

# Trends 2016: The Future Of Customer Service

## Vision: The Contact Centers For Customer Service Playbook

by Kate Leggett

January 5, 2016

### Why Read This Report

In the age of the customer, executives don't decide how customer-centric their companies are — customers do. Changing customer expectations for easy and effective service that is deeply personal are shaping customer service technology priorities. This report summarizes the top 10 customer service trends for 2016 that application development and delivery (AD&D) pros supporting customer service operations must pay attention to in order to deliver customer service excellence.

This is an update of a previously published report; Forrester reviews and updates it periodically for continued relevance and accuracy.

### Key Takeaways

#### **Customer Service In 2016 Demands Customer Obsession**

Customer service organizations must build upon a foundation of operational efficiencies to deliver differentiated service experiences in line with customer expectations. Only this level of customer obsession will result in higher levels of loyalty and company revenue.

#### **Customer Service Must Be Easy, Be Effective, And Instill Positive Emotion**

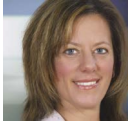
Customers will explore emerging communication channels and touchpoints. Yet, they will continue to expect easy, effective service interactions that foster an emotional bond between the customer and company. Companies must leverage insights from past interactions, transactions, and connected devices to deliver upon these expectations.

#### **The Customer Service Technology Ecosystem Will Consolidate**

Delivering customer service involves a set of technologies that fall into three main software categories: queuing and routing, CRM customer service, and workforce optimization. We predict that these software categories will consolidate to facilitate the delivery of better customer service.

# Trends 2016: The Future Of Customer Service

## Vision: The Contact Centers For Customer Service Playbook



by [Kate Leggett](#)

with [Stephen Powers](#), [Ian Jacobs](#), [Maxie Schmidt-Subramanian](#), [Arelai Ephraim](#), and [Peter Harrison](#)

January 5, 2016

---

### Table Of Contents

- 2 Differentiated Service Delivers Real Value
- 3 Customer Service Must Be Easy
- 6 Deliver Effective Customer Service
- 8 Forge An Emotional Bond With The Customer

---

Recommendations

- 9 Pragmatic Execution Is The Key To Success
- 11 Supplemental Material

### Notes & Resources

We reviewed Forrester's most recent research in the customer service and CRM solutions space. We also analyzed our most recent inquiries from customer service solution buyers and users, vendors, industry analysts, and the media.

### Related Research Documents

[Demands For Effortless Service Must Influence Your Customer Strategy](#)

[The Forrester Wave™: Customer Service Solutions For Enterprise Organizations, Q2 2014](#)

[TechRadar™ For AD&D Pros: Contact Center Solutions For Customer Service, Q1 2015](#)

**Trends 2016: The Future Of Customer Service**

Vision: The Contact Centers For Customer Service Playbook

## Differentiated Service Delivers Real Value

In the age of the customer, executives don't decide how customer-centric their companies are — customers do. And while good customer experiences (CXes) can help control costs, it's the potential for sustainable top-line growth in which company executives are more interested. They would love to see results like AT&T achieved in 2014 when revenue from its U-verse service grew 28% after improvements in its TV and ISP product experiences.<sup>1</sup>

Good service — whether it's to answer a customer's question prior to purchase or help a customer resolve an issue post-purchase — should capture the fundamentals of a great experience: ease, effectiveness, and emotion.<sup>2</sup> For many companies, this level of service is a cornerstone of their customer experience strategy. As a result, customer service technology is high on the list of investment priorities this year.<sup>3</sup> However, customer service organizations still primarily focus on internal operational measures to contain costs and not on outside-in measures tied to delivering better customer service. As a result, the quality of customer service often misses the mark.

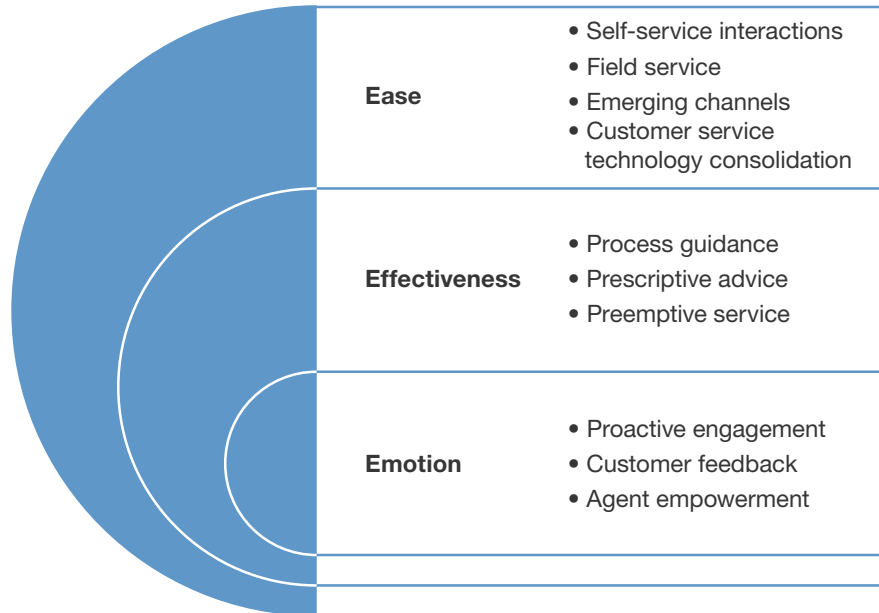
## The Ever-Changing Customer Service Vendor Landscape Creates Risk

The customer service technology ecosystem has grown more complex over time as new communication channels and touchpoints become available. For example, vendors are deeply integrating customer service capabilities into eCommerce technologies and allowing them to be embedded into apps and devices. Vendor mergers and acquisitions create risks for customer service planners.<sup>4</sup> In addition, organizations that own customer service touchpoints historically have not shared the same objectives, reporting structures, funding, business processes, data management strategies, technology, or culture.<sup>5</sup>

Looking ahead, Forrester sees 10 trends for 2016 that AD&D professionals supporting customer service operations should take into account as they move the needle on the quality of service they deliver (see Figure 1).

**Trends 2016: The Future Of Customer Service**

Vision: The Contact Centers For Customer Service Playbook

**FIGURE 1** Top Customer Service Trends For 2016

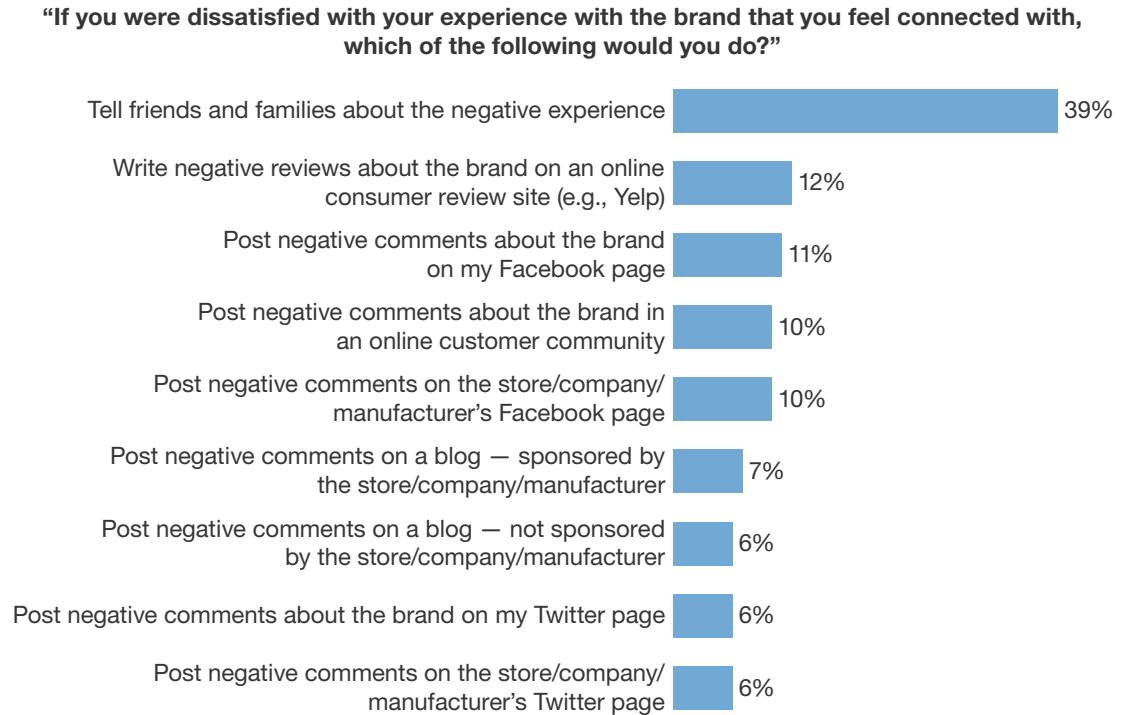
## Customer Service Must Be Easy

Customers want to be empowered to get a question answered or an issue resolved at any point during their engagement journey with a company, and they expect easy service interactions. Over half of US online adults will abandon their online purchase if they cannot find a quick answer to their questions, and 73% say that valuing their time is the most important thing a company can do to provide them with good service — up two points from 2012.<sup>6</sup> Customers are often frustrated with the effort that it takes to receive customer service. They are quick to voice their disappointments, which are amplified via social channels and can ultimately lead to brand erosion (see Figure 2).<sup>7</sup>

Companies must make it easy for customers to get service over the touchpoint and channel of their choice at any point in their journey. If companies do so, they will find that customers contact them more frequently and over a greater range of channels. These contacts increase the opportunities for companies to foster ongoing dialogues and relationships with their customers that strengthen loyalty and retention.

**Trends 2016: The Future Of Customer Service**

Vision: The Contact Centers For Customer Service Playbook

**FIGURE 2** How Customers Complain About Poor Service

Base: 4,462 US online adults (18+) who make purchases from a brand they feel connected with

Source: Forrester's North American Consumer Technographics® Customer Life Cycle Survey 2, 2014

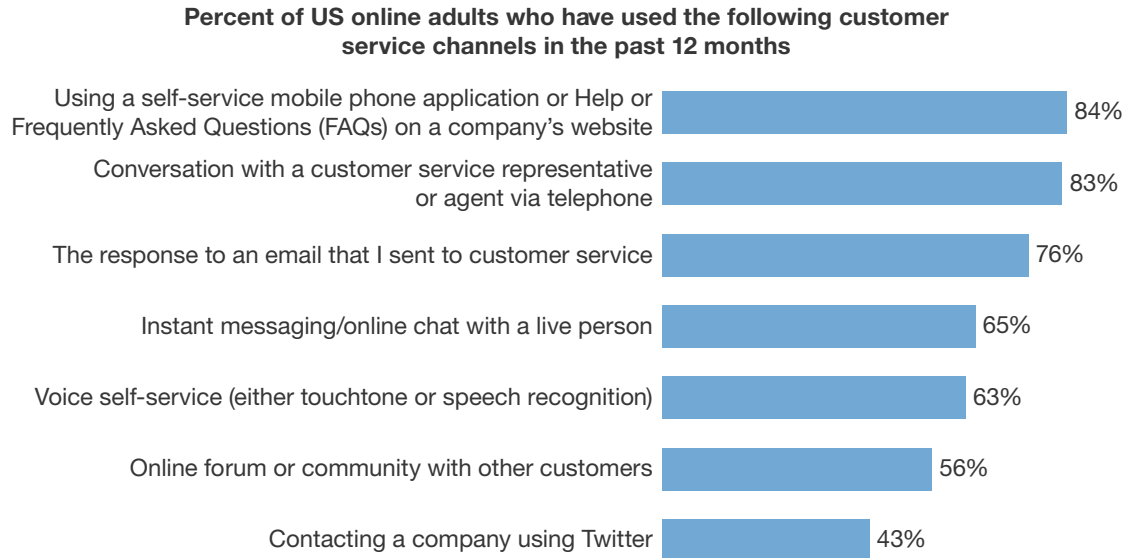
**Trend 1: Companies Will Make Self-Service Easier**

Customers want to use a breadth of communication channels and touchpoints to interact with a customer service organization and are likely to start their interactions online.<sup>8</sup> In 2015, we found that web and mobile self-service interactions exceeded interactions over live-assist channels, which are increasingly used by customers as escalation paths to answer harder questions whose answers they can't find online (see Figure 3). Self-service is a win-win for customers and customer service organizations: Customers are satisfied because service is efficiently delivered in a frictionless manner, and companies are satisfied because they can contain costs by deflecting agent-assisted interactions.

In 2016, we predict that customer service organizations will make self-service easier for customers to use by shoring up its foundations and solidifying their knowledge-management strategy. They will start to explore virtual agents and communities to extend the reach of curated content. They will look at ways to make knowledge more ubiquitous and reduce its manual overhead. They will start embedding knowledge into devices — like Xerox does with its printers — or delivering it via wearables to a remote service technician.<sup>9</sup> They will also explore cognitive engagement solutions that take input, learn from that input with human assistance, put the content into context, and make relevant, evidence-based recommendations.<sup>10</sup>

**Trends 2016: The Future Of Customer Service**

Vision: The Contact Centers For Customer Service Playbook

**FIGURE 3** Consumers Increasingly Use Self-Service Channels For Customer Service

Base: 4,473 US online adults (18+) online weekly or more

Source: Forrester's North American Consumer Technographics® Customer Life Cycle Survey 2, 2015

**Trend 2: Field Service Will Empower Customers To Control Their Time**

Customers demand that their time be valued — whether on a call, in a chat, or while waiting for a service technician to troubleshoot and fix their product. They want to be able to book appointments online for a service technician visit within narrow time blocks and be proactively notified of any delay. They want the service technician to have a full view of relevant past interactions and their full case history so that he or she shows up with the right parts, at the right location, and at the right time.

In 2016, customer service organizations will better support customer journeys that start with an agent-assisted service interaction and end with a service call. They will explore lighter-weight field service management capabilities, which give customers self-service appointment management capabilities and allow agents to efficiently dispatch technicians and manage their schedules. They will empower service technicians with mobile devices that function offline and allow access to customer and product history, provide asset management, and streamline returns and customer paperwork.

**Trend 3: Companies Will Explore Emerging Channels To Reduce Friction**

Customers want to move between channels without having to repeat their situation every time.<sup>11</sup> They want to get service at any point in their pre- or post-purchase journey. They use time-saving options, such as scheduling a call-back from an agent instead of waiting in a queue or even navigating a visual interactive voice response (IVR) on their mobile phone, which streamline the process of connecting to the appropriate customer service agent.

**Trends 2016: The Future Of Customer Service**

Vision: The Contact Centers For Customer Service Playbook

In 2016, customer service organizations will look for ways to reduce friction. They will explore new channels such as messaging apps like Facebook Messenger and WeChat, video chat, and remote control of devices to perform tasks on the customer's behalf.<sup>12</sup> They will steer customers to low-friction channels — directing a caller to a chat interaction when queue wait times are long. They will also explore real-time voice biometrics to passively authenticate customers instead of using intrusive security questions. These channels improve the experience. For example, the UK footwear retailer Schuh reported lifts of 4x in conversion rates and 10% in average order values for sessions involving video instead of text chat.<sup>13</sup>

**Trend 4: The Customer Service Technology Ecosystem Will Consolidate**

The customer service process involves complex software that falls into three main categories: queuing and routing technologies, customer relationship management (CRM) customer service technologies, and workforce optimization technologies.<sup>14</sup> These categories are mature, and leading vendors within each category offer robust end-to-end solutions in which many capabilities are commoditized. Today, companies use solutions from each of these three software categories, which you must integrate to deliver quality customer service.

We believe that the combination of: 1) mature software categories in which vendors are struggling with growth opportunities; 2) the rise of robust software-as-a-service (SaaS) solutions in each category; 3) rising buyer frustration; and 4) the increasing importance of delivering simpler and smarter customer service makes for ripe conditions for further consolidation to happen in the marketplace, putting in question the long-term direction of vendors that will be acquired. This consolidation will make it easier for buyers to support the end-to-end customer service experience with a single set of vendor solutions.

**Deliver Effective Customer Service**

Customer service organizations provide differentiated experiences for broad customer segments. Now they need to go further, first by delivering the right service experience — either self-service or agent-assisted — to the right user at the right time.

**Trend 5: Process Guidance Will Effectively Standardize Service Delivery**

Customer service organizations are formalizing agent actions to streamline service delivery, minimize agent-training times, ensure regulatory and company policy compliance, and control costs.<sup>15</sup> They increasingly leverage vendor-defined best-practice process flows and industry-specific solutions as starting points and extend these process flows in ways that uniquely differentiate their offerings. These process flows lead agents through a set of steps that map to UI screens. Agent screens contain the scripts, content, and back-end data that are relevant to a particular step in the process to enable agents to effectively resolve a customer's issue.

**Trends 2016: The Future Of Customer Service**

Vision: The Contact Centers For Customer Service Playbook

In 2016, expect to see continued focus on guiding agents through the service resolution process and the end-to-end process, which can involve back-office tasks. Customer service vendors will continue to mature their offerings with simpler visual modeling tools geared toward the business user. Watch for a greater focus on industry-specific solutions for midsize as well as enterprise organizations. We will see better reporting and analytics to monitor overall key performance indicators and optimize the success of each process flow.

**Trend 6: Prescriptive Advice Will Power Offers, Decisions, And Connections**

Decisioning — automatically deciding a customer's or system's next action — is pervasive in customer service organizations. Rules drive the routing of interactions to the right resource, and firms use them to recommend answers to customer questions. Many organizations use a combination of rules and analytics to present personalized cross-sell and upsell offers to customers — all tactical uses of decisioning. But organizations fall short on leveraging the true power of analytics. They often don't understand customer segments, typical customer journeys, the events that triggered a service interaction, and the best resolution to these issues.

In 2016, organizations will begin to extend the power of analytics to prescribe the right set of steps for customers or agents to more effectively service customers. This includes correlating online behavior with requests for service and suggesting changes to agent schedules and forecasts. They will learn to better route a customer to an agent who can most effectively answer a question based on skills and behavior data. They will better understand customer call patterns and preempt future calls.

**Trend 7: Insights From Connected Devices Will Trigger Preemptive Service**

Analysts expect connected devices to proliferate to 30 billion by 2020.<sup>16</sup> Companies use support automation to preemptively diagnose and fix issues. For example, Tesla Motors pushes software patches to connected cars. Nintendo monitors devices to understand customer actions right before the point of failure. EMC Isilon monitors its connected, clustered file storage hardware to minimize downtimes, and it provides mission-critical customer support to customers like Harvard Medical School, Jaguar Land Rover, and Viacom.<sup>17</sup> Preemptive service wins on all fronts: faster resolution at lower costs, better planning, and anticipation of future customer needs.

In 2016, the Internet of Things (IoT) will continue to transform companies from being products-based to services-based. Examples abound where companies are starting to monitor the state of equipment via IoT: Rolls-Royce Motor Cars already offers its jet engines with hourly maintenance costs or "Power by the Hour." Trane and Carrier offer cold air as a service instead of requiring building owners to buy and operate chillers.<sup>18</sup> To make the business model of IoT work, companies must keep a close eye on emerging interoperability standards: device-to-network connectivity; data messaging formats that work under constrained network conditions; data models to aggregate, connect with contact center solutions, and act on the data via triggers; and alerts to service personnel or automated actions.<sup>19</sup>



**Trends 2016: The Future Of Customer Service**

Vision: The Contact Centers For Customer Service Playbook

## Forge An Emotional Bond With The Customer

Negative experiences skew a customer's impression of customer service — these emotions have a lasting effect, as customer service is typically one of the last steps in a customer's journey with a company. For example, the pain we feel from getting hit with a \$20 fee is two to five times worse than the pleasure we derive from a \$20 reward.<sup>20</sup> Customer service organizations must strive to form an emotional bond with their customers by looking out for their best interests, identifying points of friction, and empowering agents to do the right thing for the customer.

For example, Delta Air Lines avoids making a bad situation worse when passengers call about a canceled flight. Its IVR can tell when the caller ID field matches a mobile phone that recently received a cancellation notice via text message. It skips the standard menu in favor of a single, context-aware question: "Are you calling about the text message we just sent you?" Banana Republic Credit Card customer service also instills positive emotion into customers' experiences. When a customer is hit with a nonpayment fee and calls the company, Banana Republic's IVR asks the customer whether he is calling about this fee, and it offers to waive it one time.

### Trend 8: Companies Will Explore Proactive Engagement

Proactive engagements anticipate the what, when, where, and how for customers and prioritize information and functionality to speed customer time-to-completion.<sup>21</sup> You can monitor customer journeys, and you can use insights proactively to trigger outreach via, for example, an invitation to chat or co-browse, an offer or coupon, or a multimedia tutorial at the right time when customers require assistance. Sears engages visitors who show a propensity for purchasing products, it reports a 20% lift in revenue by using proactive engagement, and it has a customer satisfaction score (CSAT) of 90%.<sup>22</sup>

In 2016, organizations will start to explore proactive engagement primarily for proactive prepurchase engagements. Forward-thinking organizations will explore more sophisticated uses of proactive engagement, such as connecting the best company resource to the customer at the right moment of opportunity. They will use learnings from these proactive engagements to improve operational performance and to predict future customer behavior, such as future purchases or likelihood of attrition.

### Trend 9: Organizations Will Strengthen The Customer Bond With Feedback

Customer service organizations use feedback about their products, services, and organizational processes so they can improve the quality of service they deliver and uncover opportunities for agent coaching. Ninety-six percent of organizations typically gather feedback via surveys.<sup>23</sup> A small number analyze unstructured data such as call notes, chat, email transcripts, social posts, and, increasingly, call recordings.<sup>24</sup> However, companies inconsistently or fail to measure the success of their customers' cross-channel journeys, as different functional organizations often manage channels.<sup>25</sup> Without these measurements, they cannot effectively support a customer throughout his or her customer service journey.

**Trends 2016: The Future Of Customer Service**

Vision: The Contact Centers For Customer Service Playbook

In 2016, customer service organizations will move forward with broader customer feedback programs. They will start using sentiment analysis to understand emotion in unstructured feedback and real-time speech analytics to understand, for example, customer distress or the amount of empathy agents show during customer interactions.<sup>26</sup> They will start to leverage journey analytics, which will allow them to understand common journeys and pinpoint areas of addressable pain.<sup>27</sup> This will also help surface the variation of journeys by customer segment or issue type, which organizations will be able to use to better personalize experiences to foster tighter emotional bonds with their customers.

**Trend 10: Empowered Agents Will Improve The Human-To-Human Experience**

Today, customer service agents tackle more complex questions from customers as firms resolve easier questions via self-service. These agents use dozens of disconnected applications during their workday, each having its own access requirement and user experience. The agents possess a wealth of skill and knowledge and know customer issues better than anyone. Yet, companies hold them to strict scripts and measure their productivity with efficiency metrics. Battle fatigue, induced by inflexible processes and context switching, results in less productive agents who are less apt to make a human connection with their customers.<sup>28</sup>

In 2016, organizations will begin to equip agents with simpler, more modern, automated, task-based user interfaces to increase their productivity. These improvements will allow agents to focus on solving the customer's issues and delivering differentiated service instead of struggling with their tool set. Organizations will also empower agents to use their knowledge and experience to make better decisions for customers by beginning a shift from efficiency success metrics to ones that highlight customer satisfaction and customer lifetime value.

**Recommendations****Pragmatic Execution Is The Key To Success**

In the age of the customer, delivering differentiated customer service has become a strategic imperative. As companies selectively undertake customer service projects to move the needle on the quality of service they deliver, a solid business case and flawless execution remain critically important.<sup>29</sup> To be successful as an AD&D pro supporting customer service, you must:

- › **Audit your customer service ecosystem.** Perform a thorough audit of the customer service technologies you use as well as the processes you support across the different communication channels. Understand the maturity of the technologies you have, using Forrester's TechRadar™ For AD&D Pros: Contact Center Solutions For Customer Service, Q1 2015 to guide you.<sup>30</sup> Pinpoint newer technologies and business process changes to deliver a better customer service experience.
- › **Understand your customer.** Your company should survey customers to pinpoint current pain points and do customer research to discover customer needs.<sup>31</sup> Get access to this data, and use it to formulate plans to evolve your offering.

**Trends 2016: The Future Of Customer Service**

Vision: The Contact Centers For Customer Service Playbook

- › **Pinpoint the best opportunities for improving customer service.** Assess your operations against best practices, and identify areas of opportunity. Use Forrester's best practices framework for customer service, which defines the critical capabilities necessary for building high-quality customer service experiences that align with customer expectations.<sup>32</sup>
- › **Build a sound business case.** Be pragmatic in choosing projects to tackle. Build a sound business case using Forrester's Total Economic Impact™ (TEI) methodology to justify your initiative. Then follow best practices in executing your changes.<sup>33</sup>
- › **Incorporate feedback loops.** Continually measure the success of customer service interactions against cost and satisfaction goals. Look for ways to evolve customer service so that it stays aligned with your company's overarching goals and mission.

## Engage With An Analyst

Gain greater confidence in your decisions by working with Forrester thought leaders to apply our research to your specific business and technology initiatives.

### Analyst Inquiry

Ask a question related to our research; a Forrester analyst will help you put it into practice and take the next step. Schedule a 30-minute phone session with the analyst or opt for a response via email.

Learn more about inquiry, including tips for getting the most out of your discussion.

### Analyst Advisory

Put research into practice with in-depth analysis of your specific business and technology challenges. Engagements include custom advisory calls, strategy days, workshops, speeches, and webinars.

Learn about interactive advisory sessions and how we can support your initiatives.

**Trends 2016: The Future Of Customer Service**

Vision: The Contact Centers For Customer Service Playbook

## Supplemental Material

### Survey Methodology

For Forrester's North American Consumer Technographics® Customer Life Cycle Survey 2, 2015, Forrester conducted an online survey fielded in July 2015 of 4,485 US individuals ages 18 to 88. For results based on a randomly chosen sample of this size, there is 95% confidence that the results have a statistical precision of plus or minus 1.5% of what they would be if the entire population of US online adults (defined as those online weekly or more often) had been surveyed. Forrester weighted the data by age, gender, income, broadband adoption, and region to demographically represent the adult US online population. The survey sample size, when weighted, was 4,473. (Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals generally underrepresented in online panels.) Please note that respondents who participate in online surveys generally have more experience with the Internet and feel more comfortable transacting online.

For Forrester's North American Consumer Technographics Customer Life Cycle Survey 2, 2014, Forrester conducted an online survey fielded in August 2014 of 4,546 US individuals ages 18 to 86. For results based on a randomly chosen sample of this size, there is 95% confidence that the results have a statistical precision of plus or minus 1.5% of what they would be if the entire population of US online adults (defined as those online weekly or more often) had been surveyed. Forrester weighted the data by age, gender, income, broadband adoption, and region to demographically represent the adult US online population. The survey sample size, when weighted, was 4,509. (Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals generally underrepresented in online panels.) Please note that respondents who participate in online surveys generally have more experience with the Internet and feel more comfortable transacting online.

## Endnotes

- <sup>1</sup> Good customer experiences drive revenue growth. Customers are more loyal, and loyal customers are more willing to consider another purchase from a company, less likely to switch business to a competitor, and likely to act as an advocate for the company's products and services. See the "[The US Customer Experience Index, Q1 2015](#)" Forrester report.
- <sup>2</sup> The ideal customer experience isn't just good for customers — it has to deliver revenue for the business, too. Forrester's customer experience index measures the fundamentals of a great experience: effectiveness, ease, and emotion. See the "[Introducing Forrester's Next-Generation Customer Experience Index](#)" Forrester report.
- <sup>3</sup> When asked which departments their firm is focusing on as it considers its software strategy and investments, 48% of global software decision-makers say IT/technology, 27% say information security, 18% say customer experience, 16% say sales, and 14% say customer service. Source: Forrester's Global Business Technographics Software Survey, 2015.
- <sup>4</sup> In recent years, there has been continued consolidation and turmoil in the customer service solutions landscape. Vendors have acquired direct competitors to fill in gaps in their offerings. More importantly, vendors have acquired companies in adjacent spaces to broaden their customer engagement management capabilities and offerings. See the "[The Forrester Wave™: Customer Service Solutions For Enterprise Organizations, Q2 2014](#)" Forrester report.

**Trends 2016: The Future Of Customer Service**

Vision: The Contact Centers For Customer Service Playbook

- <sup>5</sup> Siloed governance processes around applications, business units, and channels are a root cause for poor customer service. See the [“Better Governance Leads To Better Customer Service — Yes, Really!”](#) Forrester report.
- <sup>6</sup> Fifty-three percent of US online adults are very likely to abandon their online purchase if they cannot find a quick answer to their question. In addition, 73% say that valuing their time is the most important thing a company can do to provide them with good online customer service. Source: Forrester’s North American Consumer Technographics Customer Life Cycle Survey 2, 2015.
- <sup>7</sup> Only 12% of customers say they would not do anything when asked the question, “If you were dissatisfied with your experience with the brand that you feel connected with, which of the following would you do?” Source: Forrester’s North American Consumer Technographics Customer Life Cycle Survey 2, 2014.
- <sup>8</sup> Thirty-nine percent of US online adults prefer online customer service over speaking to a person on the phone. Source: Forrester’s North American Consumer Technographics Customer Life Cycle Survey 2, 2015.
- <sup>9</sup> Xerox embeds a knowledge base within its Internet-connected devices. Xerox continually monitors the performance of these devices and makes real-time performance information available. When an issue occurs, Xerox customers can troubleshoot via content that is proactively pushed to the small screen on a device, as well as accessible via a PC or mobile phone. See the [“Vendor Landscape: Knowledge Management For Customer Engagement”](#) Forrester report.
- <sup>10</sup> Cognitive engagement solutions augment peoples’ capabilities, scale knowledge capability, and automate repeatable activities. Cognitive systems are creeping into commercial relevance beginning with high-end customer engagement applications in financial services, healthcare, and retail, and will become ubiquitous in mainstream scenarios as the Internet of Things matures. See the [“Welcome To The World Of Watson Engagement Advisor”](#) Forrester report.
- <sup>11</sup> Sixty-two percent of online adults agree with the statement, “I would like to be able to move between customer service channels and not have to repeat my situation every time.” Source: Forrester’s North American Consumer Technographics Customer Life Cycle Survey 2, 2015.
- <sup>12</sup> An example of video chat with screen sharing, annotation, and remote control is Amazon’s Mayday service. This helps contextualize interactions, provides in-person support at scale, and turns tech support cost centers into potential profit centers. It’s an outside-in approach to customer support and ended up elevating its customer experience. See the [“Quick Take: Amazon’s Mayday Turns Customer Support Into Customer Experience”](#) Forrester report.
- <sup>13</sup> Video chat is selectively used for prepurchase support. See the [“See Me, Serve Me: Video Chat For Customer Service Starts To Take Hold”](#) Forrester report.
- <sup>14</sup> The heart of the contact center is comprised of a set of complex technologies needed to deliver quality service and drive revenue. These technologies fall into three main software categories: queuing and routing, customer relationship management (CRM) customer service, and workforce optimization (WFO). See the [“Vendors Battle For The Heart Of The Contact Center”](#) Forrester report.
- <sup>15</sup> Customer service managers struggle to balance customer experience and cost: Siloed communication channels, impersonal service, and an inability to enforce company processes or meet regulatory compliance negatively affect satisfaction and increase costs. By extending business process management (BPM) best practices and technology to the front office, customer service organizations can improve the consistency of service delivered, elevate agent efficiency, personalize service, and meet compliance goals — at a cost that makes sense to the business. See the [“Use The AGE Gauge To Evaluate New Customer Service Technologies”](#) Forrester report.
- <sup>16</sup> Source: “More Than 30 Billion Devices Will Wirelessly Connect to the Internet of Everything in 2020,” ABI Research press release, May 9, 2013 (<https://www.abiresearch.com/press/more-than-30-billion-devices-will-wirelessly-conne>).
- <sup>17</sup> EMC Isilon, a division of EMC, sells clustered file storage hardware and software. It remotely monitors events and alerts from its installed products in real time. Upon receiving an alert, for example, from a failing disk drive, engineers diagnose the issue remotely and dispatch replacement parts if needed. By leveraging their connected product infrastructure and proactive notifications, EMC optimizes the time to resolution of issues and reduces down times. See the [“Modernize Your CRM In Six Steps”](#) Forrester report.

**Trends 2016: The Future Of Customer Service**

Vision: The Contact Centers For Customer Service Playbook

- <sup>18</sup> IoT will transform the post-purchase experience. Usage data from IoT sensors gives rich context for customers to reach out to peers and social networks in the Ask phase. The rich data flows and interactivity of IoT-connected products will transform the Engage stage, as customers and companies continuously communicate about the customer's experience. See the "[Brief: The Internet Of Things Will Transform Customer Engagement](#)" Forrester report.
- <sup>19</sup> No overarching standard is likely to emerge for the IoT soon. The marketplace will dictate when the tipping point for a major standard or protocol is reached — most likely driven by developer, consumer, and/or business adoption, not industry standards bodies. See the "[Brief: Bringing Interoperability To The Internet Of Things](#)" Forrester report.
- <sup>20</sup> Companies too often shy away from focusing on the emotional dimension of CX because emotions seem abstract, intangible, and irrational. What they don't realize is that emotions are actually quite predictable: They just follow a different set of rules than rational thought. When CX pros better understand how emotions work, they're better able to guide their firm toward making positive CX the norm. See the "[Understanding The Impact Of Emotion On Customer Experience](#)" Forrester report.
- <sup>21</sup> The emergence of powerful mobile devices, connected sensors, and open APIs makes it possible to deliver a new type of customer experience known as proactive experiences. These experiences change the way customers relate to and engage with services by closing the gap between problem and solution, integrating siloed information and services, and personalizing experiences based on context. See the "[Anticipate Your Customer's Next Move With Proactive Experiences](#)" Forrester report.
- <sup>22</sup> Companies are reacting to customer demand for more personalized, targeted service experiences and are currently pushing the envelope on proactive engagement. See the "[Market Overview: Chat Solutions For Customer Service](#)" Forrester report.
- <sup>23</sup> Surveys are the go-to tool for CX measurement: 96% of the companies that say that they have a formal program for gathering and responding to customers' feedback use structured surveys. See the "[Beyond Surveys: New Tools For More Effective CX Measurement](#)" Forrester report.
- <sup>24</sup> Only 33% of companies analyze unstructured data, and less so in the call center. See the "[The State Of Voice Of The Customer Programs, 2014: It's Time To Act](#)" Forrester report.
- <sup>25</sup> Only 24% measure CX across channels. See the "[The State Of Voice Of The Customer Programs, 2014: It's Time To Act](#)" Forrester report.
- <sup>26</sup> For example, Mattersight analyzes the caller's communication style and level of distress throughout the call, identifying specific events like attrition threats. That lets the client score the quality of nearly all calls without adding surveys. It also allows the firm to pinpoint where exactly during the call that customers felt certain emotions, helping coach employees on which related behaviors to emphasize or avoid. See the "[How To Measure Emotion In Customer Experience](#)" Forrester report.
- <sup>27</sup> Customers use a range of touchpoints to discover, explore, buy, and engage with products and services. Yet, companies continue to optimize touchpoints in isolation, struggle to prove the value of customer interactions, and squander opportunities to boost loyalty. See the "[Drive Customer Obsession With Journey Analytics](#)" Forrester report.
- <sup>28</sup> Technology intended to make knowledge workers more effective actually distracts, drains, and demotivates. Modern technology should support customer service agents, not impede their flow. See the "[A Crisis Of Attention: Technology, Productivity, And Flow](#)" Forrester report.
- <sup>29</sup> Forrester's contact centers for customer service playbook outlines four steps for AD&D professionals who want to optimize and innovate with customer service operations: 1) discover: establish the value of customer service; 2) plan: set the right strategy; 3) act: execute the strategy with precision; and 4) optimize: measure and improve operations. See the "[Transform The Contact Center For Customer Service Excellence](#)" Forrester report.
- <sup>30</sup> Forrester uses the TechRadar methodology to make projections for more than a decade into the future of the use of technologies in a given category. We make these predictions based on the best information available at a given point in time. Forrester intends to update its TechRadar assessments on a regular schedule to assess the impact of

**Trends 2016: The Future Of Customer Service**

Vision: The Contact Centers For Customer Service Playbook

future technical innovation, changing customer and end user demand, and the emergence of new complementary organizations and business models. See the [“TechRadar™ For AD&D Pros: Contact Center Solutions For Customer Service, Q1 2015”](#) Forrester report.

<sup>31</sup> Companies can use research, however, to find out what customers’ needs are and then design experiences to meet those needs. For example, Emirates researched how customers wanted to feel after a flight and found that “refreshed” was the overriding emotion, which it used to evolve its flight experience. See the [“Anchor Your CX Strategy In Customer Understanding”](#) Forrester report.

<sup>32</sup> Use Forrester’s best practices framework and assessment tool for customer service to understand how your organization stacks up against more than 150 best practices that drive customer retention, customer loyalty, reduced cost, and increased revenue. Use the framework to define strategy, gain executive buy-in, build stakeholder consensus, manage customer service agents more effectively, and select the right technologies for loyalty-creating customer experiences. See the [“Assess Customer Service Capabilities To Pinpoint Opportunities For Better Service”](#) Forrester report.

<sup>33</sup> Forrester’s Total Economic Impact methodology helps customer service leaders make better decisions by helping them quantify, communicate, and realize the complete business value of a technology investment. See the [“Win Funding For Your Customer Service Project”](#) Forrester report.

We work with business and technology leaders to develop customer-obsessed strategies that drive growth.

#### PRODUCTS AND SERVICES

- › Core research and tools
- › Data and analytics
- › Peer collaboration
- › Analyst engagement
- › Consulting
- › Events

---

Forrester's research and insights are tailored to your role and critical business initiatives.

#### ROLES WE SERVE

##### **Marketing & Strategy Professionals**

CMO  
B2B Marketing  
B2C Marketing  
Customer Experience  
Customer Insights  
eBusiness & Channel Strategy

##### **Technology Management Professionals**

CIO  
› Application Development & Delivery  
Enterprise Architecture  
Infrastructure & Operations  
Security & Risk  
Sourcing & Vendor Management

##### **Technology Industry Professionals**

Analyst Relations

---

#### CLIENT SUPPORT

For information on hard-copy or electronic reprints, please contact Client Support at +1 866-367-7378, +1 617-613-5730, or [clientsupport@forrester.com](mailto:clientsupport@forrester.com). We offer quantity discounts and special pricing for academic and nonprofit institutions.