

Digital CX Services 2023 Market Insights Excerpt

Empowering growth through a
connected and engaging
customer experience

August 2023

Table of contents

About the report (Page 3)

Executive summary (Pages 4–7)

- Defining digital CX services
- Key enterprise digital CX services trends shaping the market
- Avasant recognizes 26 top-tier providers offering digital CX services

Demand-side trends (pages 8–14)

- Companies are adopting new CX strategies to grow in the digital age, leading to a rise in outsourcing
- BFSI, high-tech, and healthcare and life sciences are among the highest adopters of digital CX services
- The use of digital technologies is driving the shift toward connected and intelligent CX
- Industry-specific CRM solutions are being increasingly adopted and driving rapid CX transformation
- CDPs drive personalization at scale and deliver superior experiences
- Generative AI for CX: Sample use cases and applications

Key contacts (Page 15)



Key enterprise digital CX services trends shaping the market



Companies are adopting new CX strategies to grow in the digital age, leading to rise in outsourcing

- Enterprises are increasing the adoption of digital CX solutions, with key technology trends including integration of CRM with other business functions, field service deployment powered by IoT capabilities, marketing automation, creating a single view of the customer, unification of online/in-store experience, and the implementation of customer self-service portals.
- This has led to about a 33% increase in outsourced digital CX revenue for service providers in FY 2022–2023, with the majority of the revenue coming from the customer service segment (about 28%).

BFSI, high-tech, and healthcare and life sciences are the top adopters of digital CX services

- The BFSI (23%), high-tech (23%), and healthcare and life sciences (12%) sectors are among the highest adopters of digital CX services and continue to experience growth in outsourced digital CX services.
- Key technology trends across these sectors include financial institutions adopting real-time credit-decisioning solutions to make faster credit decisions, healthcare enterprises integrating CRM with EHR systems to unify patient onboarding and care management, and high-tech enterprises improving lead-to-cash processes for subscriptions to increase sales opportunities.

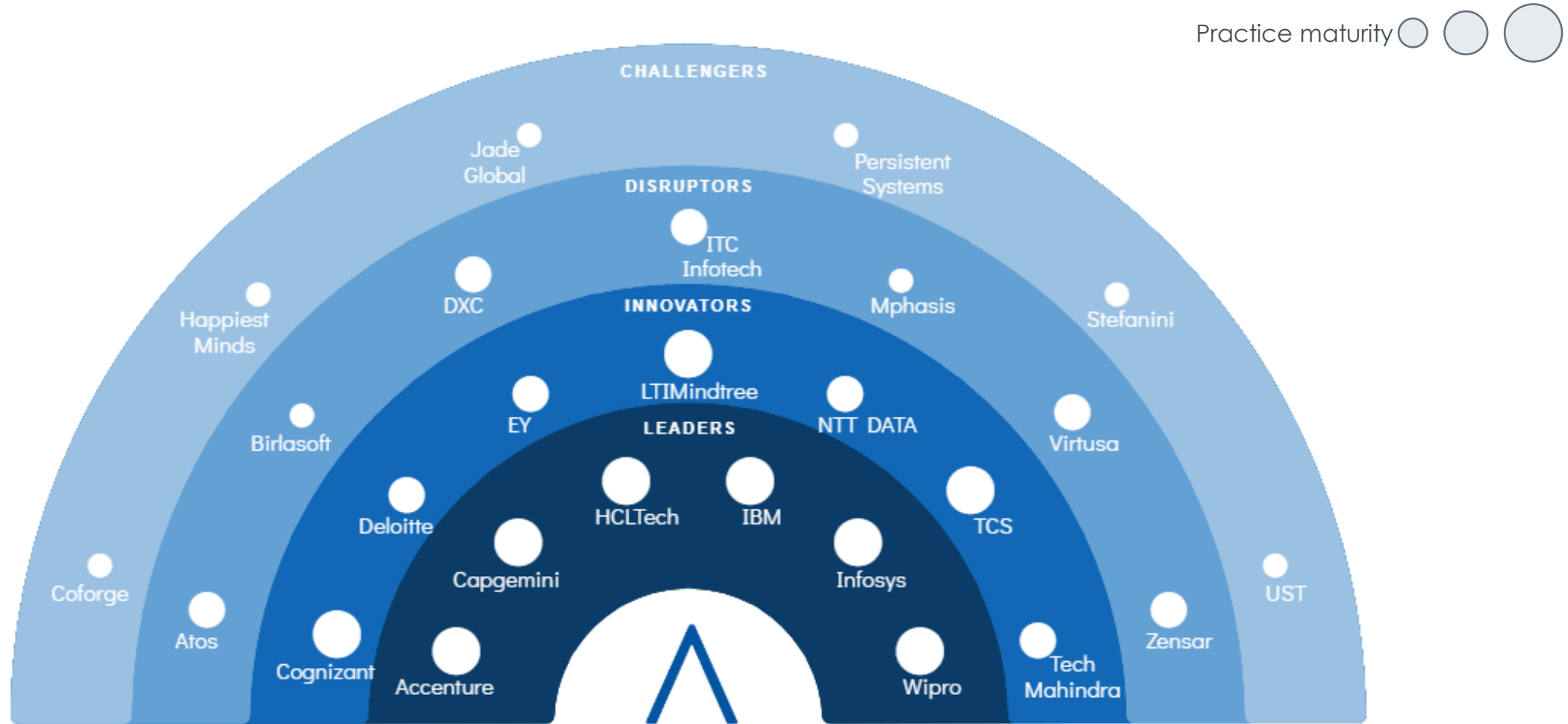
Industry-specific CRM solutions gain adoption and help drive rapid CX transformation

- Organizations are increasingly making use of industry-specific cloud CRM solutions from technology vendors such as Salesforce, SAP, and Veeva Systems that help them to adhere to industry-specific nuances, reduce customization requirements, and drive faster CX transformation.
- These solutions also have greater adherence to industry-specific regulations and come ready with industry-specific standard workflows and niche features and functionality.

Interest in and adoption of customer data platforms and generative AI to drive hyper-personalization

- Companies are investing in real-time customer data technology to improve hyper-personalization and leveraging customer data platforms (CDPs) to improve customer data integration, segmentation, and analytics and enable data security and transparency.
- Businesses have started to experiment with and deploy generative AI in digital CX services. They are utilizing generative AI to boost sales opportunities, offer personalized recommendations, develop customized marketing campaigns, and generate product information descriptions.

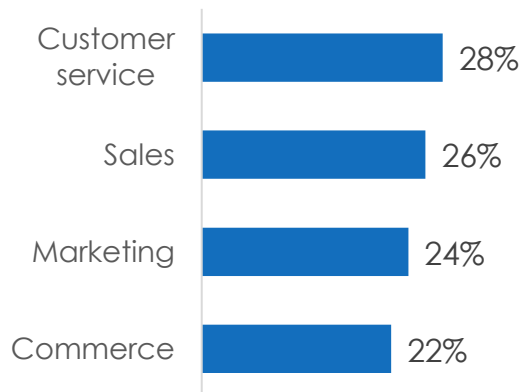
Avasant recognizes 26 top-tier providers offering digital CX services



Companies are adopting new CX strategies to grow in the digital age, leading to a rise in outsourcing

~33%
Increase in digital CX services revenue for service providers in FY 2022–2023

Outsourcing revenue distribution by function in digital CX services



Top technology trends in CX:

Function	Top technology trends in CX:	Illustrative examples
Customer Service	<ul style="list-style-type: none"> Implementation of customer self-service portals Knowledge base and customer feedback system implementation Field service enabled by IoT capabilities 	
Sales	<ul style="list-style-type: none"> Cloud-based CRM implementation and integration Single view of the customer through customer data unification Guided sales journeys with intuitive interfaces 	
Marketing	<ul style="list-style-type: none"> Marketing automation integration with CRM systems Multichannel marketing and content automation Digital marketing and campaign analytics 	
Commerce	<ul style="list-style-type: none"> Development of native or cross-platform mobile apps B2B dealer portal implementation Implementation of push notifications and personalization features Unification of online and in-store experience 	

Source: Avasant Digital CX Services RadarView Survey, May–July 2023, Avasant Research

The use of digital technologies is driving the shift toward connected and intelligent CX

Rise of intelligent, connected, and mobile CX

Use of CDPs

Utilizing a CDP to integrate customer data from multiple sources in real time to create a single view of customers, perform customer analytics, and drive personalization.



AI/ML-driven experiences

Leveraging AI/ML for enhancing automation, personalizing, and optimizing customer journeys to drive outcomes such as improving customer self-service and driving customer loyalty.



Immersive experiences

Using AR, VR, and other digital technologies to provide customers and end users with an immersive environment and create sensory experiences.



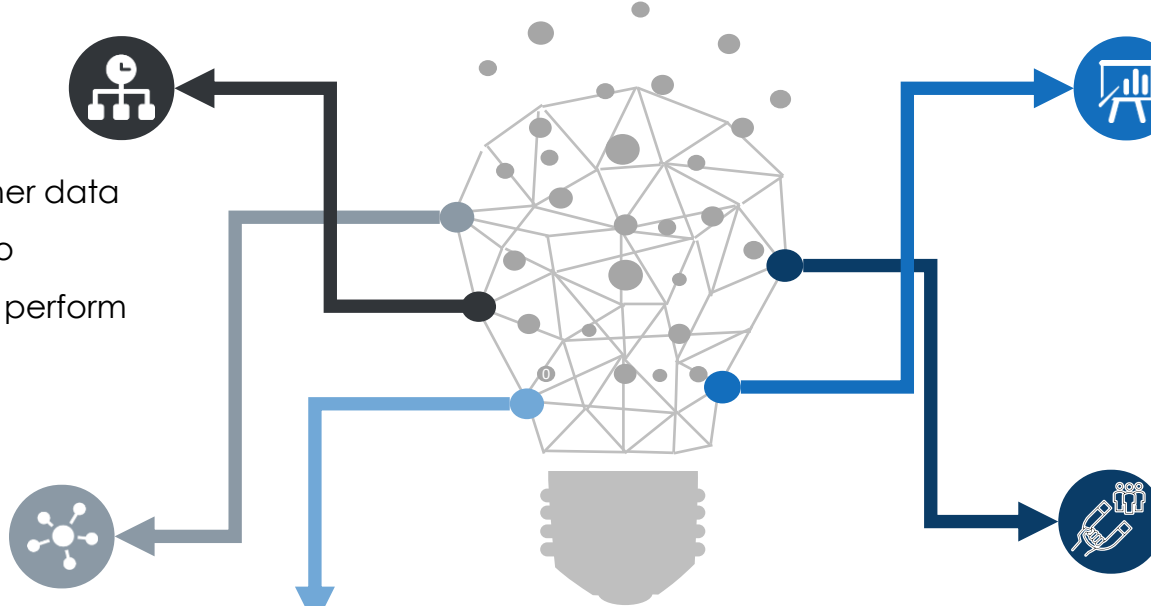
IoT enhances customer journeys

Use of IoT-powered devices to support existing customer data and journeys to provide customized offerings and services and improve customer satisfaction.



Industry-driven multicloud journeys for enterprises

Organizations are utilizing multicloud strategy to have greater flexibility and control over their IT infrastructure, ensuring cost optimization and data control.



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