

# Achieving Digital Customer Experience Management's (CXM) Full Potential with the Generative AI Revolution

December 2023: Complimentary Abstract / Table of Contents



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## Background of the research

In today's dynamic world, digital Customer Experience Management (CXM) harnesses a multi-layered ecosystem of technologies and concepts to design, monitor, and enhance customer interactions delivered in a contact center environment to provide exceptional Customer Experience (CX) through a customer-centric approach. Enterprises leverage digital tools to gain insights into customer behavior and preferences, facilitating personalized interactions, refining user interfaces, and optimizing processes to improve customer experience. In addition, enterprises are undergoing rapid digital transformation to drive revenue growth and enhance agent satisfaction. Within this transformative landscape, distinct trends have emerged in adopting various digital solutions. Notably, analytics stands out as the most widely implemented technology, while automation, conversational AI, cloud-based offerings, agent-assist, CX consulting, and omnichannel platforms are also attracting substantial investments. These technologies enable faster issue resolution and empower agents while maintaining cost efficiencies. Furthermore, while gen AI and Large Language Models (LLMs) are still in the early stages of adoption, we expect these technologies to significantly disrupt CXM over the next few years.

In this report, we focus on:

- Understanding digital CXM and adoption trends
- Determining gen AI's influence on digital CXM and the upcoming technological advances within digital CXM
- Enterprise perception of gen AI including current and future outlook and the evolving role of service providers

### Scope of this report



**Geography**  
Global



**Industry**  
All



**Services**  
Customer Experience  
Management (CXM)  
services

## Summary of key messages

### Understanding digital CXM and its adoption trends

- The digital CXM market grew substantially at a rate of 31-33% year-on-year, reaching a market size of US\$13-14 billion in 2022. Growth has been driven by rising customer expectations for real-time and personalized support across multiple channels and increasing adoption of digital transformation initiatives by enterprises
- The Americas region accounts for 50-55% of the total digital CXM market and has demonstrated a growth rate of 28-33% with the highest digital CXM penetration compared to other regions. The APAC region has also exhibited promising growth of 30-35% amid increased investment by small and midsize businesses in digital CXM
- Enterprises are exploring next-generation KPIs such as Customer Effort Score (CES), revenue per interaction, Employee Net Promoter Score (ENPS), and digital maturity index to foster revenue growth, enhance CX and agent experience, as well as facilitate and monitor the success of digital transformation initiatives

### Potential of gen AI and LLMs within digital CXM

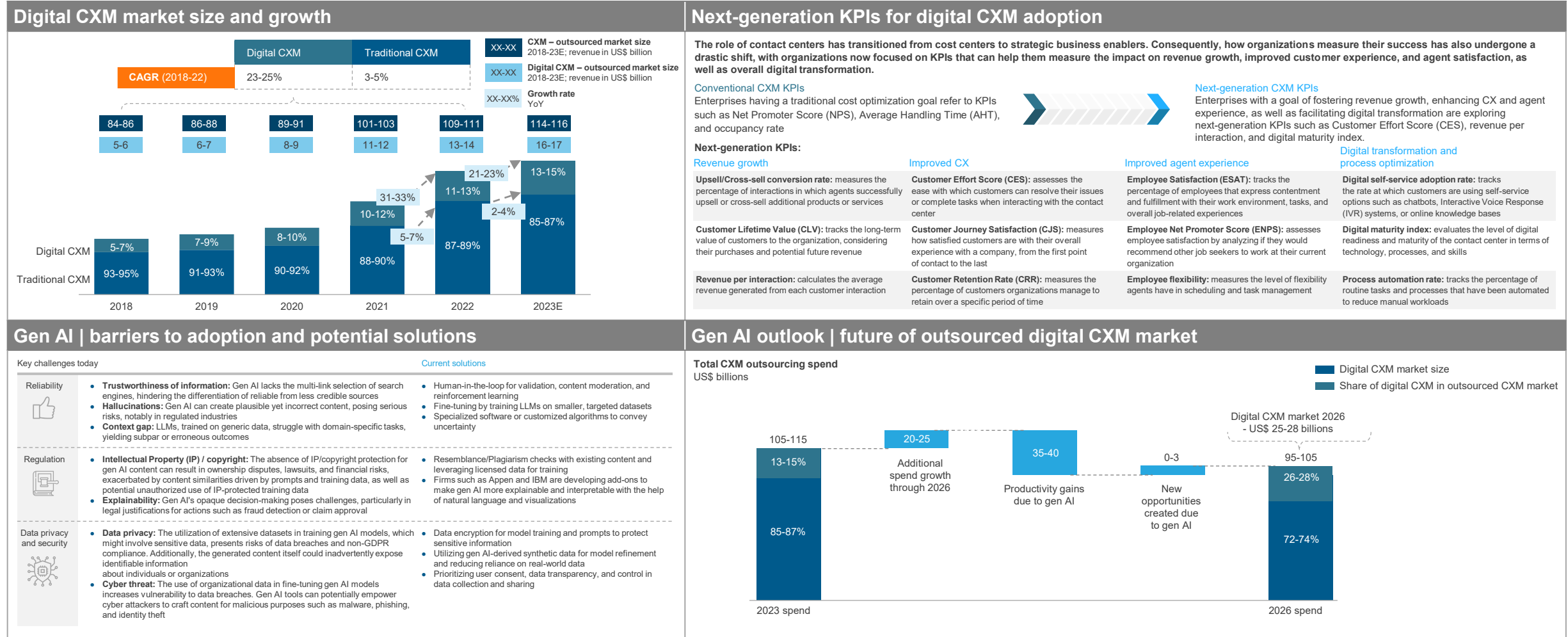
- Gen AI is an emerging technology with a wide range of applications in digital CXM services. It has the potential to make operations more effective while enhancing customer experience. This technology has garnered significant interest, with a particular focus on LLMs
- Gen AI is still in its nascent stage and carries notable risks with its implementation. Although AI has played an important role in CXM and contact center operations for a while, understanding the functioning and ecosystem of gen AI will be crucial for its large-scale adoption. Enterprises must devise strategic approaches to embrace gen AI
- Gen AI is expected to accelerate the growth of digital CXM further, with the growth opportunity being substantial in the next three years. By 2026, digital CXM is anticipated to capture a market share of 26-28%, with mature economies such as North America, Continental Europe, and the UK expected to see wider gen AI adoption within Banking, Financial services and Insurance (BFSI), healthcare, travel and hospitality, technology, and retail verticals

### Other innovations and developments within digital CXM

- Some innovations and developments that have the potential to disrupt CXM operations include language translation solutions, metaverse, knowledge centers and innovation hubs, and workforce management solutions
- Service providers are leveraging language translation solutions for multilingual global customer support, offering immersive customer engagement through metaverse, showcasing innovations through knowledge centers and innovation hubs, and enhancing operations with workforce management solutions for improved delivery and cost efficiencies



# This study offers four distinct chapters providing a deep dive into key aspects of digital CXM market; below are three charts to illustrate the depth of the report



# Research calendar

## Customer Experience Management Services

■ Published ■ Planned ■ Current release

Reports title	Release date
Healthcare Customer Experience Management (CXM) Services in North America – Provider Compendium 2023	January 2023
Delivering Extraordinary Customer Experiences Using Conversational AI	January 2023
Africa on the Rise: The Next Frontier in Customer Experience Management (CXM)	March 2023
Engaging with Customers in the Metaverse – Turning Fantasy into Reality	April 2023
Press Play on Player Experience: Level up Beyond Game Design	April 2023
Contact Center-as-a-Service (CCaaS) PEAK Matrix® Assessment 2023	May 2023
Contact Center-as-a-Service (CCaaS) – Provider Compendium 2023	June 2023
Customer Experience Management (CXM) Services PEAK Matrix® Assessment 2023	September 2023
Conversational AI Products PEAK Matrix® Assessment 2023	September 2023
Unleashing the Power of Data and Artificial Intelligence in Customer Experience Management (CXM)	October 2023
Playing to Win: Transforming Agent Experience with Gamification	October 2023
Conversational AI (CAI) Technology Service Provider Landscape with Products – Provider Compendium 2023	December 2023
Turning Challenges into Growth Opportunities: Customer Experience Management (CXM) State of the Market 2023 – Update	December 2023
<b>Achieving Digital Customer Experience Management's (CXM) Full Potential with the Generative AI Revolution</b>	<b>December 2023</b>
Customer Experience Management (CXM) – Provider Compendium 2023	Q4 2023

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