

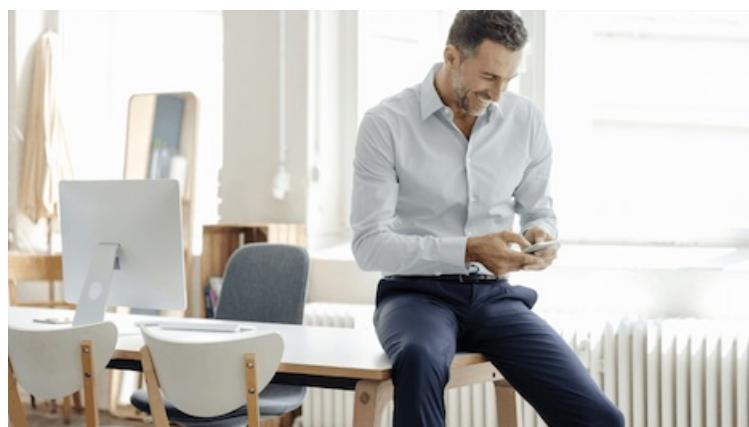
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MARKETING

Technology, brand values will guide future of CX

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Brands need to embrace technology to improve CX. Image credit: Cadillac

By SARAH RAMIREZ

Consumer-oriented technologies, including artificial intelligence and automation, will dramatically impact customer experience sooner rather than later, according to Forrester.

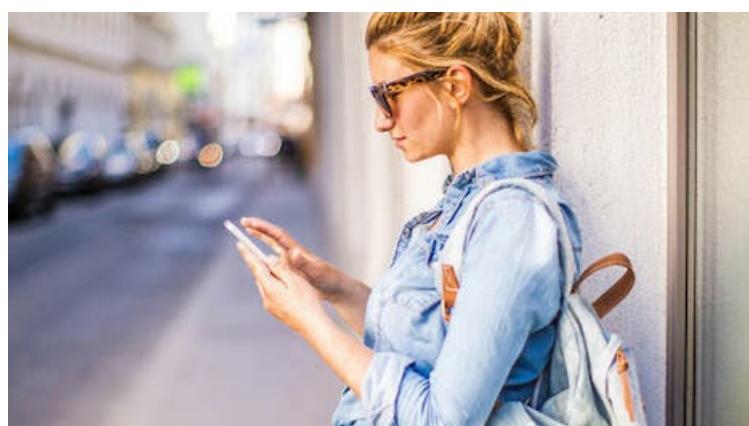
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Per Forrester's "The Future of CX" report, brands will need to emphasize context over channels as omnichannel retail becomes more prominent. Furthermore, loyalty continues to decline among consumers from Generations X through Z as they increasingly make values-based decisions.

Changes in CX

Forrester's recent research has shown that CX performance has stagnated and loyalty programs have become ineffective.

According to Forrester's 2019 "U.S. Customer Experience Index," the majority of the highest-performing brands remained stagnant from 2018 to 2019. No industry achieved an "excellent score" of 85 and above ([see story](#)).



Loyalty programs are having less of an impact on contemporary consumers. Image credit: Lancme

However, this plateau will likely pass as more brands empower CX leaders to take ownership of different areas.

As both brands and consumers become more sophisticated, organizations will have to rely on everything from AI and automation to teams of neuroscientists and anthropologists to enhance CX. Having a talent pool with diverse skill sets will be essential for brands.

For instance, neuroscientist and researcher Paul Zak examines how individuals and corporations can better build trust. He specifically studies oxytocin, a hormone associated with trust, love and relationships.

Organizations have worked with Mr. Zak to improve workplace cultures and measure performance with emotions. Bottega Veneta and Gucci are among the companies that have applied Mr. Zak's work to their business strategies ([see story](#)).

Regarding loyalty programs, CX leaders can spearhead new offerings such as white-glove service and increased redemption flexibility to meet consumers' desires for service and convenience.

CX teams will also have to guide brands towards having clear value systems as values-based consumers continue to dominate. While traditionally most brands have maintained neutrality on social and political issues, this tactic now seems inauthentic to a growing number of consumers.



Consumers are interested in brands who share their values. Image credit: Intermix

More brands are also likely to invest in automation. Some organizations will aim for automation to reduce costs in light of a slowing economy, while others will use automation to improve CX capabilities.

Time-poor consumers also increasingly expect near-instant gratification from brands and retailers. Augmented and virtual reality tools will expand the types of experiences available to consumers, compressing wait times for certain services.

This will contribute to the continued blurring of channels as the market remains dynamic.

Power of privacy

Brands will also need to be aware of how personalization and privacy shape CX.

While consumers crave personalized attention and services, they do not trust all brands to protect their privacy. This will become another way for organizations to differentiate themselves.

Generation Z and millennial consumers are the most aware of ways companies can monetize their data, according to A.T. Kearney's "Insights on Personal Data Privacy, Usage and Monetization" report.

Inability to delete data and prior data breaches will also discourage a respective 30 and 27 percent of respondents from sharing information. This could be problematic for the high-end retail and hospitality groups, which have been impacted by security breaches in recent years ([see story](#)).

Retailers can also effectively upsell shoppers through data and personalization, according to analysts from Euromonitor. A prime example is Sephora, which leverages data from across its channels to serve up targeted messages to consumers, such as inviting them to spend a remaining gift card balance or picking out products it thinks will be a fit ([see story](#)).

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