How companies are using emerging technology to build loyalty and trust

Executive summary

The foundations of customer loyalty don't change. Success requires building a positive emotional connection, based on trust, between customers and your brand.

And today, companies are increasingly using technology—such as artificial intelligence (AI), chatbots and augmented reality (AR)—to boost loyalty.

For many, it's working.

To better understand how executives feel about the opportunities that emerging technologies offer—and the challenges they face in using them—we worked with Longitude to survey 500 marketing, customer service and technology executives across seven industries and seven countries.

Our research suggests brands should adopt technology—but carefully. Used correctly, it can help deliver positive customer experiences that lead to a loyal customer base. But adopting the wrong technology or getting the balance between machine and human interactions wrong can have the opposite effect.

Right now, between 52% and 59% of companies report a net improvement in key customer loyalty indicators (churn, retention and customer effort) after adopting emerging technologies. However, our research indicates that many are struggling to make it work.

Explore these key findings from our report.

What's working to build loyalty

Companies say these key elements are contributing to their success:

- The ability to act on insights from analyzing customer behavior, which helps generate consistently positive experiences

- Increased investment in technology to improve such experiences

- The ability to generate customer trust in their data practices

How brands struggle

While some are seeing success, 37% of respondents struggle to use technology to strengthen customers' emotional attachment to the brand.

Executives told us the top challenges when it comes to building customer loyalty include:

- Problems encouraging customer advocacy

- Difficulties building trust in the company's data practices

When we asked execs about their customers' biggest pain points, the inability to reach a human agent topped the list. Another challenge was the company's failure to meet expectations for customer service or care.
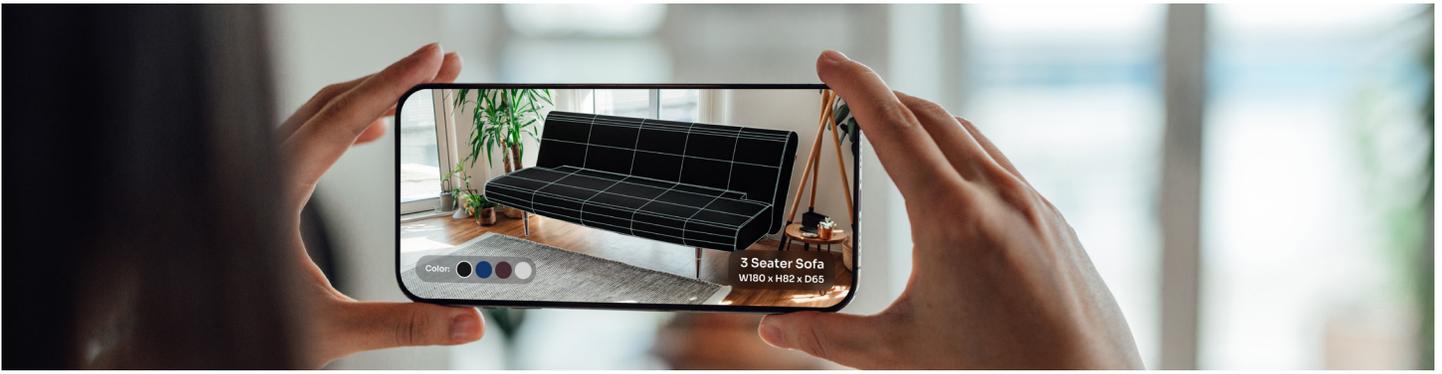
63%

Sixty-three percent of respondents say that recent advances in technology have "completely transformed" their approach.

39%

Thirty-nine percent of respondents say their firms are not fully using the technologies they've developed to build customer loyalty.

The technology they're investing in

Three technologies lead the way for investment priorities: AI, chatbots and AR.

Industries prioritize emerging technology investments slightly differently though. Financial services providers, retailers and utility companies are placing bets on their development of AR capabilities, while media companies are keenest to invest in virtual reality (VR). Consumer goods producers, meanwhile, appear to be prioritizing investments in predictive analytics and sentiment analysis.

Using technology to help build empathy

While the human touch is vital to conveying empathy with customers, advanced technologies can contribute as well.

The report shows how designing work-style-based IT solutions can help employees perform their best and help your business reduce the risk of bad technology investments.

According to our survey, the top ways to boost empathy include:

- Better empathy-skills training of contact center and other customer-service agents

- Better visualization of analytics insights about customer preferences

- Technology or processes that minimize or eliminate the need for customers to repeat details they've already provided

The path forward

Ultimately, building customer loyalty requires finding the right balance between automated and human elements in customer interactions. And businesses should recognize that not all customer interactions require the most advanced technology.

As you strive to deliver the best customer experience (CX), we urge you to work with a proven technology leader that can provide the latest contact center and customer engagement tools, as well as end-to-end CX consulting services, to help you create better experiences and drive results.

Get more insights in the full report. 〉

verizon✓
business