

Pathways to CX Progress: The opportunity for growth



Introduction

The customer experience (CX) landscape is changing faster than at any time in living memory. Customer expectations are evolving, influenced by the impact of the macro environment. Businesses are still dealing with the aftereffects of the global pandemic, economic challenges, and the growing number of vulnerable customers.

Having been through these downturns and learnt valuable lessons that have sometimes actually yielded benefits – such as how during the pandemic many companies fast forwarded their digital strategies, driving new growth channels – there is now a huge opportunity for businesses to focus on growth.

We now need to be looking forward, and Capita's industry reports have the insights that can inspire businesses to move into the future with positivity and innovation.



Industries

Select your industry below for specific industry-related insights:



Consumer Electronics



Energy



Media



Retail



Motor Finance and Leasing



Telco



Travel and Leisure



Water

Many CX professionals understand best practice within their own industry, but can benefit even further from the lessons and innovation across other industries.

Capita has been working with leading consultancy Future Collective to produce in-depth reports of the current state of play and the growth opportunities over the next 24 months in **key sectors**.

While there are characteristics specific to each of these sectors, as demonstrated by the statistics and quotes on these pages and within the reports themselves, there are several trends that span multiple industries. As a preview of what you can expect in the full reports, we've rounded up the key findings here.


Key findings

1. What customers want

Across physical touchpoints, consumers are seeking inspirational, contextual exploration, guidance and education. They are searching for deeper levels of connection and engagement with brands, and a shift from the experience economy to participation and ownership is underway.

During challenging times, brands must establish and maintain meaningful and trusted relationships with consumers – adapting to their changing needs and offering unrivalled support throughout the customer journey. Future customers demand better connectivity, but action is necessary to prevent a digital divide. Consumers want straightforward advice they can trust and transparent digital tools that help them make informed decisions.

They demand personalisation, effortless self-service and immediacy, and their changing behaviours are impacting the customer journey. Today's consumers are also seeking better value for money and the reassurance of enhanced flexibility and control. We're also witnessing a greater need for humanised advice, attention to detail and peace of mind.

A woman with long dark hair, wearing a brown beret and a green jacket, is looking into a mirror in a clothing store. She is adjusting the beret. In the foreground, a person's hand is visible, holding a pink garment. The background shows a clothing rack with various items.

“84% of respondents would be more likely to choose one car finance product over another if it included product bundles (breakdown cover, servicing).”

Source: Mintel – Car Finance, UK, 2022

2. How organisations are behaving

Organisations must stay ahead of evolving trends, connecting with consumers in new ways by embracing diverse physical formats and innovative models.

Brands must respond to consumer expectations of speed, immediacy, flexibility and control, leading with purpose-driven and collectively minded thinking to futureproof themselves and create better outcomes.

The opportunity is there to turn one-time transactions into meaningful long-term relationships and enhance the ownership experience. Informed decision-making is at the heart of empowerment – organisations must explore opportunities to communicate and educate consumers to help navigate the barriers they face.

Personalisation, self-service and immediacy of response are the keys to transforming CX. The switch to digital will continue to grow, but the human touch is still valued. To overcome distrust in the digital space, organisations must also address valid concerns about fraud to reassure customers.

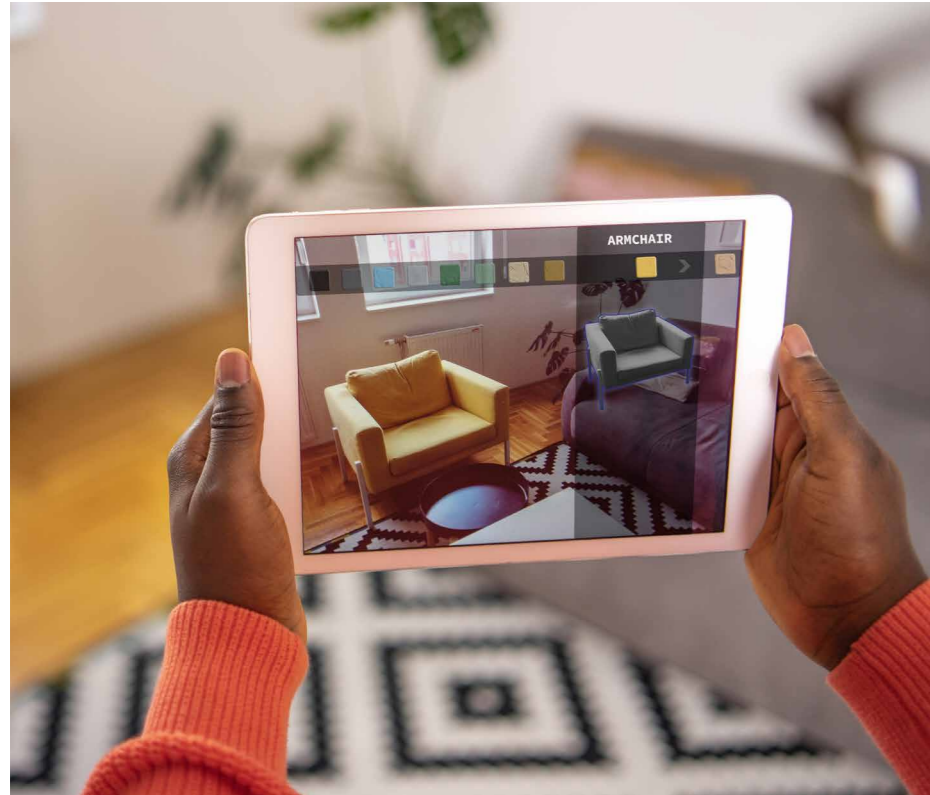


“72% of consumers say that poor personalisation decreases their trust in brands.”

Source: 2022 Adobe Trust Report

3. The wider business trends

The way consumers live, work and consume is transforming at a rapid pace, turbocharged and enabled by technological advances. The digital future embraces the potential of 5G and gigabit broadband and will shape the future of the workplace.



“Half of the public (51%) are unaware that the UK’s 3G mobile network is to be phased out”

Source: Uswitch, January 2023



Customer journeys are evolving at pace, adapting to rising expectations of CX and digital innovation, as well as shifting attitudes towards ownership versus subscriptions. And how experiences are delivered to consumers is opening up in new directions, with the rise of sustainable data-driven enterprises, expansion of the creator economy and extended reality futures (the metaverse, AR/VR).



“55% of UK adults see addressing climate change and protecting the environment as an excuse water suppliers are using to raise bills.”

Source: CCW, Bridging the Gap: Awareness and Understanding of Water Issues, 2022

4. The cost-of-living crisis, vulnerability and empathy


The current cost-of-living crisis impacts everyone differently, and so support from the companies that customers trust is integral – as well as a moral obligation. The crisis has increased consumers' distress both emotionally and financially, and so stretched consumers want to feel cared for and in control.

With increased financial difficulties, more people are experiencing vulnerability. Ensuring a sense of ease and nurturing consumers throughout the end-to-end journey is becoming essential. Understanding, empathy, and delivering the right levels of support to build trust and support must be at the forefront of CX.



“60% of consumers globally consider the process of navigating among different streaming services ‘a little’ to ‘very’ frustrating.”

Source: Accenture - Streaming's Next Act, 4 January 2022



“In the travel and tourism market, 74% of total revenue will be generated through online sales by 2027.”

Source: Statista – Travel and Tourism Report 2022, December 2022

5. Brands' social responsibility

To rebuild trust, brands must commit to delivering positive initiatives. Organisations can drive growth by empowering customers to consume in line with their values, while new technologies will drive innovation.


Increasingly wary of how and where they spend their money, today's consumers expect businesses to do everything they can to behave responsibly, valuing those that are caring and conscientious.

Customers need to be savvy in order to save money. However, low engagement means that they often do not connect with the organisations who provide their services.

Communication is one of organisations' pastoral responsibilities – they have a duty of care to be connecting with, informing and educating their customers, and low engagement often actually comes from a lack of connectiveness from the company itself.

“Over the past 10 years, consumers spent an average of £650 each on pieces of technology that weren't right for them.”

Source: Research by Currys – The Future of Shopping for Tech, currys.co.uk, 4 February 2022



“Within the utilities sector, average satisfaction with energy companies is 70.3, a decline of 3.8 points.”

Source: January 2023 UK Customer Satisfaction Index



Learn more

To learn more about how Capita can help your organisation to create better customer experiences, please visit www.capita.com/uncovering-opportunities