



2024 CX Industry Report

Is GenAI The Missing Piece **To A Connected Customer Experience?**



Is a good digital experience a collection or convergence of channels? We explore this question in our fourth year of industry reports, shifting focus from singular solution areas to examining the entire end-to-end customer journey. When touchpoints are siloed, there's no way to consistently uphold your brand's reputation or — more importantly — provide a coherent, empathetic customer experience.

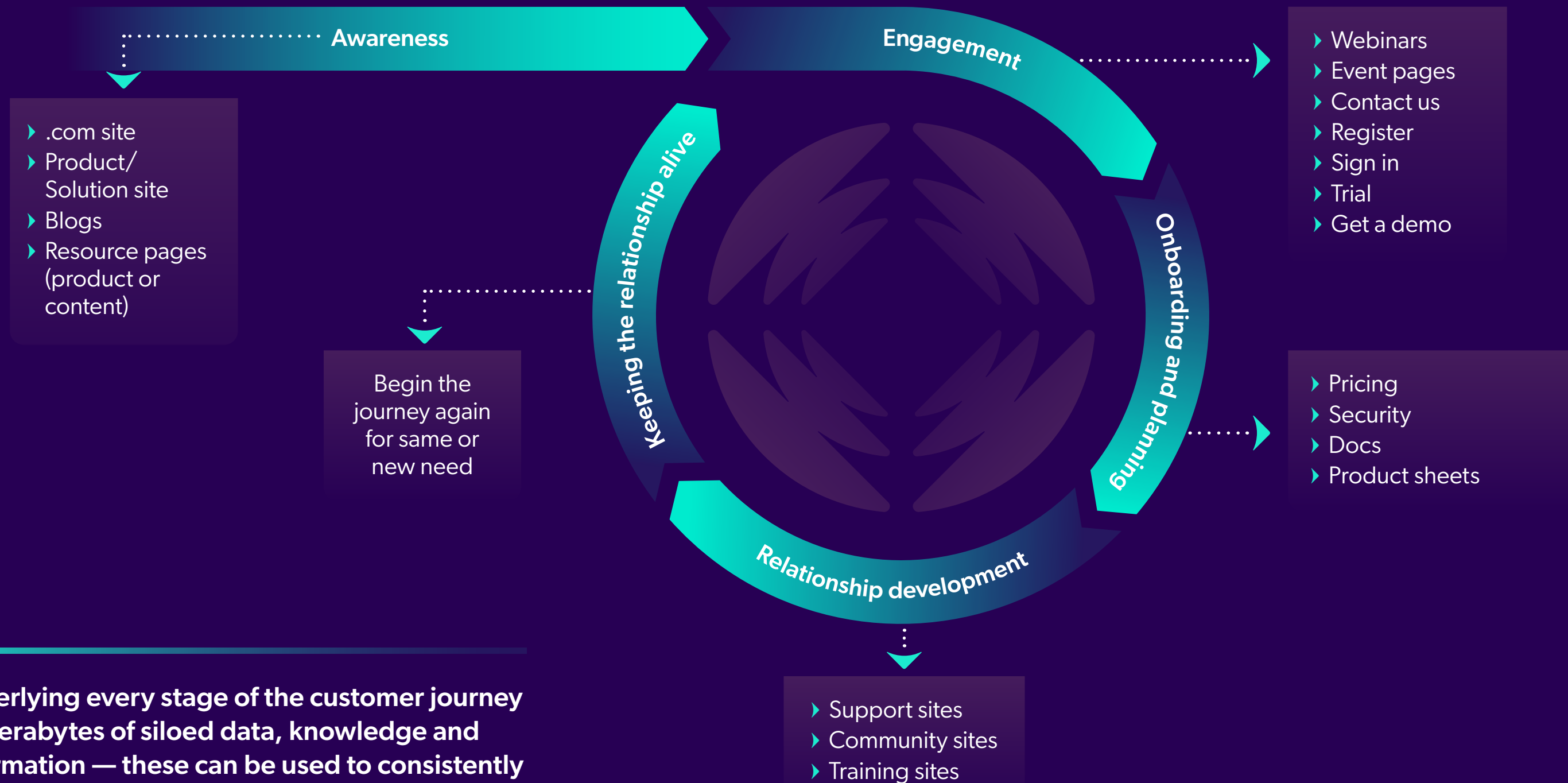
From first touchpoint, through purchase, support and renewal/repurchase, we look at the holistic, interconnected digital customer journey. We also ask, what will be the role of search in the new ChatGPT era? What if search was 'hot' again and actually at the center of the remarkable, unified experiences that people are looking for?

What if AI search could stitch it all together?

From a survey of 4,000 adults across the U.S. and UK aged 18+ who use a computer as part of their work in companies with 5,000+ employees, we found some valuable insights:

- ▶ Information findability — that is, *search* — has the biggest impact on customer perception of the brand.
- ▶ For the third consecutive year, almost all respondents expect online experiences to be as good as in-person, yet many continue to find digital lacking.
- ▶ Almost three-quarters of respondents across demographics see generative AI as the next step to blurring the line between in-person experiences and digital journeys.
- ▶ People still want to lean on human support, especially when the issue they're facing is unique or complex.
- ▶ And while people remain wary of how brands are using their data, they're more willing than ever to share it if doing so means they'll receive a personalized digital experience.

Not All Digital Experiences Are Created Equally... What Is The Purpose Of Yours?



Underlying every stage of the customer journey are terabytes of siloed data, knowledge and information — these can be used to consistently personalize the experience for each user

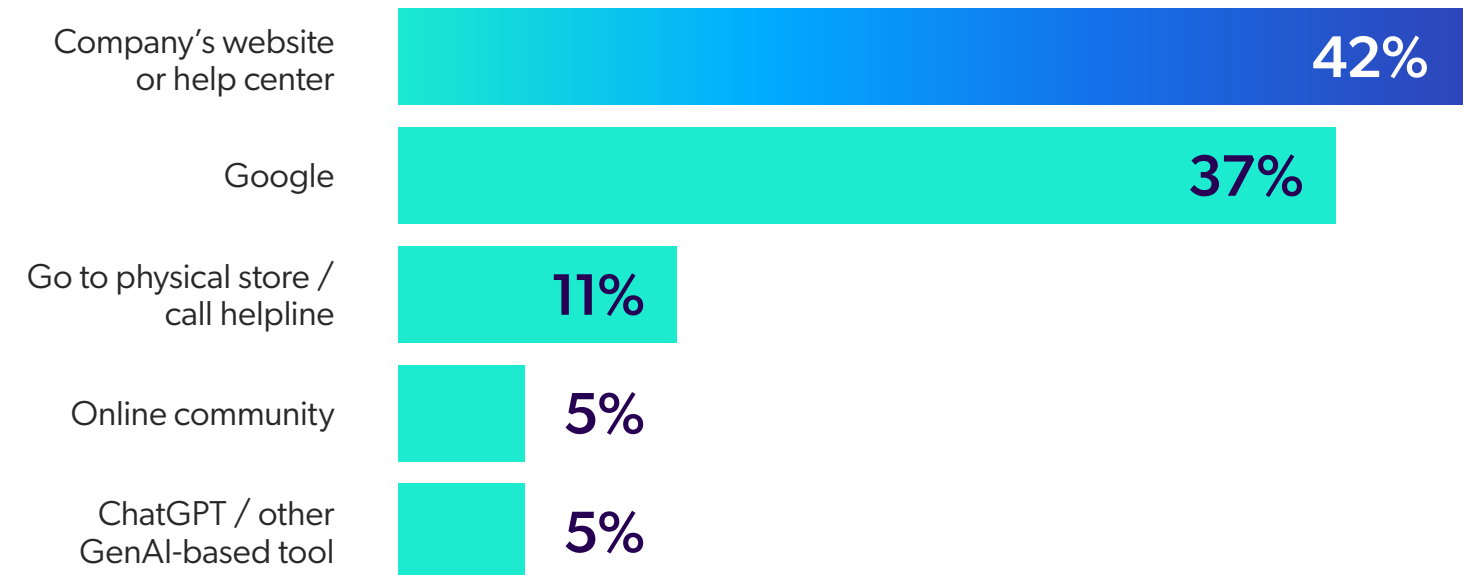
Search Is Hot — And It's Evolving

Search remains the gold standard when people need information — **42% go straight to a company's website or help center while another 37% go straight to Google.** There was a clear age split: older age groups (46% Gen X, 59% Baby Boomers) went to a company's website or help center, while younger age groups went straight to Google (36% Gen Z, 42% Millennials).

Generative AI tools like ChatGPT were the top choice for only 5%, likely pointing more to the fact that ChatGPT is a siloed tool. And yet, almost three-quarters (72%) said they expected digital experiences to evolve with trends like generative AI.

As we'll get more into throughout this report, search is the throughline for your entire digital experience. Generative answering should be rooted in search. And because people see brand sites as more authoritative than a Google search, embedding proactive elements like intelligent search and generative answering in your sites has never been more important. In our current generative era, the search bar becomes much more: an intent bar, conversation bar, an advisory bar. It's a window to interacting with your customers.

When you need assistance with a product or service, where do you go first?



Takeaway

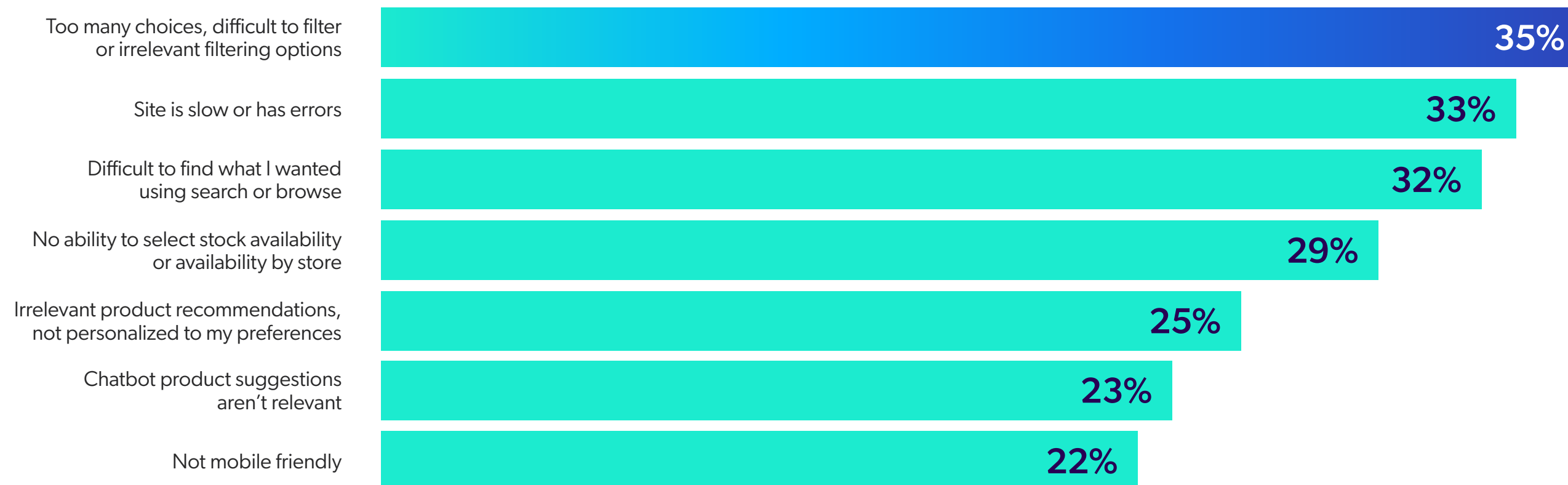
It's a tall order to meet different audience needs — it requires a faceted approach with search techniques like keyword search for specific known needs, recommendations for non-search-based discovery, and of course generative answering to help save visitors' time when searching and exploring for information.



Is Your Digital Experience Built On Cracked Foundations?

For the third consecutive year, 91% of respondents expected their online experience to match or surpass the traditional in-store experience. Unfortunately, many still find digital experiences lacking. Fifty percent said that website navigation was complex and slow, and that search often surfaced irrelevant results (+4 points YoY). We think this points to a fundamental issue: much like a house, an experience is only as strong as the bedrock it's built on. Tacking on channels and systems might solve a short-term symptom, but contributes to long-term problems.

Of the following, which are the most frequent problems you have encountered when buying online?





Specifically, the top response when asked what issues they encountered when searching online was “too many choices, difficult to filter or irrelevant filtering options” (35%). Despite this being a well-researched area, choice overwhelm continues to be a serious issue. This underscores the idea that simply making information and products digitally *available* is not enough.



Takeaway

Consider search as the backbone of your digital experience, with your content, products, and customer intent flowing through. You need to be relevant and coherent for your users. To achieve that, content, products, recommendations, and advice presented to a person online need to align with their needs, intent, preferences, context, behavior, and more. Only AI can do that.

Data governance and cleanliness will go a long way not only for findability, but ultimately implementation of any tool that’s meant to help navigate your digital experience. Cleanliness also impacts filters and facets. AI can help tailor facets to the most relevant for an individual user, and do this at scale for thousands or even millions of visitors. Search analytics can help you identify content gaps and redundancies.

While Social Intrigues, Sites Still Critical For Conversion

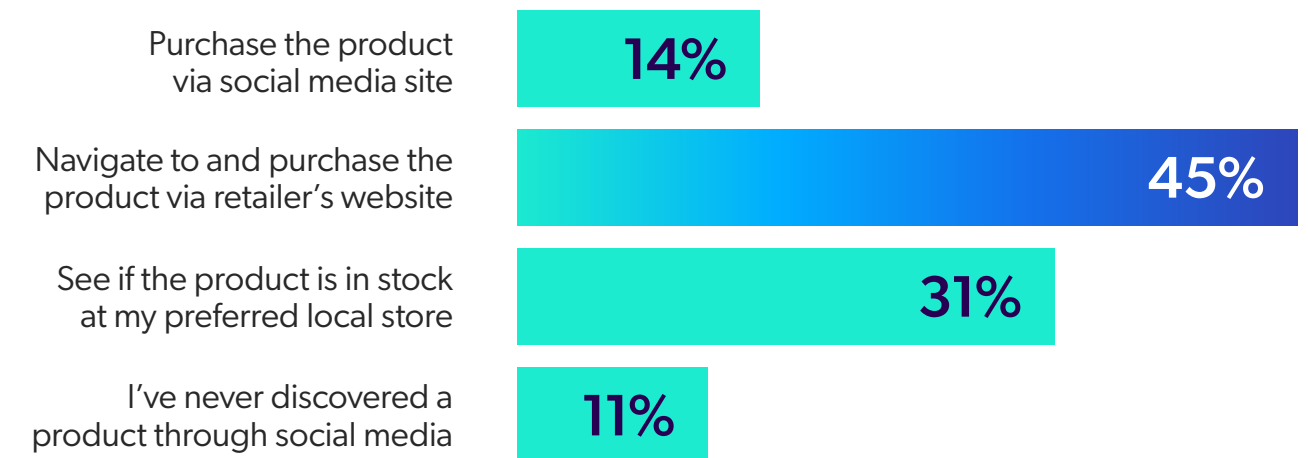
With social media platforms giving Google a run for its money in product and content discovery, we wanted to see if this also impacted a brand's digital presence. When asked if they explicitly search for and convert via social media, only 14% said yes. This makes sense, since social media leans more toward entertainment—and then we found something interesting.

Our survey revealed that 39% of respondents often or always discover something new when browsing social media; and that number increases to 46% for Millennials and 55% for Gen Z. Yet, only 14% of respondents would convert directly through the social media site. Forty-five percent said they navigate to and convert via the brand's website. Even if they first seek the opinions of their peers on social platforms, consumers prefer to go directly to the source—that is, a brand's site.

Thirty-one percent said they would find out if said product or service was available at their preferred local store, showing that brick-and-mortar remains valuable (and that your site should have location-aware search). And even in-store, an organized digital presence is needed as 47% said they browse on the website and then purchase in store; 29% said they browse in-store and then purchase online.

However, our previous findings show that brands are not making a seamless experience the default.

When you discover products on social media sites, what step do you typically take next?



Takeaway

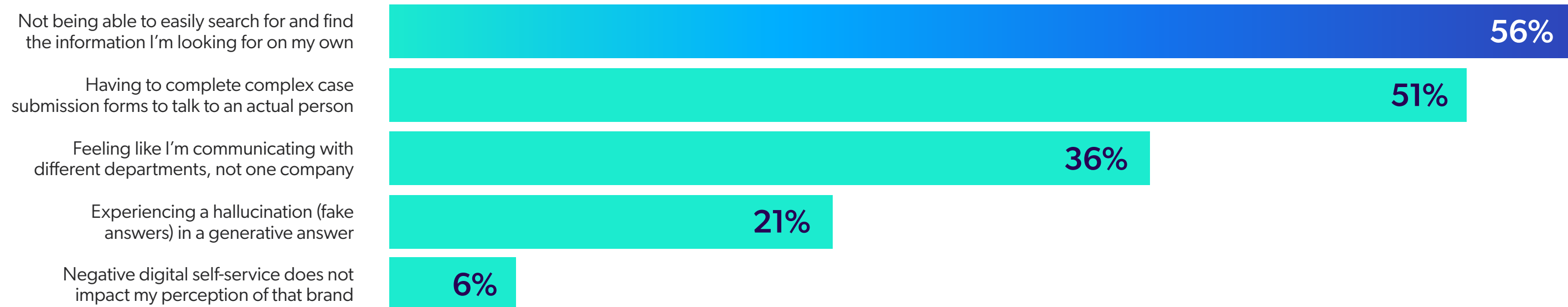
When people come to *you*, that's a high quality lead. Rather than a one-time purchase, prospects may be seeking a longer-term relationship. Capitalize on this not only by ensuring they can find what they're initially looking for fast, but also what they'll need next—articles on how to get most out of their purchase, related subjects, and new services they might find interesting will also show you care and want to be there to help... that the relationship is more than transactional.

Which Is Worth More: Presence Or Consistency?

Even after finding what they sought, many respondents cited issues throughout the rest of their journey. **Sixty-eight percent experienced issues with customer service/checkout/post-transaction (+5 points YoY)**. In our 2023 survey, we identified that customers often ‘ghost’ companies. This year we uncovered a good reason why this might be happening — companies are doing the same thing by providing disconnected experiences.

With so many ways for visitors to interact with a brand, it’s less about being present on every available platform than it is about providing a consistent experience regardless of channel.

Thinking about the following problems that make up a negative self-service experience, which is most likely to impact perception of the brand?



What does a consistent experience entail? Not having to start over from square one repeatedly. It means feeling listened to and important. Over half said not being able to find the information they're looking for on their own (56%), having to complete complex forms to talk to someone (51%), or feeling like they're communicating with different departments rather than one company (36%) were most likely to affect what they thought of a brand.

Younger cohorts were more likely to cite issues with customer service (71% Millennials, 75% Gen Z) and problems with website navigation and search (53% Millennials, 56% Gen Z). Since they've grown up with digital platforms, these demographics are likely to have higher UX expectations than their older counterparts.



Takeaway

Achieving a consistent experience is easier said than done, but AI offerings with headless and composable architecture offer promising solutions. Integration with existing systems can empower business and technical users for greater cost efficiencies. With AI, enterprises achieve a connected, consistent experience regardless of channel or platform.

This is especially important when considering generative experiences, as they should be consistent across all digital properties—a siloed approach could create more duplication and result in a discordant experience.





Many See Generative AI As Key To Unlock Easier Digital Experiences

Just over six-in-ten (61%) said that finding both what they sought in just a few clicks and supporting content would have the strongest impact on what they thought of a company. Another 33% said tailored recommendations of products and/or content would have the biggest impact. Both are areas where generative AI thrives in providing the type of experience customers are looking for.

Older demographics were focused on finding what they knew they wanted (72% Baby Boomers, 64% Gen X), while younger cohorts were interested in finding the latest and greatest (44% Gen Z, 37% Millennials). Regardless of age, all demographics expected the digital experience to evolve with trends like generative AI — **as we said above, almost three-quarters (72%) expect a virtual shopping assistant for either guidance on product selection or troubleshooting issues.**

Are they concerned about hallucinations? Only 18% said they had experienced one, but another 30% couldn't say if they had been duped. This means it's your brand's responsibility to provide a secure, accurate generative experience.

How do you expect your online shopping experiences to evolve with conversational experiences like ChatGPT/generative answering?



Takeaway

While much has been made of Retrieval Augmented Generation (RAG) as a way to safeguard generative AI, nascent RAG approaches miss crucial enterprise aspects — the full infrastructure needed to manage, standardize, tune, control, and self-optimize search results ranking — in order to deliver the most relevant answer. Organizations interested in generative AI should seek a unified AI search platform, especially one that offers smart search, recommendations, and generative answering.

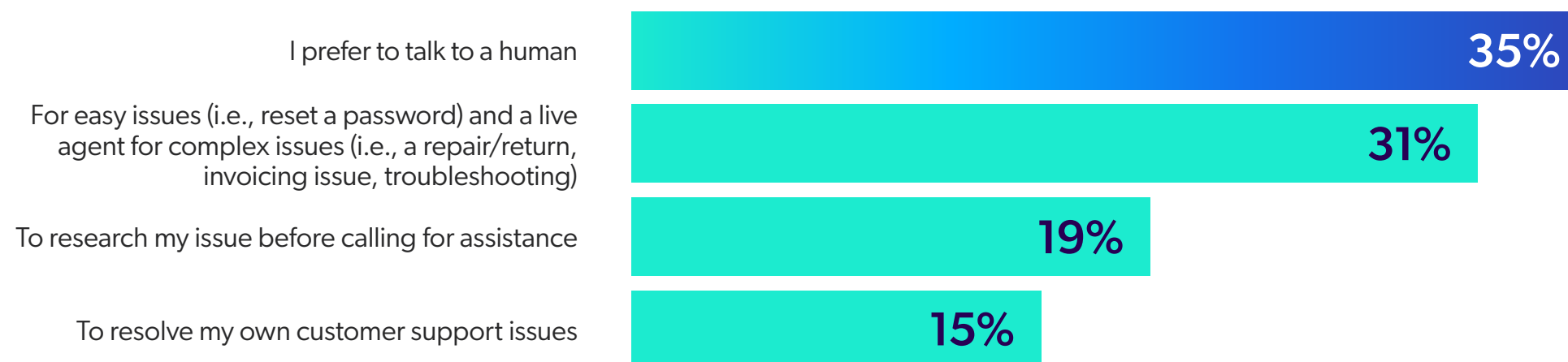


Convergence Of Seamless Assisted And Digital Support Begins To Surface

When asked whether issue complexity made a difference in preferring self-service or assisted support, more (35%) preferred humans regardless. **But 31% chose sides — for easy issues (such as resetting a password) self-service was preferred, and for complex issues (such as an invoicing issue) a live agent was preferred.**

If they have to deal with a negative digital self-service experience, almost 6-in-10 say they never or rarely complain. Not only does this put customers at risk of churn, you can't fix the issues you don't know about.

When do you decide to use digital self-service options versus assisted support?



Embedded generative AI is well positioned to help both self-service and agents. Traditional self-service is often focused on tier 1 issues. GenAI can uplevel self-service to take on tier 2 issues, where pieces of an answer might exist across numerous documents. And it can bring the same value to agents; but it can only do this when implemented as part of a holistic experience instead of force-fitted as a new channel customers have to navigate.



Takeaway

Customers often want to talk to people because they want to communicate in their own words — implementing an AI search platform that uses Natural Language Processing helps match queries to search results without having to build and maintain an endless thesaurus. This helps people get the answers they want and get back to what they were doing, without your business needing to increase headcount.

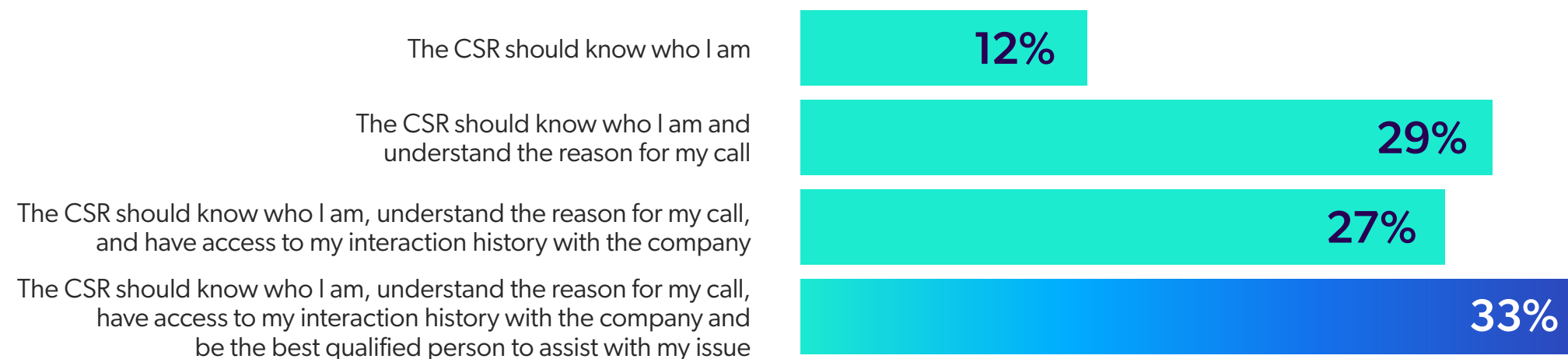
And with AI to help stitch the experience together, the same answer to the same question asked by different people is surfaced, whether on a business's website, commerce store, in-product support, to self-service and beyond — ensuring that your digital experience speaks with one voice.



CSRs Need GenAI to Meet Customer Expectations — Especially Older Customers

Even though most customers prefer self-service, almost two-thirds said having access to a customer service representative (CSR) to assist them would improve their self-service experience (64%). As self-service channels continue to be integrated into a holistic digital experience, assisted support remains important.

How personalized do you feel an interaction with a customer service representative (CSR) should be?



Expectations of CSRs increases in the USA (62% vs 56% UK), and with age (56% Gen Z, 57% Millennials, 61% Gen X, 69% Baby Boomers.)



If and when assisted support is needed, 33% said that not only should the CSR know who they are, but should also know the reason for the contact, have access to their interaction history with the company, and be the best qualified person to assist with their issue. If you thought that the majority of those respondents were Millennials or Gen Z, think again — 45% of those with exhaustive expectations were Baby Boomers.

On the agent side, 40% of those who work in customer service/support said that GenAI could help them find things faster and spend less time searching.



Takeaway

Offering a unified experience to support agents doesn't stop at internal enterprise documents; your AI search platform should also collect categorization information so that contacts are routed to the agent best suited to solve the problem.

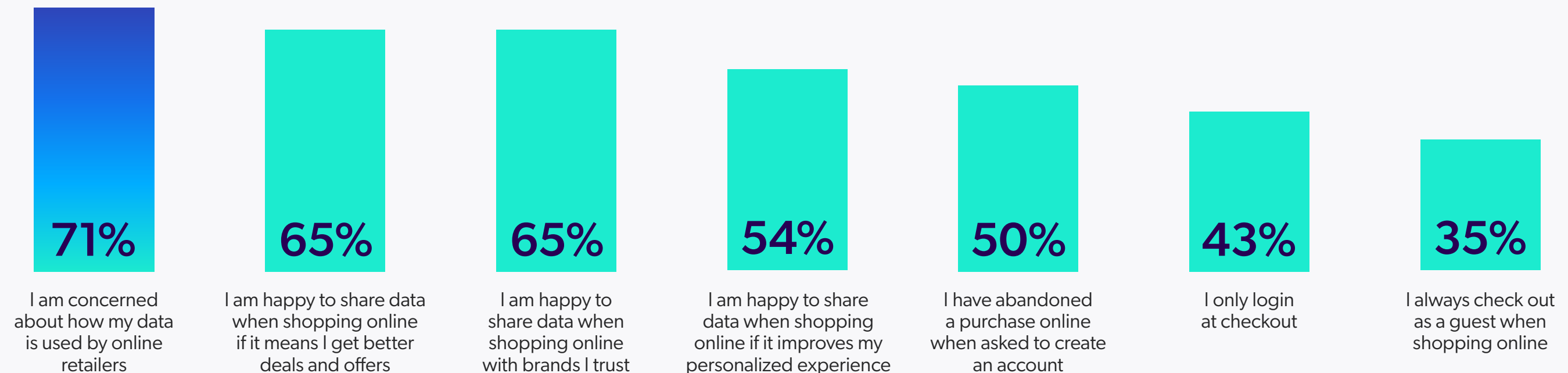
And when that customer does interact with the agent, your platform should also surface user interaction data. This means the agent can see what products or services the user might have, what web pages or documents they've viewed, and the issue they're dealing with — so the customer doesn't have to repeat themselves. Instead, the discussion continues from where the customer expects it to, not square one.

If Customers Give You Precious Data... You Better Be Relevant

What about data privacy? With the long-happening death of the third-party cookie, what passes for personalization these days is on its way out—meaning online businesses have to work harder to get in front of their audiences. This introduces the idea of zero- and first-party data, or in simpler terms, persuading customers to willingly provide their information.

While this might feel daunting to some enterprises, 54% of our respondents said they were happy to share data if it improves their personalized experience (+13 points YoY). Sixty-five percent of our respondents said that they were happy to share data when searching online if it meant they get better deals and offers — **and 65% said they were happy to share with brands they trust (+17 points YoY).**

Thinking about sharing data when online, to what extent do you agree or disagree with the following statements on a scale of 1-5?



That emphasis on trust cannot be ignored; 71% were concerned about how their data is used by online retailers (+7 points YoY), 50% of respondents said they had abandoned a purchase online when asked to make an account (+3 points YoY), and another 35% said they always check out as a guest when shopping online (+7 points YoY).

Takeaway



Focus on creating great content and products that people want. The more forthcoming you are with information in a digital setting, the more likely customers are to trust and purchase from your brand. Leveraging an AI search platform that utilizes in-session personalization can help provide tailored experiences that organically persuade visitors to become authenticated customers.

Data about needs, intent, preferences, context, behavior, and more can help enterprises adapt the content, recommendations, and advice of their experience in real-time — giving that person on the other side of a screen the feeling that your business knows them.



Thrive With AI: Unify Your Digital Experience

In today's fiercely competitive digital arena, failing to understand your customers' holistic journey means risking irrelevance. Customers demand seamless, personalized interactions, and if you're not delivering, they'll swiftly migrate to more accommodating platforms.

Initiating this transformation starts with optimizing a pivotal aspect of your digital ecosystem: AI search. As your business expands, so do the data challenges. A robust search, discovery, and generative solution not only facilitates interactions across all customer touchpoints but also empowers you to curate bespoke experiences for diverse audiences, be they thousands or millions strong.

Ready to unlock the full potential of unified digital experiences? Explore the possibilities at coveo.com.

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The Future is **Business-to-Person**,
powered by **AI Search** and **Generative Experiences**

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