

Key CX Trends, Challenges, And Opportunities

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Agenda

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- Challenge #1: Improving CX quality during the post-pandemic downturn
 - Challenge #2: Striking a proper balance between physical and digital CX
 - Challenge #3: Earning and maintaining customers' trust
-

Challenge #1

Improving CX during the post-pandemic downturn



The Challenge:

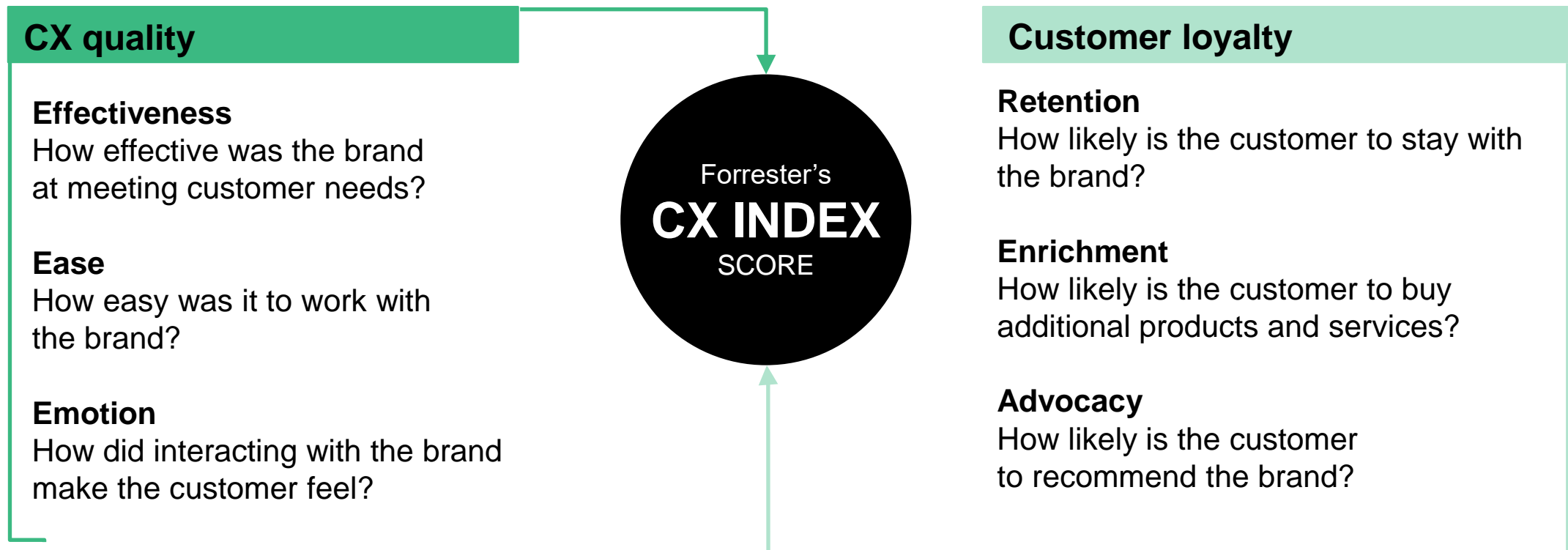
How to meet **customers'**
expectations in a constantly
changing environment while
delivering an excellent **service**
experience at **acceptable costs**?



Forrester's CX Index measures CX quality and customer loyalty

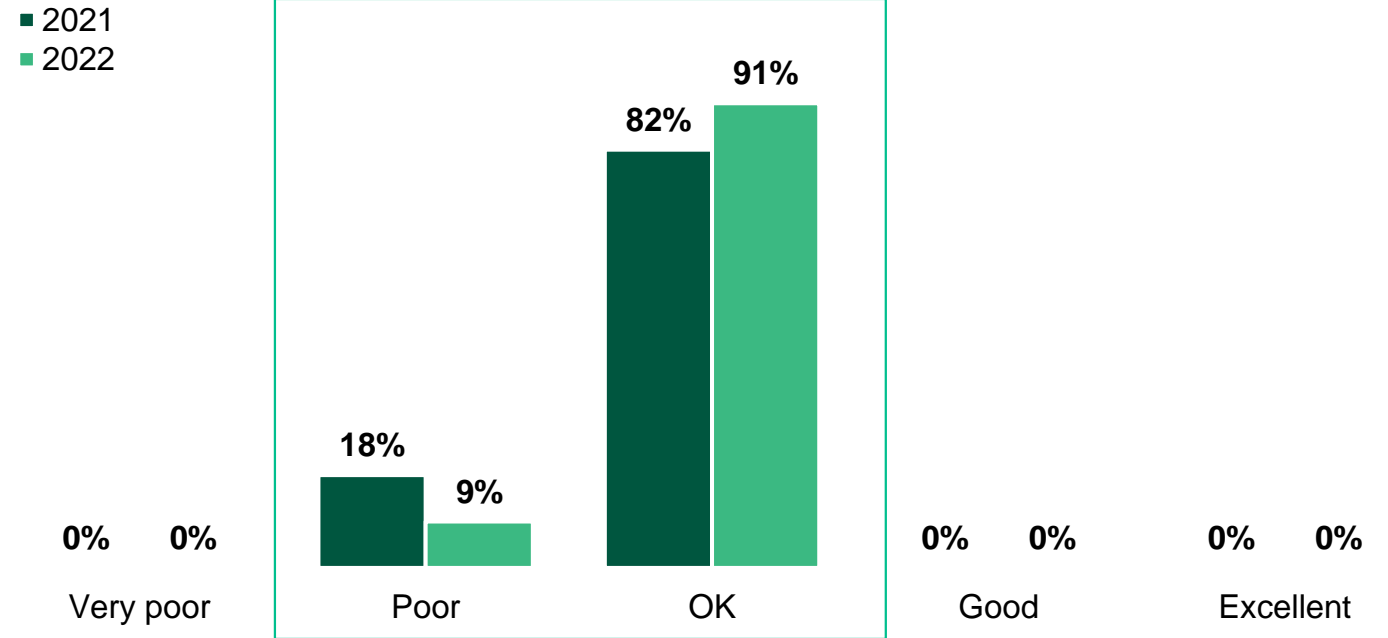


Forrester's CX Index score measures how successfully a company delivers customer experiences that create and sustain loyalty.



The distribution of CX scores in Singapore shows that CX quality is stuck in mediocrity

Distribution of CX Scores (banking & insurance)



Base: 2,586 (2022) and 2,478 (2021) Singaporean online consumers (18+) who interacted with a specific brand within the past 12 months

Source: Forrester Customer Experience Benchmark Survey, Singapore Consumers, 2021 and 2022

Key Observations

- 9% movement from “Poor” to “OK” but still not enough to cross to “Good” category.
- High concentration of CX scores in a single category indicates the lack of differentiation.

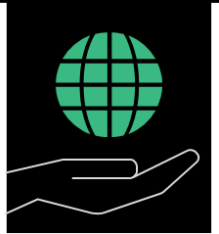
Forrester's Singapore CX Index, 2022: Auto/Home Insurers

Key Observations

- Insurers saw their average score dip by a significant 3.8 points to 61.8
- NTUC topped the chart for auto and home insurance CX in 2022 as the only brand that improved in CX (+2.7 points)
- Former Index leaders – FWD & Aviva (Singlife) – registered a big, 6-point drop in their CX scores
- Great Eastern slipped to the “poor CX” category after a 5-point dip.



Auto/home insurers



RANK			BRAND	PERFORMANCE	
2022		2021		2022	2021
1	▲	6	NTUC	63.5	60.8
2	▼	1	FWD	63.2*	69.1
3	—	3	AIG	62.1*	66.1
Industry average				61.8*	65.6
4	—	4	AXA	61.1*	65.8
5	▼	2	Aviva	60.8*	66.8
6	▼	5	Great Eastern	59.8*	64.9

Very poor (0-49)

Poor (50-59)

OK (60-69)

Good (70-79)

Excellent (80-100)

*Statistically significant difference over previous year

Forrester's Singapore CX Index, 2022: Banks

Key Observations

- The average CX score for banks rose by 1.8 points to 62 points.
- All 5 banks scored in the OK category this year
- Of the 5 banks in our survey, only UOB increased its score significantly (+5 points).
- Standard Chartered unable to move up from the last spot for 2 years in a row



Banks



RANK			BRAND	PERFORMANCE	
2022		2021		2022	2021
1	▲	4	United Overseas Bank	63.7*	58.7
2	▲	3	DBS Bank	62.6	61.4
3	▼	1	Citibank	62.2	61.8
Industry average				62.0*	60.3
4	▼	2	OCBC Bank	61.2	61.5
5	—	5	Standard Chartered	60.3	58.1

Very poor (0-49)

Poor (50-59)

OK (60-69)

Good (70-79)

Excellent (80-100)

*Statistically significant difference over previous year

Emotionally positive customer engagement will drive CX improvement

The top positive and negative emotions that have an impact on customer loyalty



Positive emotions

Happy
Confident
Valued
Appreciated
Respected



Negative emotions

Disappointed
Neglected
Frustrated
Annoyed
Unappreciated

Based on Singapore's CX Index 2022 data...

- Most customers who rated their CX positively felt: **happy** and **confident** towards their service providers
- Most customers who rated their CX negatively felt: **disappointed** and **neglected** by their service providers.

What should firms do to raise their CX performance, while showing the ROI internally?



Take a data-centric approach in evaluating and measuring CX, focusing on proven high-impact drivers of CX



Develop a deliberate strategy that **anticipates changing** customer expectations and usage preferences to innovate, rather than reacts by bug fixes from complaints



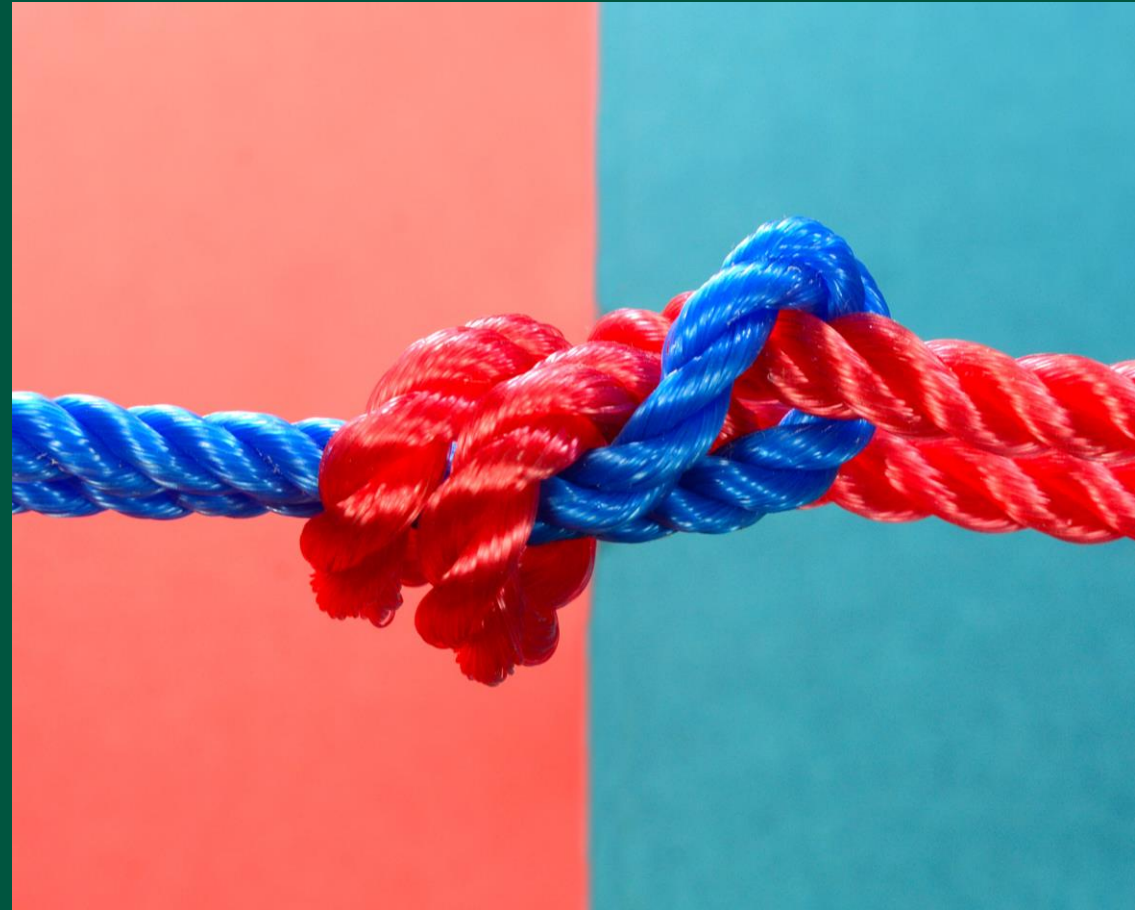
Engage with digital & technology leaders to come up with an integrated CX strategy across all sales and service channels (**hybrid CX**)



Link CX strategies to specific financial performance levers (i.e. revenues, costs, risks) to demonstrate the **ROI of CX initiatives**

Challenge #2


Striking the right balance between physical & digital CX



The Challenge:

How to align and leverage a proper mix of human & automated capabilities across sales & service operations, while being channel-agnostic and without compromising CX?



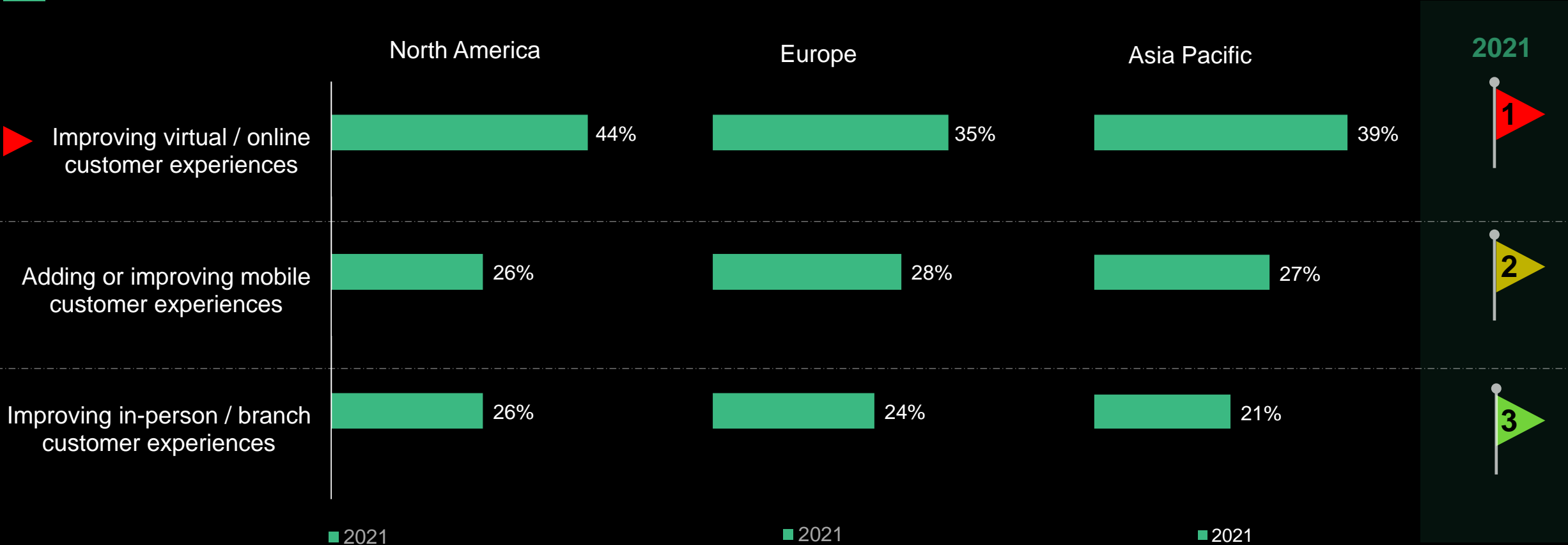


What do
Business & Technology
decisionmakers think?

In 2021, business & tech leaders prioritized digital & mobile CX

- In-person CX was understandably less important during the pandemic

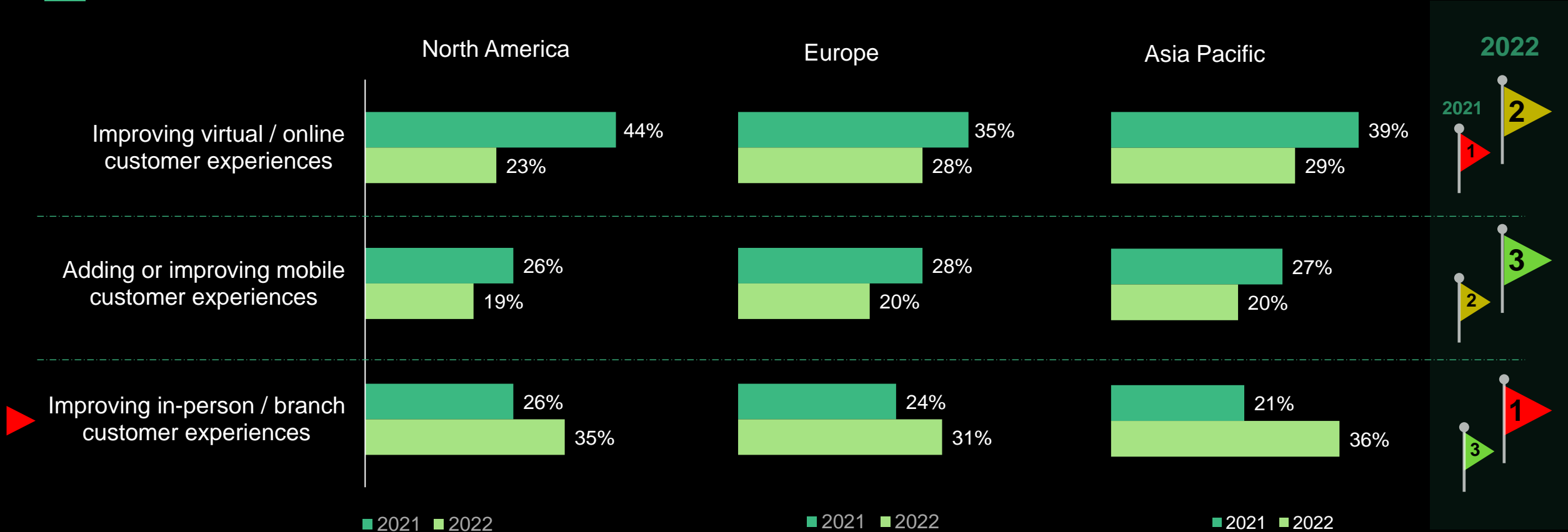
? What are the **key actions** your organization is taking to achieve your objective of **improving the experience of your customers**?



But in 2022, we saw a **trend reversal** in omnichannel CX priorities

- In-person CX became the leading priority while digital & mobile fell behind

? What are the **key actions** your organization is taking to achieve your objective of **improving the experience of your customers**?





**What do
Customers think
and prefer?**

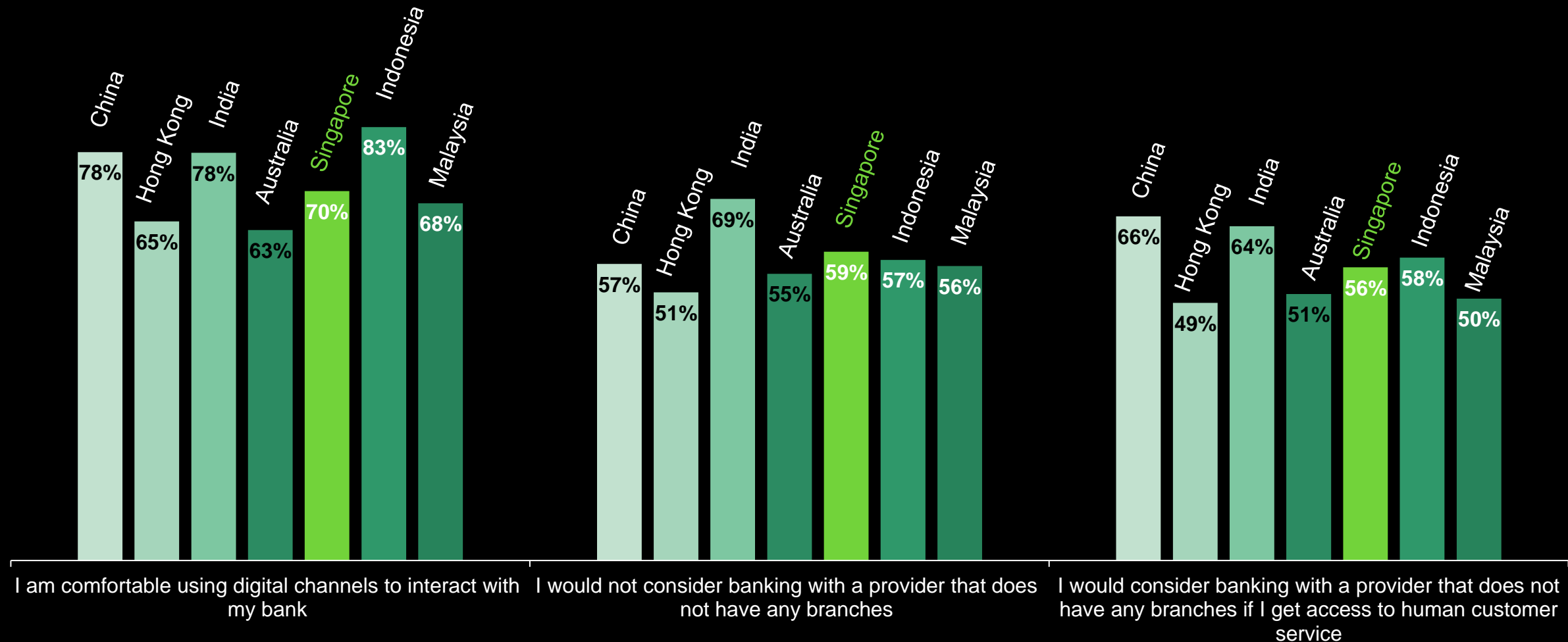
Customers in most countries **rate hybrid CX higher** than either physical-only or digital-only CX because they want the ‘best of both’ – *not one or the other*.



	Australia	India	Singapore	US	France	Germany	Italy	Spain	UK
Hybrid (physical & digital)	70.1	76.1	65.8	76.2	63.1	68.1	67.8	60.3	73.4
Physical only	69.4*	68.9	58.2	73.5*	60.5*	67.6	62.7	57.5	71.2
Digital only	68.1	71.0	61.6	72.4	57.3	67.8	64.2	60.6	72.9

* In Australia, US, and France, physical-only CX (in-person) gets higher CX ratings than digital-only CX.

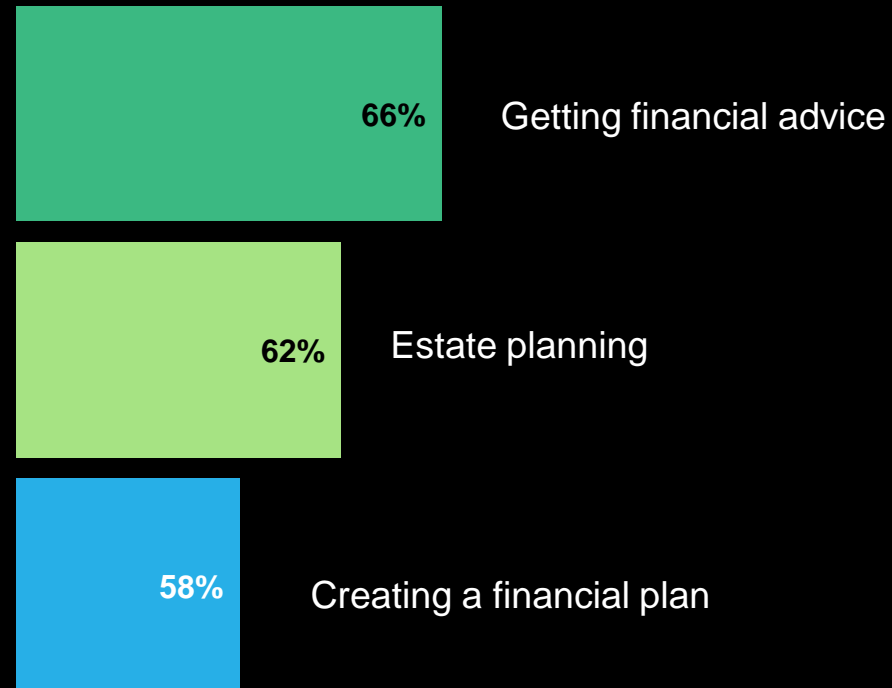
Most Singaporean customers are comfortable using digital channels, but will not consider branchless (digital) banks, unless they get access to **human** service



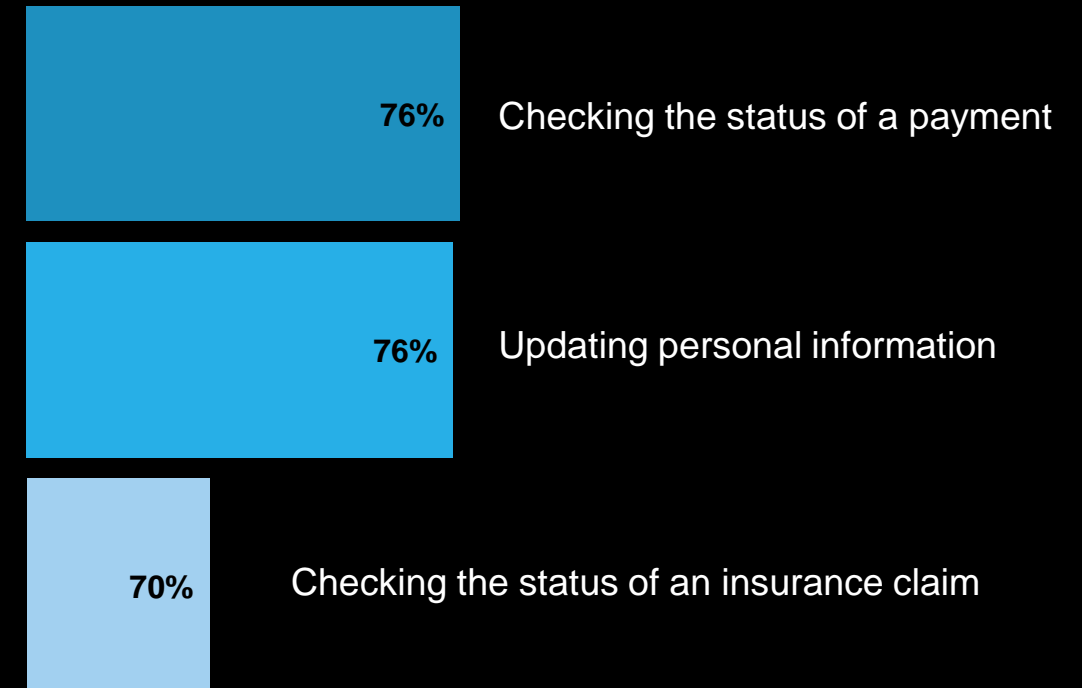
Banks must *digitize with care*, because many customers still prefer **human help over digital self-service** for some types of interactions

► Example: Australia

Top 3 Interactions That AUS FS Customers Prefer To Do With A “Financial Professional”



Top 3 Transactions That AUS FS Customers Prefer To Do Via “Digital Self-Service Tools”



In Australia, for example, the largest ‘channel preference gaps’ are seen in web-banking and in-person banking (i.e. branch or C/c)



* Not all possible channels were included in the graphic due to space limitation; other channels include social media, chatbots, video, etc.

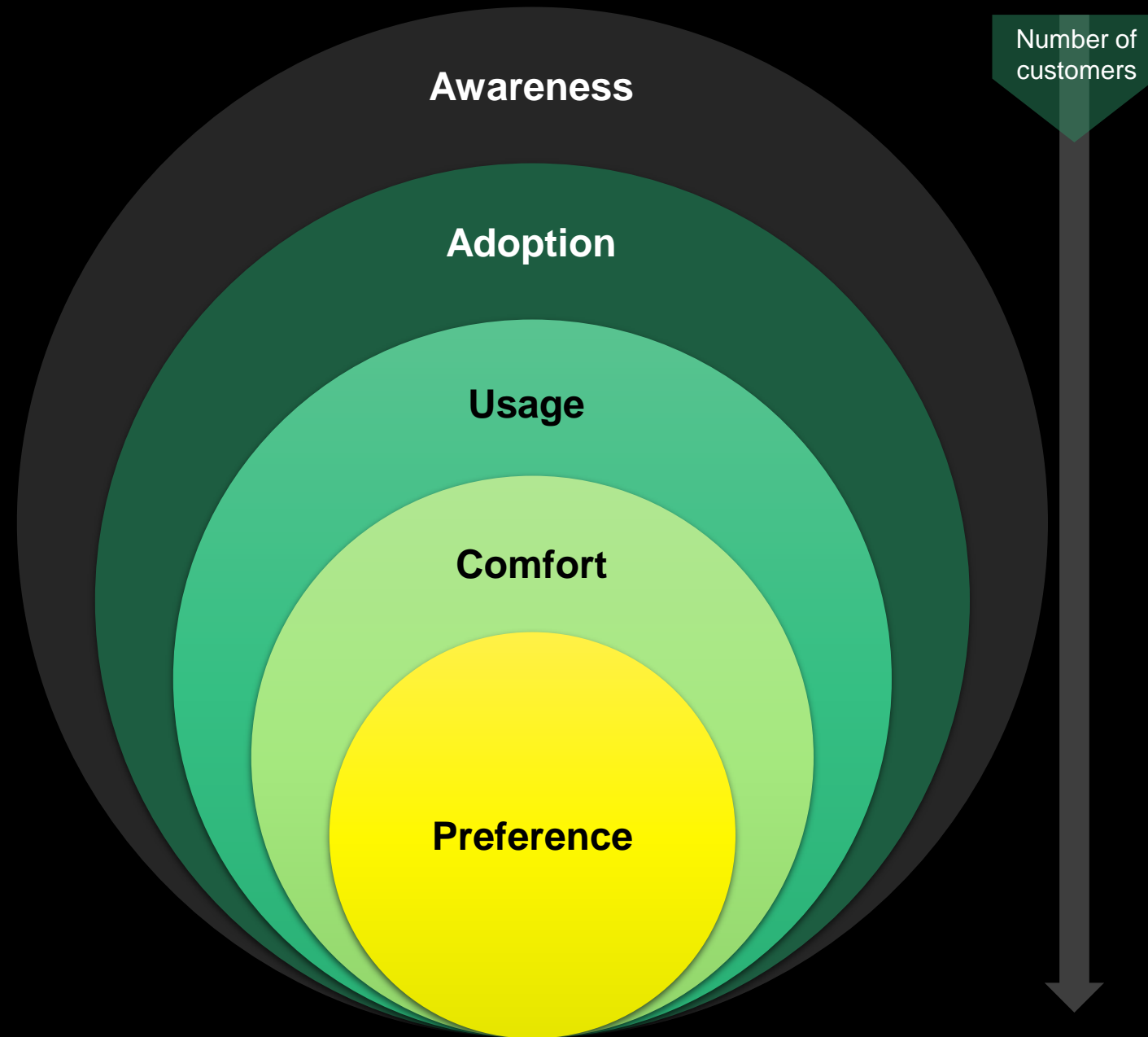
Base: 1,909 (Australia); Online adults who have a bank account and have used various channels for banking
 Source: Forrester’s Asia Pacific Financial Services Survey, 2022

WHY?

Because despite their use, customers **don't always prefer** digital and mobile channels!

- A consumer adoption journey begins with the initial awareness of different interaction modes and their capabilities.
- Since this is the first step, the largest percentage of consumers will be aware.
- A subset of the aware consumers will then adopt, and a subset of those who adopt will use frequently.
- The interaction modes continue to layer in this manner until we have the smallest group: those who *prefer* to use the interaction mode in question.

Source: [Forrester's Moments Map, 2021 | Take A Quantified Approach To Optimizing Your DX Portfolio](#)



Many organizations fail to create a well-balanced hybrid CX because they over-think ‘**current use**’ and ignore ‘**preference**’

Current
Use

vs.

Preferred
Use

Currently used device



vs.

Preferred device



Currently used method



A physical mortgage application form is shown, featuring a large "APPROVED" stamp in the top right corner. The form is titled "MORTGAGE APPLICATION FORM" in bold, black letters. It is divided into several sections, including "I. TYPE OF MORTGAGE AND TERMS OF LOAN" and "II. PROPERTY INFORMATION AND PURPOSE OF LOAN". The form contains various fields for personal and financial information, such as "Full Name", "Address", "Phone Number", "Email Address", "Mortgage Applied for", "Interest Rate", "No. of Months", "Amortization Type", "Fixed Rate", "ARM (type)", "GPM", and "Other (explain)". It also includes checkboxes for "VA", "FHA", "Conventional", "USDA/Rural Housing Service", "Other (explain)", "Primary Resident", "Secondary Resident", and "Investment".

VS.

Preferred method



A digital mortgage application form is displayed on a laptop screen. The form is titled "Mortgage Application Form" and is divided into several sections, including "Section 1: Personal Details" and "Section 2: Employment". The form contains various fields for personal and financial information, such as "Full Name", "Address", "Phone Number", "Email Address", "Mortgage Applied for", "Interest Rate", "No. of Months", "Amortization Type", "Fixed Rate", "ARM (type)", "GPM", and "Other (explain)". It also includes checkboxes for "VA", "FHA", "Conventional", "USDA/Rural Housing Service", "Other (explain)", "Primary Resident", "Secondary Resident", and "Investment".

Currently used channel



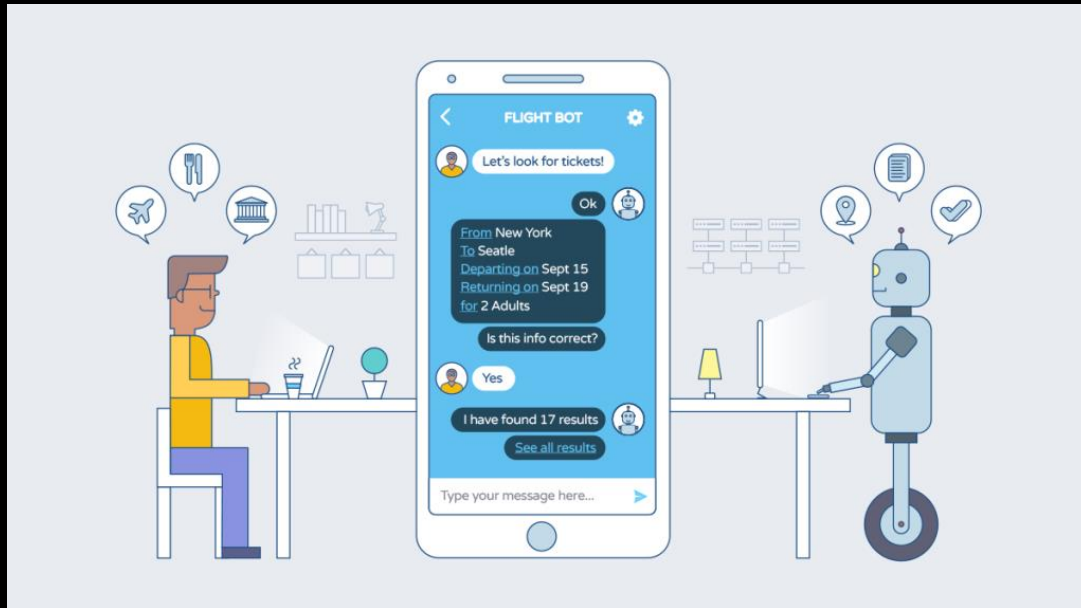
Source: Rediff.com; ["Digital transactions increase but branch banking lives on"](#)

vs.

Preferred channel



Currently used engagement



Source: Medicum, "[Chatbot using deep learning](#)."

vs.

Preferred engagement



Source: Forbes, "[The Branch Is Dead: Long Live The Branch](#)"

Recommendation: Prioritize DX investments according to ‘digital moments’ that matter (most) to customers

The Moments Map Helps Prioritize Investment In Digital Experiences

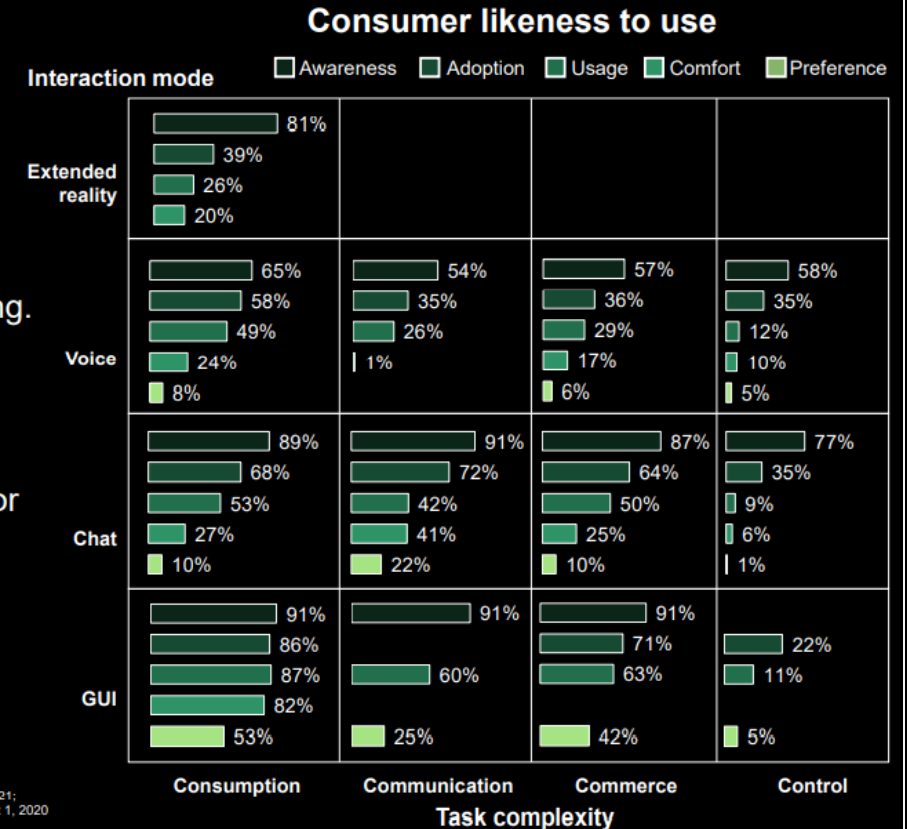
Forrester’s Moments Map shows us that consumers are using more natural interaction modes to communicate with brands to perform tasks.

Naturally, after 20 years of mobile phone ownership and more than 10 years of smartphones, consumers use these devices to do almost everything.

We expect their use of more immersive interaction modes to follow suit as firms elevate the convenience quotient of those modes and give consumers the assurances they need on privacy and security.

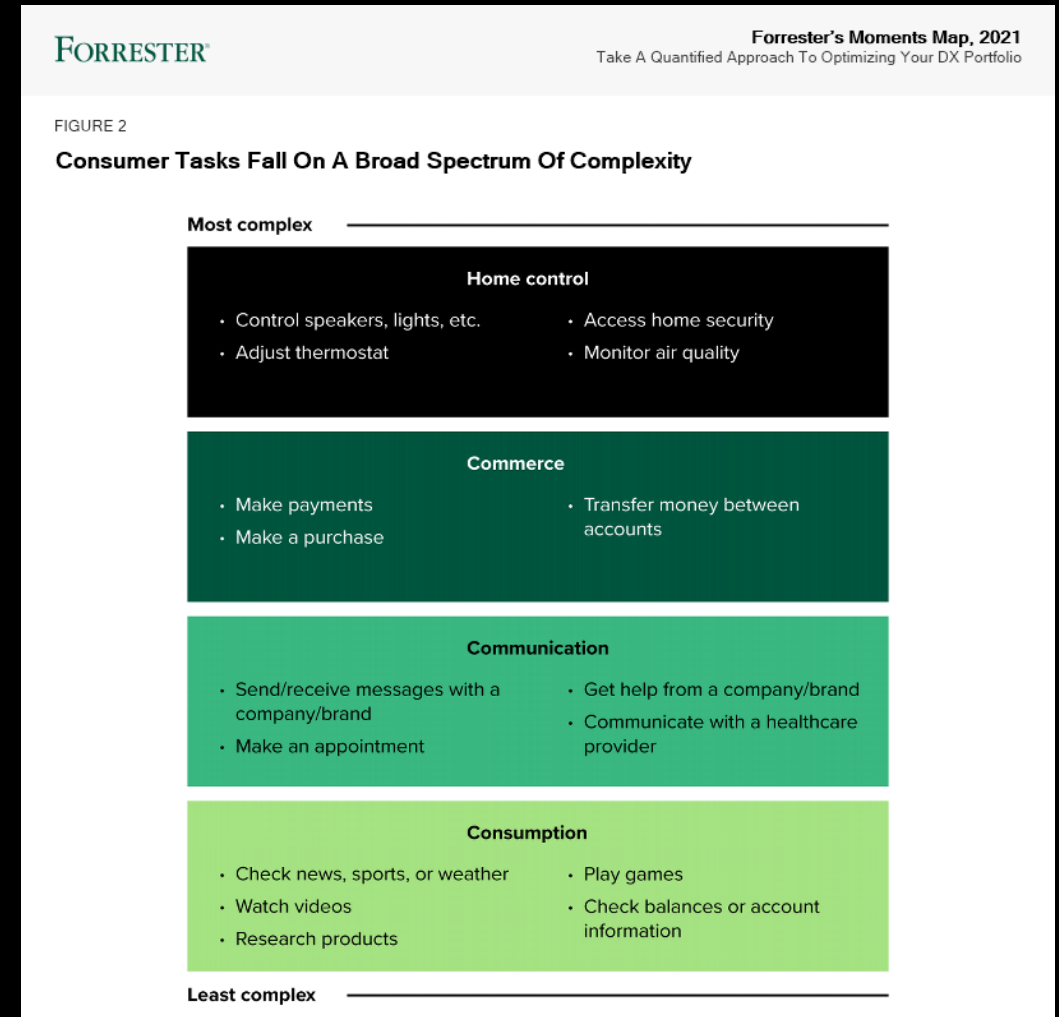
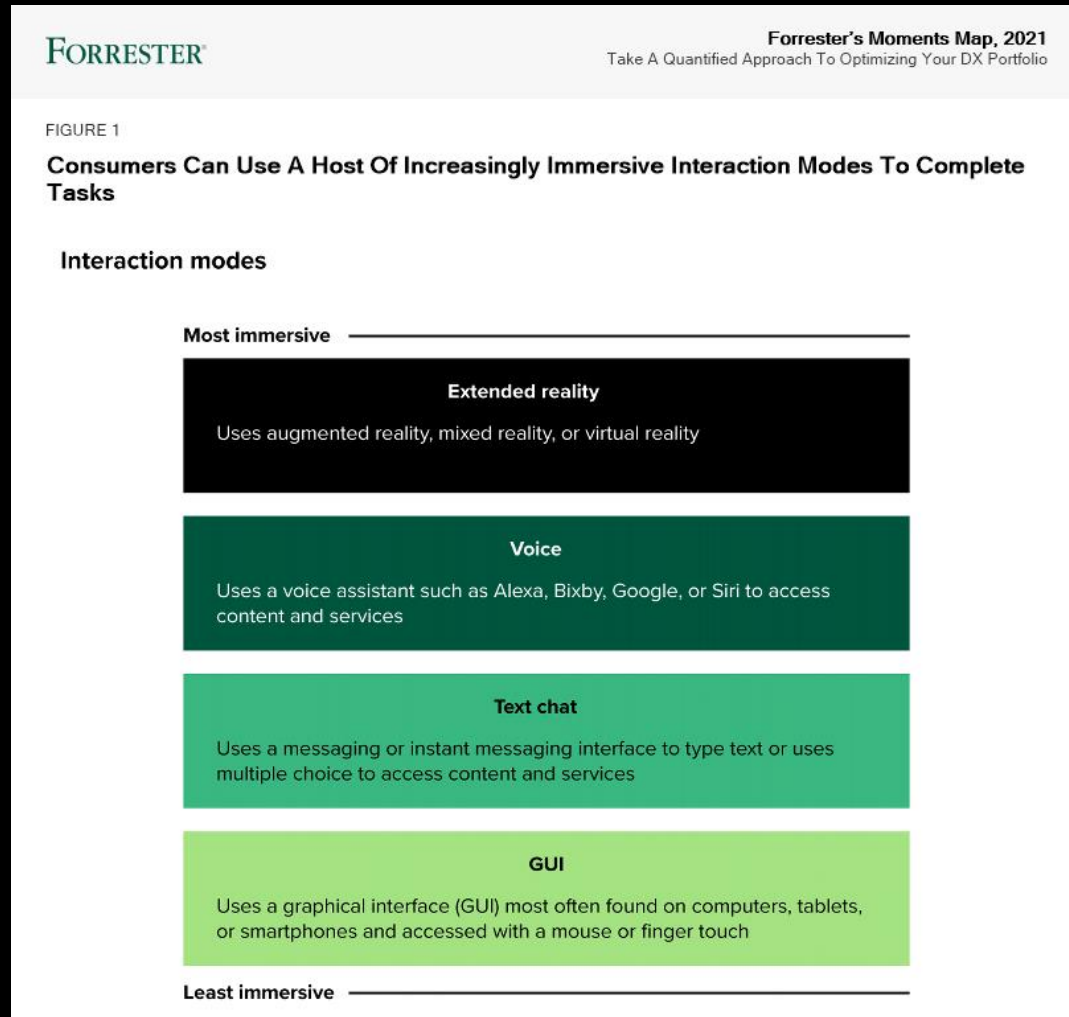
Forrester’s 2021 Moments Map

- Consumers are more comfortable communicating with brands through conversational interfaces than transacting.
- Within conversational interfaces, consumers are more comfortable with text-based chat than voice.
- Consumers use extended reality more for consumer media (e.g., playing games, attending virtual events) than shopping today.



Source: [Forrester’s Moments Map, 2021](#): Take A Quantified Approach To Optimizing Your DX Portfolio

Recommendation: Understand various interaction modes and task complexities when planning your digital portfolio capabilities



Challenge #3

Earning and maintaining customers' trust



The Challenge:

How to **earn the right** to be seen by customers **as trustworthy institutions** that will follow through on their promises and be there for customers at their time of need?



Customer, Employee, and Citizen Relationships With Respective Institutions Are Based On **Trust**



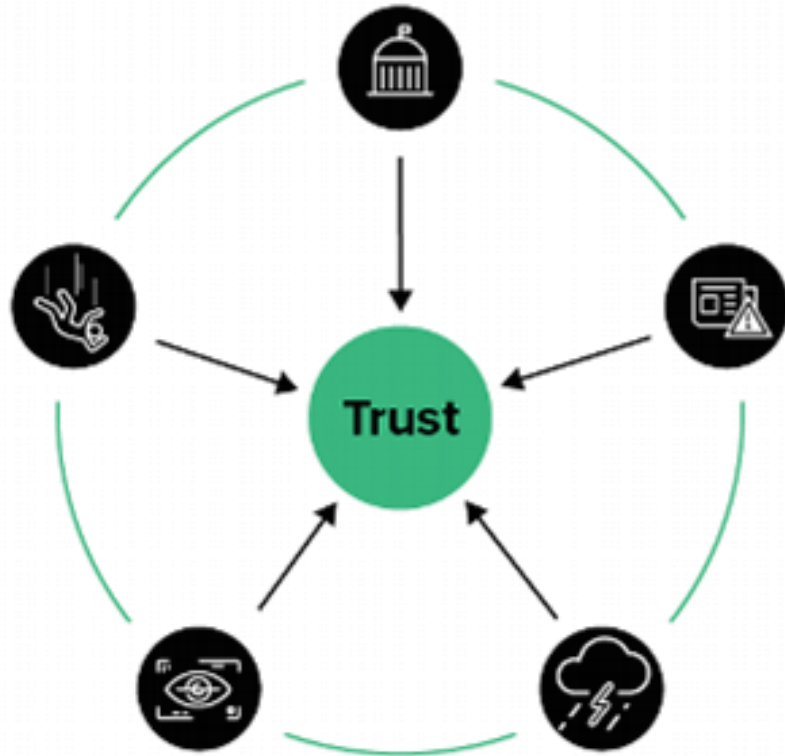
Organizations that understand this will reap financial, competitive, and reputational benefits when their customers' trust is strong.

What Is Trust?

Forrester defines trust as –

“Confidence in the high probability that a person or an organization will spark a specific positive outcome in a relationship.”

Various external forces continue to undermine trust among consumers, customers, employees, and citizens



Destabilizing trust in public and societal institutions

Due to perceptions of injustice and income inequality, trust in these institutions is no longer stable. Citizens question, judge outcomes, and become active when they want to see change.



Amplification of misinformation

A wholesale dismissal of facts, evidence, and science as conspiracy theories, false claims, and deep fakes spread rampantly in social media — absorbing people into filter “bubbles” and overpowering the truth



Intensifying uncertainty in a world struggling through the pandemic and ensuing crises

Ongoing unease in a world defined by systemic risks — such as climate change, resource scarcity, political instability, financial stress, social unrest, and disease outbreaks



Growing discomfort with rapid technology advances

Rising fears that the quickening pace of unregulated emerging tech is leading to a dystopian future defined by privacy abuses, surveillance, bias, manipulation, and job losses






Mounting concerns of new threats to physical health and safety

Heightened awareness that digital risks in areas like critical infrastructure, supply chains, healthcare systems, and devices now pose real threats to physical safety

Source: Forrester Research, Inc. Unauthorized reproduction, citation, or distribution prohibited.

Organizations must understand the risks & benefits of trust, as the rise or fall of trust can affect their business

Less trust ←	Stakeholders	More trust →
<ul style="list-style-type: none"> • Reputation risk/brand damage • Higher churn rate • Limited engagement • Resistance to change/innovation • Retribution • Unwillingness to share data 	 Customers	<ul style="list-style-type: none"> • Advocacy • Repeat customers • Higher customer lifetime value (CLV) • Enrichment • Forgiveness • Willingness to support innovation • Higher perceived business value • Willingness to share more data
<ul style="list-style-type: none"> • Reputation risk/brand damage • Inability to attract top talent • Higher turnover • Lower morale • Poorer EX • Resistance to change/innovation • Retribution 	 Employees	<ul style="list-style-type: none"> • Retention • Referrals • Productivity • Willingness to support innovation • Better CX (good EX = good CX) • Greater capacity for building a creative culture
<ul style="list-style-type: none"> • Inability to attract top-tier partners • Lack of efficiency/increased costs • Regulatory clampdown • Exclusion from supplier networks/loss of competitiveness 	 Partners	<ul style="list-style-type: none"> • Longevity • More resilient supply chains, ecosystems • Better output/lower costs • Unique engagements and business models • Faster routes to market • Innovation

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Trust can be earned and Forrester has identified the **7 Levers of Trust** that may help organization to do that...

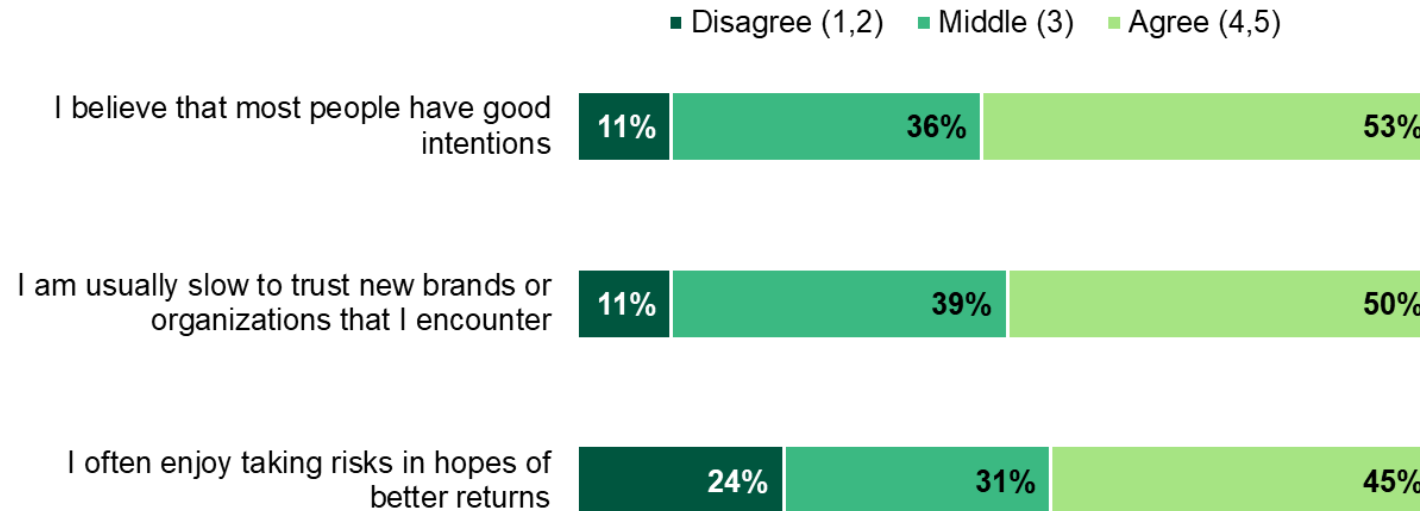
Accountability	The confidence that an organization takes responsibility for what it does and says; provides satisfactory reasons for its words, decisions, and actions; and is ready to bear the potential consequences
Competence	The recognition of an organization for its expertise and the belief that such expertise enables it to do something successfully or efficiently
Consistency	The expectation that an organization will always behave or perform in a similar way, so that individuals can confidently rely on the expected behavior or performance in their own plans, actions, and assumptions
Dependability	The expectation that an organization will be available, reliable, and able to predict and meet individuals' needs and demands
Empathy	The perception that an organization is emotionally connected to its customers, employees, and partners and understands and shares their feelings and experiences
Integrity	The belief that an organization acts honestly and according to values that individuals can easily recognize and that those values permeate the organization's brand, decisions, and operations
Transparency	The perception that an organization is doing business in an open way and is making every effort to share information about the business that is based on accurate, verifiable facts



Trust in Singapore is generally positive, but it remains fragile

“Please indicate how strongly you agree or disagree with each of the following statements.”

(Responses on a scale of 1 [strongly disagree] to 5 [strongly agree])



Key Observations

- Majority of Singaporeans believe that most people have good intentions (53%)
- Nearly half of Singaporeans readily take risks, hoping for positive outcomes (45%), yet they are slow to trust new brands and organizations (50%)

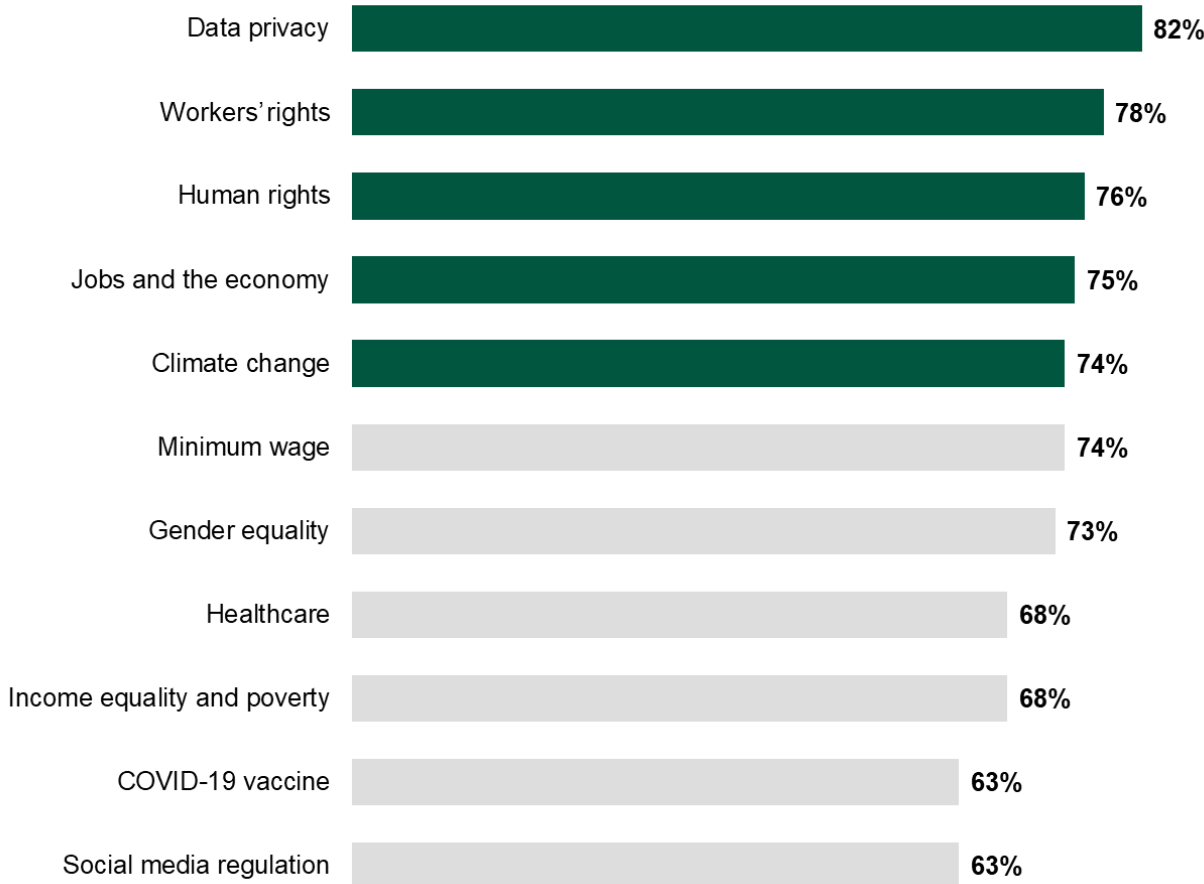
Base: 301 online adults in Singapore

Source: Forrester's Consumer Trust Imperative Survey, 2022

Singaporeans believe brands should take a stand on certain values in order to earn their trust

“To what degree do you believe that brands should take a stand on the following social, environmental, and political issues?”

(4 or 5 on a scale of 1 [brands should stay out of this completely] to 5 [brands should lead the charge])



Key Observations

- More than half of Singaporeans want brands to take a stand on various social, environmental, and political issues
- Singaporeans prioritize privacy, worker and human rights, jobs, the economy, and climate change as issues that brands should take a stand on

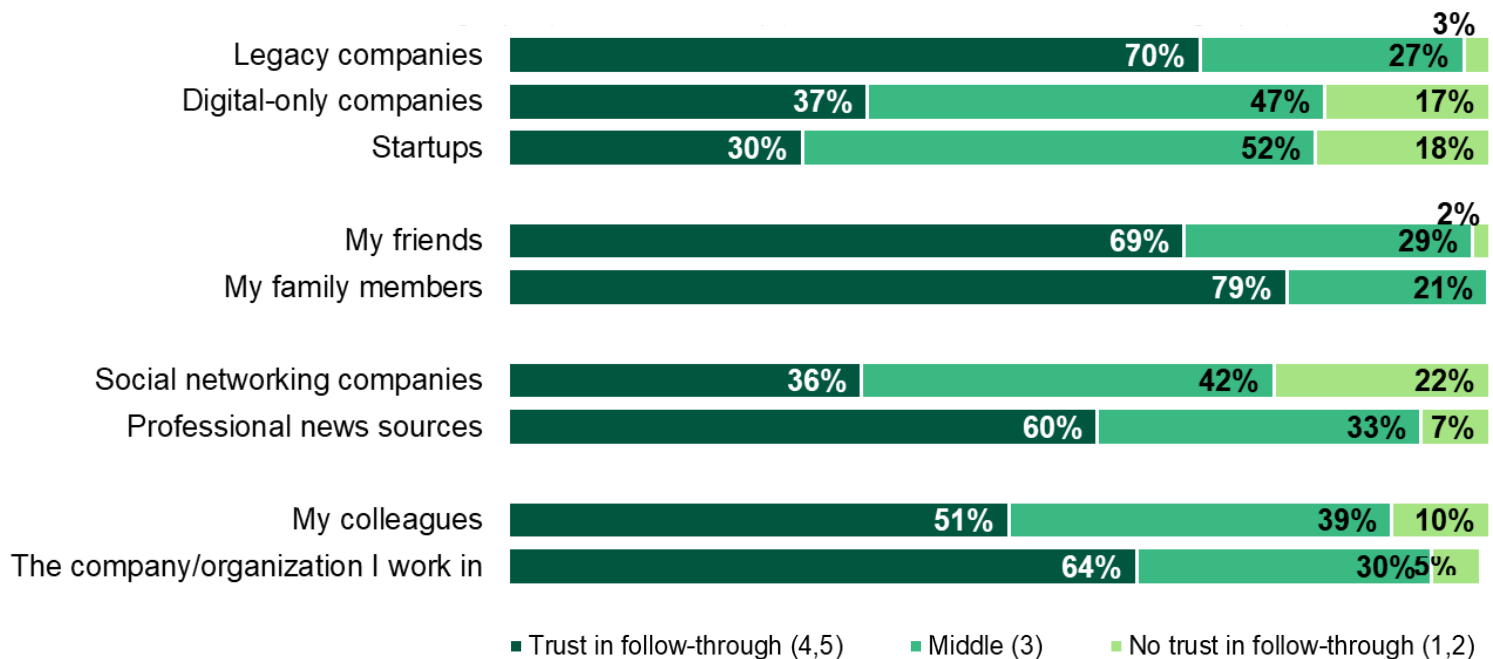
Base: 301 online adults in Singapore

Source: Forrester's Consumer Trust Imperative Survey, 2022

Singaporeans favour institutions that have a long-standing and established reputation

“To what degree do you trust that each of the following people/organizations follow through on the promises they make?”

(Responses on a scale of 1 [I strongly do not trust them to follow through on their promises] to 5 [I strongly trust them to follow through on their promises])



Key Observations

- Singaporeans trust legacy firms more than start-ups or digital-only companies
- Singaporeans trust professional news sources more than social networks
- Singaporeans trust employers more than colleagues in the workplace
- Singaporeans trust family members more than friends

Note: Percentages may not total 100 because of rounding.

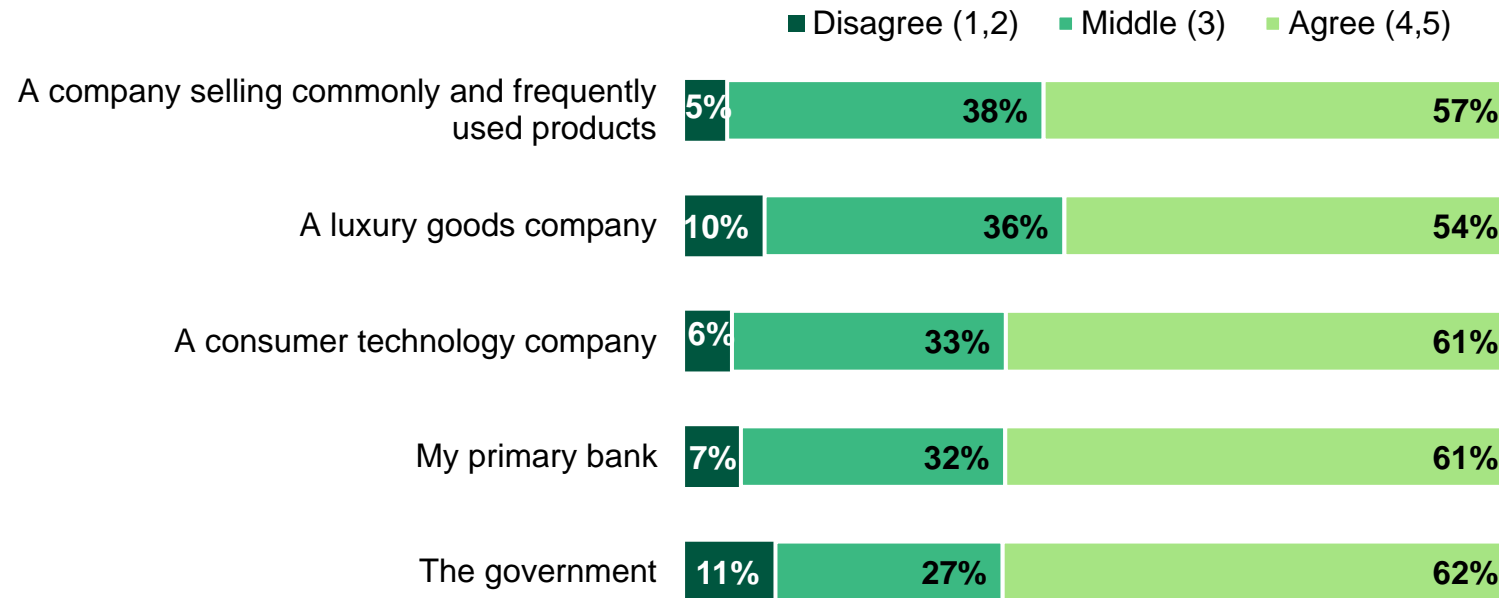
Base: 301 online adults in Singapore

Source: Forrester's Consumer Trust Imperative Survey, 2022

Trust varies across different types of institutions. Trust may also vary by country, demographic segments, and over time.

“Please indicate how strongly you agree or disagree that you are confident that the following companies or entities will help you in the future.”

(Responses on a scale of 1 [strongly disagree] to 5 [strongly agree])



Key Observations

- Banks and consumer technology firms instill confidence that they will help their customers in the future (61%)
- Companies that sell commonly and frequently used products are seen as reliable (57%)
- Luxury goods providers lag other sectors, but still garner customer confidence (54%)
- Belief that the government can create a better future for its citizens is central to their trust (62%)

Note: The wording for the government entity was “The government will create a better future for its people.”

Base: 218 to 301 online adults in Singapore; sample varies by industry

Source: Forrester’s Consumer Trust Imperative Survey, 2022

The benefits of customers' trust are as **meaningful** as they are **impactful**



Industry type

Commonly and frequently used products

Consumer technology

Luxury goods

Primary bank

Government

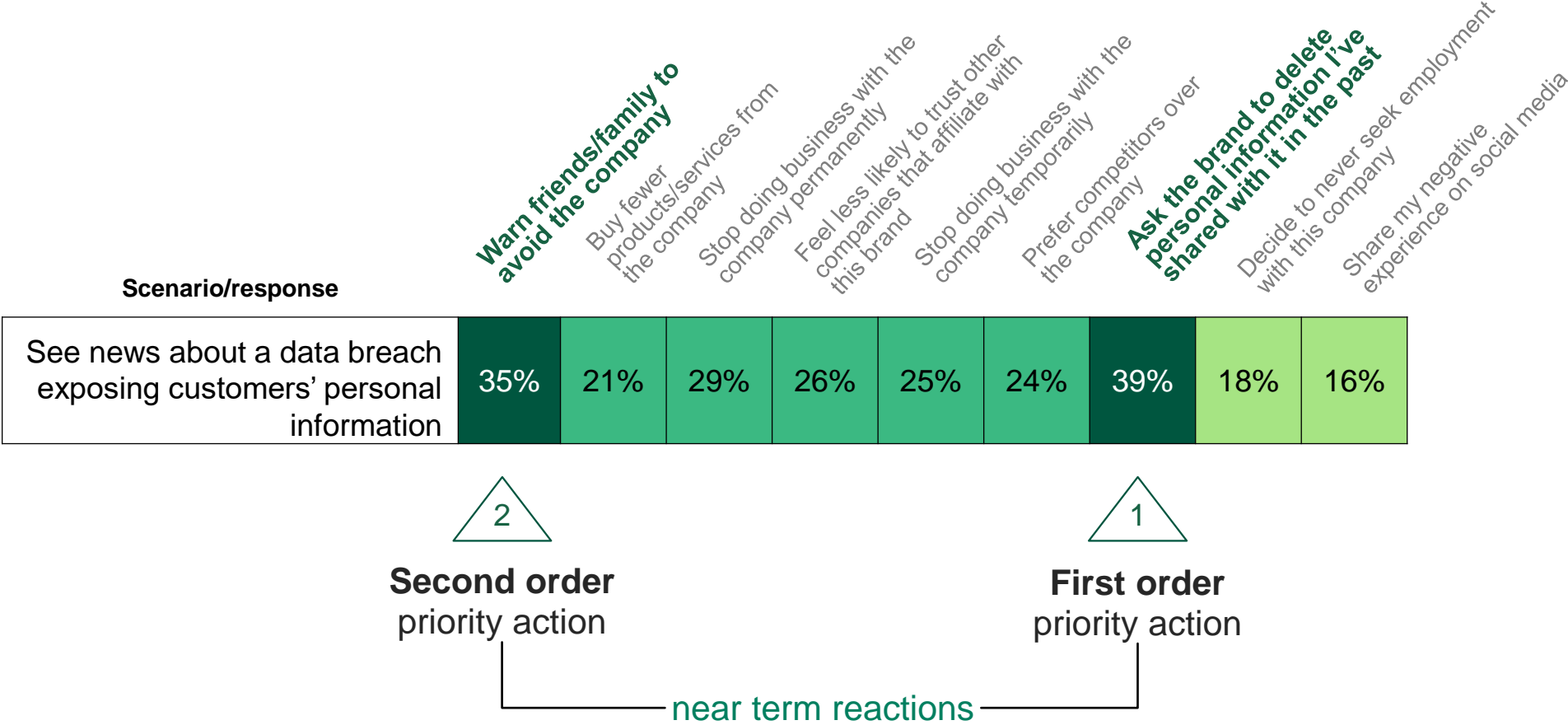


Top benefits from trust

- 1) Purchase from this company again
 - 2) Recommend this company to my friends and family
 - 3) Buy or use additional products or services from this company
 - 4) Prefer this company over its competitors
-
- 1) Comply with government directives
 - 2) Feel proud to live here
 - 3) Support the current policies of elected officials
 - 4) Seek expert advice from government organizations

Breaches of trust can trigger quick, negative consequences or can linger for a while and trigger actions in the future

► **Scenario Example:** A customer sees news about a data breach exposing customers' personal information. How would that customer react?



The severity of breaches of trust varies by cause & context (and cultural predispositions)

“For each of the following scenarios, please indicate how you typically respond.”

Scenario/response	Warn friends/family to avoid the company	Buy fewer products/services from the company	Stop doing business with the company permanently	Feel less likely to trust other companies that affiliate with this brand	Stop doing business with the company temporarily	Prefer competitors over the company	Ask the brand to delete personal information I've shared with it in the past	Decide to never seek employment with this company	Share my negative experience on social media
See news about a data breach exposing customers' personal information	35%	21%	29%	26%	25%	24%	39%	18%	16%
See news about a legal breach of ethics in a company	34%	21%	37%	33%	19%	22%	26%	22%	15%
See news about poor employee working conditions	34%	27%	27%	21%	24%	26%	16%	35%	14%
See a company saying or doing something that appears to contradict the values it stands for	25%	31%	27%	23%	25%	23%	14%	16%	13%
See a company saying or doing something that contradicts my personal values	24%	28%	26%	24%	22%	25%	17%	16%	13%
Find a product or service error from a company that I have done business with for a long time	25%	24%	18%	25%	26%	17%	11%	14%	17%
Find a product or service error from a company that is new to me	23%	29%	14%	20%	21%	22%	16%	9%	15%

0-10%

11%-20%

21%-30%

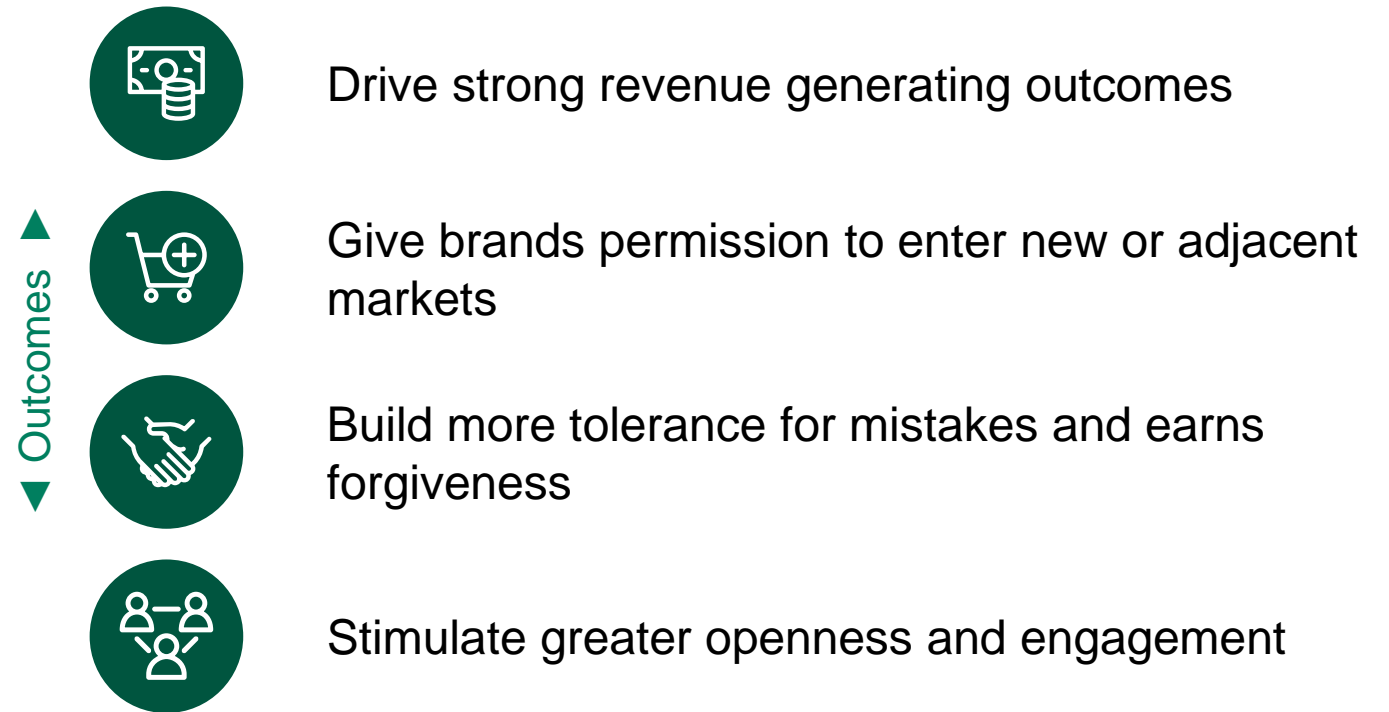
31%-40%

Key Observations

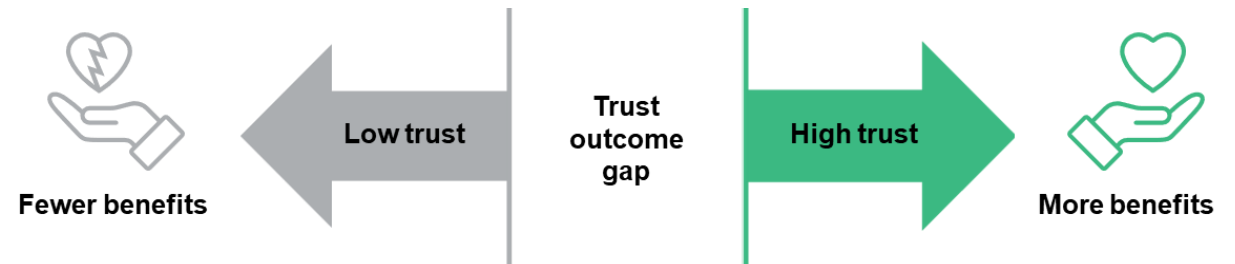
- Data breaches exposing customers' personal data draw adverse reactions
- Breaches of ethics may incur severe negative consequences
- Contradictions between words and actions detract the most from customer purchases

However, the **benefits of trust** are as meaningful in the long term as they are impactful in the near term

Customer Trust Matters Because It Can...



“Be Mindful Of The Gap”: High Trust vs. Low Trust



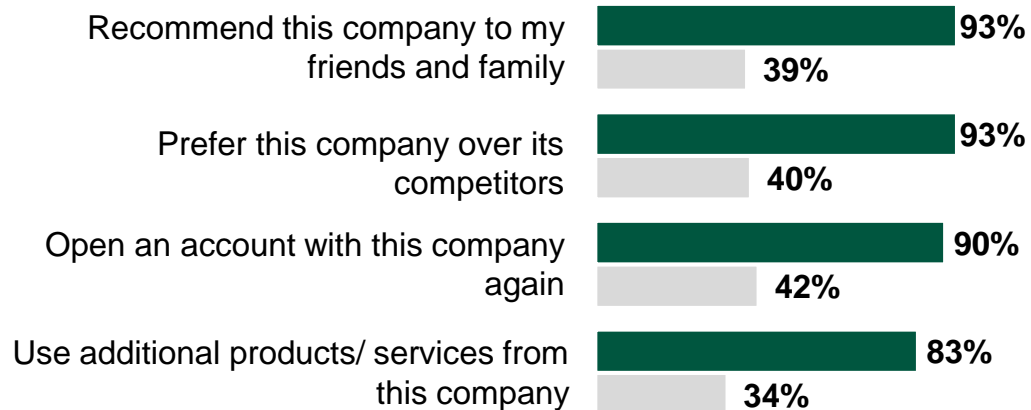
“What Does Trust Mean For My Business?”

Earning and keeping your customers’ trust leads to tangible benefits through a combination of **value-adding outcomes**.

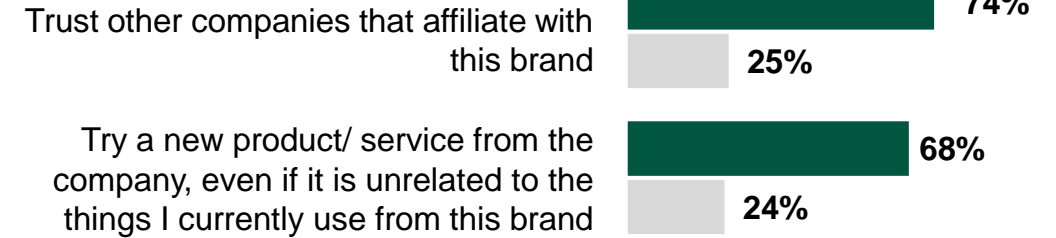


■ Customers with high trust*
■ Customers with low trust**

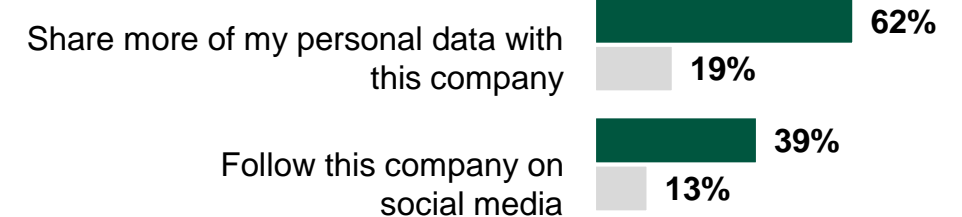
Revenue



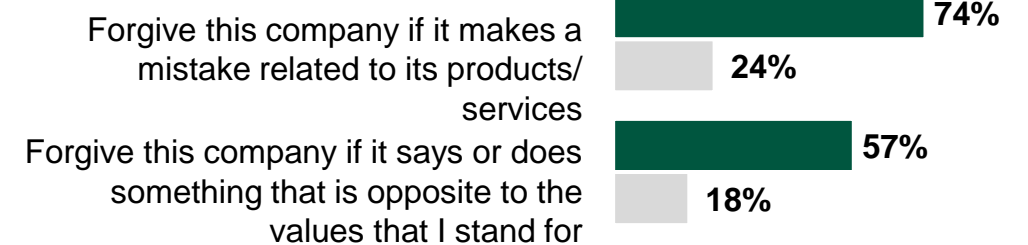
Brand extension



Engagement



Forgiveness



**Trust is *hard to earn*
but *easy to burn*.**

**Customers' trust should
not be left to chance.**

Firms that understand this must...



Investigate and assess their customers' trust levels and the key drivers of trust



Develop a deliberate action plan that includes actions directed at strengthening customer trust



Benchmark against the industry peers and set trust level targets (annually)



Align customer trust and customer experience strategies and integrate them

Thank You.



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BOLD
AT
WORK