Customer experience overlays are popular because they can be implemented quickly, leverage existing application investments, and improve the experience of the customer while driving efficiency using intelligent automation.
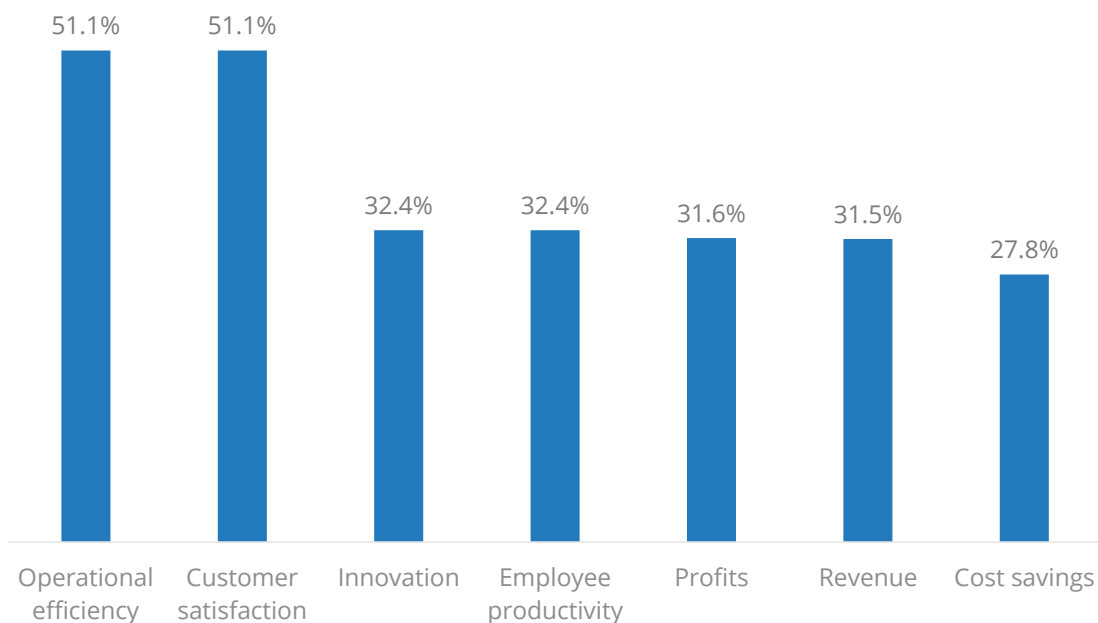
Customer Experience Automation Focuses on the Customer and Not the Application

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FIGURE 1: *Top Business Priorities in 2022*

Q *What are your organization's top 3 business priorities?*

51.1%   51.1%   32.4%   32.4%   31.6%   31.5%   27.8%

Operational efficiency | Customer satisfaction | Innovation | Employee productivity | Profits | Revenue | Cost savings

n = 858

Source: IDC's Future Enterprise Resiliency and Spending Survey, Wave 11, December 2021

Introduction

Operational efficiency and customer satisfaction are the two top business priorities in 2022. As shown in Figure 1, 51.1% of the respondents to IDC's December 2021 survey about enterprise resiliency and spending intentions show the two priorities to be neck and neck. But these initiatives are not mutually exclusive. Improved customer satisfaction results in greater operational efficiency. And technologies aimed at operational efficiency are increasingly used to improve customer satisfaction.

When customers are not satisfied, they may need additional support. They may find a new provider of the products and services they need. Customers may ask for a discount or for their money back. When organizations lose customers and need to constantly find new customers to replace revenue, it becomes very expensive. Most industry studies peg the cost of acquiring new customers to be anywhere from 5 to 25 times more, depending on the industry, than retaining existing customers.

Meanwhile, business processes and their related applications may not be functioning as efficiently as they could. Back-office processes may not be as automated or streamlined as they can be. This can slow down cycle times and damage the competitive position of a business because the customer experience is damaged, leading to dissatisfied and eventually lost customers. Inefficient operations may also mean a business isn't operating as quickly or responsively as required to withstand competition.

Organizations are looking for ways to refactor how they implement technology-based improvements. They don't have the time to adopt major new applications but are looking for ways to speed up delivery of new capabilities to improve customer experiences.

The use of new, lighter-weight software that overlays and interoperates with existing applications is increasingly popular to create more automated and improved customer experiences. This overlay approach means that organizations can modernize the experience rather than the underlying application at lower cost and much faster cycle times.

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Experience Overlay Software

The emerging market for experience overlay software supports varied use cases. One type of experience overlay embeds capabilities in the user interface of an application to simplify it, instruct users, automate it, and make recommendations. Another type organizes a related set of tasks that span multiple applications — such as business travel — into a flow of automated and semi-automated tasks that are automatically executed or delivered to the employee just in time until each step is fully executed. A third type breaks down service delivery between a customer and a provider into discrete tasks that are pushed to the customer just in time via text or email.

These latter two approaches are similar in that they defocus on the need to use applications and focus instead on just-in-time delivery of simple tasks that employees and customers complete and send back. They typically include the capabilities described in the sections that follow.

Designing the Stages and Individual Steps of a Service Delivery

Business users can break complex customer-facing workflows down into stages of the customer journey — from request to execution — to build the interactions between the service provider and customer into individual steps that execute in small, precise increments.

Each increment contains an experience purpose built to exchange information and resolve a request. Rich information can be collected through an app-like experience, without the hassle of downloading and accessing a traditional application.

Codeless for Business User Design and Development

Codeless design and development includes a visual flow builder, prebuilt actions, and a forms designer and often has drag-and-drop shortcuts tailored to the experiences being automated. Business users are empowered to develop rich digital experiences with calendaring, esignature, maps, and document/image uploads — in the context of a broader automation workflow.

These business users, who are often subject matter experts of vertical-specific use cases, can craft these customer-facing workflows that can then be adopted by developers and technical knowledge workers into complete end-to-end customer journeys.

By delivering app-like experiences without coding, enterprises respond quicker to evolving customer needs. Developing, testing, and maintaining a traditional app requires greater IT resources, negatively impacting operational efficiency.

Built on AI and Automation

Overlays often use AI and ML to classify, categorize, and understand intent to assist in automation and make recommendations. Automation technologies include RPA or RPA-like technologies for front-end automation and APIs to connect to application back ends.

The software also leverages AI/ML to enhance the self-service experience, understanding the context of the conversation to guide the customer toward issue resolution.

Experience overlay systems facilitate data between customers and enterprise back-end systems to complete tasks. Customers become the feedback loop, rather than the employee, when additional items are needed to resolve the request.

Multichannel

Multichannel delivers functionality to customers across all relevant channels, including mobile, email, and web apps. It builds the workflow once and deploys across various forms of communication.

Preserve the context of the interaction, enabling customers to move across channels without having to restart the conversation. Deflect calls from the contact center onto less cost-intensive and more efficient channels for better customer engagement.

Auto-escalate email, voice, and text conversations to secure, encrypted channels when sensitive data is needed to complete the task. This protects sensitive customer data and broadens the scope of self-service use cases.

Benefits

Organizations can expect the following benefits from adopting experience overlay software:

» Drive greater customer engagement and business outcomes with highly productive, focused capabilities that fully align with the task.

» Deliver fast, incremental experience and improvement features from an intelligent, automation-focused perspective.

» Process high volumes of inbound and outbound service requests across multiple channels with speed and accuracy.

» Offer an improved customer experience with no need to download mobile applications, log-in with credentials, or navigate menu options.

» Shorten cycle times for app development and respond faster to business requirements with no-code.

» Achieve operational efficiency far less expensively, faster, and with lower risk than modernizing existing enterprise applications.

Considerations

For successful adoption of experience overlay software, organizations should be mindful of the following areas:

» Managing change management

» The potential for collision of many different types of experience overlays

» Accommodating enterprise application change, especially with front-end automation

Conclusion

Experience overlay software represents an opportunity to transform customer experiences without locking customers into modernizing their existing experience-related applications in a way that is compatible with an enterprise regulatory environment. They typically leverage AI/ML and automation to enable businesses to respond quickly and intelligently to customer needs through modern communication channels. Experience overlay software also readily integrates with existing enterprise infrastructure to avoid adding complexity to IT environments.

About the Analyst

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Maureen Fleming is Program Vice President for IDC's Intelligent Process Automation research. In this role, she focuses on a portfolio of technologies used by enterprises to speed up, drive cost out of, and support a customer-centric approach to business operations. She especially focuses on the convergence of AI, machine learning, and automation and how that combination changes the economics and benefits of process improvement.

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