



State of CX 2022

Insights, best practices and innovation opportunities

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6 priorities for winning the Experience Economy in 2022

1

Digital-first; define the new measures of digital CX success

2

Decipher the right organisation structure for CX success

3

Building the right technology architecture

Cloud first

Conversational
AI

Customer Data
Platform

4

Capitalise on big trends

Live
commerce

Phygital
experiences

5

Deliver outstanding employee experiences

6

Partnering for CX success

Digital Measures of Success

The transition to digital requires us to establish new measures of success. In addition to using traditional measures like CSAT and NPS; digital metrics give us the opportunity to have a more comprehensive system to measure customer engagement satisfaction and growth. The world's best companies are defining these new benchmarks for winning in the Experience Economy.



3-point framework for digital measures of success



Organisations have done well to measure the engagement value and the efficiency (friction) value. The new added measurement we recommend is the **Digital Ecosystem Value**. This is important as CX teams transition from being a cost center, viz., customer service focused to being enablers of business. The focus on Digital Ecosystem Value enables organisations to go beyond its core offerings to extending services across the entire customer journey and enable outcomes, viz., become life partners of the customers.

We share three case studies of DBS Bank, GRAB & Ping An who have unlocked growth by expanding to adjacent ecosystems.



Digital Engagement Value



Digital Transactional Value

Where digitalisation brings in direct profit through product revenue and service commissions



Digital Interactions Value

Where digitalisation improves customer loyalty and impacts customer lifetime value



Digital Efficiency Value



Value of Onboarding Efficiency

Measuring onboarding seamlessness of each customer



Value of Contextualisation Efficiency

Measuring digital insights per customer and percentage of AI-supported customer conversations



Digital Ecosystem Value



Value of Marketplace Transactions

Measuring the GMV of total services, the revenue and percentage of non-core products



Value of Ecosystem Monetisation

Measuring percentage of third-party product consumption on platforms and revenue from data monetisation

DBS grows through reimagining customer journeys and digital ecosystems



Digital Transactional Value

Property and loan marketplaces generated SGD 1 billion in loans



DBS PayLah 3x growth in transaction volumes in 1 year

Favepay, GooglePay, Lazada and ComfortDelGro drive growth



E-commerce, telecom and loan aggregation partners

30% of loan volume Indonesia
20% of new digital accounts India



Corporate

Accounting platform 4% growth in new customer acquisition

4X growth in incremental Casa deposits from partners

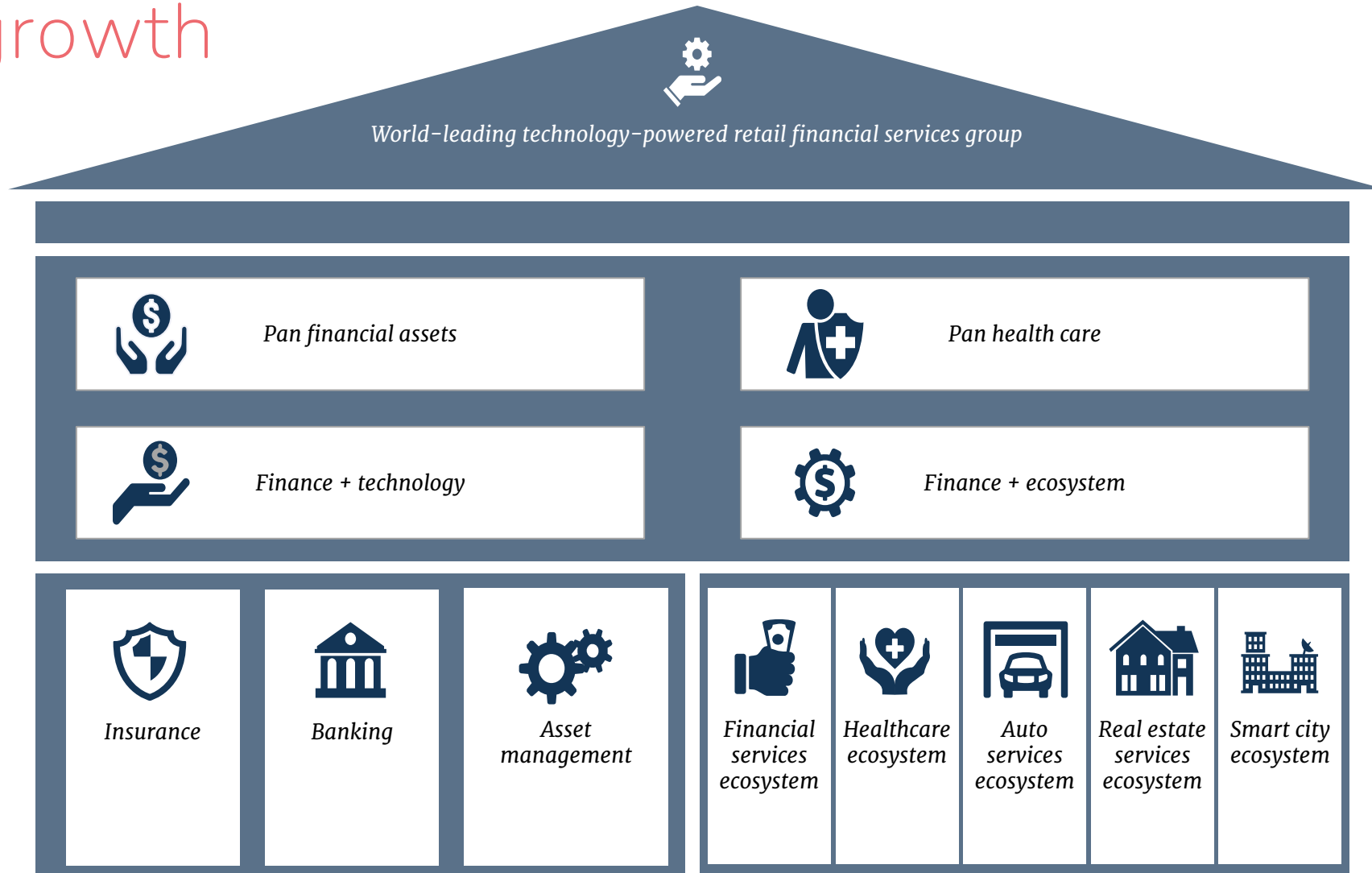
Measuring Ecosystem GMV?

A case study of Grab

While its origins were in mobility, it has evolved and developed new propositions around delivery and financial services.

	<i>Deliveries</i>	<i>Mobility</i>	<i>Financial Services</i>
<i>Scale</i>	<p>US\$5.5bil 2020 GMV</p>	<p>US\$3.2bil 2020 GMV</p>	<p>US\$8.9bil 2020 TPV</p>
<i>Growth</i>	<p>203% 2018-2020</p>	<p>37% 2018-2022E</p>	<p>102% 2018-2020</p>
<i>Profitability</i>	<p>2H21 Target EBITDA breakeven</p>	<p>11% EBITDA % (4Q2020)</p>	<p>30% Long term EBITDA %</p>

Ping An builds multiple ecosystems to drive non-linear growth



Organising for success



The best practices in how companies organise themselves to be customer-focused. Answering the key question, where does the buck stop? Who is best placed to lead CX in your company?

Who is responsible to drive CX for success?

Head of the company



CEO

Example



Brad Banducci is the CEO of Woolworths, leads CX from the front

Head of departments with close customer outcomes



CTO



CMO



CPO



CDO



Head of Sales

Example



Gabriele "G" Masili is the CTO of Microsoft. He is responsible for the end-to-end CX for Windows, Xbox and Surface

Specialised roles for CX



CCxO

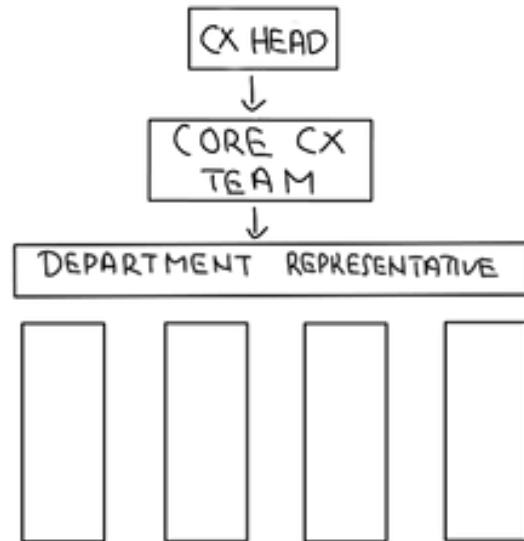
Example



Volkswagen appointed Dr. Markus Kleimann as Chief Customer Experience Officer (CCxO) to strengthen focus on customers

2 structures for CX governance

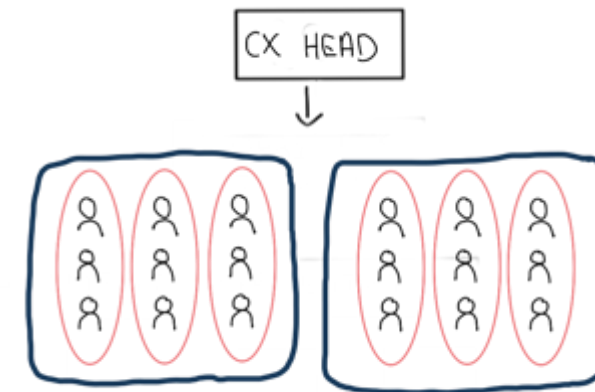
Establishing a **core CX team** to carry out CX initiatives and communicate with heads of individual pillars during said projects



Individual departments. Exp: marketing, digital, sales etc.

OR

Build **cross-functional teams** for each service/product, inclusive of a **CX-representative** specific to that project.



Squads. Consist of less than 10 cross-functional members. Created to work on the same services/products. Includes a CX-representative in squad.



Tribes. Consist of multiple squads coordinating for similar services/products. Ensures squad alignment. Has a Tribe Lead to encourage coordination and collaboration, including CX-related initiatives.

3-points to ensure a successful CX governance



Knowing the “why”

Clear understanding of how customers should be feeling, and then creating a plan to bring that vision to life



Link new model to clear business outcomes

Build KPIs to track the change in governance model to customer success. Consider a selection of KPIs from different pillars in the company to drive a more holistic impact.

Encourage “cross-pollination” of ideas



Transitioning from a top-down approach to one that allows team members to discuss ideas about customer understanding. This will bring greater clarity to customer needs and how to fulfil them



Technologies in CX

To beat the competition, adopting the right CX technologies is crucial. The future lies in Cloud, with AI-enforced conversations, and building customer engagement platforms that can support variety of customer journeys.

5 technological trends shaping CX



Cloud first

80% of all new sales in APAC are cloud solutions



Composable and Predictive CX platform

Build agile platforms that can integrate best of breed solutions



Automation

Conversational AI can automate 80% of repeating tasks and customer enquiries¹



Cyber security

Battleground for differentiation as companies strive to remove friction whilst building trust and confidence



Customer Data Platform

Frictionless data capture across all channels to enable personalisation & anticipatory services

5 drivers for cloud adoption

#1 Skip lengthy development cycles

Give customers what they want, when they want it with an API-first architecture



Has a leaner IT stack, thanks to the ability to integrate 3rd party functionalities through a cloud platform

#2 Remove siloes

Connect all customer channels and data to get a holistic understanding of the customer journey



Able to track customer satisfaction with a 360-degree view of both sellers' and customers' journeys

#3 Enables remote working

Entering the future of hybrid work environments, businesses get to ensure continuity regardless of any unexpected circumstances.



Transitioned from a fully on-premise environment to a remote working environment in the face of COVID-19

#4 Ability to scale quickly

More affordable to scale with cloud, leading to bigger business impacts



Able to scale easily after transitioning from an on-premise architecture to a cloud-first platform

#5 Exceeds customer expectations

Access up-and-coming technologies that can only be supported with cloud computing. For example, AI-powered tools and machine learning that requires on-demand dynamic computing power



Uses AI to provide instant answers to customer queries

Conversational AI leading the way



Conversational AI

Market size: ~\$18 billion in 2026

CAGR: ~21.8%¹



Virtual assistant

CAGR: ~40% in APAC by 2024²

Source: ¹ business wire. Global conversational AI Market, 2021 - 2026. <https://bwnnews.pr/3LL2F3m>

² Markets insider. Intelligent virtual assistant market - 40% CAGR for APAC region to 2024 <https://bit.ly/3GB8yG0>

Building personalised and innovative chat experiences



AliMe Bot



Provides customers and merchants support



Provide personalised shopping recommendations, handles returns and refunds. Handles 90% of customer tickets, 87% resolution rate



Uniqlo IQ



Provides customers styling tips



Helps identify pieces featured in magazines, recommends clothing based on horoscopes or lucky colours. Provides style inspiration according to hourly product ranking

Live Commerce

Pioneered by Taobao Live in 2016, live commerce has drastically changed the shopping experience in China. Live commerce adds value to the traditional retail landscape, with emerging trends in niche areas.



Value creation



Powerful interactions; dynamic and immersive compared to the traditional buying and selling experience (“shoppertainment”)



Live interactions with consumers, real-time feedback that **shapes marketing strategies** and product development



Inclusivity; from influencers to farmers, hosts only need a mobile phone and stable internet connection



Improves **brand appeal and differentiation** through active engagement with customers

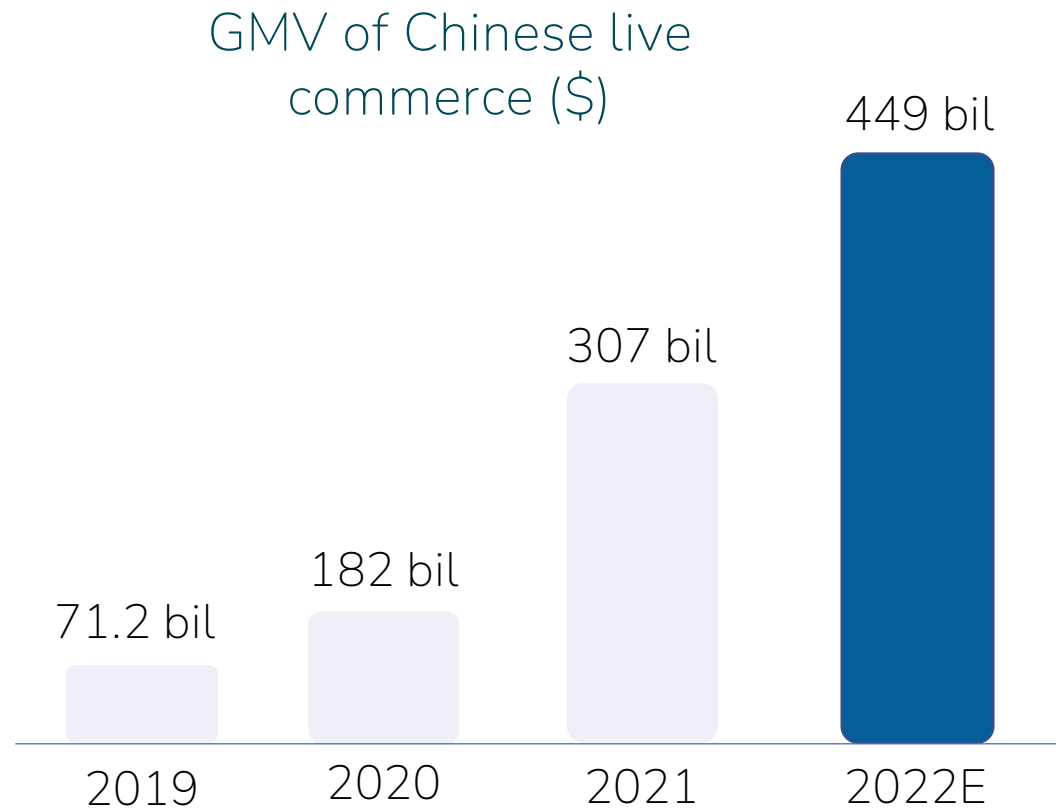


Geographical **freedom**; hosts can stream from their homes, warehouses, and even in rural farms



Accelerates conversion by expediting the customer journey. Urgency tactics can invoke immediate responses from customers

China continues to lead the way in live commerce



Top categories



Fashion and apparel



Beauty



Fresh food



Consumer electronics



Furniture and home decor



Douyin Live



Taobao Live



JD Live

6 tech titans lead live commerce in China



Pinduoduo



Xiaohongshu



Kuaishou

Key trends

The rise of the superhost

Key Opinion Leaders (KOLs) offer rewards, discount battles, and games to connect with consumers and monetise their relationship with them

Livestreaming as teleshopping 2.0

“See now, buy now” models in place, as well as garnering publicity and clientele for SMEs beyond fashion, beauty, and home goods

AI virtual hosts

A cost-effective alternative, allows for extended livestreaming hours. One can commission a virtual avatar built on Taobao for as little as \$7.73



Key trends

Brand-run livestreams are becoming more popular

Flagship livestreams ease customers' concerns about purchasing counterfeit products which are otherwise sold by third parties at reduced prices

Shopping beyond borders

Neighbouring countries ie. South Korea and Japan have piggybacked on the success of Chinese live commerce to reach even more customers, particularly due to travel and tourism restrictions



KOLs - from glamorous influencers...

Austin Li Jiaqi @ Lipstick King

Broke records by selling **\$1.8 billion** worth of goods during a 12.5-hour livestream on Singles' Day 2021, with **250 million viewers**

Widely regarded as a **trustworthy, reliable source of information** by consumers due to his frank and occasionally scathing product reviews

Earns \$10-20 million per month

Net worth is estimated to reach \$15 billion by 2023 by livestreaming alone



... to tech-savvy farmers

>110,000 farmers have turned to livestreaming to reach urban consumers

As of September 2021, Taobao Live has hosted over 2.3 million livestreams, resulting in over \$786 million worth of agricultural sales

Nearly 2000 rural participants now generate a monthly income of ~\$1400, 8x the rural average

Taobao offers free training workshops for farmers, and JD.com has also launched rural livestreaming initiatives on their platform





Immersive phygital experiences

The brick and mortar companies are fighting back the digital challenge by creating experiences that combine the best of physical and digital worlds. They are finding new meaning and purpose for orchestrating unique in-store experiences.

Isetan Mitsukoshi: Integrates physical with digital

Isetan Remote Shopping App

An application that helps customers shop from home during the pandemic. 15,000 items are listed on the app, and it is expected to increase to around 1 million items.

Live chats and video calls boosts customers' confidence

Customers can consult store staff about product details e.g. size and colour. They can also request a video call appointment if required to understand the products better.

Increase in online sales

Total online sales (including other platforms) for FY2020 has hit around \$276 million, exceeding its initial target of \$219million.



Isetan Mitsukoshi: Life-like shopping experiences in a virtual world



Rev Worlds

A **virtual shopping app** launched in March 2021.

Realistic items and engaging features

In their virtual avatar characters, customers can browse realistic items on display while hanging out with their friends. The setting mimics part of the Isetan Mitsukoshi Shinjuku's department store, with **VR features** integrated in selected stores.

Brand collaborations

To add value to customers' shopping experience, Isetan Mitsukoshi set up **specialty shops** e.g. the Tokyo National Museum gift shop and the Disney Ultimate Princess Celebration space.

Uniqlo: Digitalisation meets fashion

Harajuku store

With Harajuku being the hotspot of pop culture and bold fashion, Uniqlo opened its specialty store targeted to build resonance among the youth. Uniqlo's **outfit recommendation** app called Style Hint is incorporated within the store. Customers can browse 240 **touchscreen displays** of various outfits on the wall and locate their preferred outfits in-store.



A hand is holding a white Visa mBank debit card over a pink payment terminal. The terminal has a screen displaying a keypad and some text. The background is a light-colored, marbled surface. The text 'CX in banks' is overlaid on the left side of the image.

CX in banks

Banks are leading the way in transforming to become digital-first companies. These financial institutions have harnessed technological innovations to provide a seamless, reimagined experience for customers.

A revolutionary year for CX in banks



Opening a bank account
down from 25 clicks to less
than 10 clicks (India)



Gamified budgetary tools
powered by AI and big data



Super apps with embedded
financial services



End-to-end secure digital
onboarding and transactions



Phygital experiences with
transformed smart branches

Reimagined customer engagement touchpoints



DBS has a **café and branch concept** with an open layout café at the entrance, a humanoid robot name 'Pepper' and face to face consultation



NAB increased their **virtual chats** to optimize the customer support system, resulting in **only 15%** chats being transferred to contact centers



ICICI bank allows opening an InstaSave account in just **7 clicks**



HDFC's **V-CIP** service allows video KYC for enhanced customer onboarding

Era of gamified tools and integrated offerings



City of TMRW is an interactive game by TMRW where customers can build a **virtual city and get tips** from the bank to manage their finances



2Up is a 2-player banking game by Up Bank where a customer can invite another player and can **fight finances** together in a co-op mode

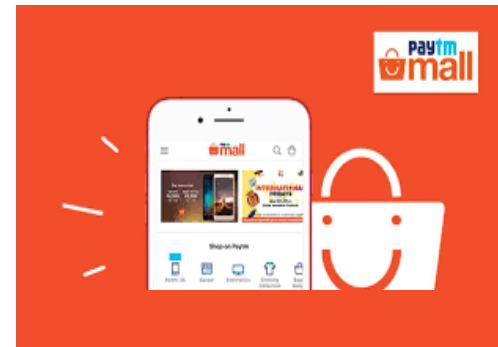
Revolut Connect

Connect your apps to simplify work

Automate your business payments, manage notifications and more — so you're using Revolut for Business integrations.



Revolut integrated with Zapier to allow customers to **connect to apps** they use every day and automate tasks



Paytm Mall allows customers to **shop** for a varied range of products and services within the Paytm app



Top EX trends 2022

Wowing your customers also means creating an environment where employees are wowed. Companies are crafting employee experiences by empowering their teams to be accountable for their actions while encouraging learning and innovation.

6 best practices shaping EX

#1 Transforming end-to-end employee experience

Making employees feel valued by providing them with the right tools and support to perform their tasks from day one



What: Omnichannel platform

Intended outcome: Creating a seamless experience for employees

How: Integrating end-to-end employee journeys, from onboarding, working and learning in one platform

#2 The rise of silo-less accountability

Individual ownership of choices and consequences bound by a shared company vision



What: WeSolve platform

Intended outcome: Alignment of the entire workforce

How: The challenge to employees to suggest cross-functional solutions to problems in different divisions

#3 The quadruple bottom line of L&D

The 4-pronged standard that future L&D models must meet



What: L&D model of the future

Intended outcome: Achievement of the Quadruple Bottom Line

How: Mapping internal learning with core skills encompassing People, Purpose, Planet and Prosperity

#4 Innovation as a culture

An environment that breeds transformation and novelty



What: Idea management platform

Intended outcome: Open innovation

How: A tool that enables employees of all levels to contribute and comment on ideas

#5 Ability to unlearn and relearn as the future's #1 skill

Adapt self-awareness regarding merits and shortcomings of individual learning capabilities



What: Total productive maintenance program

Intended outcome: Discovery of strengths and weaknesses in learning

How: 12-month training for frontline to senior executive across 12 facilities globally

#6 Future as a mindset, not a timeframe

Adopting a habit of continuous learning, instead of pursuing learning merely for the achievement of short-term goals



What: Future Smart Programme

Intended outcome: A future-ready workforce

How: Sustainability training aimed at equipping employees with technological skills of the future

CX Solution Providers

Solution providers have had an incredible 2021 driven by cloud adoption and transition to digital ecosystem.

An incredible year for CX solution providers



Record year for CX solution spending, strong growth for disruptive innovators

A big year of fund-raising











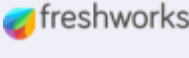


SaaS revenues now dominant revenue stream, even for traditional vendors

Vendors extend offerings through acquisitions



Revenue growth (Full year 2021 outlook)

Vendors	Predicted revenue (USD)	Year-over-Year comparison
 twilio	2.8 billion	+56%
 Five9	601 million	+38%
 zendesk	1.3 billion	+29 – 30%
 NICE®	1.9 billion	+15%
 VONAGE	1.4 billion*	+12%
 CISCO	52 billion*	 +7%
 VERINT.	875 million	 +4%
 AVAYA	3 billion*	+3%
 freshworks	365 – 367 million	N/A

 Verint and Cisco: Revenues are for the period Feb 1 2021 – Jan 1 2022

*Cisco, Avaya and Vonage: Revenues represent a larger portfolio of enterprise solutions beyond CX

A momentous year for fund-raising



Talkdesk raised \$230 million in its series D funding (> \$10 billion valuation)



Freshworks went IPO on Nasdaq, raised \$1.02 billion (\$10.13 billion valuation)



Genesys raised \$580 million in funding led by Salesforce Ventures (\$21 billion valuation)

Emerging **start-ups** potentially leading the way

Bluecore raised **\$125 million** in its Series E funding (\$1 billion valuation)


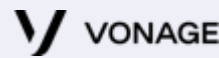








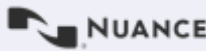








Fullstory raised **\$103 million** in funding (\$1.8 billion valuation)

People.ai raised **\$100 million** in its series D funding (\$1.1 billion valuation)

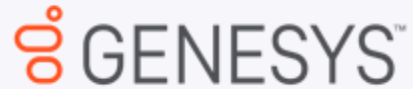
Uniphore raised **\$140 million** in its series D funding – bringing its total fund raised to \$210 million

Miro raised **\$400 million** in funding (\$17.5 billion valuation)

Vendors extend offerings through **acquisitions**

Vendor	Company acquired	Acquisition value (USD)
 ERICSSON	 VONAGE	6.2 billion
 VONAGE	 jumper.ai	N/A
 zendesk	 momentive	4.1 billion
 NICE®	 mindtouch  ContactEngine	N/A
 Microsoft	 NUANCE	19.7 billion
 GENESYS®	 bold360  Pointillist  exceed	N/A
 VERINT.	 c	N/A
 zoom	 Five9	14.7 billion (Failed acquisition)

SaaS revenues now **dominant revenue** stream



Genesys Cloud CX and Multicloud CX: combined growth of **125%** for the first half of fiscal year 2022

Genesys Cloud CX now has **>500,000 users** in the world



Cloud revenue for Q1 to Q3: **\$729 million** (52% of total revenue)



Avaya's Cloud, Alliance Partner and Subscription (CAPS) revenue represents **40%** revenue of FY 2021

OneCloud ARR (annual recurring revenue): **177%** increase to \$530 million for Q4 FY2021



Cloud revenue growth for FY2022: **35 – 37%**

New PLE bookings growth predicted for FY2022: **15 – 17%**

Large cloud orders in Q3: **21 orders** each **>\$1 million** total contract value



CX BPOs

Unlike other industries, BPOs ended 2021 with strong revenue growth, exciting partnerships and with a few IPOs.

CX BPOs secure growth and future-proof their organisations with AI



Strong revenue growth

Acquisitions and partnerships to strengthen digital portfolios







Expansions to reinforce local presence; for wider geographical reach

New milestones achieved with IPOs






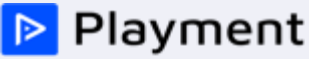







Revenue growth (Full year 2021 outlook)

BPO	Predicted revenue (USD)	Year-over-Year comparison
 TaskUs	747 – 751 million	+57%
 TELUS International	2.17 – 2.21 billion	+37 - 40%
 DOX	403 – 406 million	+27%
 Teleperformance	7.6 billion	+20%
 CONCENTRIX	5.6 billion	+18%
 genpact	3.96 – 4 billion	+7-8%
 majorel	1.9 – 2 billion	N/A



Concentrix's revenue stated is for Dec 1 2020 – Nov 31 2021

Acquisitions and partnerships to strengthen digital portfolios

BPO	Company acquired	Acquisition value (USD)
 CONCENTRIX		1.6 billion
 TELUS [®] International		N/A
 Teleperformance		400 million
 majorel		N/A
 genpact	Hoodoo	N/A
 TaskUs	 ASAPP	N/A

New milestones achieved with IPOs



TaskUs raised **\$303 million** at NASDAQ IPO (\$2.8 billion valuation)



TDCX raised **\$348 million** at NASDAQ IPO (\$2.6 billion valuation)



Majorel listed on Euronext Amsterdam, resulting in market capitalization of **\$3.9 billion**

Expansions to reinforce local presence; for wider geographic reach



Hiring >50,000 people in **India** to expand its Cloud Campus



Expanding to **Malaysia, Poland and Romania** – to attract multilingual talents



New office in **Yokohama** to support plans in expanding its local team



Entering **Croatia, North Macedonia, Ghana** – to extend nearshore capabilities and attract multilingual labor pool



Expanding to **Fukuoka and Germany** in response to the rising digital, analytics and AI demand

twimbit

Insights **that find you**

The twimbit experience:



Subscriptions



Communities



Advisory

How can we help?

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