



experience 2030

# EXECUTIVE SUMMARY

We can see the future of customer experience a decade from now in the evolution of technology and the behavior and perceptions of consumers and brands today.



Welcome and thank you for your interest in this research paper, Experience 2030: The Future of Customer Experience. This paper is the result of a comprehensive global research study involving more than 4,000 consumers, executives, marketers and technology professionals to understand what defines customer experience today and how it's evolving through the year 2030. This executive summary provides a brief snapshot of key findings and insights from the report.

## WHY THE FUTURE OF CUSTOMER EXPERIENCE?

The past decade has seen the pace of technological advancement accelerate seemingly faster than ever. From computers to wearables to the IoT and the cloud, the digital era is defined by a continuous state of rapid evolution. Today's world is personified by innovation that happens at breakneck speed and by technology that has - and will continue to - reframe not only the competitive landscape, but also the way brands and consumers communicate and engage at all levels. This fascinates us. And if you're reading this report, it likely fascinates you as well.

What we know is simple. The brands that continue to grow and thrive into the coming decade and beyond are the ones that can not only integrate nimbleness and agility into their business practices, but also are committed to uncovering new ways to engage and drive loyalty with consumers.

For the purposes of this research study:

*Brands are entities such as companies, organizations, or governments that provide services, products, or information to consumers*

*Consumers are individuals, users, or citizens who consume or rely on products, services, or information from a brand.*

Our goal with this research study and report is to identify the various relationships between brands and consumers that shape customer engagements today, uncovering where they are aligned and where they are not, and provide insights to help brands bridge those gaps and build a forward-looking customer experience framework to help move their companies into the future. Let's get started.

# FIVE KEY THEMES DRIVING THE EVOLUTION OF CUSTOMER EXPERIENCE TO 2030

In the course of our research, we identified five key themes framing and driving the evolution of customer experience now and into the future. Those key themes are:

- › Smart technology: consumers don't use digital, they are digital.
- › Immersive technology: bridging the customer experience divide.
- › Digital trust: the evolving nature of trust.
- › Loyalty in the digital age: be a loyalty company, not a loyalty program.
- › Agility & automation: better engagement through technology.

Here's a quick look at those five key themes, why they matter, and how they affect brands today and in the future.

## SMART TECHNOLOGY: CONSUMERS DON'T USE DIGITAL, THEY ARE DIGITAL

We know that technology has changed the way consumers find, select, acquire, consume, and get support or information of any kind today. Our research illustrates where consumers are now and where they see themselves going with technology in the future.

Consumers are digitally savvy, using the web and their devices with increasing regularity to find what they want when they want it. Our survey respondents indicated

that **36 percent** of consumer households have three or more mobile devices currently in use and that **34 percent** already have two more smart assistant devices in their homes. Consumers are digital and getting more so all the time. That said, consumers are also wary of technology and the potential for brands to pry too deep into their personal lives and behavior. In fact, many are reluctant to embrace technologies that might in some instances be considered essential by brands for fear of intrusion into their lives.

This duality: the embracing by consumers of smart technology versus their inherent—and perhaps well-deserved—distrust of too much intrusion is a challenge brands must not only be aware of, but factor into their relationships and interactions with consumers at every level. Technology may be driving the future of customer experience, but not all technology is good technology in the eyes of the consumer. The data is clear: brands must consider both the value of the technology they use and how that technology may be perceived by their customers.

## IMMERSIVE TECHNOLOGY: BRIDGING THE CUSTOMER EXPERIENCE DIVIDE

Immersive technologies are, without question, agents of change. Immersive technology can absolutely be used by brands to help bridge the consumer divide. From wearable to embedded to augmented, these technologies can both capture and use data insights to provide the elements of mobile, immersive experiences where the consumer doesn't just experience the brand,

they become part of the complete brand experience. While our research showed that the use of augmented reality or virtual reality (AR/VR) devices is in the nascent stages for most consumers, consumers are clear on what they expect with regard to the future and the evolution of AR/VR. While **61 percent** of our consumer panel reported they had no AR/VR devices in their homes today, **60 percent** of them expect to use these technologies as part of an event or brand experience by 2025.

Today, consumers are dipping their toes in immersive technology, in some instances without even realizing it. They are using Snapchat or Instagram filters, using a heads up display while driving, and trying on glasses, apparel, or even paint colors in the home by way of AR. They are experimenting with viewing products or participating in events by way of VR experiences, opening up an entirely new way for brands to engage and bring consumers into a brand experience.

That's the real promise of augmented and virtual reality technologies, the in-store experience without the store, the enhanced information on a map without the map, the product instructions overlaid on the product without the manual.

Brands should take heed, considering how to bridge the divide between the real and virtual, and focus on integrating immersive experiences into the customer experience and creating deeper ties with, and connections to, consumers as a result.

# FIVE KEY THEMES DRIVING THE EVOLUTION OF CUSTOMER EXPERIENCE TO 2030

## DIGITAL TRUST: THE EVOLVING NATURE OF TRUST

The data is definitive on the point of trust: Trust-enabling technologies and a security-first mindset are the key to deeper customer relationships. Technologies like IoT, edge computing, the cloud, and blockchain enable brands to behave in a way that can inspire consumer trust. Trusted transactions, data security, transparent auditability—all these things help create both an informed experience on the part of consumers and an experience that inspires trust.

But technology alone isn't enough. Our research paints a very clear message: Security must be at the forefront of every business strategy and an integral part of brand messaging—a brand promise—to consumers. Our survey data shows that only **54 percent** of consumers agree that brands can be trusted to keep their data private, and **73 percent** are concerned with how brands use their personal data. The bar for brands is low, and consumer expectations are high.

While brands report they are embracing surveillance technologies and facial recognition software, consumers report they don't like these technologies. Brands must understand that consumers evaluate trust as a key element of their customer experience and they are uncomfortable with the lack of control they feel they have over their privacy and data.

It is critically important that brands address the high level of distrust on the part of consumers in order to remain viable moving into the future.

## LOYALTY IN THE DIGITAL AGE: BE A LOYALTY COMPANY, NOT A LOYALTY PROGRAM

Loyalty programs alone are not enough to drive consumer loyalty; brands must instead infuse loyalty into all aspects of the customer journey with a focus on personalization. Loyalty programs can – and should – be supplanted by loyalty companies, brands that consumers respect and trust.

But what drives loyalty in the digital age?

- › Our survey respondents told us that while 58 percent of brands consider quality as the highest-rated factor driving consumer loyalty, consumers placed quality second, behind low costs or discounts.

Some **41 percent** of brands reported that VIP programs, incentives, or surprises are likely to drive consumer loyalty, but only **19 percent** of consumer respondents agreed.

Consumers told us they prefer technology touchpoints as drivers of loyalty and repeat business, all geared toward making the discovery and purchase experience a more expeditious one.

# 73%

OF CONSUMERS ARE CONCERNED WITH HOW BRANDS USE THEIR PERSONAL DATA

But brands felt differently, focusing instead on support for alternative payment apps and the ability to order through smart home systems, for example, as more relevant and more likely to drive loyalty.

These are significant disconnects between consumers and brands, and an important part of what we sought to uncover by way of this research.

Brands who succeed in the coming decade will be the ones who put aside their preferences and biases and instead put the customer first, providing the services, features, and technologies that will deliver what consumers are seeking. Brands must be agile and adaptive to ever-evolving consumer needs, on a shorter time frame than ever before: Technology and data are the enablers of that agility and adaptability.

# FIVE KEY THEMES DRIVING THE EVOLUTION OF CUSTOMER EXPERIENCE TO 2030

## AGILITY & AUTOMATION: BETTER ENGAGEMENT THROUGH TECHNOLOGY

Agility and extreme automation are driving the future of brand engagements and customer experience. By 2030, agility and extreme automation will become the twin pillars of customer experience, allowing brands to deliver on promises they've made and meet the expectations of the consumer. In a world where customer demands are changing rapidly, the speed of performance is considered crucial to the creation of great customer experiences. Businesses must embrace agility and be able to use automation to reduce risk, improve consistency of performance, and increase responsiveness to consumer needs.

Based on our research, we see opportunities for brands in several areas, including:

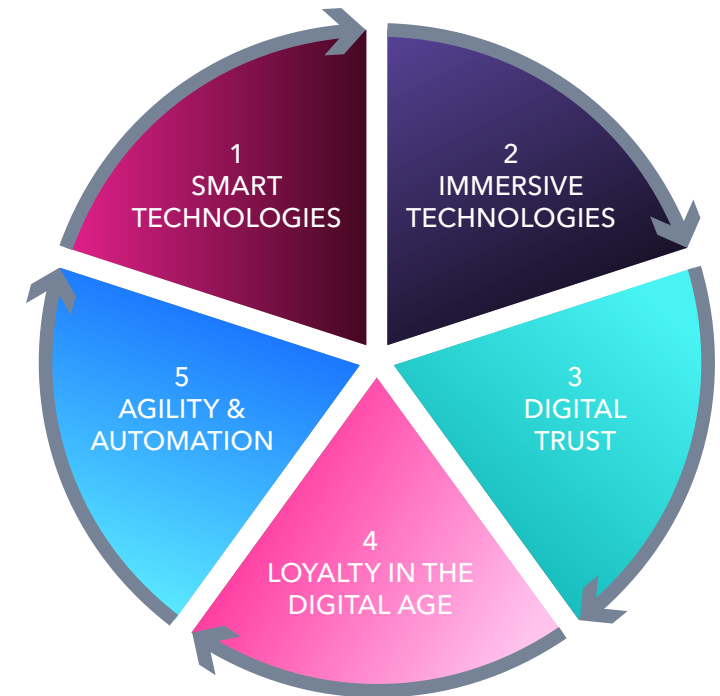
- › Embracing the use of AI-powered automation in customer service operations to streamline processes and serve up better, more rewarding experiences for customers (and employees).
- › Empowering customer service agents to work alongside automation, adding a human element and empathy to customer communications and problem resolution.

- › Using data to more effectively personalize experiences so that customers feel a deeper connection to the brands and services they use.
- › Using consumer behavior data to create better, more rewarding, more expeditious user experiences when consumers interact online, no matter the channel.

Brands know that with speed comes risk, but without speed and the ability to rapidly adapt to change, no business can survive.

Automation can provide businesses the agility they need, speeding up decision-making and execution as well as minimizing risk. In the coming decade, however, brands must balance the use of smart machines for performance with the empathy that the human element brings to the equation, and they must learn how to balance each within their organizations. Technology, especially if consumer-facing, should be a tool used to augment, not replace, humans.

These five key themes - smart technologies, immersive technologies, digital trust, loyalty in the digital age, and agility & automation - are driving the evolution of customer experience from now, through and into 2030.



Take a journey with us through the story our research tells so that you can prepare your organization for success now and into the coming decade.