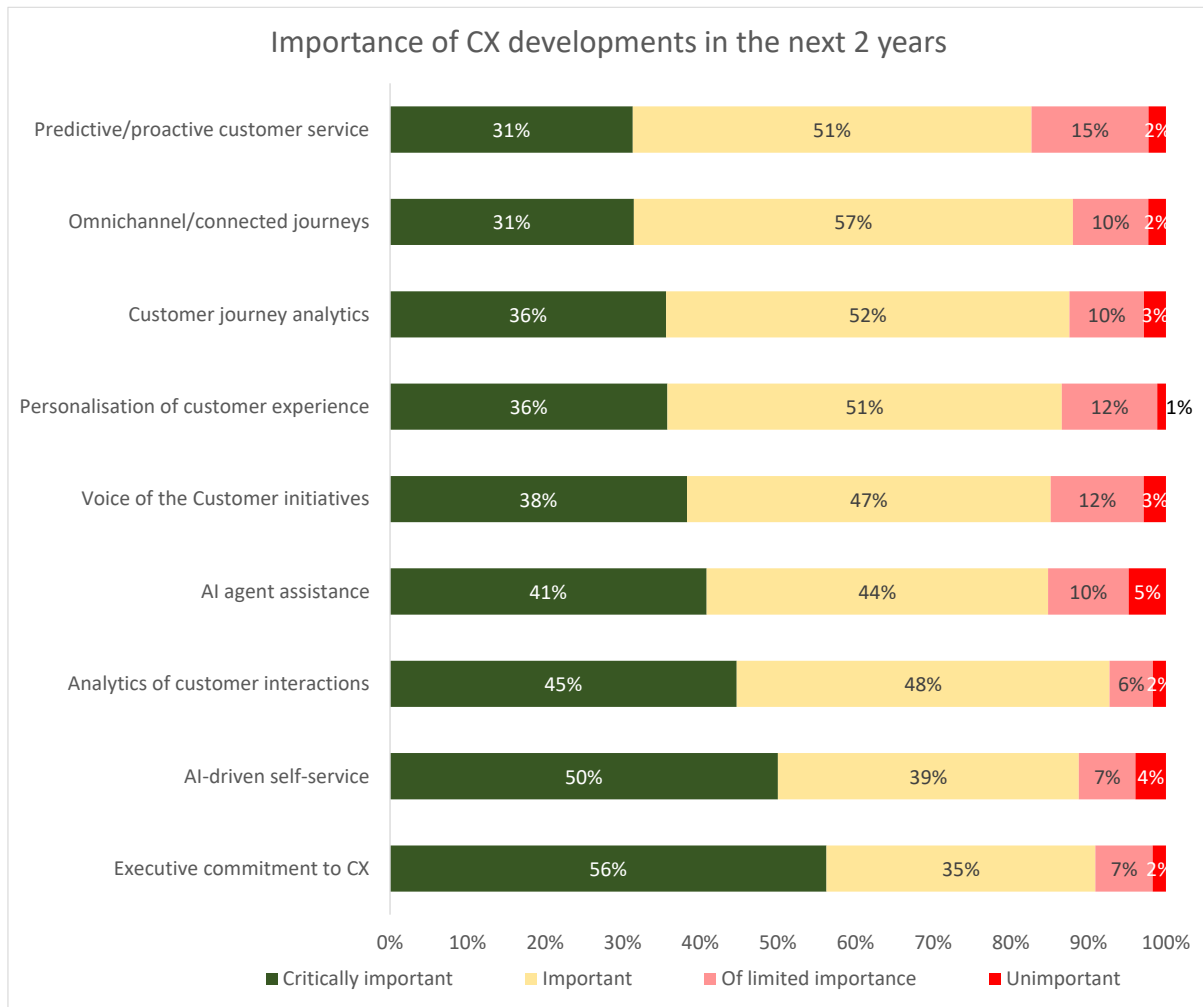**Figure 63: Are customer-facing employees financially rewarded based on any CX factors?**

## THE IMPORTANCE OF CX DEVELOPMENTS

Survey respondents were asked their opinion on how important various customer experience developments would be to their organisation in the next two years.

AI-driven self-service is the most popular choice amongst technology solutions – although 11% of businesses state that it is of little or no importance to them – but perhaps the most striking finding was that the most important factor determining the future success of the customer experience programme was not technology-related, but rather a requirement for the continuing and strengthening executive commitment to improving customer experience.

Without this ongoing support from the top levels of organisations, multi-departmental CX initiatives cannot hope to succeed.

**Figure 64: Importance of CX developments in the next 2 years**



Importance of CX developments in the next 2 years

| | Critically important | Important | Of limited importance | Unimportant |
|---|---|---|---|---|
| Predictive/proactive customer service | 31% | 51% | 15% | 2% |
| Omnichannel/connected journeys | 31% | 57% | 10% | 2% |
| Customer journey analytics | 36% | 52% | 10% | 3% |
| Personalisation of customer experience | 36% | 51% | 12% | 1% |
| Voice of the Customer initiatives | 38% | 47% | 12% | 3% |
| AI agent assistance | 41% | 44% | 10% | 5% |
| Analytics of customer interactions | 45% | 48% | 6% | 2% |
| AI-driven self-service | 50% | 39% | 7% | 4% |
| Executive commitment to CX | 56% | 35% | 7% | 2% |

## CONCLUSION: CX STRATEGIES

The business and consumer surveys carried out in the course of the research for this report show that while improving the customer experience is high on the agenda for many organisations, most businesses are still a long way from where they want to be.

The key findings of this report can be summarised, and various strategies suggested for maximising the customer experience while improving profitability and managing cost:

- Customer experience is widely seen by businesses as being an increasingly important competitive factor, with fewer respondents than ever wanting to compete primarily on price

- a key aim of customer experience improvement is cost management, although improving customer retention rates is seen as being vital component as well

- the main investment in customer experience improvement programmes is focused on technology, with business process improvements and employee training receiving similar amounts of support as each other

- live telephony is still by far the largest communication channel used by customers, comprising almost 65% of inbound interactions. Email is second with around 20%, although web chat and social media have risen strongly

- however, despite the prevalence of telephony, the majority of customer experience investment is going into digital channels

- CX technology was said by many survey respondents to be under-supported in that it did not give a single view of customers across channels, and many businesses (especially smaller ones) reported that they were being held back by the restrictions of legacy technology and inadequate budgets

- technology is not the only roadblock to CX: a lack of time and resource for CX improvements were also seen as being important

- businesses believe that the most important customer experience factors to a customer are first-contact resolution, short wait times and having a polite and friendly agent answer the phone. Having issues handled by a single employee is also seen as important, and can be linked to first-contact resolution rates

- from a consumer perspective, first-contact resolution and short wait times are also seen as being key to a positive customer experience. However, consumers also place far more emphasis on having UK-based employees to talk to than businesses believe

- depending on the nature of an interaction – whether emotional, urgent or complex – multiple channels will need to be offered to the consumer base, especially live telephony, email, web chat and web self-service

- most businesses believe that customers would be better off ringing the contact centre if they have anything to discuss that is urgent, complex or emotional

- there are significant differences in channel preference by age and socio-economic group, so businesses should look to see which their own customer base prefers and in which circumstances, so that support and investment can be planned accordingly

- there was a steep rise in customer preference for telephony for all types of interaction, starting during the pandemic, but still very much present today especially for complex enquiries

- interaction analytics is becoming increasingly useful in collecting and acting upon CX data, and has become mainstream

- AI is mainly being used for chatbots, in order to improve self-service and reduce the numbers of calls being handled. However, in reality many of these are rules-based bots rather than AI-enabled

- the use of AI for call transcription is growing rapidly, allowing low-risk post-call work (e.g. auto call disposition and note-taking) to take place

- there is significant growth expected in the use of AI, especially for self-service, live agent assistance and sentiment analysis

- users of AI, while positive about its effects on self-service and improving the knowledge base, are more ambivalent about the outcomes they have seen in other use cases

- most customers say AI is faster than human agents, but worse at understanding issues, resolving problems, providing accurate information and sounding friendly

- 54% report that AI gives less accurate information, creating a major barrier to trust and adoption

- 62% of customers would prefer to use AI in some situations rather than talking with a live agent, especially for quick answers to simple questions or to avoid queueing

- Customers are least willing to use AI for ongoing issues or complex queries, where human agents are strongly preferred

- Younger customers are far more accepting of AI, especially for convenience-driven use cases. Older customers generally prefer live agents and are highly sceptical

- 78% of customers are concerned that AI will make it harder to reach a human, reflecting long-standing frustrations with IVR and self-service systems

- 80% fear AI will misunderstand them or give inaccurate answers, fuelled by past poor chatbot and speech recognition experiences

- Customers doubt AI's empathy and understanding, though expectations for empathy from bots are generally low

- A significant number worry about hidden AI use. Transparency is increasingly seen as essential for trust and long-term satisfaction

- 67% are concerned about AI-driven job losses, reflecting recognition that human agents are often crucial for effective problem resolution

- first-contact resolution rate is generally not a primary indicator of the success of the CX improvement programme, despite both businesses and consumers indicating that it made the greatest difference to the actual customer experience

- only a small minority of companies reward customer-facing staff based on customer retention rates or first-contact resolution, which were stated to be the two of the most desirable outcomes of a successful CX programme

- the executive team's commitment to the CX improvement programme is seen as being more important than any business process or technology investment: without the former being in place, the latter simply won't happen.

The surveys show that the telephony channel must be strongly invested in and supported, not only in the present day, but also into the foreseeable future.

While digital channels and AI-based automation give the promise of a lower cost of service which is attractive to businesses, consumers state that they value telephony-based interactions, especially for queries that are out of the ordinary.

There is no expectation that live telephony will become unimportant at any time in the foreseeable future, as it provides reassurance and confidence. However, it will increasingly be focused on non-routine service enquiries, particularly of a complex, urgent and emotional nature.

Over time, the customer base will become more technologically sophisticated and comfortable with using automation, but businesses should be aware that this is a long and ongoing process and that dramatic changes in the short term are unlikely to have a positive effect on customer experience.

Organisations should consider rewarding agents for behaviours that support customer retention and improved first-contact resolution rates: something which is rarely done, despite the acknowledged importance of these metrics to the success of the customer experience programme and the business itself.

The findings of this report should encourage businesses to find out more about their own customers' preferences, and give an insight into what they actually value within an interaction. In this way, CX investments can be focused upon the areas and solutions that are valued most highly by customers, thus increasing retention rates and individual customer profitability while keeping service costs under control.

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