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Decoding Digital Customer Experience Management

Customer Experience Management (CXM) Services
Market Report – September 2018: Complimentary Abstract / Table of Contents

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- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

Membership information

- This report is included in the following research program(s)
  - **Customer Experience Management (CXM) Services**
- **If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com, unitedkingdom@everestgrp.com, or india@everestgrp.com**

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Background and methodology of the research

Background of the research

The importance of customer experience in a highly competitive market is forcing enterprises to relook at the way they have been running their contact center operations. As technology gains prominence in a digital-first world, it can also allow enterprises to deliver a much superior customer experience while reducing the cost of operations.

Digital CXM goes beyond leveraging digital channels to combine digital concepts, digital tools & solutions, and high-touch human intervention, as needed, to deliver a fundamentally superior customer experience. Enterprises can look at various digital solutions such as advanced analytics, RPA, Intelligent Virtual Agents (IVAs), Artificial Intelligence (AI) & cognitive to transform their customer experience operations. However, to be successful in this transformation, they require a strategy and roadmap that can help them define the need for a digital transformation and also avoid common pitfalls. They also need to make right investments, not just in technology, but also in talent and change management to emerge as winners.

In this study, we investigate the state of the digital CXM market. We focus on:

Understanding the scope of digital CXM services

Market size and growth

Adoption characteristics

Investments in digital CXM

Future outlook for 2018-2019

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Overview and abbreviated summary of key messages

This report aims to provide detailed insights into the role of digital solutions in delivering customer experience of the future. The digital CXM market stood between US$3.5-4.5 billion at the end of 2017 with an annual expected growth between 20-25% until 2022. Enterprises are increasing their focus on delivering a digital customer experience and are increasing looking at different digital solutions for transformation of their CX operations. To succeed on this journey, enterprises need to have a defined strategy and roadmap in place for adoption of digital solutions as well as invest in the right capabilities. This report provides a scope of digital in CXM services, overview of the digital CXM market, adoption characteristics for digital solutions, and investments required for a successful digital transformation.

Some of the findings in this report, among others, are:

Market overview and current adoption

- The digital CXM market size stood between US$3.5-4.5 billion at the end of 2017 and is expected to grow at the rate of 20-25% annually until the year 2022
- Digital customer experience ranks amongst the top strategic initiatives planned for, in the next 12-18 months in most of the enterprises, especially those in the travel & hospitality, healthcare, BFSI, and retail segments

Adoption characteristics

- Advanced analytics and RPA are the most mature digital solutions, while AI/cognitive and advanced analytics can create the highest level of impact for enterprises
- The current key objectives for enterprises, through the leverage of digital solutions, include improving the overall efficiency of their contact center and enhancing the agent performance

Investments for digital CXM transformation

- For a successful digital CXM transformation, enterprises need to invest in three key areas:
  - Technology
  - Talent
  - Change management

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This study offers 4 distinct chapters providing a deep dive into key aspects of the digital CXM market and solutions; below are four graphics to illustrate the depth of the report

Current maturity and adoption

Technology	2015-2017	2018-2020	2021-2023
Analytics	Early adoption	Industry adoption	Industry adoption
RPA/ RDA	Initial pilot	Early adoption	Industry adoption
IVA/chatbots	Innovation introduction	Initial pilot	Early adoption
IoT	Innovation introduction	Innovation introduction – Initial pilot	Initial pilot
AI/cognitive	N/A	Innovation introduction	Innovation introduction – Initial pilot

Market size and growth

2017   20-25%   2022E

Digital CXM revenue

3.5-4.5   10-14

Digital CXM as a percentage of overall market

4-6%   10-15%

100% =   81-83   95-100

Key objectives for digital adoption within CCO

■ Primary objective   ■ Secondary objective

Objective	Primary	Secondary
Improving overall efficiency	36%	15%
Enhancing agent performance	20%	19%
Improving customer experience	20%	15%
Promoting multi-channel/omnichannel	12%	20%
Cost reduction	7%	18%
Others	6%	13%

Investments for digital transformation

Technology   **Talent**   **Change management**

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Research calendar – Customer Experience Management (CXM) Services

■ Published   ▨ Planned   ┆ ┆ Current release

Flagship CXM Services reports	Release date
Contact Center Outsourcing (CCO) – Service Provider Profile Compendium 2017	July 2017
Contact Center Outsourcing (CCO) – Annual Report 2017	August 2017
Contact Center Outsourcing (CCO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018	June 2018
Contact Center Outsourcing (CCO) – Service Provider Profile Compendium 2018	August 2018
Contact Center Outsourcing Annual Report 2018: Transforming Customer Experience through a Digital-First Approach	September 2018

Thematic CXM Services reports	
Delivering Omnichannel Customer Experience	September 2017
How Good are CCO Providers in Providing Digital Customer Experience – Buyers' Perspective	September 2017
The Philippines Pivoting to Deliver Customer Experience of the Future	October 2017
Chatbots Delivering Enhanced Customer Experience: It is Easy to Get it Wrong	October 2017
The Business Case for RPA and Chatbots in Contact Centers	December 2017
The Evolving Customer Experience Management (CXM) Talent Model: The Rise of the Super Agent	March 2018
Role of AI and Cognitive in Delivering Customer Experience of the Future	March 2018
Contact Center Services for the U.S. Market: Location Strategies for the Digital World	March 2018
Decoding Digital Customer Experience Management	**September 2018**
Market Report on Chatbots/Intelligent Virtual Agents (IVAs)	Q4 2018

Note: For a list of all CXM reports published by us, please refer to our website page

Additional CXM Services research references

The following documents are recommended for additional insight into the topic covered in this report. These documents either provide additional details or complementary content that may be of interest

1. **Contact Center Outsourcing Annual Report 2018: Transforming Customer Experience Through a Digital-First Approach** (EGR-2018-21-R-2768); 2018. This report will assist key stakeholders (buyers, service providers, and technology providers) understand the changing dynamics of the CCO market and help them identify the trends and outlook for 2018-2019. In this backdrop, the report provides comprehensive coverage of the global CCO market including detailed analysis of the market size & growth, buyer adoption trends, CCO value proposition & solution characteristics, and service provider landscape

2. **Contact Center Outsourcing (CCO) – Service Provider Landscape with PEAK Matrix™ Assessment 2018** (EGR-2018-21-R-2645); 2018. This report examines the global Contact Center Outsourcing (CCO) market and evaluates the positioning of service providers on the Everest Group PEAK Matrix. It provides insights on the changing market dynamics, service provider delivery capabilities, and Everest Group's remarks on service providers' key strengths and areas of improvement

3. **Role of Artificial Intelligence (AI) and Cognitive Solutions in Delivering Customer Experience of the Future** (EGR-2018-21-R-2565); 2018. This report aims to provide detailed insights into the role of Artificial Intelligence (AI) and cognitive solutions in delivering customer experience of the future. It covers use cases where firms can leverage AI to drive automation in Customer Experience Management (CXM). It also includes case studies elucidating scenarios of AI implementation in CXM

4. **The Evolving Customer Experience Management (CXM) Talent Model: The Rise of the Super Agent** (EGR-2018-21-R-2579); 2018. This report aims to provide an understanding of the impact of digital shift on the CXM talent model. It covers the evolution of CXM delivery pyramid due to increasing digitization of simpler and repetitive transactional tasks. It also covers the drivers behind this change and the impact of this shift on the key attributes of the talent model including agent profile & skillset requirement, shoring mix, recruitment & L&D processes, and KPIs

For more information on this and other research published by Everest Group, please contact us:

Skand Bhargava, Practice Director: skand.bhargava@everestgrp.com

Sharang Sharma, Senior Analyst: sharang.sharma@everestgrp.com

CXM Team: cxsteam@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com

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About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91 806-781-9999

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

New York
info@everestgrp.com
+1-646-805-4000

Toronto
canada@everestgrp.com
+1-416-388-6765

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