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Customer engagement

Customer engagement predictions 2022: Four trends that will define CX next year

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December 1, 2021

As we close the book on 2021, it's time for CX leaders to reflect on what they've learned and look ahead as they plan and prioritize for next year. Nuance's Tony Lorentzen dusts off his crystal ball to predict the customer engagement trends that will have the biggest impact in 2022.

We've seen a lot of things change in customer engagement this year. Customers are using a broader range of channels—up to 10 channels even in a single inquiry—and still expect seamless, personalized experiences. Brands have had to accelerate their digital transformation efforts to keep up with customer demand and support remote agent workforces. Meanwhile, fraudsters have seized on the opportunities created by widespread disruption.

As I've reflected on the lessons learned in 2021, several emerging customer engagement trends have stood out to me as the ones that will really take off next year. So, without further ado, here are my four customer engagement predictions for 2022.

1: Brands will transition to digital contact centers

During the pandemic, many brands saw an increased demand for digital experiences. Consumer behaviors have changed, and those changes are here to stay—and it's never been more important to meet customers where they are.

That's why more brands will transition to a "digital contact center" over the next year. In the cloud-based digital contact center, voice and digital channels blend into a seamless experience for customers, enabling brands to offer every customer the best possible experience in their channels of choice.

By taking an AI-first approach, digital contact centers will automate most interactions through engaging, efficient self-service experiences—whether customers are chatting with a virtual assistant or having a conversation with an intelligent IVR. This aautomation will also include secure, seamless biometric authentication improving CX and reducing costs for the brand.

Digital contact centers will offer customers the convenience and simplicity of asynchronous conversations on the messaging platforms they use every day, allowing customers to engage, disengage and re-engage on their own terms. These digital contact centers will also use the agility of the cloud—supported by a single AI platform underpinning all customer engagement—to add new channels quickly or expand their operations to meet shifting demands.

Digital Contact Centers will leverage the power of AI to route contacts to most appropriate agents, providing agent with a rich set of information to guide the conversation, ensuring a connected and informed experience. Aftercall work time will be automated with RPA (Robotic Process Automation) freeing agents up to focus on the next customer.

Importantly, the digital contact center will do all of this in a secure way, as my colleague Brett Beranek, VP and GM of our Security & Biometrics business, points out. "Establishing customer trust is more important than ever," says Brett. "Fraud increased during the pandemic as online interactions took place in unprecedented volume and agents moved to remote settings. Fraud teams were overwhelmed by false alerts, so AI-powered biometric fraud prevention will be an essential component of the digital contact center."

2: Retailers will adopt hyper-personalization

Leading retailers have been personalizing digital shopping experiences in one way or another for many years now—personalized product recommendations based on past purchases, for example, have been commonplace for a long time. In 2022, however, we'll see a shift toward hyper-personalization, where every interaction is relevant and based on real customer needs in that moment.

This requires a complete understanding of each customer's historical relationship and recent interactions with the brand, which means data from every channel will have to be aggregated and analyzed by powerful AI solutions. That brings us back to the need for digital contact centers that merge previously siloed engagement channels and provide a layer of intelligence that can understand and predict customer needs in real time.

Hyper-personalization will also demand an even greater focus on security. "Personalization strengthens trust because customers feel known, but the prevalence of fraud threatens trust," says Brett. "By authenticating customers with voice, behavioral, and conversational biometrics, brands can enable greater levels of personalization and streamline customer journeys—all without compromising security."

3: Telcos will focus on automation—and empowering human agents

Telcos have seen demand for digital interactions skyrocket, but customer satisfaction with those experiences remains low compared to other industries. In 2022, telcos will use AI to create stronger digital self-service experiences that increase conversion rates and improve CSAT scores. Perhaps even more importantly, they'll also use AI to augment and empower their human agents.

As telcos automate more customer engagements, agents will spend their time handling more complex inquiries that require their expertise and empathy. It's also likely that they'll continue to work remotely, away from the support of colleagues and managers. So, telcos will need to focus as much on agent experience as they do on customer experience.

By using AI to support agents with real-time, contextual customer information, best practice advice, compliance reminders, and product or offer recommendations, telcos will empower staff to do their best work. That will help reduce the high turnover rates we often see in contact centers, and it will help every agent deliver the right outcome for each customer.

AI will also help agents in the fight against a rising tide of account takeover attempts and SIM swap fraud. "In the past, agents had to interrogate customers during lengthy authentication processes and then evaluate if they were who they claimed to be," says Brett. "With biometric authentication, agents can simply get on with the conversation and resolve customer issues faster—they're also protected from social engineering and bribery attempts that have become more common with agents working from home."

4: Banks will prioritize technology that helps them balance CX with security

Financial services organizations of all sizes have seen digital interactions and call volumes rise as customers looked for ways to deal with the financial uncertainty created by the pandemic.

Like all brands, banks must offer great customer experiences to remain competitive. But the nature of their business means security must always be a top priority. Traditionally, adding security meant adding friction to the customer and agent experience, so financial institutions will prioritize investments in technologies that strengthen security and CX simultaneously.

"Knowledge-based authentication creates a huge amount of friction for customers and very little friction for fraudsters," says Brett. "Most of us struggle to remember all our PINS, passwords, and security question answers, but fraudsters have all that information in front of them when they get in touch. We're already seeing banks get immense value—including 92% reductions in fraud losses and 85% increases in customer satisfaction—from biometrics solutions that eliminate authentication effort for customers while making life very tough indeed for fraudsters. Over the next 12 months, I expect to see many more financial services organizations following in their footsteps."

Strategic priorities for 2022

Whether you're in retail, telecommunications, banking, or any other sector, I see three clear priorities for customer engagement leaders in 2022:

- Meet customers where they are, with personalized, proactive experiences
- Connect automated and live experiences
- Give agents the tools, information, and support to be more effective and productive
- Build trust and reduce friction by securing and streamlining every customer interaction

And the key to achieving all these goals? Take an AI-first approach that ramps up automation, empowers human agents, and personalizes and protects every customer engagement.

Tags: Fraud prevention, Retail, Telco, Biometric authentication, Customer service strategy, Customer engagement solutions, Contact center strategy, Predictions, Financial services

More Information

Watch for more insights

Tony Lorentzen and Brett Beranek discuss how to navigate the uncertainties of the coming year while optimizing the CX changes implemented in 2021 and the role will AI play, in this recent webinar.

Learn more

About Tony Lorentzen

Tony has more than 25 years of experience in the technology sector, spending the last 17 with Nuance where he is currently the SVP of Intelligent Engagement Solutions within the Enterprise Division. Before that he served as the leader of several teams at Nuance including Sales Engineering, Business Consulting, and Product Management. A proven leader in working with the cross-functional teams, Tony blends his in-depth knowledge of business management, technology and vertical domain expertise to bring Nuance's solutions to the Enterprise market, partnering with customers to ensure implementations drive true ROI. Prior to Nuance, Tony spent time at Lucent and Verizon where he led teams that applied the latest technologies to solve complex business issues for large enterprises. Tony received a B.S. from Villanova University and a MBA from Dowling College.

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