FORRESTER®

Hybrid CX: The Gateway To True Customer Engagement

Understand The Way Forward For Customer Experience Delivery In An Omnichannel World

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Hybrid Is The New Paradigm For Customer Experience

Whether they are shopping, banking, or paying bills, consumers not only expect to be able to reach services providers on a myriad of touchpoints — from physical to digital and even social avenues — but they also want their experiences to be seamless, consistent, and personalized across channels. As the number of iterations grows, it has become more complex and challenging for businesses to understand their customers' journeys and manage their communications and experiences accordingly.

To explore what businesses in Asia Pacific are doing to address these hybrid CX trends, Quadient commissioned Forrester to conduct a study of 180 senior customer experience (CX) leaders in Australia, Malaysia, New Zealand, and Singapore. We looked at some of their challenges in delivering hybrid CX and the technologies they are adopting to help them tackle these challenges.

Key Findings

Over 70% of firms agree: Consumers expect omnichannel service delivery, and they expect their experiences to be seamless, consistent, and customized as they move from touchpoint to touchpoint.

Ninety-five percent (95%) of respondents from Singapore and Malaysia believe that they still need the right tools to implement hybrid CX effectively.

Seventy-seven percent (77%) of Singapore and Malaysia respondents and 75% of Australia and New Zealand respondents consider customer communications management (CCM) tools to be key to delivering the personalized service communication their customers desire.

Overview

Situation

Approach

Opportunity

Conclusion

Consumers Want Variety And Consistency In Channel Experiences

Despite the rise in demand for digital experiences, the physical channel is here to stay. Seventy-three percent of respondents surveyed say their customers prefer a combination of in-person and digital service channels. In contrast, only 34% feel that their customers would want digital-only service.

Furthermore, respondents acknowledge the high standards consumers expect of their channel experiences — to be seamless, consistent, and customized.

Banking and insurance firms, especially, feel the pressure to excel at both physical and digital channels: 81% of respondents at these firms say their customers prefer in-person experience while 60% say customers prefer digital-only experience.

Our customers expect their experience to be . . .

Seamless
77%

Consistent
74%

Customized
72%

Overview

Situation

Approach

Opportunity

Conclusion
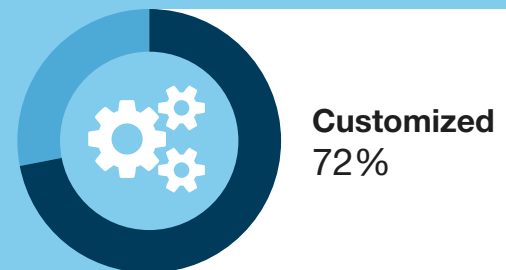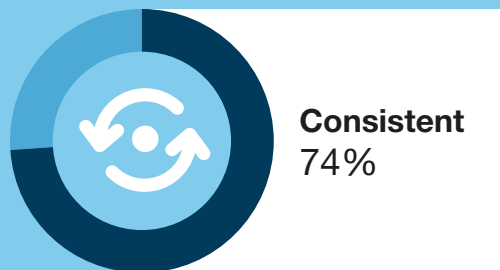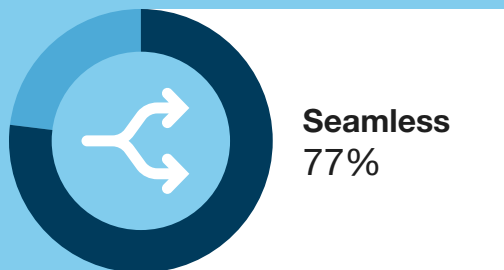
Hybrid CX Will Improve Overall CX Performance And Loyalty

With the dynamic needs of customers, organizations have aligned their CX and IT initiatives and priorities in tandem. Overall, respondents' top CX initiatives include personalizing their customer service (44%) and understanding their customer journeys better (38%).

Eighty-one percent (81%) of respondents surveyed believe that deploying hybrid CX will improve the overall CX performance of their business and that it will drive customer loyalty (72%).

Hybrid CX and customer loyalty:

Seventy-eight percent (78%) of Singapore and Malaysia respondents and 84% of Australia and New Zealand respondents believe a hybrid CX model will build customer loyalty, given the end customer service demands it serves to address.

"To what extent do you believe the following are advantages of deploying a hybrid CX model?"

● Agree   ● Strongly agree

	Agree	Strongly agree
Improves overall CX performance of my organization	53%	28%
Invokes positive emotions in end customers that drive customer loyalty	51%	21%
Brings efficiency and ease in providing customizable services and communications	44%	25%
Makes customers believe that their needs are cared for	48%	17%
Improves the ability to track customer interactions with the customer	44%	18%
Makes customers more aware of product and service updates	38%	22%

Base: 180 decision makers at large companies responsible for customer experience strategy in their organizations
Source: A commissioned study conducted by Forrester Consulting on behalf of Quadient, May 2019

Overview

Situation

Approach

Opportunity

Conclusion

Balancing CX Budgets Across Digital And Physical Channels

Across all three industries covered in the survey, budgets are shifting toward improving digital and hybrid experiences. While banks already spend the majority of their budget on digital and will continue this trend, utilities and telecommunications firms slightly prioritize physical CX over digital for now. However, they expect a budget that is more evenly split between digital and physical in three years, emphasizing the importance of investing in maintenance of physical CX, even as they focus on digital transformation.
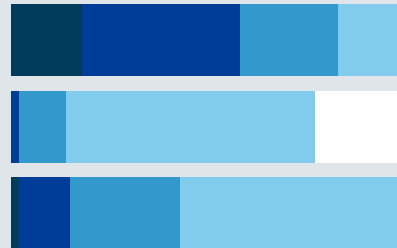
"Using your best estimates, where are your CX resources (i.e., budget) currently focused? How will this change in three years?"

- 100% digital
- 75% digital
- 50%/50% split
- 75% physical
- 100% physical

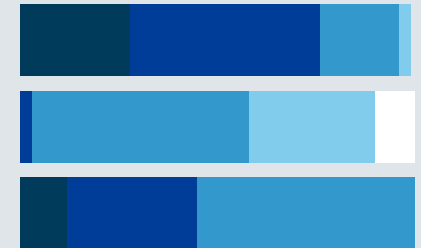Banking & insurance

Utilities

Telecommunications

NOW

100% physical ——————— 100% digital

IN THREE YEARS

100% physical ——————— 100% digital

Firms Are Also Aligning IT Priorities To Help Them Serve Customers Better

Respondents recognize the role that IT must play in helping them deliver a hybrid experience. In particular, they are looking for technology solutions that will enhance their omnichannel presence and service delivery, as well as understand their customers' journeys and needs better.

- **BFSI: 82% consider enabling omnichannel service to be an important IT priority, especially in the retail banking space.**

- **Telcos: 81% are concentrating on improving their mobile and digital engagements with customers.**

- **Utilities: More than half are keen to expand their digital service offerings to balance their CX initiatives between physical and digital channels.**
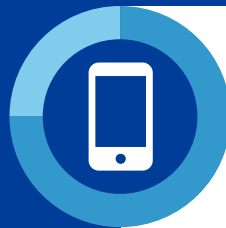
"To what extent are the following IT priorities important to your organization?"

(Showing % indicating initiative as critical or high priority)

Improve visibility of the customer through analytics and seamless integration across service channels

77%

Improve mobile and digital engagement channels with customers

75%

Enable omnichannel service delivery with greater visibility of systems

73%

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Source: A commissioned study conducted by Forrester Consulting on behalf of Quadient, May 2019

Overview

Situation

Approach

Opportunity

Conclusion

Operational Silos Across Channels And Technology Shortfalls Are Barriers To Hybrid CX

However, firms face several challenges when trying to implement hybrid CX. Over half of respondents cite the need to overcome operational silos as key to implementing hybrid CX, and 40% still recognize channel integration as "a complex process." This is especially the case in markets like Australia and New Zealand, where 57% consider operational silos to be a considerable challenge. Addressing these needs with the right technology to integrate channel offerings will alleviate these challenges.

"Which of the following are challenges in implementing a hybrid CX model in your organization?"

Overcoming internal operational silos	53%
Lack of technology and tools to integrate channel offerings	47%
Complex processes for channel integration	40%
Lack of buy-in from senior management on the need for a hybrid CX model	34%
Lack of budget	26%
Understanding how customers are moving through different channels and touchpoints	23%
Lack of skills and training on innovating towards a hybrid CX capability	19%
Integrating legacy technology with new ones	17%

Base: 180 decision makers at large companies responsible for customer experience strategy in their organizations
Source: A commissioned study conducted by Forrester Consulting on behalf of Quadient, May 2019

Overview
Situation
Approach
Opportunity
Conclusion

Firms See Customer Communications Management Tools As An Enabler Of Hybrid CX Delivery
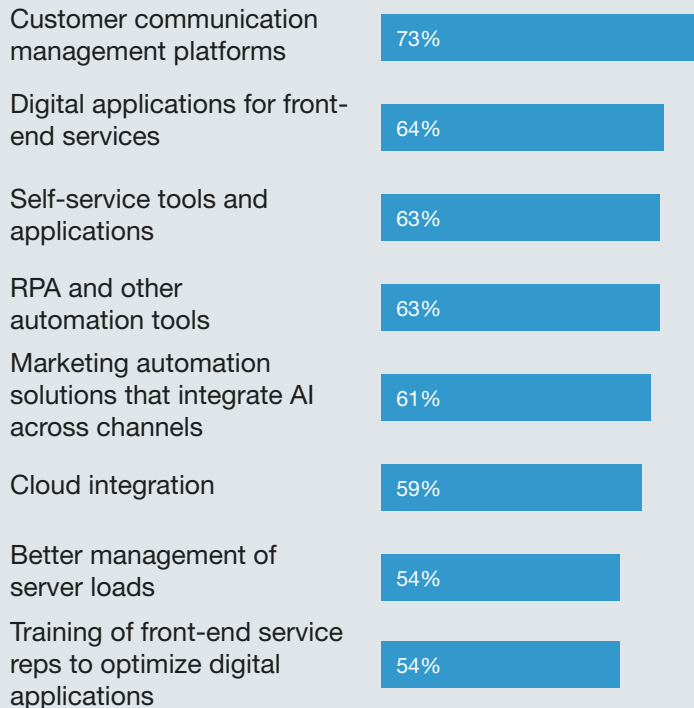
Surveyed respondents recognize the value of different technological investments in CX. They see customer communication management platforms, which help businesses provide more personalized, timely, and engaging service communications, as a key enabler for delivering hybrid CX. Already, 29% of respondents have adopted CCM as part of their core IT philosophy, and 51% are piloting CCM solutions. Respondents also perceive other automation and self-service technologies as having significant impact on hybrid CX abilities.

In particular, respondents see automation, analytics, and digitalization features of CCM platforms as key features to enable hybrid CX.

"Which of the following investments do you believe will enhance your organization's ability to deliver hybrid CX?"

(% respondents who considered this initiative a high or critical priority)

Customer communication management platforms	73%
Digital applications for front-end services	64%
Self-service tools and applications	63%
RPA and other automation tools	63%
Marketing automation solutions that integrate AI across channels	61%
Cloud integration	59%
Better management of server loads	54%
Training of front-end service reps to optimize digital applications	54%

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Source: A commissioned study conducted by Forrester Consulting on behalf of Quadient, May 2019

Overview

Situation

Approach

Opportunity

Conclusion

Conclusion

The customer journey is only getting more complex as more avenues for engagement and communication become available. Already, consumers have come to expect a truly hybrid experience that is seamless, consistent, and personalized.

To build true engagement with these customers, organizations must address demands of in-person service and digital convenience through a hybrid customer experience model. Business leaders need to adopt the right tools and technologies not only to enable hybrid CX delivery but also to bridge the gaps across operational silos and complex processes that deter its effectiveness. CCM solutions promise to address one core aspect of the customer's hybrid experience — by providing timely, personalized communications. To get the most out of CCM, firms should choose solutions that offer automation and digitalization to improve visibility and management of their customer journeys.

Project Director:
Josephine Phua, Associate Consultant
Sruti Pegatraju, Consultant

Contributing Research:
Forrester's Customer
Experience research group

Overview

Situation

Approach

Opportunity

Conclusion

Methodology

This Opportunity Snapshot was commissioned by Quadient. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of 180 senior CX leaders. The custom survey began and was completed in May 2019.

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

Demographics

COUNTRY

Australia: 33%

Malaysia: 17%

New Zealand: 17%

Singapore: 33%

POSITION OF RESPONDENT

CXO/CCO: 6%

Other C-level exec: 13%

VP: 28%

Director: 52%

ANNUAL REVENUE

$500M to $1B: 32%

$1B to $5B: 51%

> $5B: 17%

INDUSTRY

Banking & insurance: 33%

Telecommunications: 33%

Utilities: 33%

Note: Percentages may not total 100 because of rounding.