

2024

State of Customer Experience



The state of the customer experience is changing rapidly — and that speed keeps picking up as AI and automation capabilities grow.

nextiva

The State of CX at a Glance

The state of the **customer experience (CX)** and how customers interact with brands are undergoing a seismic shift. Modern customers crave a personalized touch throughout their journey. This constant evolution presents high hurdles but lucrative possibilities if you can adapt to the changes.

Don't just take our word for it, though — we asked business management and senior leaders across several industries for their opinions on the state of CX today. They told us that preferences are changing faster than ever, and businesses are searching for the right tools to help them keep up. Those tools also need to leverage artificial intelligence (AI) to personalize CX and give support teams the resources they need to improve satisfaction.

To succeed in creating an intelligent CX, you need to possess a clear vision for your entire customer journey. You'll also need a dedicated team passionate about crafting and implementing your CX strategy and a modern tech stack that empowers seamless interactions across all channels.

By keeping an eye on key trends and bridging existing gaps in your strategy, you can craft a CX that delivers unwavering loyalty, propels growth, and positions you to thrive in the ever-changing world of CX.



Methodology

Unless otherwise cited, all research in this report stems from a survey conducted by Nextiva in April 2024. We interviewed 109 business management and senior leaders from multiple industries working for companies with more than 10 employees. At the time of the survey, these respondents had roles in management, customer service, IT, business strategy, or marketing.

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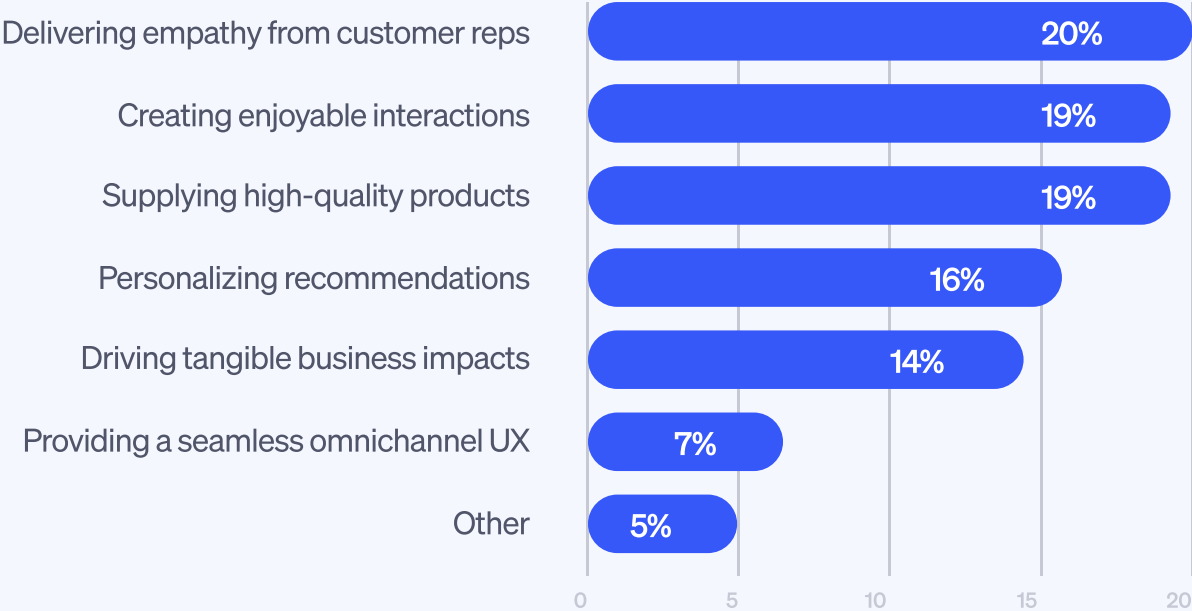
Key Takeaways

What Do Customers Really Care About?

The CX landscape is undergoing a major shift driven by rapidly evolving customer expectations. While this presents challenges, it also offers significant opportunities for businesses that can adapt. Here's what matters today in the world of CX:

What's the Biggest Priority When Personalizing CX?

Here's what businesses say:



Source: Nextiva 2024 State of Customer Experience Survey

Customer preferences are rapidly changing and can outpace businesses that don't adopt technology to keep up.

Personalization is key — but not everything — because tailored experiences shouldn't compromise security and relevance.

Generative AI increases the stakes and raises the bar for competition.

Strong CX fundamentals matter more than ever, and businesses that lack them will struggle to adapt.

As you might expect with such rapid shifts, there are gaps in many businesses' current strategies. Many businesses are still building their CX frameworks and tech stacks.

People still believe in the power of empathy to turn around negative experiences and the importance of creating enjoyable interactions.

However, businesses might not be prioritizing the right measures to deliver that empathy effectively. Let's dig in to explore more about CX today.



5 Actionable Insights Shaping Customer Experience

While the world of customer experience evolves on a daily basis, these five trends are ones to watch as you and plan for the next few years.



5 Actionable Insights Shaping Customer Experience

Insight 1

Personalize communications to capture and retain customer attention

Personalization helps businesses stand out from the crowd, and it's only becoming more important. With a direct connection to your customer and their needs, you show that you understand their preferences and demonstrate that you're there to help.

The good news is that you can leverage data to tailor your **digital CX strategy** and create a sense of value and relevance for each customer.

This increases customer satisfaction and translates to a higher customer lifetime value, as personalized experiences encourage repeat business and stronger brand loyalty.



The expectations in the market have shifted. Customers expect real-time responses. However, they also demand quality and accuracy... which, at times, still requires a human touch.

Having systems to triage this will be critical to remaining competitive in the future."

Chris Bryant

Director of strategic growth at Nextiva



Hi Laura. Welcome back!
How can I help you today?

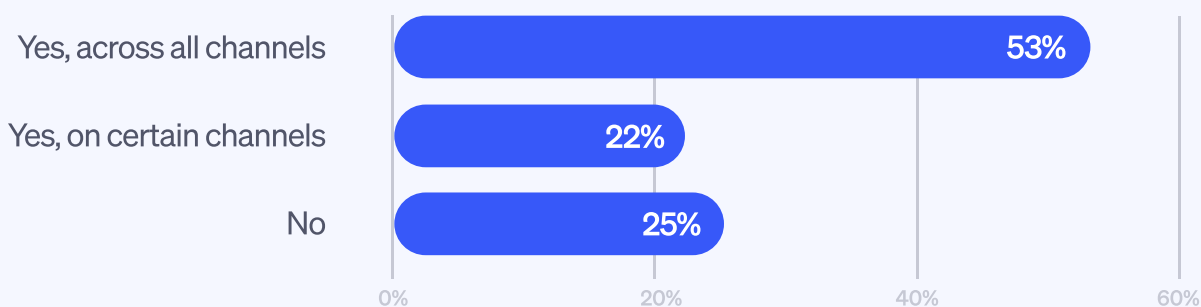


5 Actionable Insights Shaping Customer Experience

Research from BrightLocal shows that 88% of customers would buy from a business that responds to their reviews versus only 47% who would use a business that doesn't respond to reviews.

However, when shown review responses written by humans and ones written by generative AI, 57% of customers preferred the AI-generated response. That means that you can — and should — be using AI to increase the personalization of your customer communications.

Do you adapt your CX strategy to target members of different generations or demographics?



Three-fourths of respondents tailor their CX strategies by generation or demographic on at least one channel — 53% adapt them on all channels.

Source: Nextiva 2024 State of Customer Experience Survey

5 Actionable Insights Shaping Customer Experience






Insight 2

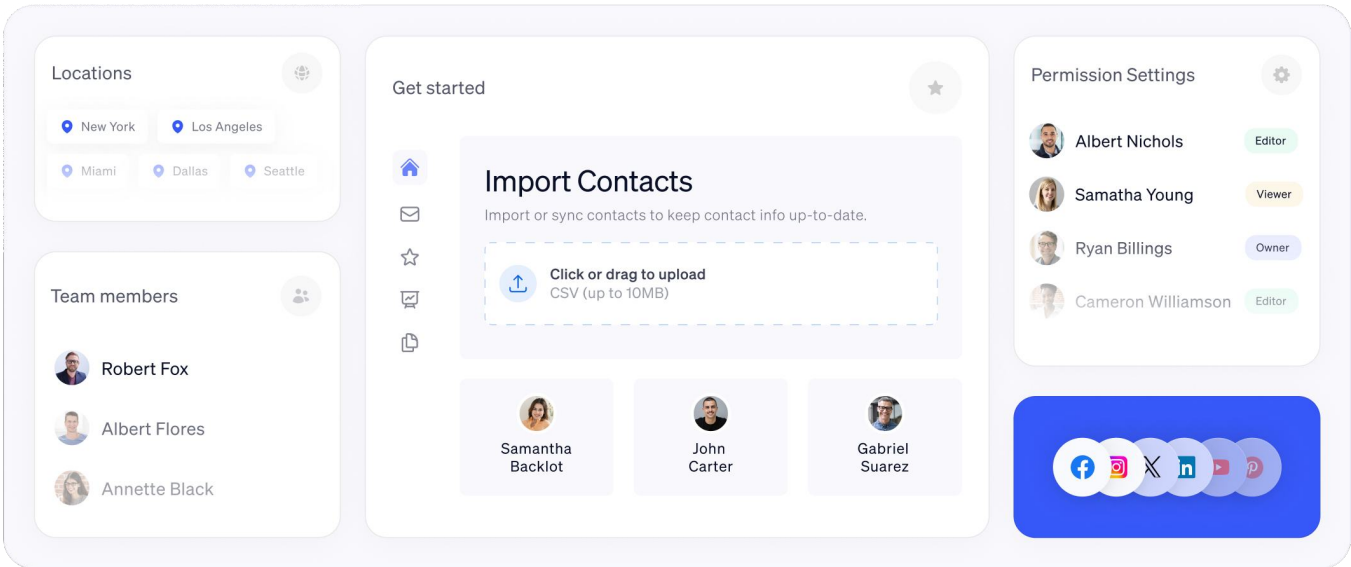
Connect wherever customers are with omnichannel

Omnichannel platforms create a powerful link between your brand and customers by providing a seamless and unified journey across all touchpoints. This rising star in CX strengthens customer relationships by removing friction from conversations.

Omnichannel automatically personalizes CX by allowing customers to move between **business communication channels**, like phone, email, or social media, without losing the context of their conversations. Customers feel valued and understood because they can connect on their terms. This convenience builds trust and loyalty. Ultimately, an omnichannel ecosystem can lead to happier and more engaged customers who are more likely to return and advocate for your brand.

Omnichannel vs. Multichannel

Customer focused		Brand focused	
All channels present and integrated		All channels present but not integrated	
Communication unified		Communication fragmented	



The screenshot displays a CRM dashboard with several key sections:

- Locations:** A list of city locations including New York, Los Angeles, Miami, Dallas, and Seattle.
- Team members:** A list of team members with profile pictures and names: Robert Fox, Albert Flores, and Annette Black.
- Get started:** A central section titled "Import Contacts" with instructions to "Import or sync contacts to keep contact info up-to-date." It features a dashed box for uploading a CSV file (up to 10MB) and three user profile cards for Samantha Backlot, John Carter, and Gabriel Suarez.
- Permission Settings:** A list of users with their roles: Albert Nichols (Editor), Samatha Young (Viewer), Ryan Billings (Owner), and Cameron Williamson (Editor).
- Social Media:** A blue bar at the bottom containing icons for Facebook, Instagram, X, LinkedIn, YouTube, and Pinterest.

5 Actionable Insights Shaping Customer Experience

Insight 3

Use AI to improve results and reduce effort

AI is revolutionizing CX by personalizing interactions to an unprecedented degree. This can be as straightforward as an intelligent virtual agent that remembers your preferences across all channels, proactively recommending products or resolving issues before they arise. This hyperpersonalization, fueled by AI's ability to analyze vast amounts of data, creates deeper customer connections and sets businesses apart.




CX improves significantly with the advent of AI informing intent and provisioning knowledge.

The pace of progress is remarkable — **CX leaders need to plan innovation like never before.**

Ken McMahon

Chief customer officer at Nextiva

AI-powered Call Summary

 Jessica called in and considered canceling her wireless service.

Offered her 3 months free due to 16 years of customer history. Jessica accepted the offer.

Submitted to billing for plan change.



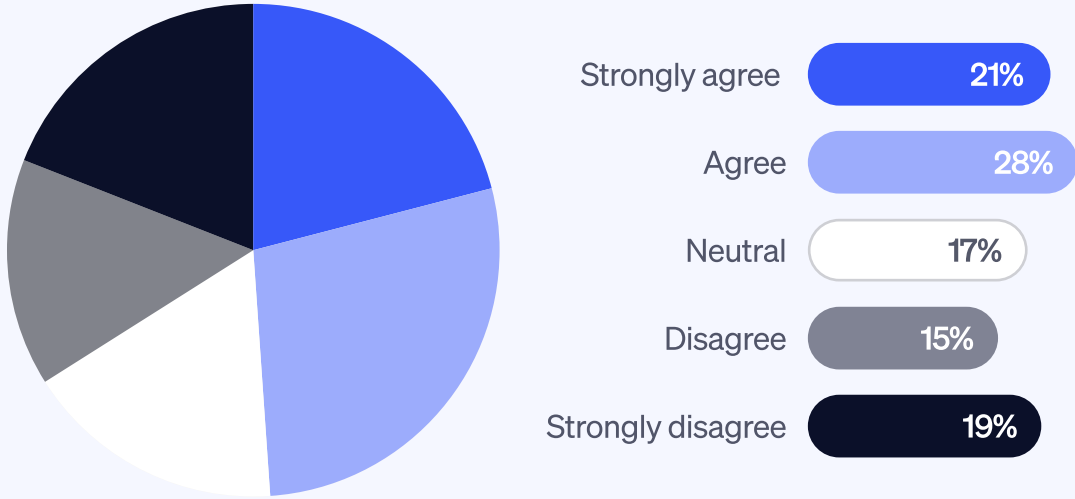
End interaction with Jessica →

5 Actionable Insights Shaping Customer Experience

Looking ahead, AI advancements like natural language processing that mimic human conversation will help create chatbots that are indistinguishable from real people, offering a seamless and personalized CX experience around the clock.

Do you agree?

People won't be needed for great CX once technology advancements reach a certain point:



Leaders are open to using technology to deliver great CX by empowering their teams to work on more complex matters instead of repetitive requests.

Source: Nextiva 2024 State of Customer Experience Survey

5 Actionable Insights Shaping Customer Experience

Insight 4

Leverage customer emotions

Today's CX landscape recognizes the power of emotions, not just logic, in making decisions. By tapping into this in their **customer management** strategies, businesses can create a more inspiring CX. Designing CX that resonates emotionally can help build long-term relationships with customers who feel positively invested in the brand.

We see this in brands that don't just solve problems but also make customers feel understood and welcomed. Apple's product ecosystem is famous for creating a sense of community and enticing its users to feel something. This emotional connection fosters brand loyalty and creates a more memorable customer experience.

Best Practices To Track CX



Empathize by outlining the customer journey



Benchmark your success with CX metrics



Reduce effort with feedback automation campaigns



Make CX data easy with a centralized dashboard



Future-proof CX with quality assurance



5 Actionable Insights Shaping Customer Experience

Insight 5

Prioritize data security — your customers demand it

Customer expectations for data security have skyrocketed. The Moody's cyber survey found cyber security budgets spiked 70% between 2019 and 2023. Consumers entrust you with their personal information and expect you to safeguard it meticulously — you can thank the growing awareness of cyber threats and the potential consequences of data breaches.



CX will continue to become more automated and intelligent. We're just scratching the surface when it comes to the use of AI for conversational sales and service.

As it becomes more refined and polished, **AI has the potential to upend the way products and services are sold and supported.**

Chris Bryant

Director of strategic growth at Nextiva

5 Actionable Insights Shaping Customer Experience

Luckily, AI will help meet these customer expectations. It presents a unique opportunity to differentiate CX offerings by addressing both data security and personalization. AI-powered security systems can continuously monitor suspicious activity and identify potential breaches much faster than traditional methods.

We can expect even more sophisticated AI applications in CX, such as AI-powered chatbots that can handle complex customer inquiries while adhering to the strictest data security protocols.

Top 5 barriers to implementing a new CX solution



Ethical concerns with using AI



Cost of the solution



Lack of skilled talent



Compliance and regulatory uncertainty



Scalability

While company leaders shared some concerns about new CX platforms, these can be addressed by aligning the platforms with business priorities, properly training staff, and correctly executing implementation.

Source: Nextiva 2024 State of Customer Experience Survey

Common CX Challenges

CX is a challenge — not only because customer preferences change with the wind but also because technology is evolving faster than ever. Your customers might change their communication preferences based on what stage of the customer journey they're in. For example, they ask initial questions to a chatbot and eventually send product demo follow-ups to a sales representative via email.

One reason businesses may struggle with CX is prioritization when it comes to personalization.

Among our survey respondents, one in five said that empathy from customer reps was the most important CX priority. Only 7% of respondents gave the same importance to seamless UX and omnichannel operations. Without an [omnichannel contact center's](#) intuitive and frictionless experience, your agents can't offer much more than empathy. They can't see previous customer interactions and can't easily get a reading on customer sentiments.

Business Suffers When CX Isn't a Priority



More than **1/2** of the respondents were not “very confident” in their company’s **ability to correct CX issues**.



Fewer than **2 in 5** respondents were “very confident” that their company could **measure ROI on CX initiatives**.



24% of respondents said their company **doesn't track first contact resolution rates**, creating a CX blindspot.



25% of respondents **don't adapt CX strategies at all** to target different generations or demographics.

Source: Nextiva 2024 State of Customer Experience Survey

Strategies for CX Success

Despite the challenges of ideating, adopting, and following through on a CX strategy implementation, there's a bright future for businesses investing in CX. Let's explore some of the best ways to overcome common CX challenges.

Start with a foundation of customer trust

You need customer trust, just as a building needs a cornerstone. Trust allows loyalty to flourish, encouraging repeat business.

Research from Harvard Business Review shows that companies with strong customer trust outperform competitors in market value by up to 400% — and their customers are 88% more likely to become repeat buyers. That means significant long-term growth and lower churn as a potential reward for working to build that trust at the outset.



The strongest correlation between satisfied customers and repeat business comes from an organization's ability to be there when and where customers need them most.

When companies reduce the time it takes to respond to a customer, the immediate perception of the brand improves, and that invaluable layer of trust is created.”

Chris Bryant

Director of strategic growth at Nextiva

With 24% of Nextiva survey respondents noting that their company doesn't track the **first call resolution rate**, that's a lot of missed opportunities to build trust from the outset.

A key challenge businesses face in today's competitive landscape is overcoming initial skepticism or explaining why customers should take the plunge and make a purchase. Proactive trust-building and transparency throughout the customer journey mean setting clear expectations. Be upfront about product limitations, communicate clearly, and actively seek feedback to show commitment and build trust faster.

Strategies for CX Success

Get employees on board and build awareness

Employee buy-in is the linchpin of delivering top-notch CX. When employees feel invested in your CX vision, they go the extra mile to ensure customer satisfaction. This means proactive problem-solving, personalized interactions, and a genuine desire to create positive experiences.

You need to get your employees on board to avoid your service quality suffering. Disengaged employees need more motivation to resolve issues effectively, possibly leading to customer frustration and churn if not addressed.



Implementations are really about changing hearts and minds. The level of training, communication about changes, and the processes for hypercare support truly matter.

You shouldn't address how the old feature was inferior as much as **how employees are prepared for how different things will be.**"

Ken McMahon

Chief customer officer at Nextiva

Getting that buy-in requires a multipronged approach. You should aim to be transparent about your CX goals and how each employee's role contributes to achieving them. Empower your employees with the training, resources, and decision-making authority they need to deliver excellent customer service.

A key [call center best practice](#) is recognizing and rewarding employees who demonstrate your commitment to customer service. Doing so will reinforce desired behaviors and entrench customer-centric values in your team.

Strategies for CX Success

Break down data silos between teams

A seamless flow of information across all channels is vital for a stellar CX. Without it, it's all too easy for agents to spend too much time retreading conversational context and looking up past interactions.

Omnichannel CX means providing a consistent and connected experience for customers, whether they interact with your business online, in-store, or through another channel like social media. Silos between teams hinder this consistency.



Hours spent resolving some technical support problem is a deal breaker that will impact the customer relationship — **in some cases, irreparably.**

Ken McMahon

Chief customer officer at Nextiva

With a CX solution that provides a central hub for all departments to access and share customer data, agents get a complete view of the customer journey. That way, they can personalize interactions easily and resolve issues efficiently.

Investing in omnichannel communication tools that integrate all customer-facing channels (text, email, chat, social, and more) fosters a more streamlined experience. Customers can seamlessly switch between channels without repeating information, ensuring a smoother and more satisfying CX.

Strategies for CX Success

Keep customer data secure

You need to show customers that their data privacy and security are top priorities to ensure you keep their trust. Data breaches and privacy violations can severely damage a company's reputation and erode customer confidence — in tangible terms, that means higher turnover and lower profitability.

The stigma around AI stops some people from adopting it. Our survey found that respondents' top barriers to implementing a better CX solution include ethical concerns about using AI. However, AI and automation might help reinforce [Voice over Internet Protocol \(VoIP\) security](#) because these technologies can use machine learning to detect and compromise threats.



Too many executives hear automation's siren call and think they can just start mechanizing everything they do. But it doesn't scale.

Why? **It's not the automation's fault.** If you automate fundamentally broken processes, you will end up with broken automation.”

Edwin Margulies

Chief evangelist at Nextiva

Rising above the threat of data breaches requires you to commit to robust data security practices. This means regular security audits to spot vulnerabilities and clear, actionable plans to overcome them. In our VoIP statistics, we found that 51% of companies plan to increase data security investments because of a previous breach. Don't wait until it's too late to prioritize security.

You should also aim to implement strong encryption protocols to protect sensitive customer information. Fostering a culture of data privacy awareness among employees through training programs won't hurt, either. The more you demonstrate your commitment to safeguarding customer information, the faster you can build trust and loyalty.

Strategies for CX Success

Integrate new CX solutions

Many businesses struggle with service implementation because departments are siloed. They can't share information easily because they each function with their own software, data structures, and communication channels.

This creates a fragmented CX where information gets lost in the handoffs between departments. Customers feel frustrated and unheard — like a customer calling about a billing issue, only to be transferred multiple times and have to repeat their problem to each agent.



Most businesses underutilize AI and automations, **leaving some channels isolated and creating disjointed customer experiences.**

Overcoming these challenges requires time spent upfront, mapping out customer touchpoints and defining key KPIs to measure for improvement.”

Chris Bryant

Director of strategic growth at Nextiva

Bridging these service gaps is easy with the right solutions.

A unified CX platform with application programming interfaces can integrate real-time communications for a more unified view of the customer.

AI-powered chatbots can take over easier interactions and elevate more complex tasks that require a human touch. This also fosters a smoother flow of information across departments.

Then, integrating your CRM into that CX platform creates a central hub for all customer interactions. By consolidating customer data and activity logs in a single platform, you empower agents with a complete customer journey view. That way, they can resolve issues efficiently and deliver a more cohesive CX.

How To Evaluate and Grow Your CX Strategy

Companies that don't harness the full potential of a great CX solution are like commuters who buy a car only to take the bus. You need to understand exactly how your CX strategy brings you value and pinpoint where to improve it to maximize your ROI.

However, [measuring CX initiatives](#) — and even understanding exactly where your CX strategy stands right now — is a complex task involving many KPIs and moving targets.

To succeed at delivering a top-notch CX, you need to listen to your customers and take care of your employees. You should act on customer feedback and proactively map customer journeys to evaluate and scale your CX strategy. To do that, empower your employees for success, and focus on continuously improving your strategy, refining it over time.

The Cycle of Improving Your CX Strategy

Aim to do it better next time

Encourage your team to identify problems and propose solutions

Map every possible customer journey

Use customer journey data to add personalization to your communications

Give employees the resources they need

Supercharge your agents' potential by streamlining operations

Act quickly on customer feedback

Create actionable solutions from feedback insights

How To Evaluate and Grow Your CX Strategy

Map every possible customer journey

The better you know your customers, the more you can personalize their experience and win their loyalty. However, you first need to walk a mile in their shoes — or at least try them on. While mapping every single journey might seem unrealistic, you should strive to capture a range of customer journeys as a best practice for evaluating and growing your CX strategy.



Good CX must adapt to how customers wish to communicate.

As technology evolves, customers won't have to repeat themselves as much, and agents will be able to access solutions faster thanks to AI-based agent assist technology.

CX can and will fundamentally change how journeys are orchestrated.”

Edwin Margulies

Chief evangelist at Nextiva

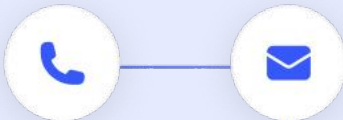
It's crucial to remember that many customer journeys aren't linear and instead vary based on the user, their use case, and their platform preferences. That means your **customer journey maps** can get messy if you're trying to freehand them. Instead, opt for a CX solution that gathers and analyzes customer data and sequences customer journeys based on their interactions.

By mapping those journeys, you can uncover hidden needs, pain points, and nuanced information on how people use your product. Then, you can use that knowledge to address issues you might not have anticipated with a more linear view of the customer journey.

How To Evaluate and Grow Your CX Strategy

Customer Story

Goldberg HedgeFunds

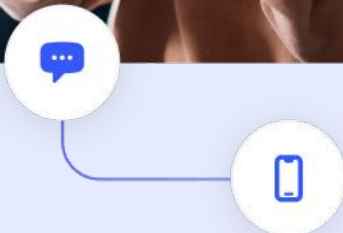


Use customer journey data for better personalization

Goldberg HedgeFunds, a financial services business that provides small business loans, kept running into challenges with a combination of Zoho and Vonage for business operations. Dissatisfied with the phone service quality and CRM usability, they switched to Nextiva.

Seamless integration with their CRM streamlined processes and eliminated duplicate account creation, enhancing customer data visibility and usability. Revenue tripled, and within the first six months of partnering with Nextiva, **Goldberg saw a 27% increase in monthly loans originated.**

Integrating your CRM and VoIP phone systems is critical for swift action to mend pain points, prioritize fast response time, and ensure quick agent access to customer data.



How To Evaluate and Grow Your CX Strategy

Empower employees to excel

With the proper training and resources, achieving employee buy-in is easier than ever. Without it, you might run into some snags when encouraging the adoption of new CX initiatives.

Strong leadership is one of the best drivers of employee satisfaction, according to The Conference Board's annual job satisfaction survey. When your guidance makes employees feel trusted to make decisions and solve problems on their own, they can become more invested in their work. This leads to increased motivation and a desire to provide exceptional service, even **increasing their productivity**.

On the other hand, poor communication channels were the most common reason for low satisfaction among the same survey respondents. And how your CX system handles customer data and inquiries can affect your employee performance and satisfaction:



Great CX improves efficiency. If you have a clunky CX system, your staff turnover rate will reflect that.

Let's say that it costs you \$15K on average to recruit a good team member and \$25K to train them, and it costs you \$10K in down productivity time with the empty role, then that's **\$50K out the window each time someone quits**.

Sufficient agent tooling is key for good CX."

Edwin Margulies

Chief evangelist at Nextiva

To empower your employees, invest in training and resources. Provide customer service training, product knowledge, and tools like CRM software or automations to help them be more efficient.

Delegate decision-making within certain guidelines, and recognize and reward employees who deliver exceptional service. Empowering your workforce creates an engaged and motivated team to deliver a positive CX, leading to happier customers and a thriving business.

How To Evaluate and Grow Your CX Strategy

Customer Story

AVIT



Supercharge your agents' potential

AVIT, a leading IT consulting firm, partnered with Nextiva for a cloud communications solution that saw revenue jump by 38% in 2019 and leap by 78% in 2020.

Nextiva supercharged AVIT employees' capabilities, helping them handle approximately 500 calls per day and more than 3,000 per week. Thanks to Nextiva's cloud-based integrations, agents also benefited from streamlined operations like client onboarding.

The right cloud communications solution can scale with your company as it grows and evolves, just as Nextiva did for AVIT.

How To Evaluate and Grow Your CX Strategy

Act on customer feedback

Your customers are your eyes and ears, highlighting areas for improvement that you might otherwise miss internally. Their feedback highlights real-world experiences and exposes unpredictable pain points. The more feedback you can take in and make sense of, the better you can comprehend how your customers feel about you and your offerings.

That's because **managing customer feedback** is just as important as collecting it. Use the insights you draw from customer feedback to create real solutions that target the issues you uncovered. CX solutions that analyze feedback and help you spotlight problems are like speed boosters launching you toward higher levels of customer satisfaction and loyalty.



Let's face it: a customer wants what they want.

If a customer calls the bank to get their balance, they want that answer right away. After they place an online order, they want that shipment to show up on the promised day. When they have a billing dispute, they aren't happy until it is resolved.

If a customer isn't able to complete a task, they'll let you know.

And you should act on it quickly."

Edwin Margulies

Chief evangelist at Nextiva

According to our own customer service statistics, switching between multiple communication channels makes it difficult for 71% of customer service agents to meet customer needs. Those agents can get overwhelmed if communication channels aren't connected in a frictionless environment. A CX platform like Nextiva employs omnichannel communications to reduce agents' stress and keep important conversations in one place.

How To Evaluate and Grow Your CX Strategy

Aim for continuous improvement

The goal of good CX is to evolve based on changing customer needs and **CX technology**. It may sound simple, but it's not. Services that satisfied customers yesterday might not impress them today.

Continuous improvement helps businesses stay ahead of the curve by constantly refining their CX based on customer feedback and market trends. And your competitors aren't resting on their laurels, either.

When you build an adaptable culture focused on improving, you encourage your team to identify problems and propose solutions, leading to a more dynamic and customer-centric atmosphere.



Superior CX is glue. It leads to customer loyalty and increased customer lifetime value.

It's a portfolio asset for operations that execute it well, and it can also be a scapegoat for organizations that **don't critically assess CX with an eye on continuous improvement.**"

Ken McMahon

Chief customer officer at Nextiva



Share the excitement with your team

Some companies may pursue CX initiatives in secret, meaning employees might not learn about the changes until the company enforces them.

Instead, make your CX initiative an internal campaign.

Drive excitement and raise awareness about serving customers and growing the business to increase buy-in and continuously improve.



Create the Ultimate CX with Nextiva

Navigating the shifting ground of CX requires agility and a commitment to core CX principles. By building trust, embracing personalization, prioritizing security and privacy, fostering collaboration, and wielding the power of empathy, you can bridge the gaps in your customer service strategy. Then, you can craft an exceptional CX that drives loyalty and positions you for long-term success.

The right communication platform partner is a key factor in that journey. CX with Nextiva means an omnichannel powerhouse at your fingertips that enables you to gather, analyze, interpret, and act on customer insights. That way, personalization is never an afterthought, and the customer's needs are always at the front of your mind.

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