

New global research: What will customer experience look like in 2030?

Study finds by 2030 67% of customer engagement will be handled by smart machines. Do brands run the risk of trading empathy for efficiency?

ANALYTICS EXPERIENCE, Milan (Oct 22, 2019) Modern technology has upended the way brands and consumers engage. New products, services, consumers, and competitors have arrived and keep evolving. Consumer behavior, likes and dislikes continue to change. What will the customer experience look like in 2030? And how will brands evolve to meet the expectations of future consumers? These are some of the questions addressed in “Experience 2030: The Future of Customer Experience” by Futurum Research and sponsored by SAS, the leader in analytics.

The research found that technology will be the major driver behind the reimagined customer experience (CX), and that brands must rethink their customer ecosystems to keep pace with empowered consumers and evolving consumer technologies.

Agility and extreme automation will drive CX By 2030, the brands surveyed in the study see a massive shift toward the automation of customer engagements. The research anticipates that smart machines will replace humans and handle roughly two-thirds of customer engagement, decisions made during real-time engagement, and decisions around marketing and promotional campaigns.

According to the research, by 2030, 67% of customer engagement between a brand and consumer using digital devices (online, mobile, etc.) will be completed by smart machines rather than the human agents of today. And by 2030, 69% of decisions made during a customer engagement will be completed by smart machines.

“It is becoming increasingly clear that there will be a rapid growth in the relationship between humans and machines over the next decade,” said Daniel Newman, Principal Analyst and Founding Partner at Futurum Research. “Companies will have to strike a delicate balance between providing highly empathic human-like experiences with the instantaneous results that consumers have come to expect. Technology will be the bridge as data, analytics, machine learning and AI will enable machines to deliver this balance in a more humanistic way that satisfies customers and delivers increased efficiencies to the enterprise.”

Consumers embrace emerging tech Per the study, 78% of brands believe consumers are uneasy dealing with technology today in stores. Yet the study found that only 35% of consumers expressed this unease. This gap between the beliefs of brands and their consumers could be a limiting factor in these brands' growth if they are not careful.

In fact, according to the survey results consumers are expecting to further embrace new technologies by 2030:

- a. 80% say they expect to accept delivery of a product by drone or autonomous vehicle.
- b. 81% say they expect to engage with chatbots.
- c. 78% expect to use an augmented, virtual, or mixed reality app to see how a product will look – such as how a piece of clothing might look on a shopper or how a piece of furniture might look in a home.
- d. 56% expect to be “visiting” remote locations or experiencing vacation and entertainment events through mixed reality devices by 2025.
- e. 8 out of 10 expect to use a smart assistant (such as Google Home, Amazon Alexa, etc.) to make an online purchase or control a smart home.
- f. 78% say they expect they'll be controlling other devices with their wearables.

For brands, this level of consumer acceptance – and expectation – opens new opportunities for broadening consumer engagement. But to meet rising expectations on both sides, brands require new capabilities to close the gap between consumer technology and marketing technology.

“Tracing a customer through their journey entails a forensic understanding of the customer across endless journey permutations – customers want to be remembered and understood as they crisscross myriad channels, touchpoints and contexts,” said Wilson Raj, Global Director of SAS Customer Intelligence. “Brands must reinvent their operating models to act at speed. They need a holistic data strategy that they can personalize at scale, journey analytics capabilities that can adapt in real time, and enable a self-reinforcing cycle of tailored experiences.”

Emerging tech will underpin brand success over the next decade The future of CX will be shaped in large part by evolving technologies. The research asked brands what “futuristic” technologies they are investing in today to shepherd in new customer experiences and increase customer satisfaction by 2030.

“The empowered new buyer is capitalizing on emerging technologies and exerting tremendous pressure on the technology needs of marketing organizations,” said Raj. For CMOs, these forces create a “moving target” problem: It's hard to gain a leading edge on something that's constantly advancing. And this is problematic because consumers expect ‘always-on’ access and service and to interact with a brand on their terms.”

Per the study, 62% of brands are investing in voice-based AI assistants to improve customer engagement strategies and as a customer support asset. Another 58% are investing in voice-based AI as an internal marketing and sales asset.

For augmented and virtual reality (AR/VR), 54% of brands are investing in it to help consumers visualize the look or use of a product or service remotely. And 53% of brands are pursuing AR/VR tools to improve product use and self-help.

The study also found that 83% of brands are investing or plan to invest in holographic technology for in-store advertising, interactive gaming and public events.

All these emerging and more complex customer engagement technologies mean that brands must re-think their data management proficiency, analytical optimization processes and automated decision making capabilities. They must be able to use these new technologies to achieve tangible business outcomes. These new applications will be capable of ingesting, processing, analyzing, designing and deciding how to deliver multi-moment marketing that will continue to resonate into the future.

Loyalty drivers in 2030 Today 58% of brands cite high quality as the top factor likely to drive consumer loyalty, but most consumers cite low costs or discounts as their top driver. But by 2030, consumers cite mobile apps, high-speed access and ordering via smart home systems as the top three technologies driving loyalty.

Brands agree, and believe that AI, machine learning and predictive analytics will play a large role too. Brands are looking at 2030 as an opportunity to use technology to both provide smooth engagement and the intelligence behind the engagement, needed to deliver deeper, more meaningful customer relationships and increased loyalty.

Added Newman, "Building loyalty is a critical component for brand growth, and over the next 10 years we will see increased nuance and complexity beyond the traditional price, quality and service matrix that has long stood at the core of loyalty propositions. In the future, the way companies embrace technology, drive speed to market (and consumer) and deliver and measure social impact will all play a bigger role in loyalty. This is already starting to happen today, and its importance will multiply by 2030."

The evolving importance of trust Perhaps the biggest challenge for brands today, is the ability to overcome the trust gap that exists between brands and consumers. Consumers are wary of how brands treat their personal data and feel powerless to change it. Only 54% of consumers trust brands to keep their data private. In fact, 73 percent of consumers believe the use of their personal data is "out of control." This is a challenge for brands as they work to balance the CX they can deliver as a result of richness of the user data they collect with the trust concerns of the consumer.

But the research indicates that brands do understand the risks they face. 59 percent of brands strongly agree that securing customer information is the single most important factor in ensuring a strong CX. However, are brands ready? The research suggests some challenges as 84% are concerned about changes in governmental regulations regarding privacy and their readiness to meet them.

"As consumers continue to use technology that opens their lives to others, they have dual expectations of businesses: Understand me as an individual and protect my privacy. Therein lies the opportunity to achieve balance when crafting customer experiences," added Raj.

Survey methodology Beginning in May 2019, Futurum Research surveyed more than 4,000 panelists, spanning three dozen countries across a range of consumer, industry and government sectors.

For more information, please visit sas.com/experience2030.

Today's announcement was made at the Analytics Experience conference in Milan, Italy, a business technology conference presented by SAS that brings together thousands of attendees on-site and online to share ideas on critical business issues.

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