Customer Experience in 2020
Seven Technology Trends Defining the Future of Customer Experience

Digital technologies have disrupted the customer’s traditionally linear path to purchase. Excellence in customer experience remains the best bet for businesses to influence their customers and navigate them through the complex maze of interactions and touch points.

70% of buying decisions are based on customer experience.¹

TREND 1
Smart Stores
Brick and Mortar Strikes Back

TREND 2
Hyper-personalization
Personalizing for the Segment of One

TREND 3
Intelligent Assistants
Adding Voice to Customer Interactions

TREND 4
Remote Experts
Human Interaction Remains Golden

TREND 5
Instant Fulfillment
Make It a Reality

TREND 6
Virtual and Augmented Reality
Blend Physical with Digital

TREND 7
Application Experience
Every Transaction and User Experience Matters

RECOMMENDED

¹ Source: Customer Experience Management Association
Smart Stores

Brick and Mortar Strikes Back

In the age of expanding digital commerce, successful retailers may blur the lines between online and physical stores to deliver an omnichannel experience that influences and serves the consumer, independent of the channel.

Smart brick-and-mortar stores will activate rich experiences to complement the strengths of their online channels (e.g., price comparison, product reviews, etc.) as well as offer unique in-store experiences that cannot be offered by online channels (such as trials and demos and in-store pickup).

“Walking through the doors is just like walking into our website.”
— Angela Ahrendts (former Burberry CEO)

Digital Needs Brick and Mortar, and Vice-Versa

Digital native retailers are embracing brick and mortar, while brick and mortars are going digital as they scale down traditional stores.

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**TRADITIONAL BRICK AND MORTAR**

- 94% of retail sales
- Trials and demo
- Instant gratification

**DIGITAL COMMERCE**

- 6% of retail sales
- Price/information transparency
- Personalized
- Community and reviews

**SMART BRICK AND MORTAR**

- Trials and demo
- Instant gratification
- Price/information transparency
- Personalized
- Community and reviews

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**AMAZON**

- Acquired Whole Foods’ 450 stores for $13.7B

**WARBY PARKER**

- 800+ stores planned

**BONOBOS**

- 100+ stores planned

**WALMART**

- Incentives for ordering online and store pickup

**TARGET**

- App for in-store navigation and finding products

**WALGREENS**

- Shares APIs with developers for photo printing

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$3 trillion of the $3.5 trillion in retail sales — Forrester

8600+ U.S. brick-and-mortar stores expected to close in 2017 — Credit Suisse
Unique Customer Experiences Already in Play

AMAZON GO
No payment counters

BURBERRY
Check out from store couch.

TESCO KOREA
Shop at metro stations on digital aisles. Delivery by evening.

Make Your Stores Smarter

**DEFINE**
Focus on overall customer experience and not just on physical store.
Assign objective to brick and mortar—e.g., product showcase, support.

**IMPLEMENT**
Refine customer journeys to include timely in-store touch points.
Ensure seamless transitions between physical and digital interactions.

**OPTIMIZE**
Measure and analyze customer interactions.
Optimize based on learnings.

Cisco Powers Smart Stores from Experience to Operations

**INCREASED CUSTOMER ENGAGEMENT AND PROFITABILITY**
- Traffic-centric staffing
- Handheld checkout
- Targeted ads
- Virtual concierge
- Store lighting sync

**RELIABLE AND OPTIMIZED STORE OPERATIONS**
- Remote store Wi-Fi assurance
- Application performance monitoring
- Store layout optimization
- Secured customer data
- Locally cached digital catalog

*Discover Cisco retail solutions >*
Personalizing for the Segment of One

Customers no longer want cookie-cutter products and experiences. Thanks to evolving data technology and customer expectations, most industries are witnessing a major demand for individualized products and services, each curated based on every single person’s needs and preferences.

77% of digital natives expect a personalized digital experience.1

— VentureBeat

Hyperpersonalization Takes Center Stage

More connected than ever

Customers generate and share lots of personal data.

Advancements in technology

25 billion “things” connected to Internet by 202012

1.7 MB of new information created every second for every human by 202013

Vastly improved abilities to capture data, analyze it, and target customers in real time via innovative mediums

Unique Experiences Deliver Great Results

Individualized services
Greater customer loyalty

Proactive experiences
Faster completion of customer goals

Real-time adjustments
Increased customer satisfaction

Crowdsourced ideas
Fewer product failures
The More Personalized, the Better

Industry Spotlight

WELLS FARGO
Personalized ATM dashboard

MCDONALD’S ASIA
Create your own burger at kiosk.

BIRCHBOX
Hair gel that suits you

Fortify Your Data Strategy to Deliver Hyperpersonalized Experiences

**CAPTURE**
Identify data types (e.g., customer, transactional, social, etc.).
Capture required data from relevant sources and channels.

**UNDERSTAND**
Combine data from disparate sources to obtain 360-degree view of customer.
Acquire analytics and targeting technology.

**DELIVER AND IMPROVE**
Use data and insights to deliver personalized customer interactions.
Incorporate customer responses in future experiences, often in real time.

Cisco Products Enable End-to-End Personalization

**TELEMETRY AND BIG DATA**
- Embedded telemetry in the network provides breadth and depth of data—e.g., user, device, location, app.
- Cisco® Unified Computing System™ powers all data-intensive workloads on a centrally managed, highly scalable system.

**CUSTOMER INSIGHTS AND ANALYTICS**
- Cisco Connected Mobile Experiences (CMX) and Meraki® Location Analytics use network/Wi-Fi data to capture customer data such as location, time spent, in-store movement, etc.
- Cisco SocialMiner® listens to customer conversations originating in the social web.

**EXPERIENCE DELIVERY PLATFORMS**
- Cisco Enterprise Mobility Services Platform (EMSP) quickly builds context-aware mobile experiences using drag-and-drop design tools.
- EMSP sends personalized notifications to visitors based on their real-time location.
Intelligent Assistants Add a Voice to Customer Interactions

Intelligent assistants (such as Amazon Alexa, Apple Siri, and Microsoft Cortana) will have the ability to engage in meaningful conversations that move consumer interactions forward.

At first, applications of intelligent assistants may be more prevalent in discovery- and search-related experiences. However, with enhancements to AI technology, as well as commercialization of Siri, Alexa, etc., intelligent assistants could participate in advanced interactions such as processing payments, obtaining real-time support, or mining through extensive data to respond to complex queries.

By 2020 the average person will have more conversations with bots than a spouse.14

— Gartner

Intelligent Assistants Are Ready for Mass Adoption

- Conversation is golden
- Ready for mass adoption
- Growing ecosystem

45% of U.S. adults already use an intelligent agent.15

10 million homes are projected to have devices such as Amazon Echo and Google Home by the end of 2017.14

Amazon, Microsoft, Google, and Apple provide APIs off the shelf to add voice to your applications.

Ready for Prime Time

Discovery
Basic search functions, but not for complicated queries

Transactional
Repetitive transactions, but not for high-stakes transactions

Orders
Simple everyday orders, but not for complex, high-value orders

Support
Routine high-volume services, but not for confidential advice
Give Voice to Your Customer Experience

LISTEN
Assign objective (e.g., marketing, support).
Identify pilot use cases.

DEVELOP
Decide: Build own versus partnership.
Set up infrastructure and data.

DELIVER AND IMPROVE
Deploy pilot use cases.
Optimize experiences and expand use.

Cisco Acquired MindMeld, a Deep-Domain Conversational AI Platform
Cisco plans to introduce intelligent assistants in product, marketing, and support.

• Understands open-ended inputs
  E.g., “Get me two tacos. Extra spicy.”

• Seamlessly blends voice, text, and touch inputs
  E.g., “Enter ‘I need help’ in chat box.”

• Captures preferences and learns new use cases over time
  E.g., “Get me my usual Tuesday lunch.”

Learn more about MindMeld >
Remote Experts

Human Interaction Remains Golden

Since human interaction remains critical in providing services, digital customer support will play a big role in maintaining that element while providing anywhere, anytime service. Digital support will see mass adoption of telepresence technologies, enabling support experts to virtually interact with customers wherever and whenever they choose.

Inclusion of virtual experts at critical touch points of the customer lifecycle can boost customer satisfaction and loyalty while reducing the risk of churn.

Remote Experts: Humanizing Digital Support

For high-stakes and confidential interactions

84% of consumers prefer working with live agents to resolve issues.¹⁷

Remote experts

Essential for critical high-stakes services

Luxury retail

Personal stylists

For complex cognitive decisions

The power of the human brain brings 100 billion neurons and 1 trillion connections to the table.¹⁸

Financial services

Guidance from personal bankers

Expert advice

Seeking legal options

For service-driven sales

$1.6 trillion is the estimated cost of customers switching due to poor service.¹⁶

Healthcare

Virtual doctor visits

Keeping It Personal

77% of U.S. consumers prefer dealing with human beings for advice.¹⁶

– Accenture
Remote Experts Are Already Reaping Rich Dividends

AMERICAN EXPRESS
Uses premium support for black-card customers; increased net promoter score by 38%.

KAISER PERMANENTE
Offers virtual doctor visits; experienced more virtual visits than in-person visits.

METLIFE MEXICO
Has virtual support kiosk at select branches; experienced net promoter score of 100.

Turn Customer Service into Competitive Advantage

EVALUATE
Identify high-touch, high-value services.
Decide: Enrich existing services versus expand in scale, or both.

DEPLOY
Acquire remote-expert technologies.
Train service reps on technology to deliver outcomes.

INTEGRATE
Weave remote expert services into high-priority customer journeys.
Optimize service journeys based on observed results.

Cisco Remote Expert
Get close to your customers like never before.

IMMERSIVE EXPERIENCE
Delivers a compelling customer experience with high-quality, collaborative audio and video

MULTICHANNEL DELIVERY
Identifies, locates, and connects customers with experts for instantaneous service, anytime, anywhere

VIRTUALIZED WORKFORCE
Creates a virtual pool of experts that can be centrally located, dispersed at branches, or located at home

AUDIT TRAIL
Enables recording of interactions in support of regulatory/compliance requirements

Discover Cisco Remote Expert >
Instant Fulfillment

Instant Fulfillment Becomes a Reality

With rising customer expectations, instant delivery may become table stakes for many industries. Retail stalwarts such as Amazon and Walmart have already invested in same-day deliveries and pickups.

Drones and driverless cars possess strong potential to disrupt the instant-delivery market, particularly for fulfilling orders in high-density areas. Ride-share companies such as Uber and Lyft may also play a pivotal role in bringing the shared economy to the fulfillment ecosystem.

Customers Demand Instant Fulfillment

$87 billion
The cost of parcel delivery in 2015
– McKinsey & Company

30% of Millennials believe same-day shipping is important.23

25% of customers would pay for same-day delivery.22

80% of all parcels in 10 years.22

A Competitive Advantage

Expedited shipping
Amazon’s same-day delivery covers 1000 U.S. cities.24

Sharing economy
5 million downloads for UberEATS25

Driverless cars
25% of all driven miles by 203026

Drone delivery
86% of Amazon packages weigh 5 lbs. or less.27
Expedite Your Fulfillment

**ACCESS**

Business case—assess cost versus benefit.
Identify target markets and resources, partnerships.

**DELIVER**

Update fulfillment charter, acquire resources, build partnerships.
Pilot in test markets.

**SCALE AND LOOK AHEAD**

Expand operations to other target markets.
Follow market trends, technology developments, regulations.

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**Industry Spotlight**

**Instant Fulfillment on the Rise While AV Initiatives in Pilot**

**AMAZON**
Offers same-day delivery and is also testing drone delivery

**WALMART**
Incentivizes same-day pickup

**WHOLE FOODS**
Delivers groceries in one hour
Virtual reality (VR) and augmented reality (AR) technologies will create engaging experiences by bridging physical worlds with the digital world. VR/AR will bring the customer closer to the product with engaging demos and trials and simplified order experiences—all in a “store-like” atmosphere.

100 million consumers will shop in augmented reality by 2020."
— Gartner

VR/AR Technology Enters Prime Time

Computing advancements

Oculus Rift is 1.3 million times more powerful than early VRs from 1990s.28

Camera phones everywhere

15 million phone-based VR units in the United States by 202028

Democratized ecosystem

Google, Microsoft, Facebook (Oculus) sharing software development kits (SDKs) to enable VR/AR in mainstream applications

Turn Dreams to Reality

Utilize virtual showrooms
See stores in your living room.

Build virtual products
Customer is at the center of design.

Shop using your camera
Aim. Click. Buy.
Use VR/AR to Energize Your Customer Journeys

**EVALUATE**
- Assess need and ROI.
- Identify relevant use cases.

**DEVELOP**
- Choose technology based on need:
  - AR simplifies discovery and experiences.
  - VR provides fully immersive 3D visuals.

**INTEGRATE**
- Embed VR/AR in overall customer journey.
- Evolve based on need and technology advancements.

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**Industry Spotlight**

**VOLVO**
Browse cars from your couch.

**LOWES**
Design your virtual kitchen.

**AMAZON FLOW APP**
Click it. Order it.
Application Experience

Every Transaction and User Experience Matters

Customer experience technologies can succeed only if they are complemented by high-performing applications. Application monitoring technologies trace critical business transactions end to end in ultra-complicated technology environments. They ensure consistent delivery of a superior application experience, which is extremely relevant to providing high-quality customer experiences.

1-second delay in e-commerce transaction decreases customer satisfaction by 16%.

— Kissmetrics

Application Experience: More Relevant Than Ever

- Flawless experience
- IT and business inseparable
- Agility without failure

Poor experience = abandoned carts
40% of customers abandon a website that takes more than 3 seconds to load.  

Poor IT = customers lost
Subpar support, negative customer reviews

Poor IT agility = market share loss
Agility paramount in today’s highly complex application environment

Application Experience Is Table Stakes in Application Economy

Trace end-to-end transactions for troubleshooting
Faster diagnosis and fixes

Understand the user experience
Nonstop, high-quality experiences

Tie app performance to business performance
Greater revenues and improved customer satisfaction
Application Performance Monitoring Is a Must

ROYAL BANK OF SCOTLAND
Uses mobile app to effortlessly serve thousands at once; Paddington Station now the busiest branch31

EXPEDIA
Uses proactive troubleshooting to minimize business impact; experienced 25% improved transaction performance32

LYFT
Puts no brakes on customer and driver experience; gathers 20 million metrics per second33

Application Monitoring Spans People, Processes, and Technology

STRATEGIZE
Prioritize applications (e.g., most used, market leading, most troublesome).
Acquire technology platform.
Deploy monitoring on pilot applications.

REORGANIZE
Define new operating model (e.g., process workflow, responsibilities).
Realign organization/team based on new model.

OPERATE
Monitor: Fix and optimize apps.
Scale monitoring to all applications.

Cisco AppDynamics®
Application performance monitoring for superior experience

MAP IQ
Code-level insights for every user, every transaction

BASELINE IQ
Automates baselines, anomaly detection, and alerting for every metric and at scale

DIAGNOSTIC IQ
Automates diagnostics to provide end-to-end visibility

BUSINESS IQ
A real-time feedback loop between application and business performance

Learn more about AppDynamics >
Learn More

Partner with Cisco to transform your customer experience. Cisco customer experience solutions are specially curated packages of hardware, software, and services that deliver specific business outcomes. Our rich portfolio of solutions, backed by our service offerings and our global partner ecosystem, deliver a robust foundation for your digital transformation.

Let Cisco help you reimagine your customer experience and accelerate your journey toward digital transformation in your organization.

The Cisco Advantage

One-stop shop for all customer experience technology

- **Aligned with your business imperatives**
- **Scalable and secure**
- **Validated to work together**
- **Extensible by design**
- **Supported by Cisco**
- **Unmatched offering in the market**

More Resources

**Digital Transformation by Cisco**
There’s never been a better time to reimagine your business.

*Get white paper>*

**Why Cisco for Digital Transformation**
Cisco powers digital transformation with a digital-ready infrastructure.

*Read white paper>*

**Digital Transformation**
Build your business’s digital future with technology that helps you innovate.

*Watch video>*
Endnotes

19. Internal customer case studies, Cisco.
31. "From 17,000 to 7,000: The Decline of Britain’s Branch Network," The Telegraph, Mar. 3, 2014.
32. "Leading Online Travel Site Forecasts Significant Savings with AppDynamics," AppDynamics.