



WHERE DID THE HUMAN IN 'HUMAN TOUCH' GO?

Bring back the human touch. Your customers want it more than you think

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The state of customer experience today

To thrive, every company must become an empathetic, human-centered organization.

Data, strategy, product or talent, will all have little impact if businesses, at their core, are not led and driven by empathy and customer centricity. To create sustainable growth, organizations must deeply understand and relate to their customers' challenges, motivations and behaviors.

The choices businesses make in 2023, specifically around their customer experience, will impact and largely determine their success in the next decade.

The world has evolved and changed over the last several years, but even more significantly over the last two years, largely due to the pandemic and the huge shift it brought to the employment and consumer landscape.

Just as with pretty much every other area of life, COVID-19 has led to a dramatic change in the customer experience landscape in the US. Alongside widespread disruption and uncertainty across sectors, and within organizations, the pandemic has caused seismic shifts in the dynamics between businesses and customers. And these shifts have opened up new opportunities for businesses to tap into new levels of customer experience, and customer loyalty, they've never reached before.

The most obvious change we've witnessed is consumers being pushed towards digital services and channels in unprecedented numbers, due to enduring lockdown situations, even amongst consumer groups who would not normally use them.

According to the [4th Edition of the Salesforce State of Service report](#), at the end of 2020, 87% of service professionals say that customers increased their use of digital channels during the pandemic.

Alongside this increase in consumer digital adoption, we've also seen a growing trend of automation in customer service to encourage digital self-service rather than in-person service. 78% of service professionals say that customers used self-service options more during the pandemic.

In some respects, this can be seen as a positive – 66% of service professionals reported that self-service reduces call volume, and 77% say that this allows them to focus on more complex work. However, automation and an increased focus on digital channels are at odds with a strong and continuing need for human interaction.

While 65% of customers said they prefer self-service for resolving simple matters, [the State of the Connected Customer report](#) found that a sizeable 83% of customers still expect immediate interaction with a human agent when they need to actually get in touch with a company. What's more, 82% stated they expected complex problems to be solved by talking to a single person.

This leads to a paradoxical situation, where most of the focus in customer service is currently on digital and automated service, when in reality most consumers still expect human interaction at certain stages in their customer journey.



➤ What is driving successful customer service?

Of the many factors to be considered in customer service, one in particular stands out as a priority: personalization.

Consumers increasingly want a customized experience that takes into account their unique needs to get to the heart of problems efficiently and sensitively. In addition, they look for an efficient resolution to queries or issues without too much time or effort on their part. According to a report from Epsilon, 80% of customers are more likely to make a purchase when businesses provide a personalized experience.

The global accounting advisory network KPMG cites personalization as one of The Six Pillars of Experience it considers to be essential building blocks of world-class customer experiences. In its 'Global Customer Experience Excellence Research 2022', KPMG lists the top brands consumers around the world have identified in terms of customer experience.



In the US, the banking and insurance company for military members and their families, USAA, came top for the second year running. This brand consistently scores very highly when it comes to personalization, as it makes the absolute most of digital to fine tune engagement to customers' individual needs. In 2022 alone, not only did ISAA overhaul their banking app, using machine learning to deliver highly personalized experiences for its customers, they also set themselves a customer outcome of a 'touchless' auto claims experience. They automated workflows and used AI to deliver this vision, as well as streamlined the repair process and improved overall cost-efficiency. There's no doubt that this is a truly customer-centric business. The report concludes that all the organizations that scored highly with customers, such as USAA, have something in common. They invest considerable time and effort in not just studying their customers, but anticipating what new needs might arise, what pain points can be removed, and how the company can support the customer when these changes happen. In other words, retaining the personal, human touch.

What's really missing today in most business models: the human touch

As seen in the KPMG study, a personalized service remains a vital part of customer service. And, of course, personalization is much easier to achieve when customers are interacting with an actual person, who treats them as a fellow human being, rather than simply an issue to be solved.

A recent PwC report [‘Experience is everything: Here’s how to get it right’](#) surveyed a 15,000 consumers from 12 countries. It found that, 64% of US consumers and 59% of all consumers feel companies have lost touch with the human element of customer experience. 71% of Americans would rather interact with a human than a chatbot or other automated process, and 82% want more of human interaction in the future.

But why do we crave the human touch? Empathy is the key. Empathy is becoming more and more important to successful customer service – and is something which can only be provided by an actual person, not automated digital channels. To remedy this issue, companies must do more to put people at the heart of their business models to create a human-centric approach.

Customer service experts Don Peppers and Martha Rogers address this issue clearly in their book [Extreme Trust](#). “In the past, companies assumed a gap between what’s good for customers’ and what’s good for profits,” they write.

“The trustable company sees no such gap, but – starting from scratch if necessary – figures out how to use what works for customers as the basis for developing its business model and strategy.”



In other words, companies must begin to consider their customers as fellow human beings with unique needs, goals, and expectations if they want to truly succeed.

Customer experience takes 10 years to build, but only 10 seconds to destroy

Successful customer experiences essentially revolve around creating, cultivating, and maintaining a strong relationship with your customers. This requires a lot of effort over a long period, but continuing efforts to maintain a positive customer experience are vital to a customer-centric and human-centric approach.

Don Peppers describes customer-centric approaches as an [“infinite game”](#), where all transactions and interactions are connected and interdependent. These interlinked experiences are the key to a successful ongoing relationship where a company can continuously gain more from their customers.

“No company can ever be completely customer-centric, because it will never satisfy all of its customers’ needs,” writes Peppers. “So customer centricity is not a destination you can actually reach. It’s not like making a sale, or reaching a certain market share, or beating a competitor. Rather, customer-centricity is a direction in which to steer your company.”

This necessitates a human touch in order to fully understand, empathize with, and meet the needs of your customers in a long-term process of positive customer service.

Equally, though, all this work can be undone in a short span of time with even a single instance of bad customer service. [Research by ZenDesk](#) found that bad customer experiences change 97% of consumers’ buying behavior - and not for the better.

The study found that 58% of consumers stopped buying from a company after a bad experience, and that 52% switched to a different



company for that particular product or service. Meanwhile, 52% told others not to buy that product or service, and 48% were unlikely to consider that company when making future purchases.

Bad customer service therefore quickly disrupts any trust or positive relationship that your company has built up with consumers.

The key to preventing these poor experiences lies once again with the human touch. By treating customers sensitively and empathetically, and responding to their specific needs or issues, human customer service agents have a huge advantage in mitigating poor experiences compared to automated channels.

➤ What are customers really looking for in their customer experience?

Contrary to the recent push towards digital channels, the State of Services report found that 70% of consumers say they prefer in-person service appointments over digital or remote alternatives. This shows clearly that people still value the human touch, often more so than the convenience of a remote or automated service.

Strong customer service is a decisive factor in which brands a customer will use. The [Gladly 2021 Customer Expectations Report](#) found that 63% of consumers say they fall in love with brands because of good customer service.



In addition, the report found that 62% of consumers recommend brands to their friends based on good service. On the other hand, 45% would stop buying from a brand after just two bad experiences. Worryingly, only 19% of consumers believe that today's customer expectations actually exceed expectations – meaning there's a lot of room for improvement.

With regards to the human touch, the survey also revealed mixed feelings about automation in place of human interaction. While 53% of those surveyed found chatbots helpful to address simple issues quickly, 43% instead found them frustrating if they posed an obstacle to human interaction. This again shows the importance of providing easy access to human interaction in customer service.

“Clearly the service experience has a big impact on loyalty,” [says Joseph Ansanelli, chief executive officer at Gladly](#). “Consumers will forgive one bad experience but the second time, they’re gone for good.”

“On the flip side, a positive experience is a significant driver of loyalty – on par with product quality in terms of things that keep a customer coming back. This year companies should be thinking about every aspect of the customer experience and where there are opportunities to improve.”

Clearly, then, customer loyalty is something that can't be bought – it's the collective and residual impact of your customer experience, built up through the continuous provision of exceptional, human-centered customer service.

➤ Customer experience = human experience x digital experience

Amidst all the noise of the increasing trend of providing digital experiences for consumers, it's easy to lose sight of the equally important human experience.

Digital Experience (DX) provides all manner of tools and channels in the modern day. These are often useful as tools for self-service and the efficient resolution of simple tasks, but it's important not to make them the only option available to customers.

Ask yourself: how are you supporting your customers when they need you most? Think of chatbots and instant messaging as a key example. A chatbot can easily deal with simple queries or requests, but only a human agent can provide service with empathy and a human touch during stressful or sensitive instances

Customers who are upset or angry about lost packages, damaged goods, or even financial difficulties can't be treated sensitively by a machine. Instead, they need the human touch – a customer service agent who can provide them with empathy and get to heart of the issue to provide a positive resolution.

So, is investing in Human Experience (HX) over DX worth it? Almost definitely – although it shouldn't be a case of either/or. Maybe USAA the real answer lies in balancing both DX and HX to provide exactly the experience your customers will need in any given situation.

Think about what is currently missing from your HX. How can you bring it back? The answer could lie in expanding your call center capabilities to allow more in-person interactions, training existing agents to provide better service, or simply allowing customers easier access to a human agent rather than limiting them to automated channels.

This should be an ongoing process – customer experience isn't about a one-off transformation, it's about continuous improvement. Think in terms of Don Peppers' infinite game of customer-centricity: CX isn't a target, it's a process.



Human experience = talent + empathy + data empowerment

It's helpful to think of your organization's human experience strategy in terms of three core aspects: talent, empathy, and data empowerment.

Does your current CX strategy involve empathy as a core aspect? If not, you need to consider how you can implement it effectively. Empathy is key to your CX strategy as it's foundational to delivering a human experience.

What procedures are in place to ensure your customer service agents treat customers with empathy? Do they have any guidance on how to deal with angry, upset, or vulnerable customers? Have they been given the proper training to understand how customers may feel in certain situations, and how best to help them?

It's also important to consider data empowerment. How does your organization currently use customer data? How could it be used more effectively to deliver the personalization required for a human experience?

Don Peppers again has useful insights for organizations with regards to data – he stresses that the way data is managed and structured is as important as how it is used.

“The painful lesson here is that “customer data” is not just another digital tool that can be added to a sales or marketing or customer-service platform. It is the tool that any customer-facing platform ought to be using to evaluate its success,” Peppers says.

“Only in this way can all of a company's digital platforms communicate with one another in a common language.”





Since data is the common language in which all your service-related departments will communicate, you need to ensure that top-down decisions are made to ensure it is compiled, collected, managed and analyzed consistently.

One way to gather this data is to use speech analytics. Analyzing and evaluating successful and unsuccessful customer calls can help to create better procedures and training for the future to enable a stronger human experience.

Speech analytics can also help in a number of other ways:

- Understanding how to talk down angry or upset customers
- Analysing which routes of conversation lead to most effective resolution
- Establish common customer personas and needs
- Finding common pain points in customer service processes and establishing more efficient solutions

In turn, all of this also feeds into the third important aspect of human experience: Talent. Your customer service talent needs training not



just in technical aspects of customer service, but also in how to handle customers with empathy and sensitivity.

For example, think about your vulnerable customers management strategy. Vulnerable customers aren't just another problem to be solved – they're human beings who you have a responsibility to help.

Initiatives like [Sigma Connected's ReachOut scheme](#) can be a powerful tool in this, aiming to address the dual problems of low engagement from vulnerable customers and low awareness of the support available to them.

Sigma Connected reaches out to uncontactable customers with debts in order to offer support. This confidential and impartial service isn't there to collect debt, but rather to help vulnerable customers find a resolution through an empathetic approach.

Sigma's supportive and empathetic Pathfinders work with vulnerable customers to create a safe environment to discuss financial issues and find a path forwards, allowing customers to deal with debt while supporting their financial, mental and physical wellbeing.

This leads to better resolution rates for debts whilst providing the human touch needed to care for vulnerable customers.

Taken together, talent, empathy and data empowerment can all lead to a more human-centric approach to customer service. By providing customer service agents with the training to handle customer issues sensitively and effectively, alongside using data to personalize and enhance the customer service process, you can create a customer experience that more effectively meets the need for an understanding human touch.

How should you integrate the human touch and human interaction into your customer experience in 2023 & beyond?

There are many important questions to ask yourself in order to find the best approach to implementing a human touch into your CX strategy. For example:

- Does your customer service currently rely mainly on digital or human channels?
- Are human channels easily accessible when customers want or need human interaction?
- Are your agents properly trained to handle customer service helpfully, sensitively, and empathetically?
- How do you currently use data to inform customer experience personalisation? How could this be improved?
- Are you currently investing enough in human experience? How much can you afford to invest in the future, and what are your priorities for investment?

Considering all of the above will give you the answers you need to begin planning a more customer-centric and human-centric approach to customer service.



Case study: Who are Sigma Connected and how can they improve your human interaction?

Sigma Connected is an innovative and experienced business process outsourcing provider. We specialise in providing customer contact and interaction solutions for all stages of the whole customer lifecycle.

We work across multiple sectors and industries, including utilities, telecommunications, retail, financial services, and more. We provide solutions across the globe, with over 4000 employees in locations across the US, UK, South Africa, and Australia.

Our services span all areas of customer contact, including:

- customer acquisition
- customer services
- complaint management
- collections
- vulnerable customer reach out

What's more, we also offer bespoke offshoring solutions and contact centre staff training, enabling you to expand and improve your customer service capabilities.

The human touch is a value that we strive towards constantly by putting people at the centre of what we do, and our social and environmental responsibility policies reflect this. We're committed to building a working environment that supports our diverse teams, and



our global Sigma Women initiative aims to ensure the promotion of gender equality.

We also recognise our responsibility for caring for the environment, with a goal of carbon neutrality by the end of 2030. In partnership with Treedom, we're committed to planting 1,000 trees every year. What's more, every Sigma employee who completes their probationary period is given a virtual tree to plant, receiving updates on how their tree grows over time.



Contact Sigma Connected today to build your human touch

The path towards a truly customer-centric service with a genuine human touch can be a challenging one. This is especially the case if your company doesn't have a comprehensive plan in place to embed human experience in every area of customer service. Luckily, Sigma is here to help.

We can work with your business to create a customer experience plan that implements a powerful and empathetic human experience. We can help guide your organisation's human-centric transformation, helping you deliver exceptional customer service, deepen customer relationships, and build brand loyalty.

For more information contact us now:

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or visit:

➤ www.sigmaconnected.com



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