



It's Time to Refocus

A Revised Look at Self-Service Digital Channels and Consumers

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Introduction

With the ubiquity of smartphones, voice-based digital assistants, and an endless array of digital applications, an increasing number of consumers want to connect with a product, brand, or service without speaking or interacting with a human. For many tasks or actions, customers who use a digital channel with no human intervention can find the interaction to be more convenient, less intrusive, and less time consuming than trying to accomplish the task by speaking or interacting with a human.

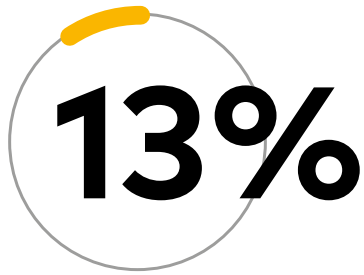
From an organizational perspective, fully shifting interactions to digital channels can result in greater efficiency, and improved customer and employee satisfaction and reduced costs. Embracing digital channels also drives customers' perception that a communication service provider (CSP) is innovative and futuristic, key qualities that drive new customer acquisitions and aid in retention, and should result in better customer experience (CX) and customer satisfaction.

As a leading provider of technology solutions to the CSP market, Amdocs is continually seeking to develop a deeper understanding of consumer behavior and preferences, and sought to find out how CSPs can accelerate their customer's digital adoption and drive higher satisfaction/brand loyalty. To take the pulse of the current state of the telecommunications market, Amdocs conducted an extensive global market research survey of the industry stakeholders, decision makers, and consumers to assess the current role of digital channels.

This research served as a significant tool to quantify, for the first time in some parameters, CSPs' use of customer journey KPIs, the amount of financial investment into specific digital initiatives, and the rate of utilization of digital and live-agent channels. Several key insights uncovered during the research include:

- Companies are investing in offering self-support digital across a wide range of engagement types, but just 13% of customers had a full, end-to-end (E2E) digital experience.
- Due to the lower satisfaction rates experienced with digital channels, 65% of CSPs' stakeholders mentioned negative impressions of telcos' digital channels as their top challenge.
- Customer age impacts the willingness to use digital channels, but these cohorts also find difficulty completing E2E experiences, due to user experience (UX) and user interface (UI) challenges, which can introduce friction, leading them to completing their journey through human agents.
- Customers will choose CSPs that provide a great experience, regardless of the channel. However, intuitive and friction-free digital experiences can be leveraged to provide a better overall customer experience, and as such, survey results indicate 42% of customers would be willing to switch CSPs for a better digital experience.
- Today, most customers abandon an E2E digital journey because they are not able to find a solution to their issue or problem, not as part of a pre-planned digital/live agent journey. CSPs should streamline and manage the customers' journeys by leveraging the benefits of each type of channel to eliminate friction and ensure excellent CX.

Digital First Interactions Are Not Meeting Expectations



Digital end-to-end rate











The economic and operational benefits of digital-only customer interactions have been touted by customer experience service providers, consultants, and CSPs. However, Amdocs' research found that just 13% of all customer journeys were completed via an E2E digital experience.

Of the customer journeys that were digital first (38%), 65% of those interactions wound up using both digital and live agents to complete the interaction.

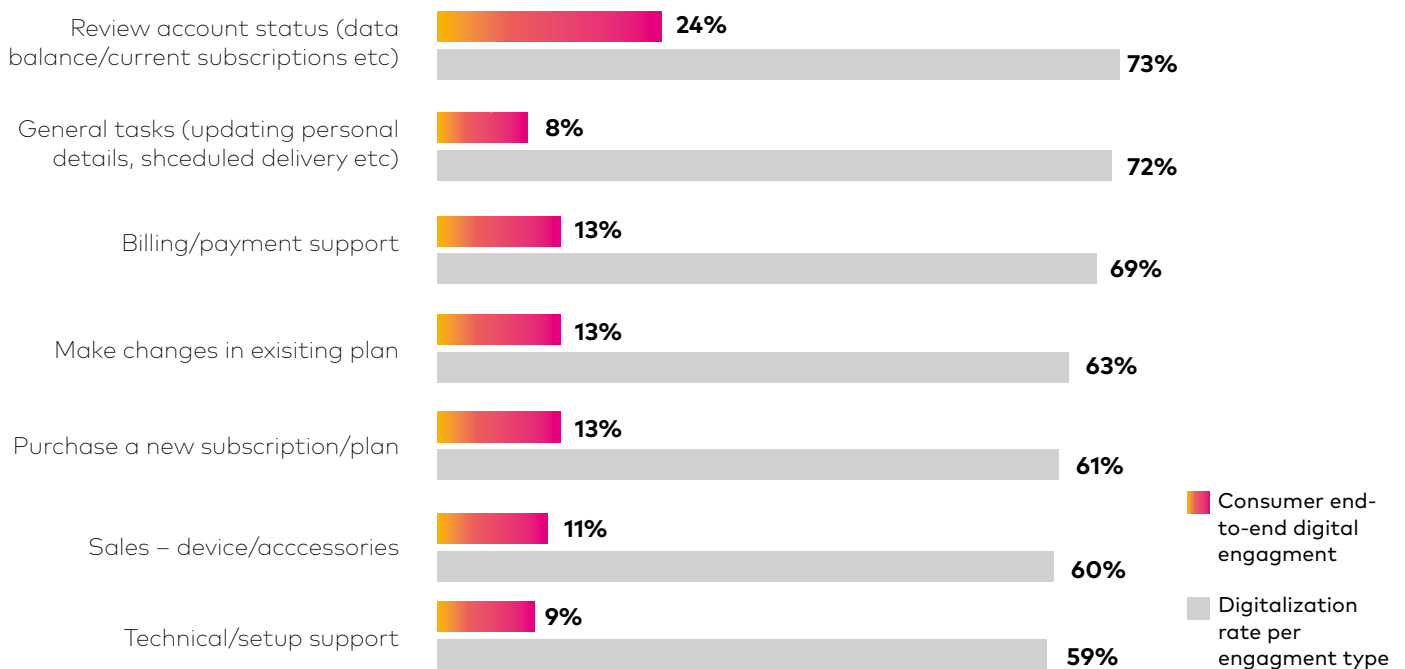
There were differences in the percentage of interactions that began through digital channels, based on the country in which a CSP operates. Customers in Germany were more likely to begin their journey through a human agent, with just 26% of digital-first journeys, whereas customers in Brazil (55%) were far more likely to engage through digital channels at the outset of their journey.

Despite the differences in percentage of digital-first journeys, only customers in Spain were significantly more likely to switch to human channels than those in other countries, with just 8% of interactions being completed through an E2E digital journey.

Digital first and digital end-to-end ratios per country

	 Global	 Brazil	 Singapore	 Spain	 Philippines	 UK	 USA	 Australia	 Italy	 Germany
Digital first	38%	55%	41%	41%	40%	38%	38%	34%	31%	26%
Digital end-to-end	13%	15%	13%	8%	16%	14%	15%	14%	14%	13%

Despite CSP Investment into Digital Channels, End-to-End Experiences Are Not Commonplace



CSP reported digitalization rate vs. consumer end-to-end engagement rate, per engagement type

While CSP digital managers report a high rate of digitalization across various engagement types, consumer E2E digital engagement rates are still quite low, regardless of the category. Specific tasks that would appear to be a natural fit for an E2E, digital journey, such as reviewing account status and general tasks, were deployed more than 70% of the time by CSPs, but had actual consumer E2E engagement rates of just 24% and 8%, respectively.

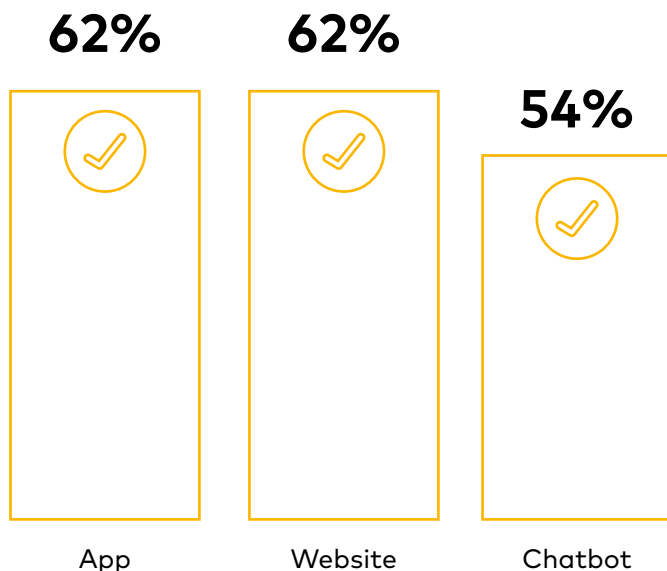
As a result, for nearly all types of tasks, hybrid journeys remain the norm for CSPs across each type of engagement, with most consumers jumping between human and digital channels.

Challenges With Delivering an End-to-End Digital Experience

The inability to meet expectations through a digital-only channel is not due to a lack of investment, but the result of the lower digital satisfaction rate experienced by customers, compared with their experiences using human agents.

According to the survey, **77%** of respondents indicated they were highly satisfied with the quality of service provided from human agents, compared with **53%** who were satisfied from the self support. Moreover, 19% of respondents said they were not satisfied with the quality of service provided by digital support options, compared with just 10% who expressed dissatisfaction with the quality of service provided by human agents.

Consumer report similar satisfaction rate across digital channels with chatbot lagging behind



Regardless of the digital channel used, consumers are still dissatisfied with their experiences, often when they attempt to complete a more complex, personalized, or in-depth interaction.

Artificial intelligence (AI), machine learning (ML), and natural language processing/understanding (NLP and NLU) technologies can understand basic queries or provide relevant offers in response to customer actions. However, **63%** of decision makers surveyed said that implementation of AI and ML is a major challenge and currently is not having a significant impact on their customers' engagement with digital channels.

Chatbots and other interactive technology used to enable self-service still may struggle with:

- Special situations or requests that fall outside of typical service, product, or support offerings
- Complex tasks that require multiple steps or processes to complete successfully
- Requests that are not stated clearly using commonly accepted terminology
- Inquiries that intentionally or inadvertently omit key pieces of data required to complete the request

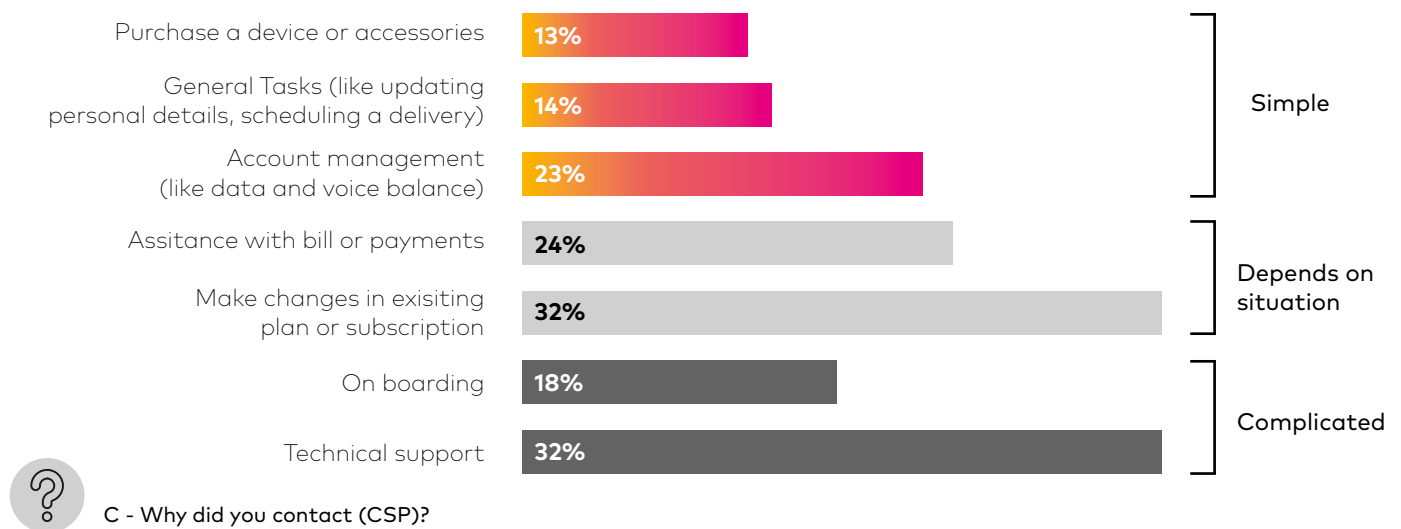
In these cases, the ability to conduct an E2E digital journey is adversely impacted and may result in customer frustration and dissatisfaction if the customer is unable to quickly switch to a human agent for assistance.

The Benefits of Improving Digital Solutions AND Human Interactions

CSPs have many incentives for increasing the utilization of digital channels, including reducing costs, improving response times, and managing labor force issues. But they need to ensure that the most suitable interactions are digitized, which are those that reduce customer friction and increase satisfaction.

CSPs should identify issues for which human agents add little or no value to the interaction, which are most often simple interactions that are straightforward actions or tasks, and for which information to support that task can be provided easily via FAQs, feature comparison tools, and explainer videos. Examples include purchasing a device or accessory, managing general account tasks such as checking or updating personal, account, or password details, or scheduling a product delivery.

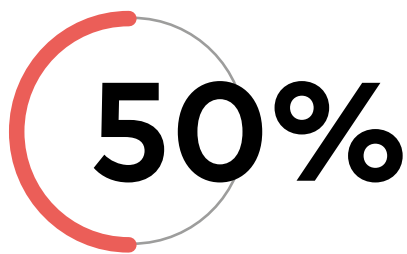
Other slightly more complex tasks, such as bill inquiries or payments, or making changes to a plan or subscription, can be optimized for digital-only engagements, but must be well designed to account for a greater variation of potential inputs or responses, and should always feature a way to reach out to a live agent in the event of a snag.



Reasons for consumers to digitally engage with their CSP, by complexity of engagement

Human agents will have an important role in CSPs' customer experience for the foreseeable future. Therefore, CSPs should leverage human agents and up-skill them to maximize their effectiveness, working in harmony with digital channels to deliver an enhanced customer experience.

Furthermore, the research suggests that digital channels – when executed properly – can be a substantial differentiator, with 42% of consumers saying they would likely switch operator if another provider offered a significantly better self-service experience.



50%

of consumers aged 18-34 would likely switch SP for better digital channel experience

In addition to operational benefits, better digital experiences can improve the perception of a CSP among customers and prospects. According to the survey, **80%** of respondents said that improved digital channels experiences would position their CSP as being truly customer centric. Similarly, **78%** indicated that such changes would position their CSP as a market leader, and **77%** of respondents said that improvements to digital experiences would help position their CSP as futuristic.

As consumer demands for self-service channels increase, frictionless digital customer experiences will only become more important. That said, expecting today's technology – or even the technology of the near future – to be able to understand the nuances of human behavior, interactions, and speech is simply unrealistic.

Our research shows that CSPs should refine and refocus their digital customer engagement strategy, while continuing to invest in up skilling their human agents. For CSPs to meet their customers' expectations for digital-first experiences, decision makers and leaders at these organizations must select the most appropriate processes to digitize, and then drive satisfaction rates by removing any points of friction along the digital journey. CSPs should refocus their efforts on identifying and efficiently routing more complex tasks, processes, or inquiries to human agents who can leverage empathy and experience to efficiently deliver good CX, as well as drive additional revenue by presenting relevant product or service offerings.

About the Research

Amdocs surveyed about 9,600 respondents globally who interacted with their CSP between June and August 2022. Additionally, Amdocs conducted 15 in-depth qualitative interviews with CSP leaders, and fielded a quantitative CSP decision makers survey that captured the insights of 120 leaders across marketing departments, digital experience units, IT departments, and other functional areas which are responsible for digital engagement, customer journey, and marketing.





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Listed on the NASDAQ Global Select Market, Amdocs had revenue of \$4.58 billion in fiscal 2022.

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