An era of new experiences

CUSTOMER EXPERIENCE REPORT 2023
October 2023

DIGITAL UNIVERSITY Technical partner

PZU

ABOUT PZU

We are the market leader in insurance in Poland and a company that pays particular attention to the experience of its customers. We have been consistently building awareness of the importance of Customer Experience within the organisation for several years. We carry out large-scale satisfaction surveys, look at customer pathways and analyse complaints. In the most difficult cases, our clients are supported by the PZU Client Ombudsman and the PZU Health Ombudsman. We are implementing pro-client initiatives and optimising processes. This attitude pays off.

In 2023, we once again **received the title of Institution of the Year** and **became the Best Insurer in Poland**.
The distinction was awarded by the mojebankowanie.pl portal. We also received statuettes for **highest quality of service**.
in branches and **the best remote process for taking out a travel policy**. We have won **awards in the International Customer Experience Awards** – including in the **Best CX Team**category.
We are releasing this report because we believe there is value in sharing knowledge and encouraging customer action.

About Digital University
content partner of the report

We are a **leading digital transformation consulting and education organisation** that offers in-depth knowledge and development programmes at the level of the world's best universities. We educate the leaders of the future and give companies the tools to develop innovative thinking among employees to build competitiveness in a rapidly changing market.

Our portfolio includes tailored comprehensive educational programmes and workshops, a speakers' bureau representing more than 100 international experts, digital transformation consultancy, certified online programmes such as Digital Transformation Leader and the Masters&Robots conference on digital transformation and new technology trends, which brings the world's most prominent experts to Poland.
We also run the Digital University Foundation, whose mission is to level the playing field and educate about new technologies and future competences.

Table of Contents

Introduction

PZU, the undisputed leader of the insurance market in Poland and the largest financial conglomerate in Europe

It is also a company that is highly trusted by Poles. It owes this position to its stable business, high management standards and the proven products and services it offers to millions of customers. It is also the result of dialogue with the market, which results in an ever more complete implementation of the ever-changing requirements and needs of our customers.

Meeting them now requires not only a mature approach in customer relations, but also advanced technological solutions. The digital reality is therefore becoming increasingly important, which on the one hand opens up almost limitless possibilities and creates new opportunities, and on the other requires constant adaptation to new conditions, risks and challenges.

Rapidly advancing digitalisation, further accelerated in many industries by pandemonium, has spread innovative communication with customers through digital channels, remote service centres and self-service solutions. The new, digitally native generations are a group with rapidly growing purchasing power that is shaping digital customer service standards. While we do not forget the need to ensure contact with a real, non-virtual adviser, we are aware that technologies once reserved for futuristic visions are now becoming an integral part of our lives.

At PZU, we know perfectly well how important it is to feel secure and satisfied customers, which is why we are creating the future - including modern solutions - together. It is obvious to us that useful innovations could not be created without considering the customer experience and caring about their satisfaction at every stage of interaction with the company. Therefore, for many years, we have been systematically building awareness of the importance of Customer Experience in our organisation and consistently improving our processes to best meet the needs of our customers.

In this publication, we look at the trends and technologies that are currently having the biggest impact on the customer experience and share our vision for the era of the new customer relationship. The immediate one, and the one we will be experiencing in 5,10,15 years' time.

We look to the future with excitement and full of the positive energy that comes from the satisfaction of working with more than 22 million customers to date. Their trust is a mandate and invaluable capital for creating a shared future.

I cordially invite you to read the report and analyse the results of our research. I hope you will find many inspiring lessons and tips that will help when building new and even better customer relationships.

dr hab. Beata Kozłowska-Chyła
President of the Management Board,
PZU SA

Why the CX 2023 Report was produced

Why the CX 2023 Report was produced

“The Customer Experience report - the era of new experiences” is the third customer experience report prepared by PZU. It was created because we feel that there is still a lot to be said about the Customer Experience.
Two previous reports: “Lasting friendship with the customer” and “With the customer for better or worse” are spaces where we share good CX practices and look at the customer experience at different stages of the customer’s path (customer journey), especially the customer in the digital world. In this report, we go one step further and dive even deeper into the digital area. We move into the world of technology, look at the trends behind these technologies and consider how all this will affect customer service in five, 10 and 15 years’ time.

In the report we present:

5
TRENDS

15
TECHNOLOGIES

3
TIME PERSPECTIVES

Sources used in the report

We use data from several sources in the report. Below are the most important of these.

QUANTITATIVE SURVEY WITH CUSTOMERS

Survey carried out on a representative sample of 2,000 Poles. We asked about perceptions and acceptance of trends in customer service and attitudes to new technologies. The survey using the CAWI method was conducted in July 2023 by Norstat Poland.

QUANTITATIVE SURVEY WITH EXPERTS

Survey conducted on a sample of 200 managers - company executives or area in the company broadly related to the customer, their service and experience. We asked about attitudes to trends and perceptions of their development. Commissioned study PZU Group was carried out in July 2023 by Norstat Poland.

QUALITATIVE STUDY WITH EXPERTS

We conducted 4 interviews with managers/directors of companies in industries such as telecommunications, banking, retail and manufacturing. We talked about how experts understand the trends and what challenges and opportunities they see with them. The IDI survey was carried out by Digital University in 2023.

DESK RESEARCH ANALYSIS

The subject of the analysis was trends and technologies supporting the CX area. Its findings feed into the key chapters of the report (on trends and technologies).


Trends

Trends shaping the Customer Experience (CX) area

> *There is nothing more powerful than an idea whose time has come.*
>
> **Victor Hugo**

It is safe to say that recent years have been a period of profound transformation for the business world. We have come to witness a powerful wave of revolutionary innovation and change, triggered by pandemics, economic uncertainty, new needs and customer expectations. Companies around the world have had to make radical changes in all areas of their business. Undoubtedly, the area of customer service was one of those that experienced the greatest turbulence.

These transformations have affected business to varying degrees. Leaders who were alert to the signals of change and kept a close eye on technological progress were not surprised and understood that the last few years had only accelerated trends that had been present for a long time. Others realised the situation too late, and internal inertia and inflexibility have now made it difficult to them to catch up with the competition.

In 2023, we can already partially summarise the most important changes and trends in building customer experience. However, it is worth reflecting on how their needs and expectations have changed before going on to analyse these changes and new trends.

What do customers expect today?

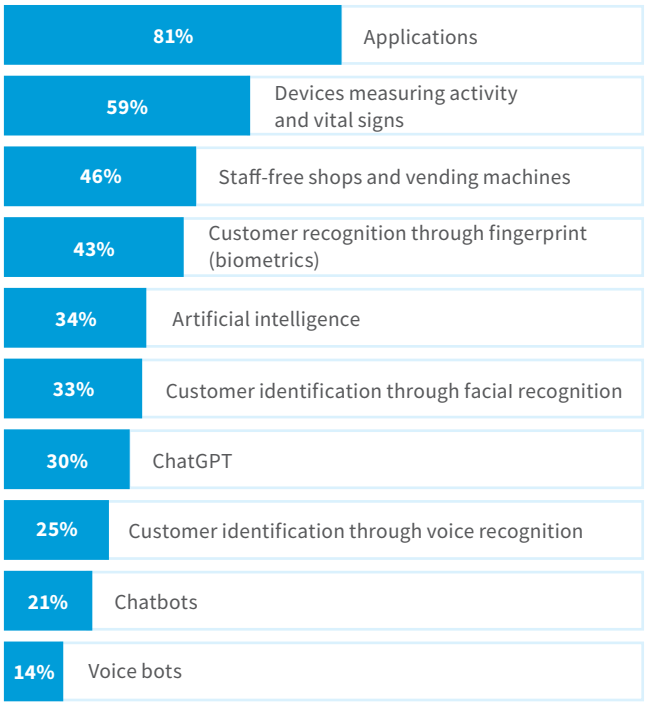
It is clear that customers expect immersive, engaging experiences and natural, seamless interactions with companies. From a personalised offer, to seamless service across channels, to consistency of brand communication with their own vision of the world: customers today want to be seen and heard, they want to be treated as a valuable and unique partner in **relationships**, not just – as an impersonal element of **transactions**.

The fact that customers are looking at their experience globally has had a big impact on changing attitudes. Every day, they compare their experiences of interacting with dozens of brands from different areas - both physical and virtual.

Within an hour, they switch between apps to make transfers, shop, order a taxi, listen to music or track parcels. In doing so, they continually compare experiences with companies from different sectors and industries. A customer who buys travel insurance will therefore compare the experience with, for example, ordering a pizza seamlessly and expect an equally simple and intuitive process.

This approach presents companies with a tremendous opportunity to strengthen customer relationships - further facilitating the them technology - but also faced with a huge challenge. Through artificial intelligence, automation mechanisms and working with data analytics and integration, companies can better respond to customer needs. Just mastering the basics of good CX is no longer sufficient, however. In many industries, we may see a plateau stage - a flattening out visible after initial improvements. Banks present customers with almost identical functionalities. Shopping apps are becoming increasingly similar - options such as ‘buy now, pay later’ are slowly ceasing to be a differentiator and becoming the expected standard. We can do most of our daily activities using our phone and mobile app.

Level of technology acceptance among customers



It has been just over 15 years since the presentation of the first smartphone supporting mobile applications, and they are already used in **Poland by nearly 70% of consumers**, including **in the senior group (60-70 years) – more than 50%**. This time has been sufficient for us as consumers to become fully accustomed to the technology – **81% of customers** positively perceive mobile learning about the capabilities of artificial intelligence, including ChatGPT, it already enjoys acceptance by more than **30% of consumers**, with the biggest enthusiasts are young. **More than 50% of customers aged 18 to 24** accept the use of this technology in the brand-customer relationship.

Interestingly, the bots, which were intended to support customer service and influence to simplify it, are not very popular. **More than 60% of customers** avoid contact with bots. Higher levels of acceptance are enjoyed **among the youngest consumers. (18-24 years old)** who prefer to write rather than talk in their daily interactions.

Source: Trend and technology acceptance survey (n = 2000), PZU 2023.

Advantages and disadvantages of bots – according to customers

"The conversation is unconcreted, dehumanising, artificial. It's difficult to get anything done or ask questions. I feel a sense of discomfort."

"I'm happy to use the chatbot because I don't like talking on the phone," he says.

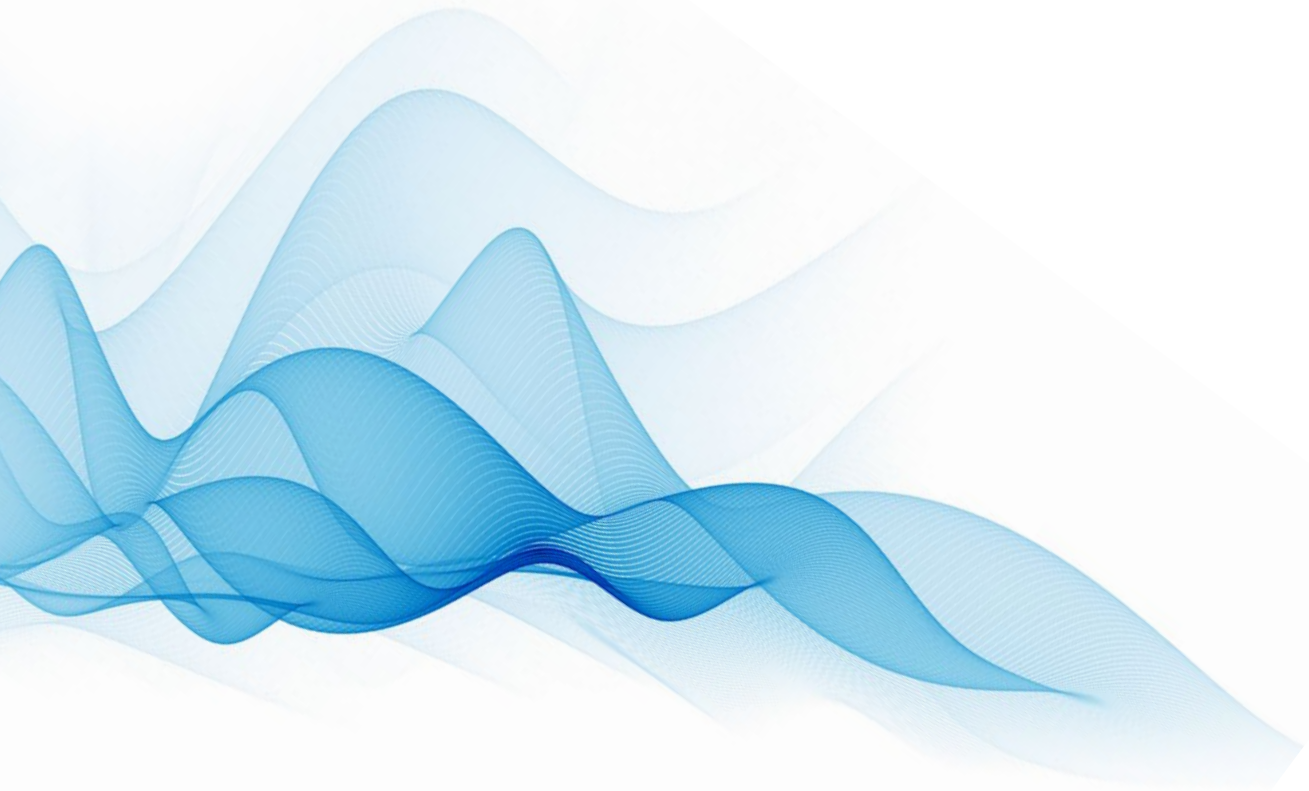
"The bot is not able to answer all my questions and most often ends up redirecting to a consultant anyway. That's why I usually head there straight away."

What next?

We do not have a simple answer to this question, as the CX area brings innovation every day. What is clear, however, is, That **exceptional** CX is a goal that companies should strive for and make a priority. Customers today don't just expect an optimised shopping process or contact with a company - they are increasingly demanding and aware of their needs. Therefore, innovation in building customer experience should be a commitment of the whole organisation - it cannot be about a single application or service. They should coincide with each other, be coherent and mutually reinforcing. It's about actual facilities for everyday activities such as paying bills or playing films, checking in in the hotel or taking out an insurance policy.

In this report, we will show the most important changes that are currently taking place in the area of customer experience building. In the next chapter, we will look at five trends that have become very important in recent years: hyper-personalisation, omnichannel approaches, automation, data analytics and integration, and ESG (*environmental*, *social and governance* -i.e. environment, social and governance). We will then focus on the technologies that have the greatest impact on the trends described and could further revolutionise the CX field. Finally, we will look to the future, forecasting what changes and revolutions still await us - because that more changes will come is more than certain.

Join us on this short journey!



1 Hyper-personalisation

What do customers expect today?

Hyper-personalisation is a trend that derives from the well-known concept of personalisation, which is the delivery of tailored messages, products and services to customers. Personalisation was a breakthrough after the era of mass marketing that dominated the 20th century, when companies used standardised, one-size-fits-all messages to reach the largest possible audience through mass media. This breakthrough came with a wave of technological innovation in the late 1990s. This was in the 1970s, when digital technologies made it possible to massively collect and analyse customer data.

An example of early personalisation was the NikeID (now Nike By You) programme introduced by Nike in 1999. The programme allowed customers to personalise shoes and sportswear.

In the years that followed, personalisation developed so much with new technologies that companies eventually abandoned a generic approach to customers.

Today, any company, using a multitude of sources and an abundance of data, is able to create highly personalised experiences for its customers. **However, hyper-personalisation goes a step further than personalisation.** It can be described as having a personal concierge who provides us with tailored products, services and content.

Hyper-personalization involves the use of massive datasets, artificial intelligence (*artificial intelligence*, AI) and machine learning (*machine learning*, ML) to collect and analyze in real time massive amounts of information about the offer; This information may relate to: purchase history, browsing behaviour, social media interactions, as well as contextual data such as location and time of day. With this information, companies can create individual profiles of specific people and learn about their preferences and behavioural patterns. For example: display Facebook adverts to customers when they are online, or send *push* notifications when the chances of customer responses are greatest.

What are customers and experts saying about hyper personalisation?

- **63% of customers** frequently or sometimes buy products or use services offered in a personalised way, **45%** – reach out to for offers included in newsletters, emails or in- app notifications, 52% – when choosing a film, music or article, suggest prompts (based on their individual story).
- **33% of customers** recognise that companies accurately anticipate their needs – they find the products they need in offers, newsletters and advertisements.
- **According to experts** hyperpersonalisation means first and foremost being able to understand very well the needs of the customer and the context they are in at any given point in their journey. This allows for an accurate response, most often with the help of modern technology.
- **24% of experts** declare that their companies are already using hyper-personalisation, although this is mainly the domain of large companies (35%).

Source: Trend and technology acceptance survey among customers (n = 2000) and experts (n = 200), PZU 2023.

Hyper-personalisation versus traditional personalisation

But what exactly is the difference between hyper-personalisation and traditional personalisation? Take, for example, the typical form of personalisation of adding a person's first or last name to a standard email, such as 'Dear/Dear [name]'. Hyper-personalisation goes much further, using a customer's specific shopping behaviour to deliver the right message at the right time, such as a reminder of an unfinished purchase in an online shop.

Another example is the personalisation of advertising. Under traditional personalisation, the customer is shown advertisements for what was popular in the previous season or what other customers in the same segment bought. Hyper-personalisation, on the other hand, takes into account all the data related to a person's previous purchases to find out their preferences: colours, size, location and time of purchase or payment method.

Example of personalisation

Agatha, buy fresh flowers today!

15% discount today only!

BUY NOW

Example of hyper-personalisation

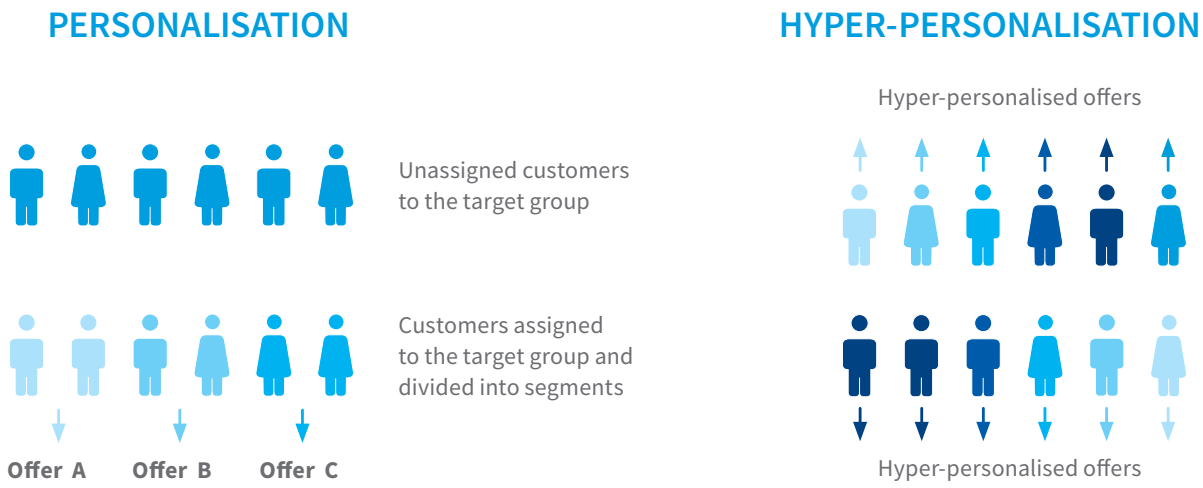
Agatha, loved your bouquet of pink tulips!

Buy them again for £30

BUY TULIPS!

Hyper-personalisation also extends to other points in the customer pathway *(customer journey)*. It can refer, for example, to the delivery of personalised recommendations at every step of the purchase path (regardless of the channel - interaction via a website, mobile app or at the point of service). It is about accompanying the customer in all possible micro-moments according to the principle that each customer is unique and has their own specific expectations of the brand.

What is hyper-personalisation?



Hyper-personalisation is the advanced tailoring of offerings, content and customer experience on an individual and real¬time level. Using massive amounts of data and artificial intelligence technology, hyper-personalisation delivers tailor-made solutions to customers exactly when they need them.

Hyper-personalisation – challenges

Hyper-personalisation, which involves collecting and analysing large amounts of customer data, should be used responsibly, taking into account the privacy of customers and the proper protection of their data. Attention to transparency, customer consents to data processing and the secure storage and processing of data is essential.

Excessive hyper-personalisation can prove overwhelming and even frightening for the customer, who begins to wonder: “How do they know so much about me? Therefore, it is necessary to find a balance in it and not give the customer the impression that big brother is watching.

The skilful application of hyper-personalisation is the key to success. Younger people, such as representatives of Generation Z or Alpha, are already fully aware and accustomed to leaving huge amounts of data everywhere online about yourself.
In return, however, they expect appropriate recommendations and offers. It is therefore important to provide valuable content – a mistake could mean losing a customer, who will choose another provider without a second thought.

Hyper-personalisation – examples of best practice

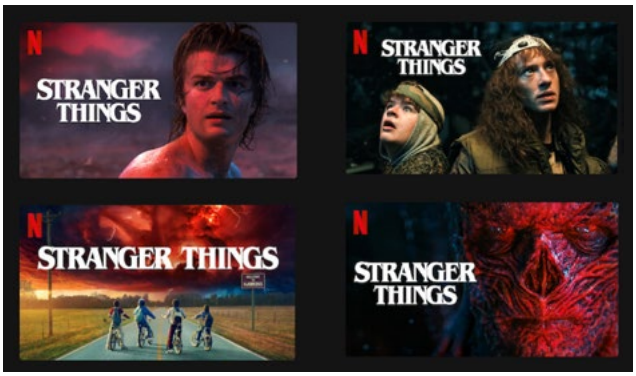
NETFLIX

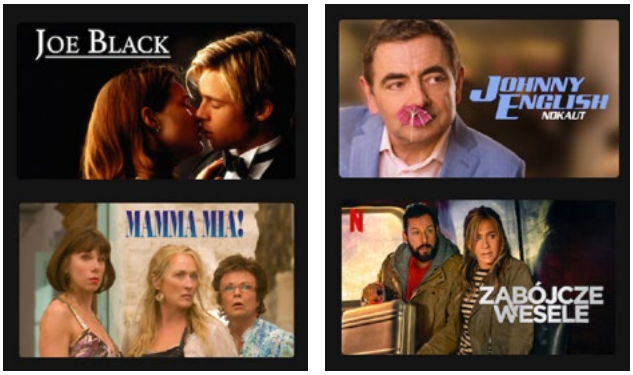
Netflix is widely regarded as a pioneer of hyper¬personalisation in the entertainment sector. The company has achieved success by using data analytics in two ways: through a personalised recommendation system for subscribers and a strategic approach to the content on offer.

What data does Netflix use? Among other things, a recommendation system powered by user ratings for films and series. In addition, the company analyses so-called hidden data, such as when a video starts, stops or rewinds, viewing times, location and the device on which the user is playing the content. Netflix also analyses users' viewing behaviour. As a result, it is able to provide personalised programme lists that may appeal to them depending on their mood and time of day.

However, the personalisation does not stop there. Netflix displays different thumbnails and graphics promoting the same programme depending on our preferences – it could be an actor's face, an exciting moment from a film or a scene that catches our attention. In this way, the system selects different images for different users, accordingly, what is attractive to them.

However, that is not all. Hidden data is also used by Netflix in the content production process itself. An example of this is the platform's flagship series 'House of Cards', which was based on data analysis of user preferences, film and programme ratings, viewing history and popularity of producers and actors. The strategy paid off – in 2013 "House of Cards" won three Emmy awards and resulted in strong subscriber growth. Netflix applied this strategy again with the production of the series "The Crown" – a historical drama depicting the reign of Queen Elizabeth II, which appeared on the platform in 2016.





Another miniature of the film "Pride and Prejudice' will be displayed to someone who has watched a lot of romantic films, and another to someone who has chosen comedies.

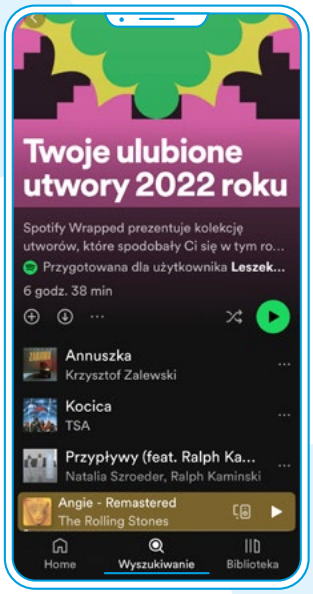
SPOTIFY

The Spotify service has built its power by leveraging the algorithms to build hyper-personalised relationships with users. By analysing their behaviour and preferences algorithm serves up personalised playlists on a daily (and weekly) basis. For many people, a moment, in which the message ‘Discover this week’ appears in the app, is one of the week’s favourites.

However, the real star of hyper-personalisation when it comes to Spotify is the famous annual Spotify Wrapped campaign, which summarises users’ individual preferences under the theme ‘Your year in music’. Each user can find out which songs they listened to most often, how much time they spent listening, what their favourite bands and albums were, and learn interesting facts in the form of a short *story*.

This is hyper-personalisation in the full sense of the word, as each user is given their own story, of which they themselves are the main protagonist. Additionally, with a few clicks, he can share this summary on his social media and share the them to friends. It’s also a way to gamify users’ music listening - Spotify Wrapped can be used as an excuse for competition between friends. Every year they can compare how much time they spent listening to music and who has better taste in music.

“Discover in this week”



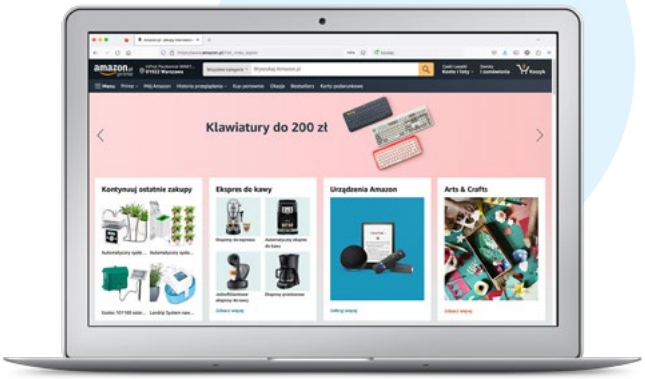
“Your year in music”

AMAZON

The next company known for hyper-personalisation is Amazon. Back in 2010, it introduced the ‘Customers who bought’ widget to recommend products to its customers. According to the company, up to 35% of sales now come from these personalised recommendations.

Amazon uses artificial intelligence and deep learning techniques *(deep learning)* to analyse customer behaviour and predict what products they are likely to buy in the future. It then recommends these products to them when customers visit or log back into Amazon’s website. When a user logs into their Amazon account, they are always presented with a new shopping suggestion. with his interests and recent elections. This is akin to a personalised homepage, daily and in real time adapted to the user based on his or her behaviour.

“Customers who bought”



OTHER EXAMPLES

INSURANCE

Personalised insurance quotes Customers receive insurance proposals that meet their current needs and expectations.

Individual insurance prices
Based on customer data such as insurance history, age, location, preferences, etc., personalised insurance prices can be calculated, which take into account the risks individual to each client.

BANKING

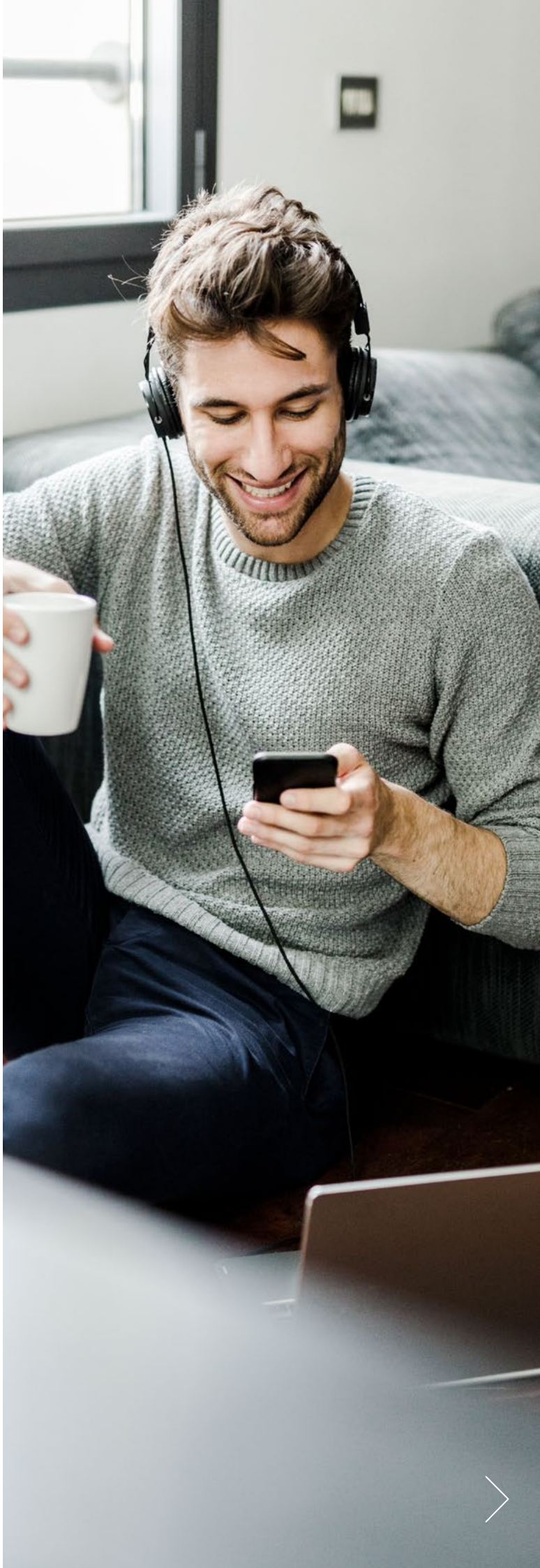
Personalised investment recommendations
Based on an analysis of the client's financial data, investment preferences and goals, the bank can propose personalised investment portfolios, which meet the individual needs and risk tolerance of the client.

Individual financial management
Based on transactional data and financial behaviour, banks can offer personalised tools for budgeting, expenditure monitoring, financial analysis and financial planning.

HEALTH PROTECTION

Personalised mobile applications and devices *wearables*
Based on the health data and its analysis Through *wearables* (wearable devices), patients can receive personalised information about their health, monitor their health parameters, receive medication reminders and plan physical activity.

Personalised treatment plans
Based on the analysis of medical data, medical history, genetics and other factors, it is possible to create a personalised treatment plans and tailor drug therapies, dietary recommendations and rehabilitation plans to the individual patient's needs and characteristics.



According to the PZU expert

An important, and in fact essential, part of building relationships in the future will be the perfect fit with the client's needs. This will apply not only to marketing messages or contact preferences, but also to - and perhaps above all, the product range.

After all, who among us doesn't want to feel special? Whereas a few years ago a mailing in which the company addressed itself by name at the beginning of the message - 'Dear Mr Miroslaw...' - was impressive, today our expectations have increased. I am convinced that many of us are not even aware of this. But in conversations, more than once I find out about another bank offering a loan while we have a lot of savings in it; a promotion for sports shoes we bought the week before, and so on.

Hyper-personalisation goes one, if not several, steps further. By harnessing technology, analysing and understanding the data we have, we can accurately anticipate, respond to and even create customer needs. This is brilliantly demonstrated by the example of world leaders. Who among us hasn't turned on a movie on a popular streaming service just because of an interesting thumbnail he saw in the app? Behind this content is an in-depth analysis of the data held about the customer and its skilful use.

Therefore, in order to respond to customers' needs, we need to build and strengthen relationships. As a result, we can expect more revenue. A paraphrase of John F. Kennedy's words comes to mind here - 'Ask not what the customer can do for you, but what you can do for the customer'.

Mirosław Mikłos
Head of Customer Experience Management, PZU

Benefits of hyper-personalisation

FOR THE CLIENT

Matching preferences
Customers receive content and offers tailored to their interests and needs and can more easily find the right product or service.

Convenience and time saving
Hyper-personalisation allows customers to find what they need faster, without wasting time on lengthy searches.

A better shopping experience
Providing personalised content and offers makes the customer feel valued and important to the company.

More frequent interactions
Personalised messages can prompt customers to be more active and interact more often. Customers may be more willing to participate in loyalty programmes or share opinions.

FOR BUSINESS

Increased conversion and sales
Providing personalised content and offers can significantly increase the effectiveness of marketing campaigns and encourage customers to buy more or repeat.

Increased customer loyalty
Hyper-personalisation helps build stronger relationships with customers. Customers who receive personalised experience, they feel more valued and connected to the company.

Better understanding of customers
Hyper-personalisation requires the collection and analysis of large amounts of customer data. This allows the company to better understand their preferences, needs and behaviours.

Increased customer retention
A personalised customer experience helps to retain customers and build an emotional connection with them. This, in turn, translates into a better customer experience and therefore a lower churn rate *(churn rate)*.

Challenges and benefits through the eyes of customers and experts

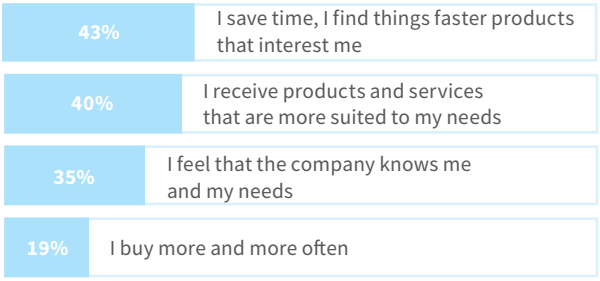
In the opinion of experts the quality of hyper-personalisation is significantly affected by the availability of customer data. Factors that hinder hyper-personalisation, are situations where data is missing for some reason or the client does not want to provide it.

This is a big challenge for companies – research shows that **40% of customers** are not happy with companies 'in the name of hyper-personalisation' analysing their data and online behaviour (only 27% support this).

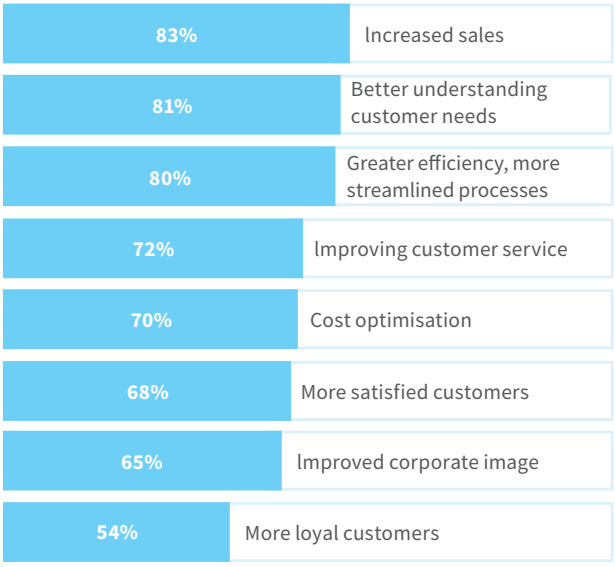
Openness to hyper-personalisation is correlated with age. The biggest enthusiasts of the trend are young – the level of acceptance among **people aged 18-24 is 45%** and among those aged **60+ is only 24%**.

Benefits of hyper-personalisation are undeniable. For the company, it's all about more sales and a better understanding of customer needs. For the customer, this saves time (they find what they are most interested in more quickly) and the offers they receive are more tailored to their needs.

Customer benefits

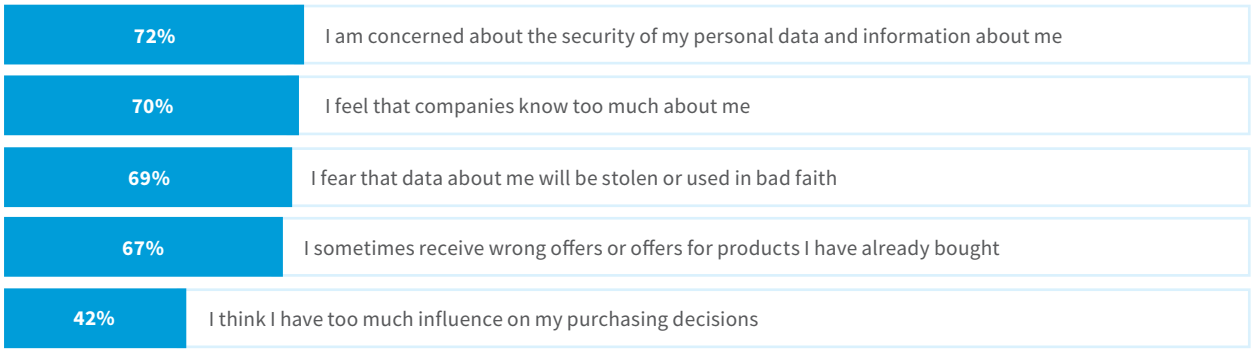


Benefits for business



There are also some concerns associated with hyper-personalisation. Mainly about the security of stored customer data –such a concern is expressed by **over 70% of customers**, more often by older people **(60+)**. This is accompanied by a perception that companies are too much know about us.

Customer concerns



If so, will the trend continue? **87% of company representatives** think that, in general, they do. His development in his company, however, envisages only **40% of them**. The most common are **trade representatives. (over 56%)**, less frequently **services (26%) and medium and large companies (50%)**.

Source: Trend and technology acceptance survey among customers (n = 2000) and experts (n = 200), PZU 2023.

What customers see as the advantages and disadvantages of hyper-personalisation

"Personalised offers limit the opportunity to learn new things. We lock ourselves into a known safe circle, which on the one hand is good because it is related to our preferences, but on the other hand it limits us from exploring new things."

"In my opinion, in this way we can be in contact with a greater adaptation of the offer to our needs, but also somewhat of an imposition and too much advertising of services."

"If a customer searches online for products for the whole family, the algorithm gets a lot of variable information and it is then very difficult for it to target the customer with the right offer for them. Sometimes it works late – if I've already bought a catering apron, I don't want to see dozens of apron windows."

Selected technologies used in hyperpersonalization

Hyper-personalisation can be used throughout the entire customer pathway – from attracting customers with personalised websites and advertising to providing personalised services after purchase.

Technologies visible to the customer

- personalised e-mails and notifications
- personalised websites
- personalised advertising
- personalised user interfaces

Technologies invisible to the customer

- data analysis and big data
- machine learning
- personalised recommendation algorithms
- marketing automation
- customer relationship management systems (*customer relationship management*, CRM)
- personalised data analyses
- dynamic segmentation

You can read more in the section on technologies.

According to the market

Currently, one of the very strong trends in the Polish consumer market is becoming convenience. Convenience is understood to mean, among other things, broad and easy access to products and services, made possible by the dynamic development of omnichannelisation. Thus, personalisation is also gaining momentum, narrowing down the selection options to the specific needs of customers, resulting in convenience and time savings during the shopping process.

The results of the PZU survey show that one in three respondents have a positive view of brands' ability to accurately predict what the recipients of their ads, offers or newsletters need. This assessment is strongest in generation Z, with an affirmative response of up to 45% in the 18-24 age group. At the same time, the analysis shows that, along with the trend towards convenience and personalisation, consumer awareness of the security of personal data or the potential risks involved in processing it is also growing. Concerns are declared by more than 70% of respondents.

At IKEA, we observe and respond to emerging trends to best match our solutions to customer needs. And this is at different stages of the purchasing path. Starting with inspiration, personalisation of offers e.g. on the website, in the IKEA mobile app or in mailings to IKEA Family club members, to specific products and services available across multiple sales channels. In terms of data protection, on the other hand, we communicate transparently with our customers and inform them in a simple way about what we use such data for. At IKEA, we have always put people first and that is why we use technology for people, respecting their rights and to promote equality, diversity and inclusion.

Małgorzata Bochenek
Business Development and Transformation Director, IKEA Retail in Poland

2 Omnichannel

What is omnichannel?

Omnichannel is an approach that focuses on creating a consistent, personalised and integrated customer experience across all channels of communication and interaction with a company. It is about not thinking separately about the customer experience at the point of service or when using the app and website, but creating an experience that is truly holistic, independent of the form of contact the customer has with the brand.

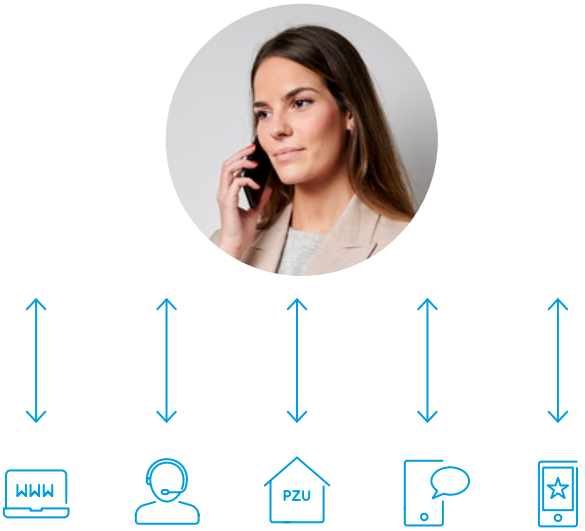
The omnichannel approach responds to the needs of **customers, who today expect, above all, consistent communication from the company and a seamless experience across different modes of interaction**. Customers want a consistent experience regardless of the form of contact, they want to move freely from one channel to another, chosen according to the need of the moment – from a website to a mobile app, from a helpline to an outlet or branch and so on.

This means that a customer who needs to take out an insurance policy or open a bank account can first visit a website, then speak to a consultant on the phone, and then come into a branch, and will experience the same efficient service, consistent messages and personalised approach throughout.

In this context, personalisation and integration of customer data is **key for any company**. In this way, the customer can, for example, switch from the website to the mobile app at a convenient time and does not have to start the whole process from the beginning.

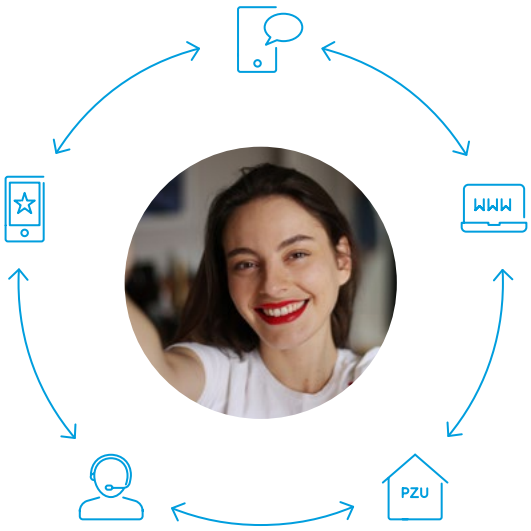
Difference between omnichannel and multichannel approaches

MULTICHANNEL



Multichannel (multi-channel): customer access. to different channels of interaction with the company, but they are not integrated with each other, the experience can be inconsistent.

OMNICHANNEL



Omnichannel: all available interaction channels are integrated and connected, providing a holistic and unified experience.

The omnichannel approach differs from the multichannel approach.

MULTICHANNEL	OMNICHANNEL
It involves the service provider interacting with customers through multiple channels. For example, as customers of the bank, we can order a transfer at the branch, on the transaction service and on the mobile app – so we have a choice of different communication channels. However, not every omnichannel experience will be an omnichannel experience - you can have a great and a fast mobile app, but at the same time an overloaded telephone line serving customers. In this situation – despite multichannel – the company does not provide the customer with a holistic experience.	It relies on the company not only offering the customer different service channels, but also keeping all these channels consolidated and centralised, combining all communication in a single system, in order to provide a consistent CX. An omnichannel CX strategy requires a company to take a holistic approach to each platform (and equipment) that the customer will use – to provide it with a uniform and positive experience, regardless of the communication channel chosen.

What are customers and experts saying about omnichannel?

- The implementation and smooth operation of omnichannel strategies in companies is important to customers. **Nearly 60% of customers** oppose the desire of companies to allow customers to deal with a single issue, switching freely between channels. Generation X customers are the biggest supporters of this trend (69%).
- **Only 32% of customers** think that companies are succeeding. More likely to make this assessment (39%) are those who say they use different access channels when dealing with a single issue.
- Although omnichannel has been talked about for a long time, also experts admit that there is still a lot of work to be done in this regard. Currently, **nearly 20% of company representatives** declare that their companies already allow customers to deal freely regardless of their chosen channel, while **35% anticipate**, That their companies will develop this trend.

customers positively assess the freedom to switch between channels

customers think companies are succeeding

company representatives declare that their companies already provide their customers with the possibility to deal freely regardless of the chosen channel

company representatives anticipate, that their companies will develop this trend

Source: Trend and technology acceptance survey among customers (n = 2000) and experts (n = 200), PZU 2023.

Omnichannel – the challenges

Implementing omnichannel can be challenging, as it means integrating different systems and transferring data seamlessly between them. This is sometimes a challenge even for high-tech companies.

An additional challenge may be to collect customer data from different channels and synchronise it **real-time** – so that data is up-to-date at all potential customer touchpoints at all times. For example: if a customer has changed their contact details in the mobile app, these should also be changed in other channels - without having to manually change them on each platform separately.

The most difficult part is usually to make all channels consistent in terms of the purchase path, branding, design, tools, data collection and systems integration. It is not uncommon for the choice of an omnichannel approach to involve systemic changes to processes business and the culture of the organisation. Often different departments within a company are responsible for different channels - so they need to work together to actually provide a consistent experience and communication.

Sometimes a company has great, friendly and informal communication on social media. However, this does not translate into direct contact with customer service people, who use complex language and have a very formal approach

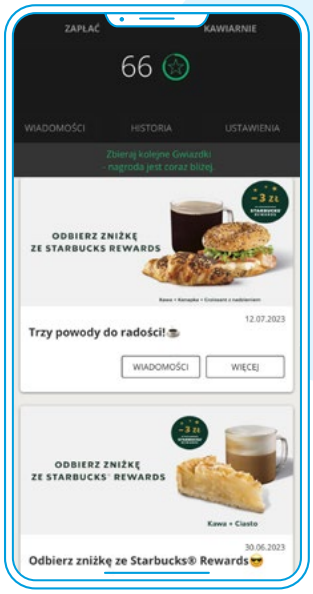
Omnichannel – best practice examples

STARBUCKS

Starbucks is an example of an extremely high-profile omnichannel strategy. Its secret lies in the Starbucks Rewards mobile app, which has become an integral part of the customer journey. With a simple registration, the user becomes a member of the cafe's loyalty programme and earns points for each purchase, which translate into discounts valid at any establishment. The loyalty card included with the app also allows payments, and can be topped up in both the webshop and the app, as well as in the cafe.

In addition, it is possible to order and pay on the app for your order before you arrive at the cafe and thus bypass the queues (Starbucks outlets have a separate order pick-up desk). The app also integrates with other platforms, including Spotify – so users can e.g. listen to music they heard in a shop or cafe.

The app also offers users individually tailored discounts and coupons. This fits in with Starbucks' overall personalisation strategy, which has transformed its locations into a place where customers spend time working or relaxing. The decor is designed to resemble the inside of a house, and baristas are trained to interact with customers, remember their names and preferences and prepare personalised drinks.



The app also offers users individually tailored discounts and vouchers. This fits in with Starbucks' overall personalisation strategy.

AMAZON

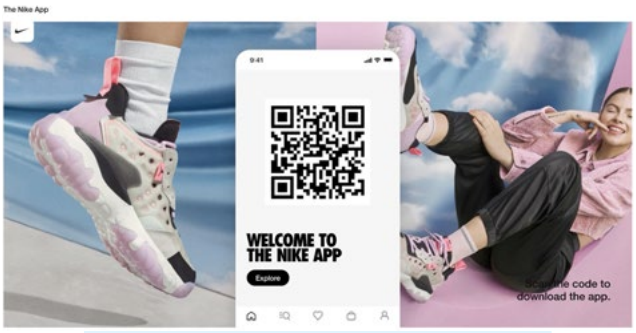
Amazon - which advertises itself as "the world's most customer-centric company" – owes much of its success to a thoughtful omnichannel approach. Users can shop on any device, content is consistent across all platforms and returns are as easy as purchasing – and that too from any device. English-speaking customers can also shop using voice control and the Alexa voice assistant, and check the status of their order at any time e.g. in a mobile phone.

Amazon's strength also lies in personalised recommendations, which guide the user from product to product – accounting for as much as 35% of sales.

NIKE

Nike was one of the first companies to start using the mobile app as the most important platform in its communications in line with an omnichannel approach. Customers can browse the current range, make sure that a specific model and size is available in the nearest shop and reserve a specific item in a specific shop.

In the app, customers receive exclusive discounts, and additional product information will suffice, That they scan the code in the shop with their phone. In this way, customers can – while physically in the shop - buy products in the app. This speeds up the whole process and avoids checkout queues.

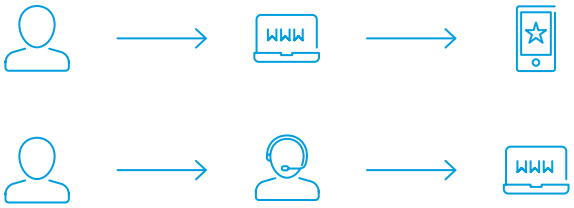


Customers, being physically in-store, they can buy products on the app, bypassing checkout queues.

OTHER EXAMPLES

INSURANCE

Integrated customer experience
Adopting an omnichannel approach can significantly improve the customer experience and ensure that customers can switch freely between channels. For example: a customer who has just bought insurance online can start managing it through the mobile app, and a customer who has reported a claim by phone can track their claim through their online account.



BANKING

Personalised banking services
With omnichannel, banks can use customer data and artificial intelligence to deliver personalised financial recommendations. If the customer carries out transactions and takes financial advice at different touchpoints (when visiting a branch or using an ATM, mobile app or transaction service), the bank can integrate data from different interaction channels and provide the customer with personalised service and product recommendations.

With omnichannel, the bank can provide the customer with personalised service and product recommendations.

HEALTH PROTECTION

Remote patient monitoring
Integration of telemedicine platforms, mobile applications and *wearables* devices allows the providers of medical services to offer patients the monitoring of their health status and to carry out virtual consultations. The patient tracks his or her parameters through, for example, a watch that sends data to healthcare professionals. Healthcare professionals can remotely monitor patients' health, provide advice on time and conduct virtual consultations. This also reduces the need for patient visits to the facility and improves access to healthcare.

Benefits of omnichannel

FOR THE CLIENT

Consistent experience
Customers can enjoy a consistent and personalised experience, regardless of the channel through which they interact with the company.
They can easily change channels without losing context.

Convenience and flexibility
Customers have more freedom to choose their preferred communication channel. They can use different channels depending on their needs and preferences.

Easy access to information
Customers have easy access to complete information on products and services. Whichever channel they choose, they will receive consistent and up-to-date information.

Improved customer service
Omnichannel enables efficient and effective customer service. Customers can quickly contact the company, get answers to questions, resolve issues and receive real-time support.

FOR BUSINESS

Increased customer loyalty
A consistent omnichannel experience helps increase customer loyalty. They are more likely to remain customers of a company that provides them with flexible and convenient communication.

Improving customer satisfaction
A consistent and responsive experience has a positive impact on customer satisfaction. They feel valued and satisfied, when their preferences and needs are taken into account across all communication channels.

Higher operational efficiency
Integrated customer relationship management systems allow better tracking and analysis of customer data.
This enables a more precise and targeted approach in the area of sales and customer service.

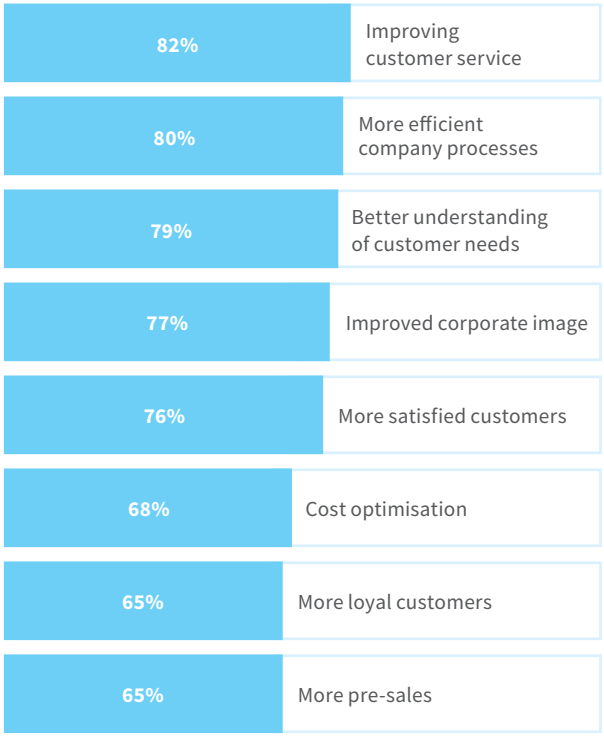
Challenges and benefits through the eyes of customers and experts

75%

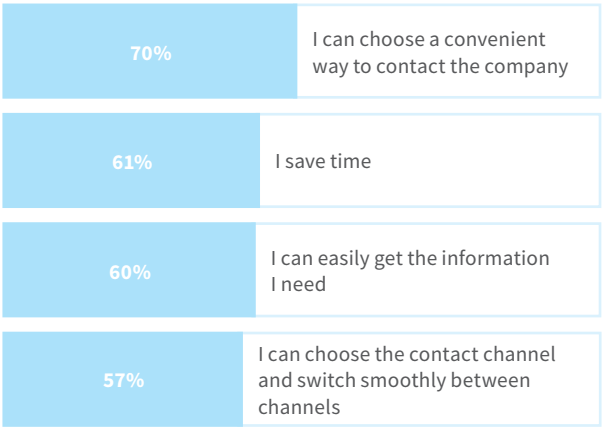
According to experts, omnichannel is the only logical and possible way forward for companies, and **75% of company representatives** predict it, That this trend will develop in the market.

According to company representatives, allowing customers to use multiple contact channels when dealing with a single issue improves the quality of service above all. For customers, on the other hand, it means convenience – they can choose a convenient way of contacting the company.

Benefits for business



Customer benefits



49%

Nearly 49% of customers are of the opinion that the large choice of contact channels can create a sense of confusion. Such concerns are somewhat more common among customers aged 60+ (53%).

60%

The challenges faced by companies are matched by customer concerns. Need to collect customer data from different channels and their synchronisation makes **60% of those currently using** the opportunities created by omnichannel concerned about the security of their data available to employees in different departments.

Source: Trend and technology acceptance survey among customers (n = 2000) and experts (n = 200), PZU 2023.

What customers see as the advantages and disadvantages of omnichannel

"Through the multitude of contact channels, impersonation of employees of different companies and phishing is taking place."

"The risks are data leakage – impersonating a company representative is much simpler. The benefits are getting things done faster without having to turn up in person."

"A very good solution for those who can not go to establishments or various types of offices because of the for working hours or childcare. There are a lot of people like that, and companies are trying to help us – those are the benefits."

Selected technologies used in the omnichannel approach

Technologies visible to the customer

- mobile applications
- chatbots
- intelligent customer service systems
- e-commerce and sales platforms

Technologies invisible to the customer

- CRM systems
- data analysis
- artificial intelligence
- systems integration

You can read more in the section on technologies.

According to the PZU expert

Omni-channel, a global trend triggered by both technological advances and rising customer expectations, is an important direction for PZU, as we are committed to a positive customer experience regardless of the channel they choose.

The solutions we are introducing today at PZU support the development of omnichannelism. At the same time, we observe the market and emerging innovations, because we know that new generations are entering with new expectations that we must meet.

We want to be with the customer here and now. This requires us to know the key moments of his life, so we can better understand and respond to his changing needs. We have based our omnichannel strategy on three main pillars: customer care, customisation to the customer profile and a consistent route to multiple service channels.

By putting the customer at the centre, we want to give them the freedom to choose between channels, so that it is up to them to decide about your preferred route and method of contact. Our customers are offered the opportunity to be served through both physical channels (i.e. through an agent, in a branch) as well as remotely (via e.g. a call centre, myPZU portal). Many use hybrid pathways, where they go through part of the process in one channel and then move to another. In doing so, we pay attention to ensure a high standard in each of them.

Within the ecosystem we have created, customers acquired in one sales channel can be redirected and served in another, where the purchase process can be finalised. We are moving towards such a solution, in which the customer is free to choose the path (e.g. he or she can decide to extend the protection in a remote channel - via the helpline or the mojePZU portal).

Customer care determines the direction of PZU's activities. With omni-channel solutions, we can better fulfil this mission.

Małgorzata Kot
Member of the Board,
PZU

3 Automation

What is automation?

In the simplest terms, automation refers to the use of technologies and tools that allow business tasks and processes to be performed with minimal or no human involvement. It allows the organisation to streamline its operations. Automation can be used to replace humans in performing repetitive, manual tasks, especially where mistakes are easy to make.

In the area of Customer Experience, automation has been present for a long time, but today's technology makes it possible to apply it much more widely and use tools using, for example, artificial intelligence, such as chatbots or virtual assistants. Automation also enables the development of self-service, allowing customers to more easily find answers to questions or solve common problems, as well as to shop or check in at a hotel without a cashier or receptionist.

Today, automation is key to providing a positive customer experience – as customers expect fast responses and communication and easy access to information, around the clock. However, it is worth remembering that automation should go paired with segmentation and personalisation to ensure that the right group of customers gets the right content. Customers will also feel seen and heard by the brand.

Automation also facilitates customer relationship management through CRM systems and streamlines internal work within the organisation. Instead of manually entering data, automation mechanisms can be used - reducing errors and response times.

> *Automation applied to an efficient operation will increase its efficiency. Applied to an inefficient operation - will increase its inefficiency.*
>
> **Bill Gates**

Automation – challenges

Implementing automation in a company can prove to be a very complex process and involve high costs, especially at the beginning. In addition, integrating all systems and ensuring data flow and compatibility between applications is a major challenge, requiring specialist knowledge at not only the implementation stage, but also the subsequent maintenance of all systems. Automating processes can also create uncertainty in employees about their role in the company – a question that often arises: 'Won't a robot replace me?

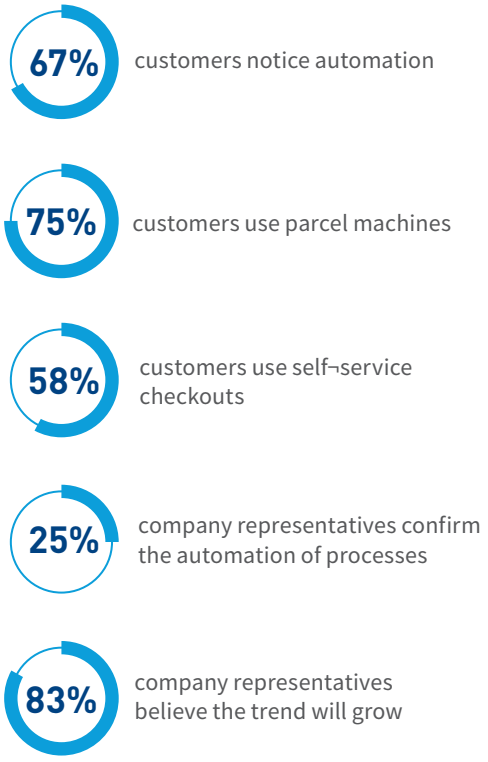
Another challenge in automation is the data itself, its quality and consistency, and maintaining privacy at the same time and information security. This is particularly important in light of the processing of sensitive data, such as health or financial data.

Scalability and the adaptation of processes to the projected growth in the organisation can also be a challenge in automation, e.g. designing solutions to accommodate an increased number of transactions.

Automation also has its limitations due to the differences between man and machine. In some cases, customers will prefer to interact with a human rather than an automated machine - so very accurate customer segmentation is important and provide a choice between automated service and direct contact with a company representative. Currently, chatbots do not always understand the nuances of some customer queries and complex decision-making processes. So we still have many areas where humans are better suited.

What are customers and experts saying about automation?

- **67% of customers** recognise that companies are automating their processes and customer service. Parcel machines are the most frequently used: as many as **75% of customers** declare that they use them. Slightly fewer customers use self-service checkouts in shops **(58%)**.
- Poland's first fully self-service petrol station opened in November 2021 in Pomerania. In the same year, the popular shop chain opened 25 standalones outlets for the first time. After almost 2 years of operation of these outlets, **24% of customers** declare that they shop there. Interestingly, it is women who are more likely to declare that they are willing to use the solutions mentioned.
- At the same time, **only 25 per cent of company representatives** confirm that their companies automate processes: most often these are manufacturing-related companies.
- **As many as 83% of company representatives** are convinced that the trend will develop, but only **35%** – identify the development of this process with their company.



Source: Trend and technology acceptance survey among customers (n = 2000) and experts (n = 200), PZU 2023.

Automation – best practice examples

INSURANCE

Automatic processing of requests
For the client, dealing with a loss, such as a house fire or car theft, is usually very stressful. Insurance companies can accelerate significantly and streamline the benefit or compensation process. This, in turn, may determine the client's subsequent decision, whether it remains in a relationship with the company or whether it changes insurer after all.

Today, the claims process can be made faster and more efficient by using automated detecting relevant information in forms, policies and other policy documents or supporting documents. This is made possible by intelligent document recognition and optical character recognition (*optical character recognition*, OCR) technologies – by reducing manual data entry, the claims process can be speeded up.

Virtual assistants for policyholders
Using artificial intelligence and natural language processing (*natural language processing*, NLP), virtual assistants have already permanently joined the teams of many insurance companies. They can handle recurring queries related to policies, insurance details or premium payments. PZU also has a virtual assistant, Iva, who helps on the helpline PZU ZDROWIE.

An example of automation could also be a chatbot or assistant that helps a customer report a communication loss via an app. The process is usually as follows: the customer provides answers to several questions and marks the damaged areas of the car on the drawing. The chatbot at this time provides the customer with a list of workshops where the car can be repaired and only then passes the case to the claims adjuster.

According to the PZU expert

Back in the earliest times, the expectation of ‘faster, more, better’ motivated man to invent the wheel. Today, in the age of digitalisation, the internet and globalisation, these expectations are still valid. The customer is not interested in the time of day or the level of complexity of the background processes - he or she is looking for a solution here and now, according to his or her own preferences as to the form of contact, and determines his or her experience on this basis.

The automation of processes quite obviously allows needs to be addressed ‘faster and more’. – The round-the-clock availability of virtual assistants, artificial intelligences that process needs into offers, the combining of data from different service processes or the automatic reading of documents and analysis of photos are already increasingly common phenomena. And the more often the customer encounters them, the more their expectations of the quality of future interactions increase. These aspects of customer relations have therefore long been an area of an arms race between companies, both in terms of speed of service, as well as the collection of customer data.

At the same time, automation frees up staff potential and allows it to be channelled into addressing customer needs. “better” - leads to the standardisation of processes, relieves the monotony (and errors) of data entry in favour of data analysis and at the same time creates space for more empathetic and personalised communication. Even if not every customer is keen on interacting with automatons, well-designed processes do, after all, take into account the inclusion of a human in the communication - here, automatons can arm employees with data about the case, including, for example, supporting them with behavioural models of customer preferences, which can significantly affect the efficiency of the service process and the customer’s final assessment of it.

Wojciech Okrzeja
Director of the Development and Implementation Office, PZU

BANKING

Automation technologies analyse vast amounts of data and help prevent fraud.

Robotic process automation (*robotic process automation*, RPA) to open accounts
Banks are using RPA to automate the account opening process. RPA bots can extract data from customer application forms, verify information in internal databases, perform the ‘Know Your Customer’ (*know your customer*, KYC) procedure and initiate account setup in core banking systems.

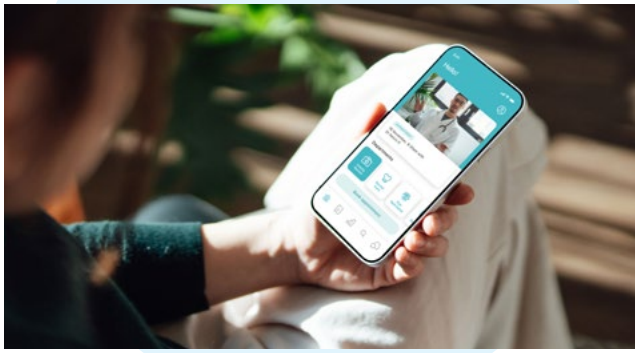
Fraud detection and prevention
Automation technologies such as machine learning and data analytics are being used in banking to analyse vast amounts of transactional data in real time. They identify suspicious patterns or behaviour and trigger alerts to investigate whether there is a risk of fraud.

HEALTH PROTECTION

Visit planning and reminders
With automation, patients can conveniently book appointments via websites, mobile apps or automated telephone systems.In addition, automated SMS reminders or e-mail helps to reduce missed appointments and improve patient attendance rates.

Electronic health record (EHR) systems
EHR systems automate the management of patient health records - providing healthcare professionals with access to patient information, as well as recording diagnoses, prescribing medication and electronically tracking treatment plans.

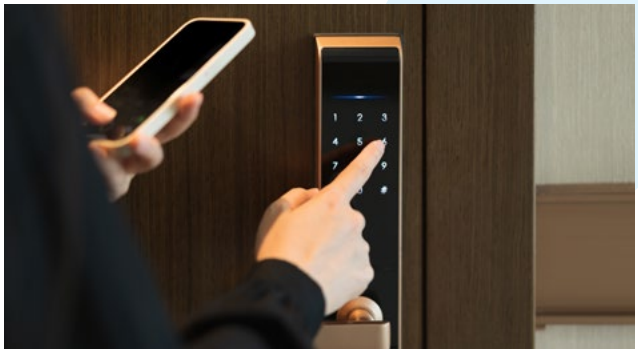
Automatic reminders is higher patient attendance.



HOTELING

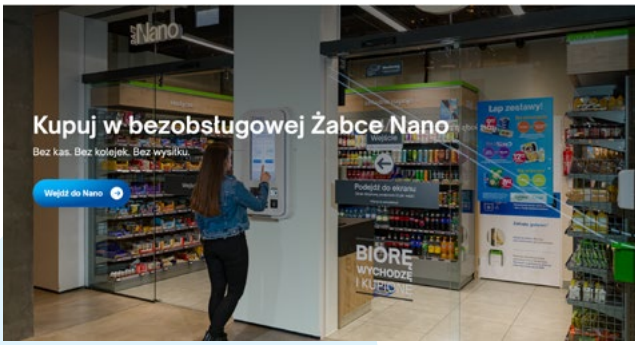
Smart hotels *(smart hotel)*
The use of Internet of Things (*internet of things*, IoT) technology allows guests to check in to the hotel themselves, for example via a mobile app. The guest registers on the app and is then given an access code for the front door and room or instructions on what to do. Before arriving on site, he or she can – also on the app – order additional services or extend his or her stay.

Smart hotel



RETAIL

Autonomous stores
Autonomous shops (e.g. Zabka Nano, which has been present in Poland for some time) enable completely unmanned shopping - all that is needed is a mobile app or just a credit card. Before entering the shop, the customer inserts a card into the terminal (on the first visit, he or she provides a phone number to which a text message is sent confirming the purchase) and the door opens automatically. The system installed in the shop recognises the products taken off and calculates the required amount independently. Finally, the purchase money is automatically debited from the card used previously at the entrance to the shop.



On leaving the shop, the money for purchases is automatically debited from the card.

Benefits of automation

FOR THE CLIENT

Fast and immediate service
Thanks to chatbots, virtual assistants whether automated responses enable customers to get answers to questions and solve problems in real time, without waiting for a human response.

24/7 availability
Customers can receive support and resolve issues anytime, regardless of their location and time zone.

Personalised experience
Through data analysis and machine learning algorithms, automated systems can tailor offers, recommendations and interactions to individual preferences and customer needs.

Shortening service times
Customers do not have to wait to be connected to a consultant and automated systems can resolve simple and routine issues immediately..

FOR BUSINESS

Improved efficiency
Automation makes it possible for employees to perform more valuable and strategic tasks, and processes can happen faster and more precisely.

Cost optimisation
Instead of employing more staff to serve customers, companies can use automation tools that are more cost-effective in the long term.

Improved service quality
By eliminating human error, reducing response times and personalised interactions, the company can deliver a more satisfying experience to customers.

Challenges and benefits through the eyes of customers and experts

- Customers see the benefits associated with automating certain customer service activities. Most also have concerns about the development of this trend - mainly about relations with companies and the quality of customer service, but also about the future of the labour market.
- Company representatives mostly recognise the benefits of automation.

Benefits for business

78%	Cost optimisation
70%	Greater efficiency, more streamlined company processes
58%	Increased sales
57%	Improving customer service
56%	More satisfied customers
56%	Improved corporate image
49%	Better understanding of customer needs
45%	More loyal customers

Customer benefits

46%	Time saving – customer service time is shorter, you can get your case done faster
54%	Products and services are more accessible (vending machines are set up in many places)
32%	Products and services are better tailored to customer needs

Customer concerns and opinions

80%	It is better to talk to a live person than to contact a bot or an automaton
74%	It is difficult to get along with a bot – if a bot reports on the helpline, please switch to a consultant or hang up
67%	Before long, many professions will cease to exist
59%	The use of vending machines (e.g. self-service shops) requires technological competence on the part of the customer - not everyone can cope with this
52%	Sometimes I don't know whether I'm talking to a consultant or a bot
36%	I wonder if I will lose my job - if I will be replaced by an automaton

Source: Trend and technology acceptance survey among customers (n = 2000) and experts (n = 200), PZU 2023.

What customers see as the advantages and disadvantages of automation

"I think companies that don't automate may cease to exist because they will be eaten up by costs – it's more expensive to maintain a lot of employees over time than to automate."

"Man is always striving to make his life easier. Pros - saves time, convenient time to get things done, cons – replaces V a human being. This is not a bad thing. You just have to re-brand yourself sometimes. There were always some jobs going away and others coming up."

"Talking to a computer is not natural human-to-human contact, a computer is not always able to help or advise me."

Selected technologies used in automation

Technologies visible to the customer

- virtual assistants
- chatbots
- interactive voice response (*interactive voice response*, IVR)
- self-service kiosks
- mobile applications

Technologies invisible to the customer

- business process automation (*business process automation*, BPA)
- marketing automation
- automation of data analysis
- artificial intelligence
- machine learning
- CRM systems

You can read more in the section on technologies.

According to the market

Automation supported by advanced language models is undoubtedly a breakthrough redefining an area of customer service hitherto dominated by chatbots. Nowadays, as the above research confirms, most customers, when confronted with a bot, abandon the contact or seek to connect with the operator. Automation will blur the visible boundary that an artificial intelligence is answering our questions on the other side, and users will appreciate the speed and quality of the feedback. However, it is worth remembering that the quality and simplicity of the customer paths built will determine the extent to which end customers need to use such solutions.

The InPost parcel machine has multiplied the efficiency of parcel delivery by automating and consolidating parcels at a single point. In the last decade, it has made online shopping easier for every consumer in our country, regardless of the size of the locality where they live. Already 59% of Poles have their parcel machine within a 7-minute walk.

Among the youngest e-shoppers, the technological barrier to using InPost devices has virtually ceased to exist, which, together with a high awareness of environmental aspects, consolidates our position as the preferred delivery option when shopping online.

Tomasz Łaski
Director of CX & Digital Marketing,
InPost

4 Data analysis and integration

What is data analysis and integration?

Today, data is the foundation without which customer expectations cannot be understood or met - data analytics plays a key role in deciphering the vast amounts of information generated by customer interactions with a company.

Data analysis is the process of examining and interpreting large amounts of data to uncover customer preferences, patterns of behaviour and the factors on which they base their decisions. Data analysis involves the application of various statistical and mathematical techniques - such as machine learning algorithms, data mining or predictive modelling - that allow the information most useful for understanding customers' needs to emerge from the infinite wealth of data.

Data integration, on the other hand, means combining data from different sources or systems to obtain a unified and comprehensive view of customer information. It is possible to integrate data from both internal and external sources, such as transactional data, social media data and leading market trends.

The combined process of data analysis and integration allows companies to more consciously build the customer experience. With access to data, companies can more easily identify customers' most common pain points and offer solutions, personalise customer interactions, tailor recommendations and offers and, finally, understand customers' motivations.

EXAMPLE

The data of a typical customer of an organisation is usually dispersed and collected by various tools at different touchpoints along the customer pathway, including:

- email marketing software,
- Google Ads system, which monitors responses to ads,
- CRM systems that collect purchase and service history.
- Google Analytics platform, which tracks logins and interactions on the site,
- Facebook and other social media - both organic and sponsored conten

None of these systems gives a complete picture of customer behaviour. Only by integrating the data provided by these systems does it become possible to analyse it, connect all the dots, i.e. individual pieces of information, and create an experience that is valuable and positive for the customer.

How do you integrate data from different sources?

But what specifically does data integration involve? After all, collecting all the customer information is not enough – we need a process to combine and consolidate it and then give it a single, unified format.

It will be useful here to learn about the three main stages of data integration - extraction, transformation and loading – **ETL** *(extract, transform, load)*.

Extraction

This step involves collecting data from various sources, such as databases, spreadsheets or web services. Data extraction is akin to collecting puzzles from different places - we collect data from the Google Analytics platform, social media, emails, the CRM system and other sources that are important from a CX perspective.

Transformation

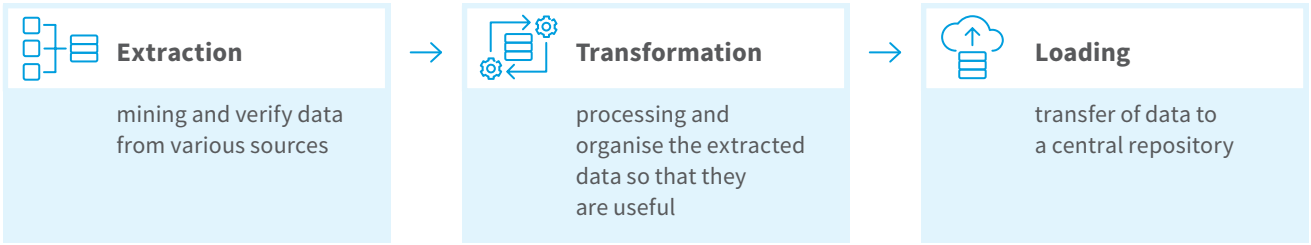
Data already extracted often needs to be transformed or modified to fit a common structure or standard. Transformation may include data cleaning (removal of errors or inconsistencies), reformatting them into a consistent style or performing calculations or aggregations. This step is akin to grouping jigsaw puzzles with information so that they fit together.

Loading

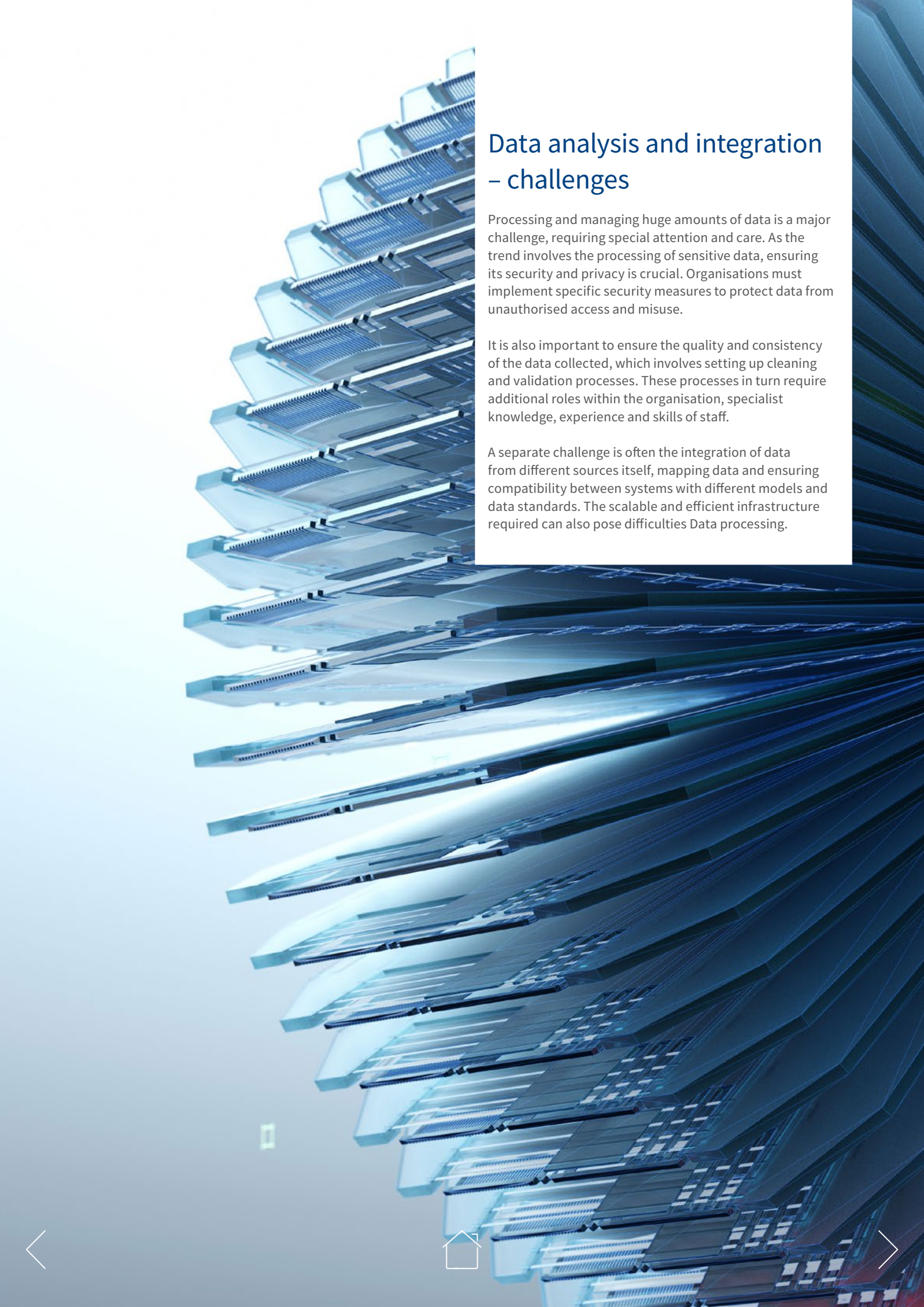
The extracted and transformed data are loaded into a central repository, such as a data warehouse. This repository acts as a hub where all integrated data is stored and can be accessed to analyse and report on this data. To use our jigsaw puzzle metaphor, this is the moment when we put together an already finished picture.

Data integration and the ETL process allow companies to look at data holistically (rather than the fragmented picture provided by each source separately). In this way, so-called data silos can be broken down, data quality can be improved and a more complete picture of customers, as well as business operations and other relevant aspects of the process can be created.

ETL process



> *Data is the fuel of the 21st century. And data analytics – it's the engine for that data.*
> **Peter Sondergaard, Gartner**



Data analysis and integration – challenges

Processing and managing huge amounts of data is a major challenge, requiring special attention and care. As the trend involves the processing of sensitive data, ensuring its security and privacy is crucial. Organisations must implement specific security measures to protect data from unauthorised access and misuse.

It is also important to ensure the quality and consistency of the data collected, which involves setting up cleaning and validation processes. These processes in turn require additional roles within the organisation, specialist knowledge, experience and skills of staff.

A separate challenge is often the integration of data from different sources itself, mapping data and ensuring compatibility between systems with different models and data standards. The scalable and efficient infrastructure required can also pose difficulties Data processing.

Data analysis and integration – best practice examples

INSURANCE

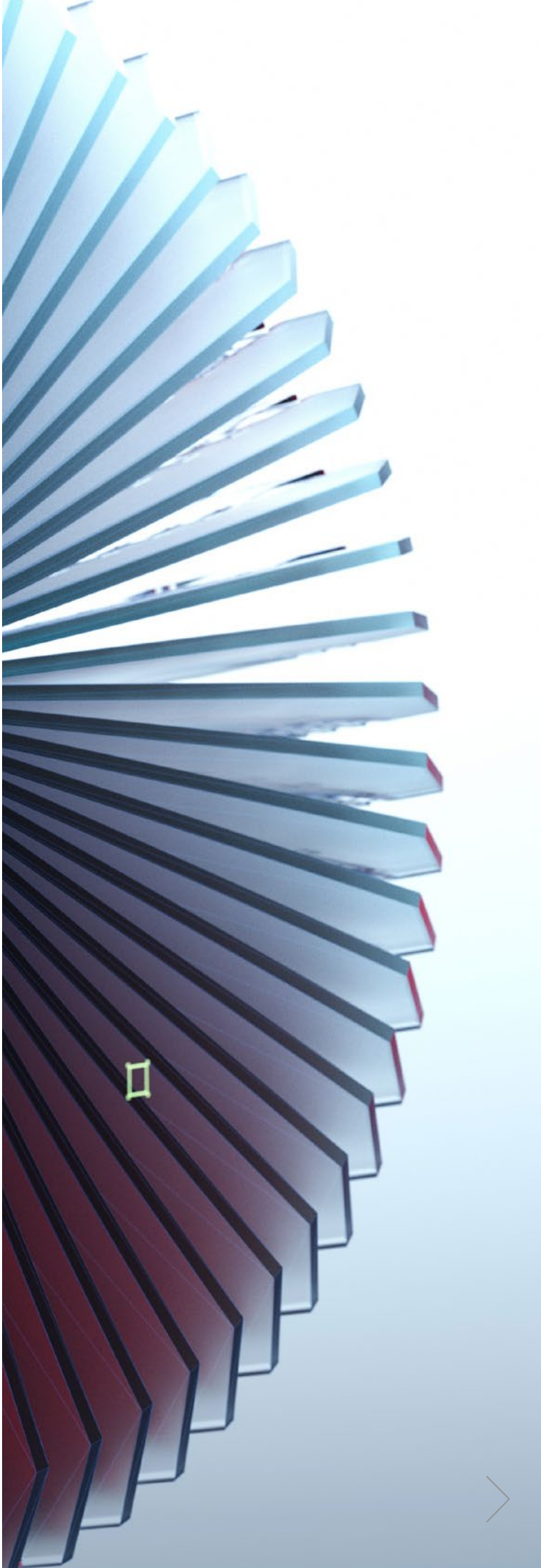
Personalised policy offers
Using the analysis and integration of data such as demographics, behavioural patterns and risk profiles, insurance companies can tailor policies to the individual needs of the client. For example: the customer may receive a specific insurance offer prepared based on information about driving habits, location and vehicle type.

Fraud detection
By analysing various data sources such as claims history, customer behaviour and external data from public records and social media, insurers can identify patterns indicative of fraudulent activity. This allows insurance companies to detect fraudulentclaims and proactively prevent such practices, protect financial performance and set fair premiums for clients.

HEALTH PROTECTION

Predictive analytics in patient care Integrating electronic medical records, clinical data and patient demographics, providers of health services can develop predictive models and identify people at risk of certain conditions. This helps to take appropriate action, detect diseases early and personalise treatment plans for more effective healthcare and reduces its costs.

Optimisation of healthcare resources
With real-time analysis of patient data, occupancy rates and staff availability, healthcare provider organisations can make better use of their resources. This makes it easier to manage the sites and minimise waiting times and improve overall operational efficiency, resulting in a better patient experience.



E-COMMERCE

Personalised recommendations
E-commerce platforms use data such as customer browsing behaviour, purchase history and demographic information to make tailored product recommendations to customers to individual preferences. In this way, customers have a better shopping experience and are more likely to convert.

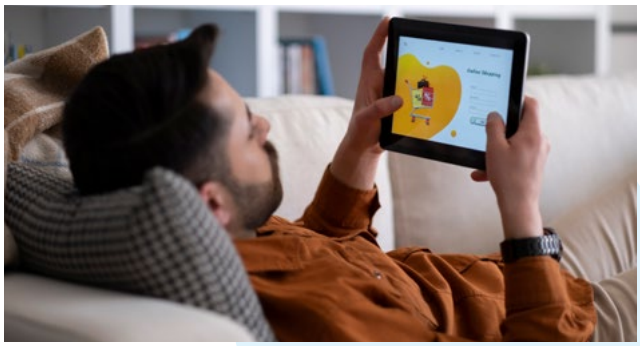
Inventory management and demand forecasting By integrating data from multiple sources, such as sales records, website traffic and social media trends, e-commerce companies can accurately forecast demand for specific products. This, in turn, optimises stock levels, reduces stock shortages and ensures timely delivery of orders, thereby increasing customer satisfaction and operational efficiency.

Tailored product recommendations

Optimisation of stocks and operational efficiency

RETAIL

Customer segmentation
The retail business operates through multiple channels, including stationary shops, website e-commerce and a mobile app. Each channel generates data independently, such as sales transactions, customer profiles and product inventories. By integrating and analysing data from different channels - including purchase history, demographics, site visitor behaviour - a company can segment its customers into different groups according to their preferences and shopping patterns. This information helps to tailor marketing campaigns, personalise recommendations and optimise product offerings.



Tailored offer to the needs of client groups

Benefits of data analysis and integration

FOR THE CLIENT

Personalised experiences
Analysing and integrating data allows companies to understand individual customer preferences and, by doing so, deliver personalised experiences tailored to each customer's specific requirements.

Proactive and timely services
By analysing data from multiple sources and integrating it into a holistic picture, companies can anticipate customer needs and identify potential risks (e.g. a change in insurance policy coverage due to a change of residence or more frequent international travel).

FOR BUSINESS

Improved operational efficiency
Integrating data from different systems and sources streamlines processes and reduces manual tasks.
By eliminating data silos and creating a unified data environment, companies can minimise errors and speed up decision-making processes.

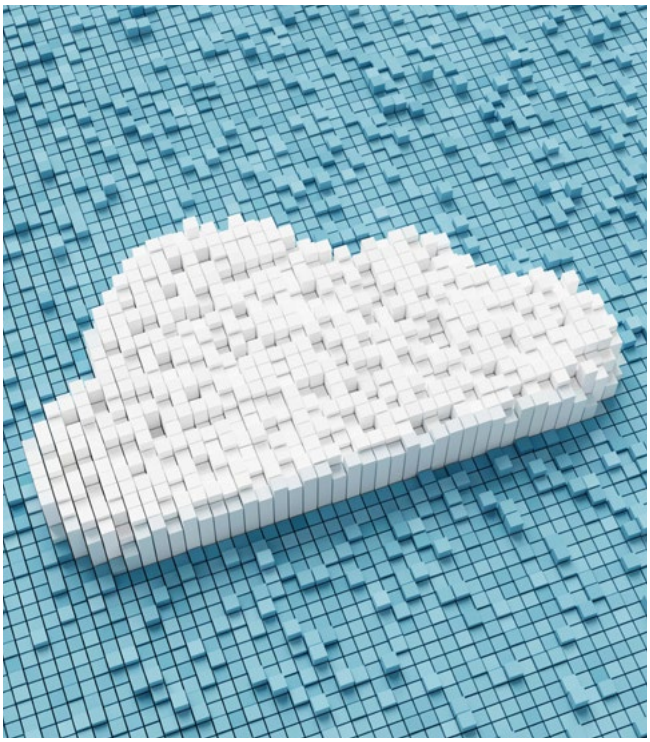
Effective risk management
By combining internal data with external sources such as market trends, customer feedback and social media, companies can get a complete picture of potential risks and risk profiles. This allows companies to develop proactive strategies to mitigate risks and reduce potential losses.

Improved insight into customer data
By analysing and integrating data, companies can better understand their customers and tailor their offerings to them, improve targeting and provide a better customer experience. This in turn has a direct impact on satisfaction and customer retention.

Selected technologies used in data analysis and integration

Technologies used

- data visualisation tools
- ETL tools
- data integration platforms
- big data processing technologies
- machine learning
- artificial intelligence
- cloud computing (cloud computing)
- data warehouses
- data and metadata management technologies



You can read more in the section on technologies.

According to the market

In our case, the challenge is to integrate data from several hundred businesses that, together with the BRW shops, participate in the customer contact process. While for the customer it is still contact with one brand, for us The challenge is to enable the transfer of data between the various entities behind the brand. All of this means that we should have limited confidence in a client's historical transaction data, and especially in its completeness. One challenge here is the reluctance of customers to identify themselves (e.g. by logging in or using a loyalty card). When the value of the purchases made is small, in stationary shops the customer, after all may or may not identify themselves. However, I believe that we have no choice here and that in the long term, greater data integration is necessary.

Another challenge in our area is the integration of production data with retail data. For example, in the case of a complaint about a particular product, it is not always so easy to determine exactly where and when it was produced, what shelf it was on and so on. Integrating data for the entire customer value creation chain really is a challenge.

Marcin Charkiewicz
Client Director,
Black Red White

5 ESG

What is ESG?

The **ESG** trend can be described as a set of criteria used to assess the sustainability and social impact of a company's activities and practices. ESG considers three key areas: environmental (environmental), social (social) and governance (governance).

Environmental area relates to the company's impact on the environment. It covers issues such as carbon emissions, energy efficiency, waste management, resource conservation and the use of renewable energy. Based on environmental factors, it is possible to assess how a company's activities affect ecosystems, climate change and the depletion of natural resources.

Social area describes the relationship between a company and its employees, customers, communities and other stakeholders. It covers employee practices, diversity and inclusion, employee wellbeing, community engagement, human rights and product safety, among others. On the basis of social factors, it is possible to assess how a company manages its relationships and influences the well-being of the people associated with its activities.

Management area, on the other hand, refers to the systems and processes used to direct and control the company. On the basis of governance factors, it is possible to assess the company's governance, level of accountability and compliance with ethical and legal standards..

ESG areas

Environmental

- renewable fuels
- greenhouse gas emissions
- energy efficiency
- climate risk
- water resources management
- recycling

Social

- health and safety
- working conditions
- employee benefits
- diversity and inclusiveness
- human rights
- impact on local communities

Related with management

- legal and ethical standards
- stakeholder involvement
- stakeholder rights
- business management

What do customers and experts say about ESG?

61% of clients support the development of ESG in companies. The trend has twice as many supporters as hyper-personalisation or automation. Interestingly, its acceptance is not correlated with age – as in the other trends, where the highest level of acceptance was characterised by young people – but with gender (women 67%, men 56%).

81% of company representatives are convinced, that the sustainability trend will continue to grow in the market, with 69% saying it will increase in the company they work for. At the same time, more than half of customers (53%) believe that companies' green and pro-social activities and consumers' purchasing decisions contribute to positive social and environmental change.

As many as 73% consumers declare, that while deciding on a product, they consider environmental care and business ethics, while corporate social responsibility is slightly less important (68%). But only 25 per cent of customers say that they have experienced a product or service cancellation due to the company's unethical actions or lack of concern about the environment.

What do we look out for when shopping? Of the ESG-related factors, the place of production **of the selected product (77%), eco-friendly packaging (74%)** and **use of chemicals in production (70%)** are the most important.

Company representatives, on the other hand, independently from the sector represented, most often declare that, as part of sustainable development, their companies control the amount of waste generated and dispose of them.

customers support the development of ESG in companies

company representatives believe that the ESG trend will grow in the market

consumers take environmental considerations into account when choosing a product

consumers check the place of production of selected products

appreciates eco-friendly packaging

takes into account the use of chemicals in production

Source: Trend and technology acceptance survey among customers (n = 2000) and experts (n = 200), PZU 2023.

Why are ESG factors so important in building CX today?

ESG reflects companies' responsible approach to managing their social and environmental impacts. The growing environmental awareness of customers is becoming an important factor in their choice of products and services. Customers are increasingly choosing products and services that are environmentally friendly. Companies have used energy-saving technologies or green energy to manufacture these products, and have taken care to reduce waste or used recycled materials. Consumers want to know that their purchasing choices have a positive impact on the planet.

Social aspects also influence the customer experience. Customers are more likely to support companies that respect the rights of employees, provide fair wages, promote diversity and equality, and care about the wellbeing of local communities. Positive action in these areas increases customer loyalty and builds strong relationships with the brand.

Companies that are committed to transparency and ethics in their practices inspire confidence in their customers. This translates into brand reputation and image and, in turn, customer loyalty. Companies that take ESG seriously and are transparent in their actions enjoy special attention from customers and often gain a competitive advantage.

> *We believe that business at its best serves the public good, empowers people around the world and connects us like never before.*
>
> **Tim Cook**

ESG – challenges

With the growing emphasis on ESG factors comes the various challenges and risks that the trend brings with it - among others, *greenwashing*, a situation in which companies make false or misleading claims about their environmental or social performance.

In this light, it is crucial to ensure the integrity of ESG practices in relation to accurate and reliable data. Obtaining this data can also be a challenge, especially due to the different levels of data transparency and the hassle of standardisation (especially data from supply chains or external sources).

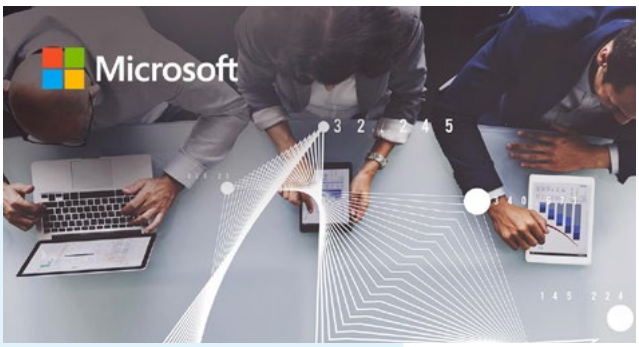
ESG – best practice examples

Companies are increasingly seeking to conduct their business in line with ESG best practice. Here are some examples.

MICROSOFT

Microsoft is focused on minimising the negative environmental impact of new technologies. Its "Environmental Sustainability Vision" programme aims to minimise the environmental impact of the company and support a sustainable future. There are concrete commitments behind this programme. In 2020, Microsoft has pledged to achieve zero carbon emissions coal by 2030. Since then, it has been investing in renewable energy projects. Also, by 2030, the company aims to be entirely zero waste – that is, to produce no waste at all.

Microsoft supports its customers on the road to sustainability and offers products to help manage ESG.

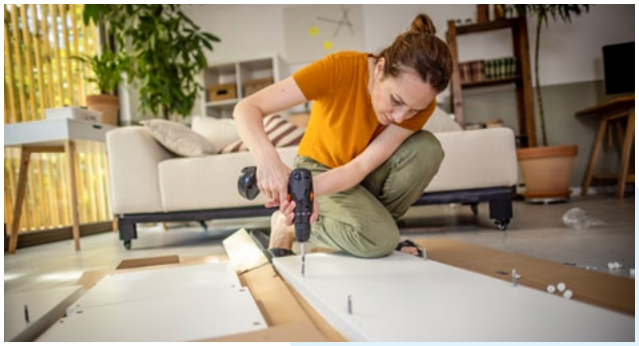


Company commitments support a sustainable future

IKEA

Ikea has taken up the challenge of giving a second life to furniture. It offers a 'Give Back and Profit' service to help reduce the cost of sustainable living. Customers who have unwanted furniture in their home purchased from IKEA can return it to the company. In return, they receive reimbursement in the form of a reimbursement card. Furniture donated within the scope of the service are issued at reduced prices for re-sale.

In addition, the company encourages customers to make informed purchasing decisions, go green and reduce resource consumption. Shares practical tips and tricks. How to give your home spaces a new look with little effort.



A second life for furniture

SAMSUNG

Samsung is taking steps to extend the life cycle of their products. To this end, it has introduced a self-repair programme for selected smartphone models.

The company offers users access to the necessary toolkits and genuine Samsung parts that can extend the life cycle of the devices. Replacement units consisting of the phone's display, metal frame, bezel and battery are available to customers. This allows smartphone users in Europe to replace the display, rear glass and charging ports themselves. Samsung plans to expand and thereby contribute to the to reduce the environmental impact of its products.

Samsung extends the life cycle of its products

OTHER EXAMPLES

INSURANCE

Sustainable insurance products Insurance companies can offer policies that encourage customers to project with renewable energy, energy-efficient buildings or sustainable transport. In this way, clients can reduce potential costs and receive an experience that is in line with their values.

PZU has PZU Energia Wiatru and PZU Energia Stonca products for corporate customers, which protect wind power plants and installations photovoltaic systems in case of failure, damage or destruction. And for households, small and medium-sized enterprises and farms, PZU has prepared the PZU Eko Energia policy.

BANKING

Sustainable financing options
Banks offering sustainable financing options provide customers with the opportunity to support environmentally and socially responsible projects. By incorporating ESG factors into their lending practices, banks can enable customers to invest in renewable energy, sustainable businesses and community development initiatives.

Responsible investment advice
Banks can provide guidance to clients on responsible investment and the integration of ESG factors into investment decisions. By offering personalised advice on sustainable investment opportunities, banks help clients achieve their financial goals while aligning with their values.

E-COMMERCE

Balanced product range
E-commerce platforms can offer customers a wide range of environmentally friendly products and from sources that meet ethical standards. Customers can choose according to their values and support responsible consumption and positively influence on social life.

Sustainable supply chain management
Trading companies can better balance their supply chain. To do this, they can source responsibly, apply fair labour standards and reduce their carbon footprint.

Benefits of ESG

FOR THE CLIENT

Compliance with values
ESG criteria allow clients to support companies with whose values they identify. Customers have a sense of, that they are receiving a product or service from a supplier that shares their beliefs. It gives a sense of satisfaction -customers feel that their purchasing decisions have a positive impact on the environment or society.

Reducing environmental impact through consumer choice
Reliable information on pro-environmental solutions and green features of products and services allows customers to make informed choices. This enables them to take care of the environment.

Supporting the well-being of local communities
Choosing local products and those made by the work of decent- paid workers translates directly into an improvement in their quality of life. Choosing products from companies that additionally support social initiatives contributes to addressing important social issues.

Improved quality and safety of products and services
ESG considerations are driving companies to develop innovative and sustainable products that benefit customers. They meet the highest quality standards and guarantee the safe use of the products purchased.

FOR BUSINESS

Increased trust and reputation
Focusing on transparency, ethical conduct and responsible business practices, companies build stronger relationships with their customers. Customers perceive these companies as trustworthy, reliable and committed to social wellbeing.

Employee engagement and talent attraction
Companies that take ESG factors into account are often attractive employers for people who want to treat their work as a mission. In addition, ESG-compliant practices often influence a positive work culture and increase employee satisfaction, resulting in better performance and reduces their turnover.

Long-term value creation
By considering environmental and social impacts, companies can identify opportunities for efficiency improvements, cost savings and innovation. This promotes long-term stability and resilience and ensures business continuity and growth.

Access to capital
Many investors now take ESG factors into account when making investment decisions. By integrating ESG practices, companies can gain better access to capital from investors who prioritise sustainable and responsible investment. This opens up opportunities for funding, partnerships and business development. In addition, companies with good performance on ESG can enjoy lower borrowing costs and better credit ratings.

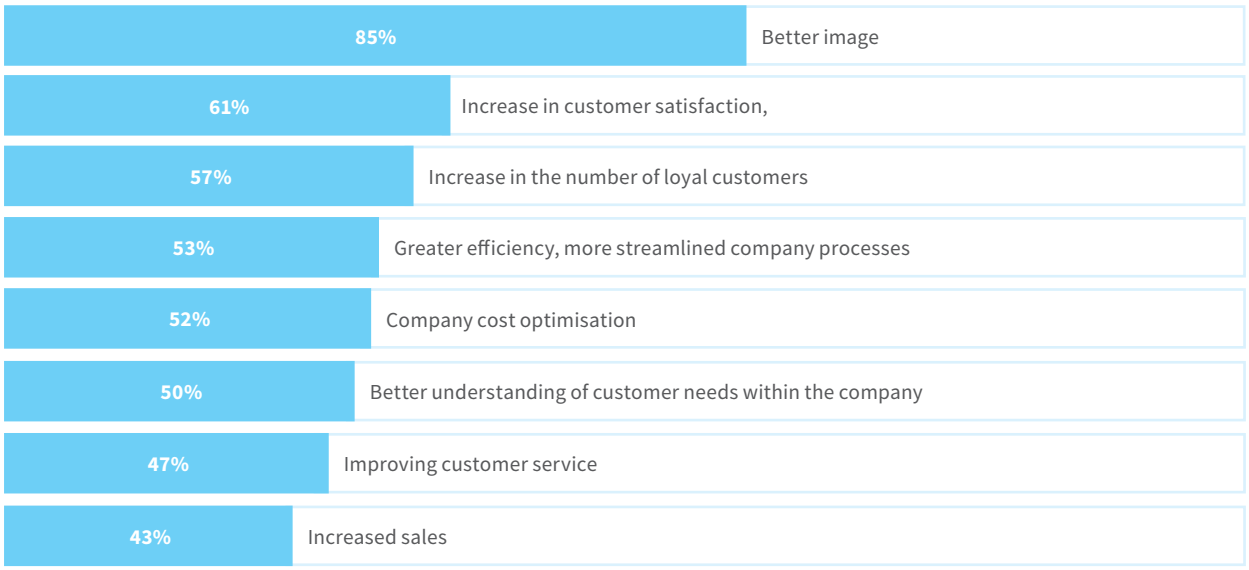
Challenges and benefits through the eyes of customers and experts

54% of consumers declare that they have more confidence in sustainable companies. In contrast, the challenge for companies is the visibility and credibility of pro-environmental measures. Currently, only **22% of customers** consider that companies in their business already undertake them, and **63%** – believe that many companies mislead customers with statements about their green activities *(greenwashing)*.

54% consumers trust companies that act 54% in accordance with ESG

63% customers say that many companies are misleading customers

Company representatives recognise customers' green attitudes and see the benefits of sustainability for the company.



Source: Trend and technology acceptance survey among customers (n = 2000) and experts (n = 200), PZU 2023.

What customers see as the advantages and disadvantages of corporate sustainability

"A sustainable approach by companies can help save the planet from climate catastrophe."

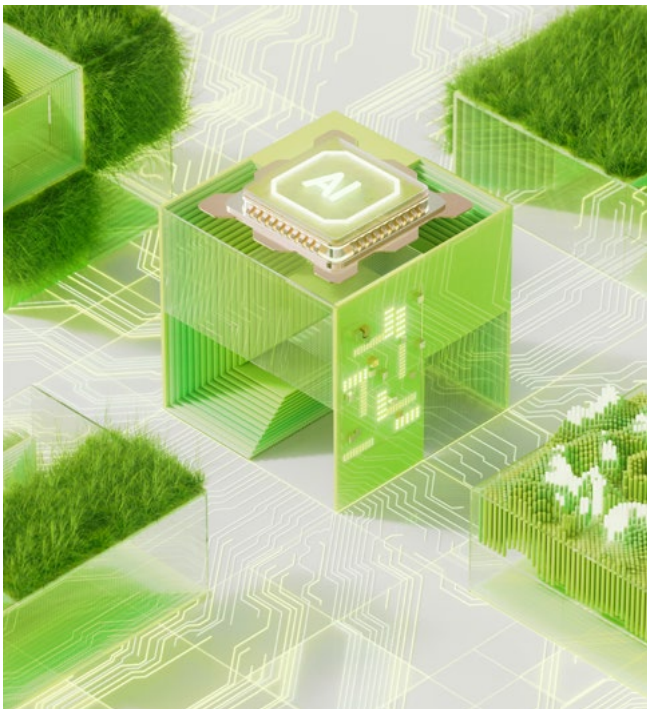
"I believe that this can contribute to less waste and a cleaner environment in the future."

"Often companies for their own benefit, more safes, mislead consumers by misusing the phrases 'bio'/'teco'."

Selected technologies used in ESG

Technologies used

- energy efficiency technologies
- supply chain management systems
- tools for monitoring and reporting greenhouse gas emissions, energy consumption and other indicators
- blockchain technology and other distributed registry technologies
- data management platforms
- artificial intelligence
- machine learning
- internet of things



You can read more in the section on technologies.

Technologies

Key technologies that support the Customer Experience (CX) area

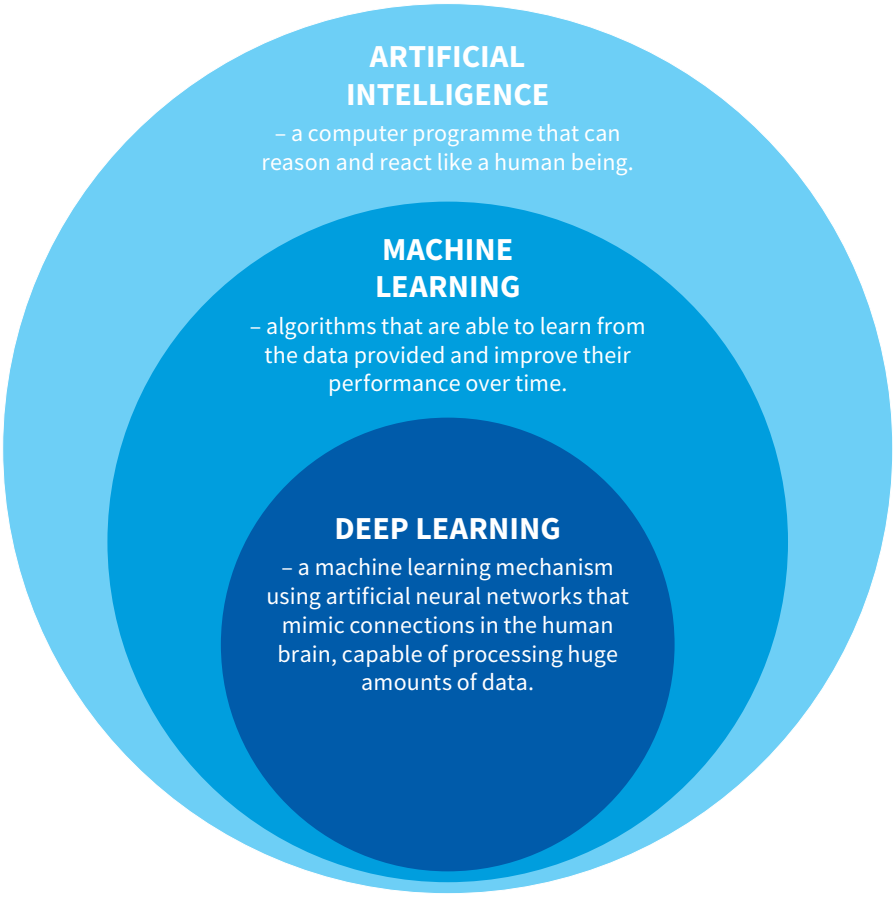
1 Artificial intelligence

For the past few years, we have witnessed a real acceleration in the development of artificial intelligence (artificial intelligence, AI), machine learning (*machine learning*, ML) and so-called deep learning (*deep learning)* – that is, technologies that allow machines to mimic human intelligence.

With AI, the machine can perceive the environment in a human-like way and reason, learn and plan in a way that is similar to the way humans do. There are thousands of applications for AI - from online communication with customers to playing chess to diagnosing diseases more effectively. AI will change virtually all aspects of life and the economy, experts say and will affect all sectors.

Currently, generative AI is having its big moment, with tools such as **ChatGPT**, **Bard** or **DALL-E** revolutionises content creation, business case solving and information retrieval. Driven by massive amounts of data, algorithms can learn, interpret reality, perform tasks and answer questions just like a human being.

Three levels of AI



Artificial intelligence has huge potential in building today's customer experience. It is extremely difficult to cover all the areas in which it is or will soon be used. However, let's try to look at the applications of AI that are key to building and managing the Customer Experience.

Hyper-personalisation

One of the most significant ways in which artificial intelligence is changing the customer experience is through hyper--personalisation. With AI, companies are able to analyse vast amounts of customer data, such as purchase history, browsing behaviour, time spent on particular activities, location and time of online activity. This allows companies to create personalised recommendations, offers and marketing campaigns.

You can read more in the chapter on hyper-personalisation.

Chatbots and virtual assistants

Using artificial intelligence, chatbots and virtual assistants have already become an integral part of customer service in many companies. They provide immediate assistance and respond to queries around the clock, saving time for both customers and staff. Thanks to them, in many cases a human being is no longer needed to provide assistance. Chatbots and virtual assistants also answer frequently asked questions.

PZU has had a virtual assistant, Iva, who has been assisting consultants for several years – she answers 1,500 calls a day on the PZU Health helpline.

Voice recognition and natural language processing

Artificial intelligence can understand and interpret human language through a process called natural language processing (NLP). This makes it possible for customers to talk to the company on the phone or in a chat room without a human being on the company's side. Today's systems, such as **Siri**, **Alexa** or **Google Assistant**, are able to not only understand customer queries, but also read their moods and intentions. The days of mechanical voices are slowly passing away - the voice of today's assistants is sometimes hard to distinguish from a human voice!

Predictive analytics

One of the most important advantages of artificial intelligence is its ability to analyse vast amounts of data and generate predictions. This makes it possible for companies to anticipate customer behaviour and preferences and identify potential problems before they arise.

Automation

Artificial intelligence makes a huge contribution to automating repetitive, routine tasks, freeing up staff time to focus on more important things. Applications of AI in automation abound – from order processing to data entry to emailing. The customer gets basic information and assistance faster: this makes their experience better and their satisfaction higher.

PZU was the first insurance company in Poland to allow customers to report a motor vehicle damage by means of an AI-based tool. The customer uploads the photos via a special app and artificial intelligence assesses them – locating all the parts visible in the photos and assigning them a damage rating. After analysis, the system decides whether to qualify the damaged component for repair, replacement or painting.

You can read more in the chapter on automation.

According to the market

Data from the report shows that almost one in three young people, educated and from a large city, are enthusiastic about artificial intelligence and ChatGPT. The higher the average age, the greater the conservatism. This is for suppliers Technology means one thing - a huge responsibility in developing such solutions so that they are safe and accessible to all. At Microsoft, this means adhering to basic principles such as integrity, reliability and security, privacy, inclusiveness, transparency and accountability. This approach during the design of any solution is necessary to build user confidence. Building awareness of their potential to solve the most pressing global problems can also have a significant impact on reducing the reserve for this type of innovation. A very recent example, for example, is the use of artificial intelligence to model and predict the risk of fires in order to better manage resources and their deployment in the effective fight against the disasters currently so severely affecting many countries around the world.

Dominika Bettman
Director General,
Microsoft Polska

2 Internet stuff

The concept of the Internet of Things (*internet of things*, IoT) has existed for decades, but has recently become viable thanks to advances in technology. The Internet of Things is the interconnection of a common network of different physical objects (things), such as fridges, watches or car systems, which are equipped with sensors and software to exchange data with other devices.

How exactly does the internet of things work? Take one of the most common examples, the smart home *(smart home)*. Sensors incorporated in doors and windows, motion detectors and smoke, temperature and water pressure detectors in combination with an alarm setting panel, for example, they protect the home against burglary, fire or flooding. The devices themselves will react when an anomaly occurs and send a signal to the cloud, from where an alert will in turn be transmitted to our mobile phone. Using the app, we will be able to check all readings, as well as view camera images to see what is happening in the house and, for example, remotely activate or deactivate the alarm system.

How does the internet of things work?

Sensors **Gateway** **Cloud / server** **Mobile application**

The sensors transmit the information to the cloud, from where a notification is sent to the user's mobile device.

How will IoT change customer service? Already, many companies are using cross-device communication to enhance the customer experience. The following are key examples of such practices.

Remote resource management

With IoT, companies can put sensors in devices that will provide information about a problem (and even solve it) before the user even realises something is wrong. For example: car manufacturers can use IoT sensors to detect when a car needs servicing and automatically send requests to customers to make an appointment.

The sensor can also perform another function and monitor the driver's driving style - how he or she brakes and accelerates, whether he or she is speeding - which can affect, for example, the third-party liability premium.

Asset management and monitoring of supply chains

IoT technology allows thousands of assets to be monitored and managed simultaneously. For example: the staff of a nationwide car rental company can use the technology to track where rental vehicles are, how many cars are available and that there is no risk of technical failure.

And in the retail sector, IoT can help predict product availability in a warehouse or shop and automatically update the information in the app or on the company's website. Similarly for supply chain monitoring – IoT devices in trucks or trains make it possible to track where products are and where bottlenecks are possibly occurring.

Proximity marketing *(proximity marketing)* and hyper-personalisation

Imagine an IoT sensor that detects in or near a shop the presence of a phone whose number is assigned to an already registered customer of that shop. This allows you to run, for example, a promotional offer for that customer and send a push notification when they pass by. Such a solution is used by, among others, the Macy's chain of shops.

Furthermore, IoT solutions can integrate with *contact centre as-a-service* (CCaaS) platforms, *customer relationship management* systems (CRM) and chatbots to gather information and knowledge about customers, which in turn enables a more personalised and engaging customer experience.

Principle of *proximity marketing*.

The company places small transmitters *(beacons)* in various locations in the shop.	They emit signals **BLE** *(bluetooth low energy)*, which connect with customers' mobile phones using Bluetooth technology.	The signal connects with the customer's purchasing application.	The company, through the app, provides the customer with additional product information, offers discounts and special offers.

Staff support

Sensors deployed in a shop, for example, can alert staff to higher traffic volumes so as to quickly direct more staff to the checkouts, for example. Sensors can also monitor how customers move around the shop, allowing heat maps to be created and promoted products to be displayed where traffic is high.

Sending health data in real time

Today, thanks to IoT, *wearables* (wearable devices) – such as watches or IoT-enabled rings – monitor patient data themselves and are able to send it to the healthcare provider in real time. Sometimes the technology goes a step further: patients are given a sensor to swallow, which is taken like a normal tablet. It can check and monitor their health parameters on an ongoing basis.

3 Mobile applications

Today, it is difficult to imagine an activity that cannot be performed via a mobile app. We can do almost anything from our phone or tablet today - pay bills, take out an insurance policy, buy any product around the world, book flights, accommodation and tickets, rent a city bike or scooter, make an appointment with a doctor or hairdresser, transfer or exchange money or participate in an online meeting. The potential of the application is expected to increase further in the coming years, and their development will continue through a combination of technologies such as augmented and virtual reality, artificial intelligence and the internet of things and blockchain. Further development of *wearables* technology will also be important.

Simply having a mobile app is not enough, however. Today, it is important how the application functions, whether it is easy to use, fast and intuitive, and whether it has a user-friendly interface (*user interface*, UI), how the graphics look and whether the experience during its use is consistent with experience on other platforms and in other channels. Applications should also be independent of these platforms and provide the highest level of security for customers.

Benefits of mobile applications for the CX area

Convenience for the user

All you need is an internet-enabled phone to handle any matter - whether it is the purchase of a product or service or contacting customer service. Mobile apps are one of the most convenient platforms for interacting with a company anywhere, anytime. There are already nearly 7 billion registered mobile phone subscribers worldwide, which forecasts further huge growth in this form of communication.

Personalisation

Apps allow a large amount of data to be collected about customers, their behaviour and preferences, and features such as location help tailor offers to individual users.

One example of a uniquely personalised experience is Duolingo, the leading language learning app. Duolingo somehow knows that we tend to get distracted, so it uses gamification to keep us engaged and motivated to learn. As users, we get frequent comments of congratulations, information about progress made and results and encouragement to continue learning.

You can read more in the chapter on hyper-personalisation.

Notifications *push* and communication

With mobile apps, companies can use push notifications in their communications, informing about new products, offers, competitions or challenges. For example: the Zabka chain of shops regularly informs customers about promotions and news – its application encourages people to break open a pinata every day, which contains a special offer valid for one day (e.g. a product at a lower price) and motivates them to take on challenges, for which they can receive so-called 'zapps', i.e. additional points in the application.

Increased engagement and loyalty programmes

Today, in almost every chain shop, we will hear a question at the checkout about the brand's shopping app. By scanning the barcode in chains such as Rossmann, Drogerie Natura, Super-Pharm, Lidl, Biedronka, Zabka, Starbucks, Green Caffe Nero, Costa Coffee or others, we can count on special prices for club members, discounts and coupons. With the points collected, we can get, for example, an extra coffee, buy some items in the "2+1 free" promotion or donate money to a charity of our choice.

Streamlined transactions

Thanks to apps, we can more easily carry out transactions and make appointments with just a few clicks. Just think of how much apps such as Booking.com and Airbnb have revolutionised the way we book accommodation, and the Booksy app has revolutionised the way we arrange services in the beauty sector. The great advantage of such solutions is simultaneous access to thousands of options, a simple choice of convenient dates and, finally, the opportunity to evaluate the service and add a review.

According to the PZU expert

Omnichannel, hyper-personalisation, automation – from a company perspective, this is an important but winding path. And at the end of it, the prospect of increased turnover. In process design, we should focus on the key outcome, which is a similar perception of the company regardless of where the customer comes into contact with our brand. This would certainly not be possible without digitalisation and mobile apps, which are becoming a must have for businesses and customers. At the same time, simplifying processes reduces the workload of employees, which is undoubtedly another business benefit.

From the point of view of large financial or insurance organisations, the blocker to process change remains the lack of technological unification. I believe that we are able as a people to work beyond the silos of teams. It will be a success to build universal connectors that allow communication between Internal tools.

Wioletta Łada-Szewczenko
Head of Digital Marketing and Research,
PZU

4 *Wearables*

Technologies ***wearables*** – otherwise known as wearable technologies, such as smart watches, jewellery and wristbands – have taken the market by storm in recent years and have become the trendiest gadgets among technology fans. However, their role does not end on facilitating contactless payments or measuring distance – could turn out to be serious solutions for business, and the world's biggest technology companies are planning to work on them.

Today, *wearables* are not just smartwatches, rings or wristbands, but also smart fabrics, glasses, corrective lenses or even tattoos. What they have in common is that they operate in real time and can constantly communicate with the user through on--screen notifications, colour changes or voice notifications. Because the devices these are part of our clothing, there is a real race among manufacturers to design the most useful items that we simply won't want to take off.

Benefits of *wearables* technology for the CX area

Tracking customer needs and wants

The great advantage of wearable technologies for the CX area is that they capture huge amounts of data – so they can continually provide companies with valuable information about customer needs. Electronics-laden bracelets have become a hit including on board cruise ships and in theme parks.

A famous example is the Disney Band bracelet, used in the Disney theme parks. Combined with the My Disney Experience app, it provides us with virtually everything we need during a visit to the park: it acts like a room key, entrance ticket, payment card and pass to bypass queues *(fast track)*. With the mobile app, on the other hand, we can purchase additional services, book a table at a restaurant and plan daily activities.

Facilitated payments

Wearable devices equipped with *near field communication* technology (NFC) or other contactless payment systems are perfect for paying. A simple gesture or tap is all it takes to complete a transaction without pulling your wallet from the bottom of your purse or pocket.

Health and physical activity monitoring

Wristbands, watches and rings allow you to monitor your body parameters - to keep tabs on your health and know your sporting achievements. The watch will notify us of our heart rate and blood oxygen levels, allow us to optimise sleep or reminders to drink water.

Gamification and engagement

Competitions and challenges offered by apps on wearable devices motivate people to engage in competition with other users. On occasion, they encourage movement and exercise. These could be challenges such as taking a specific number of steps for a charity or ones where users get rewards for a specific physical activity.

Improved customer service and product development

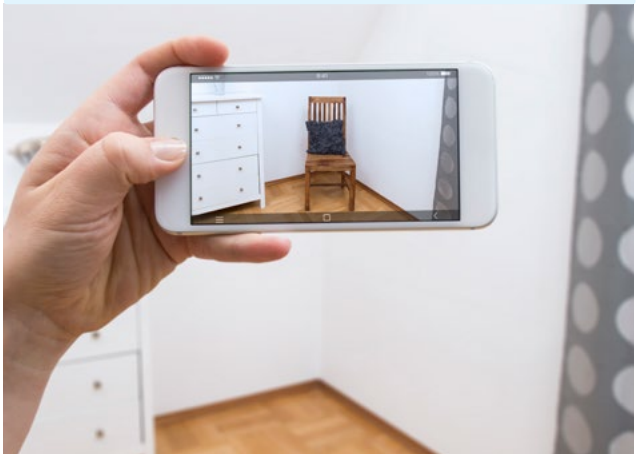
The *wearables* are an extremely valuable source of real-time information on customer decisions. A flagship example of this is Google's glasses (Google Glass) – an idea that still has huge potential in the field of CX. Google Glass technology allows users to see a screen similar to a smartphone. It is activated by voice and allows you to communicate with the internet using voice commands. Smart glasses can also work well on the so-called 'other side' - worn by a customer service employee, they give them instant access to customer data, and this knowledge allows them to better respond to their current needs.

5 Virtual reality and augmented reality

Virtual reality (VR) and *augmented reality* (AR) technologies have gained on importance during the pandemic, when we could not travel or visit exhibitions or new places. Many museums, theme parks or attractions then decided to provide a virtual tour option, using VR and AR technologies. Currently, these solutions are primarily used by companies in the gaming, entertainment and marketing sectors, but the market for these technologies is predicted to grow significantly in value.

What is the fundamental difference between AR and VR?

AUGMENTED REALITY



Augmented reality creates a mixed reality experience by overlaying digital information onto the physical world. In AR, the boundary between the real and virtual worlds is blurred. Examples include the filters used in apps such as Snapchat and Instagram.

VIRTUAL REALITY

Virtual reality places the user in a completely digital environment, cutting them off from the real world. Level of intensity
The virtual experience can be very different – from passive (e.g. a film) to interactive (e.g. participation in a computer game). To access VR content, you usually need certain equipment – goggles, headphones or a suit with motion sensors.

Both technologies are significantly changing the way customers interact with companies and products today. They help to create a more engaging and immersive experience in which we can become totally immersed.

Benefits of virtual and augmented technology for the CX area

Virtual product tests

More and more shops today offer virtual fitting rooms where you can see how you will look in a particular outfit or with a particular colour of nail varnish. IKEA's Place app uses AR so that customers can visualise themselves looking at the furniture in their homes, and L'Oreal lets you virtually test your make-up. Importantly, these solutions do not require any specialised equipment – all we need to try on clothes or choose a sofa is a laptop or phone and an appropriate app.

Improved product visualisation

Presenting products in virtual reality can help to better highlight the features of an item and provide more information about it. Amazon has already been using this technology since 2017 – assistants such as AR View and Room Decorator allow customers to see how a product might look in their own homes.

Virtual tours and remote experiences

Thanks to VR and AR technologies, we can virtually visit real spaces, museums or monuments, or, for example, view hotels or properties. Virtual tours are also being offered by an increasing number of travel agencies.

Training and education

We can use VR and AR technologies in training programmes, as well as to create virtual simulations to help educate employees or customers.

Interactive marketing campaigns

VR and AR technologies can be helpful in creating marketing campaigns. For example: Adidas launched a campaign where customers in selected shops could feel like Ronaldo – donning goggles and sensors on their feet and taking part in a virtual football match, then creating a clip showing their experience.

Some brands – including Gucci and Nike – have also entered virtual worlds such as Metaverse and Roblox, where they set up their boutiques where users' avatars can shop.

6 Speech analytics

Speech analytics technology is a fast-growing branch of the market that can significantly enrich customer insights. The essence of speech analytics is the process of analysing voice interactions between customers and companies using natural language processing and machine learning. While listening to the customer has always been at the heart of an excellent Customer Experience, speech analytics allows you to better understand customer preferences, pain points and moods and identify recurring themes, as well as create syntheses of vast amounts of data.

Impact of speech analytics on customer interactions

Offering insight into moods

Using NLP technology and artificial intelligence, speech analytics makes it easier for us to identify customer emotions. For example: the system will recognise and tell us the attitude of a customer calling the hotline and how to conduct the conversation so that there is no drop in mood. Speech analytics also helps identify the root causes of customer dissatisfaction and how, how service personnel can deal with them.

Guidance for real-time customer service

Imagine a telephone conversation between an upset customer and an insurance agent. The agent may use from speech analytics to receive prompts and suggestions. With this technology, supervisors too can track conversations in real time and help colleagues when they need further guidance on how to handle a difficult situation.

Improved service quality

Using speech analytics, we can identify areas in customer communication that need improvement. Maybe For example, it may turn out that employees need training or additional guidance in order to better solve problems that arise during the interview.

Better understanding of the customer

With speech analytics, we gain insight into the customer's decision-making process and can identify, for example, the questions customers ask before making a purchase or find out what stops them from making a final decision. By analysing conversations with customers, companies can discover valuable information about their needs and preferences.

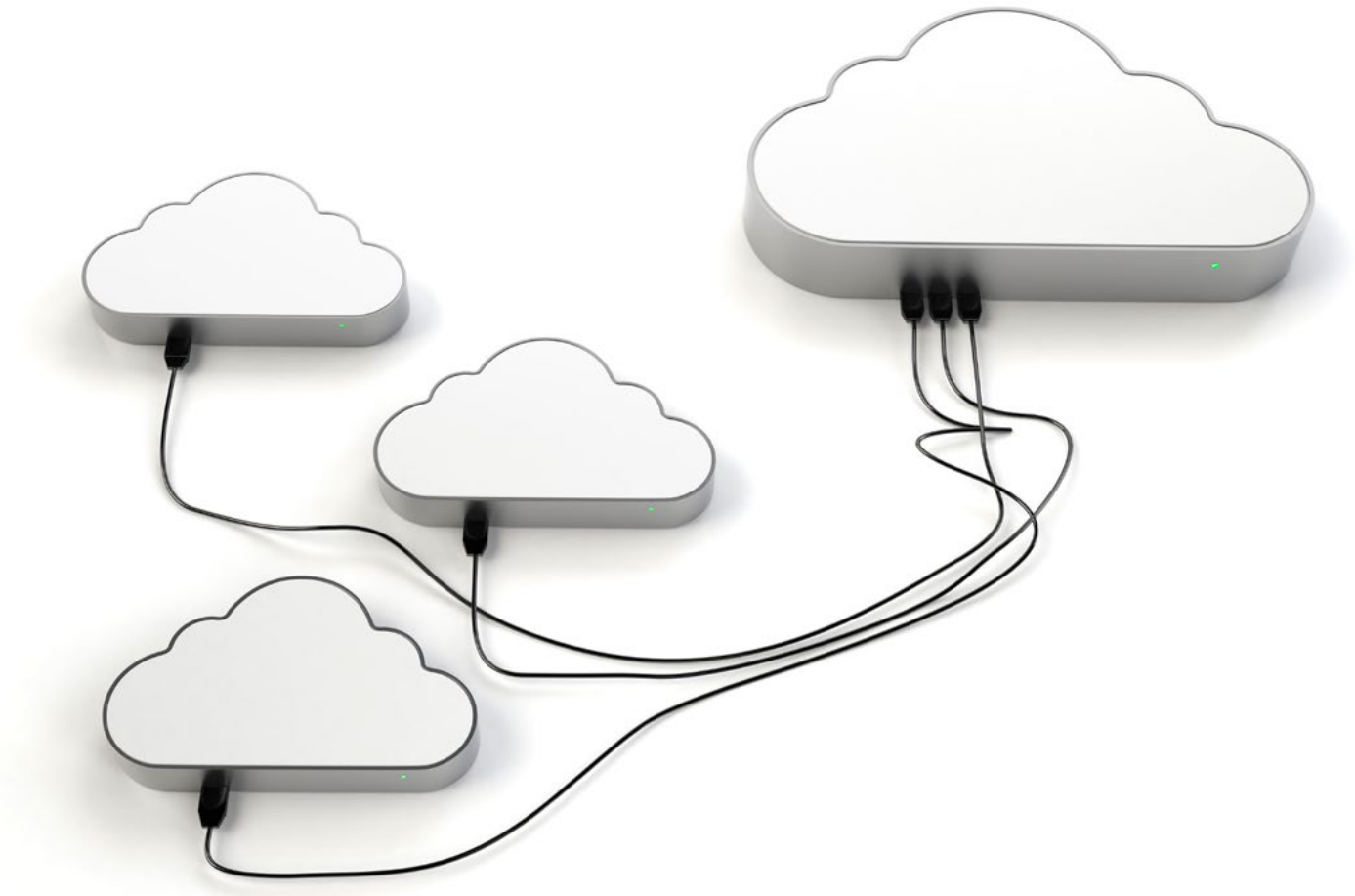
7 Cloud-based web solutions

Cloud-based web solutions refer to applications and services that are hosted and managed on remote servers, often in the cloud. In this way, we no longer need to have a local infrastructure - and users gain access to services from anywhere the internet is operational.

Cloud-based solutions are now recognised as the best for distributed and hybrid teams - enabling them to work in a shared environment, as well as allowing multiple people to work simultaneously on a single document or project. Updates and changes to the cloud made by one user are immediately visible to others.

Cloud-based solutions also provide robust security and protection for the data you store in secure data centres with advanced encryption and access control. Furthermore, in the cloud, backups are made automatically and information is not lost even in the event of a disaster.

Cloud-based infrastructures are now being chosen by many companies that want to scale while responding flexibly to changing business needs. With the cloud, we can easily increase or decrease computing resources, because we are not limited by physical equipment. As the company grows, the software can support the growing user base without disruption, while the company only pays for actual usage. Web-based and cloud-based solutions often operate on a subscription model and flexible terms. The cloud also reduces costs because we no longer need our own server infrastructure and save on maintenance, upgrades and energy consumption.



8 CRM solutions

CRM systems, or customer relationship management, are one of the most important tools we have at our disposal to build valuable and lasting relationships with customers. In a nutshell, CRM can be described as software whose heart is a database of customer data (contact details, purchase history, interactions with the company) and which allows the improvement and streamlining of many processes related to, among other things, sales, marketing and customer service and support.

CRM systems were introduced in the 1980s and were initially intended primarily to automate sales and contact management. Later, with the advent of the internet and the development of e-commerce, companies began to interact more deeply and extensively with their customers. New communication channels have increased the importance of CRM systems as sources of information about customers that can be used to build a sales strategy.

Today, CRM is the centre of customer relationship management, whose main goal is to personalise the customer experience at every stage of their *customer journey*. Big data and cloud and mobile technologies now make it possible to collect, and store and analyse vast amounts of customer data in CRM systems, creating new opportunities for personalising sales and marketing.

CRM systems are used today in areas such as:

- **sales**
  – Management and tracking of sales opportunities, potential customers, offers and orders,
- **marketing**
  – Email campaign automation, lead generation and customer segmentation,
- **customer service and call centre**
  – management and automation of customer service queries, requests and applications,
- **social media handling**
  – automating posts on social media, responding to customer feedback and comments on social media,
- **location-based services**
  – When integrated with GPS data, some CRM systems can create marketing campaigns using the customer's geographical location.

A properly designed and managed CRM system brings many benefits and it is hard to imagine a company today that does not use it.

Benefits of CRM solutions for the CX area

Improved customer experience

Because CRM systems store and analyse all available customer data, we can better visualise individual customer needs and desires. This personalises the customer experience, which in turn translates directly into customer satisfaction and loyalty to the company.

Automation of repetitive tasks

CRM systems allow you to automate repetitive, everyday tasks such as sending marketing emails or publishing posts on social media. This increases the productivity and efficiency of the marketing, sales and customer service teams, giving staff more time for more complex and demanding activities.

Sales support

CRM technology provides a comprehensive view of customer interactions and history, allowing us to analyse vast amounts of data, find patterns of behaviour and better tailor sales activities, including *upselling* and ***cross-selling***. It also helps to spot trends – both positive and negative – and react in time or spot opportunities for new product and service development.

In addition, with CRM systems, customer service representatives can quickly access customer information and offer them faster and more personalised support. This leads to faster response times, better problem solving and greater customer satisfaction.

Management of marketing campaigns

CRM technology helps to create appropriately targeted marketing campaigns that appeal to customer preferences and behaviour. CRM systems make it easy to segment customers and get in touch with them by sending the right messages at the right time. This results in more relevant campaigns, higher customer engagement and higher response rates (e.g. opening of emails).

Cooperation and communication

CRM systems are also a bridge between different teams. Because they provide a single source of customer data for the entire company, every employee involved in customer interactions has access to the same, up-to-date and complete customer data. This promotes more consistent and coordinated action across the organisation.

9 CXM solutions

Customer experience management (CXM) is a type of platform with strategies used to manage and optimise the customer experience. The CXM approach focuses on understanding and meeting customers' expectations, needs and preferences – a level above a CRM system, as it is a more customer-centric approach.

CRM system		CXM system
• Managing customer relationships, interactions and data across the customer lifecycle. • Higher operational efficiency and efficiency in sales, marketing and customer service.	**Main objective**	• Active management and optimisation of the overall customer experience at all points of contact with the company. • Understanding and meeting customers' expectations and needs.
• Tools and functions for managing customer data, sales processes, marketing campaigns and customer service. • A centralised base for storing customer information and facilitating various customer-related activities.	**Scope**	A broader set of strategies and processes beyond technology, which includes: • customer path mapping, • customer voice analysis, • personalisation, • multi-channel experience, • employee involvement, • continuous improvement, • emotional bond.
Internal (company) orientation CRM improves business processes, their efficiency and effectiveness, and helps to better understand and manage data and customer interactions.	**Orientation**	External (customer) orientation. CXM places the customer at the centre of business strategies to ensure they unique experiences. Creating customer value and building long-term relationships is a priority.
It provides detailed quantitative information based on data analysis and also allows you to look at your customers from the perspective of statistics, data and trends.	**Data**	It provides detailed qualitative data, unifies relationship data across the full customer lifecycle and gives top priority to customer service processes.
An operational tool that improves the efficiency of customer management processes – helping to streamline day-to-day operations in the sales, marketing and customer service departments.	**Operational** versus **strategic**	A strategic tool, it includes a holistic approach to managing the overall customer experience: • analysing the voice of the customer, • business process alignment, • involving employees, • continuous improvement of customer service.

10 Customer self-service software

Customer self-service software is a technology that allows customers to find information, solve problems and perform tasks on their own, without involving a customer service representative.

Customers do not always want direct contact with the call centre or technical support, and often even find this the least convenient option – sometimes they just need a hint on how to use the product. This is what the customer self-service portals serve.

Examples of the use of such software include:

- **knowledge bases**
  – include guides, tutorials, videos and instructions to help customers solve the most common product-related problems,
- **frequently asked questions (FAQs)**
  – sites that provide customers with quick answers to popular questions,
- **chatbots and virtual assistants**
  – tools using artificial intelligence, programmed to answer common customer questions and help them solve simple problems without a customer service representative,
- **interactive voice response (IVR)**
  – allow customers calling to the helpline to talk to the telephone system by voice and keypad,
- **discussion forums**
  – allow customers to exchange insights and answer questions posed by other users.

Self-service customer systems are becoming increasingly popular as they help to ease the burden on staff and build a better customer experience.

11 Customer data platform

A *customer data platform* (CDP) is software that allows you to collect and integrate customer data and then create a unified profile for each customer. A huge advantage of CDP is the unification of customer data from various points of contact (websites, mobile applications, CRM systems, marketing automation tools), allowing this information to be used extremely effectively for analysis, personalisation and appropriately targeted marketing activities.

How exactly does the CDP platform work? Today, customers engage with companies in different ways and through different channels, providing different information about their behaviour and choices. The platform collects this information and then standardises and transforms it, matching customer identities from different systems to create a single, accurate profile. The data from this profile is then used to support various marketing processes and systems, such as CRM systems, analytics systems, marketing automation, benchmark testing, content personalisation and social media activities.

Benefits of the CDP platform for the CX area

Single customer view

The CDP platform consolidates data from multiple sources to help create a unified and comprehensive view of each client. We can thus better understand its behaviour and preferences.

Personalisation and targeted marketing

By collecting and analysing the data, it is easier to segment the customer base and provide them with relevant content, recommendations and offers. We can also identify customers' pain points more quickly and accurately, better understand their entire pathway and provide them with a better experience.

Real-time customer information

The CDP platform provides real-time or near real-time access to customer data, speeding up the response to their needs. In addition, it allows us to quickly combine offline and online data so that we can, for example, display better tailored and consistent recommendations to customers.

Consistency of omnichannel approach

The premise of the CDP is to centralise customer data so that customers receive consistent messages, offers and experiences regardless of the channel they use. This consistent multi-channel experience increases customer convenience, engagement and satisfaction.

Data privacy and compliance

The CDP platform helps manage the privacy of customer data and comply with data protection legislation. Provides mechanisms to handle consent, data management and data security.

12 *Contact centre* as a service (CCaaS)

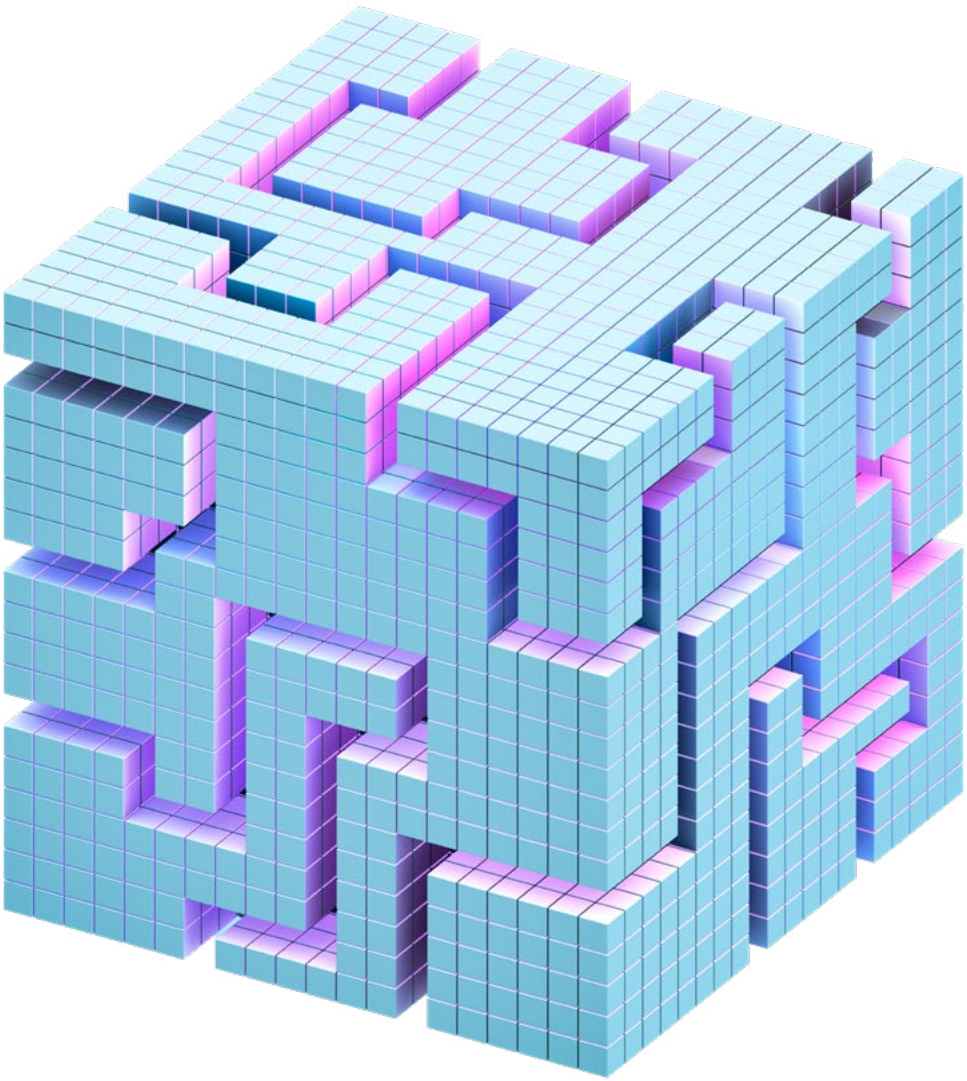
Contact centre as a service is a cloud-based software that provides companies with the necessary tools and infrastructure to configure and manage *contact centre* operations, such as voice calls, emails, chats or social media.

In the CCaaS model, instead of maintaining a local contact centre infrastructure, companies can use external platforms. As a result, they acquire only the necessary technology and have less need for in-house IT support.

With CCaaS, there is also no need to invest in or maintain your own hardware infrastructure. We can thus cut costs and reduce the burden of system maintenance and updates.

CCaaS is also a highly flexible solution that can be scaled to accommodate different numbers of connections and business needs. This is particularly useful when the demand for customer service increases or decreases depending on the time of year.

Today, CCaaS platforms easily integrate with other company systems, such as CRM or CXM, giving us seamless access to customer information and the history of their interactions with the company.



13 Automation tools marketing

Marketing automation tools are platforms that help streamline marketing processes, such as sending emails and *push notifications*, social media activities or testing advertising campaigns.

The most popular use cases for marketing automation

e-mail welcome upon registration on the siteor by subscribing to our newsletter

personalised e-mails offering customers a **discount** on **their birthday**

reminder messages, to **restock products**.

e-mails reminding of **abandoned shopping cart**.

e-mails of encouragement to **service evaluation**, **product** or **interaction with the company** (e.g. talking to a consultant).

Marketing automation tools are useful in building a positive customer experience because they collect data from different touchpoints and interactions. This information helps to create customer profiles, understand their preferences and monitor their path across multiple channels. They also facilitate the segmentation of customer bases and, as a result, allow more personalised experiences to be delivered.

Many companies today automate almost all marketing activities along the customer path – preparing scenarios for this journey using specific actions (triggers). In this way, they can design what, when and through which channel will be sent to the customer depending on his or her activity: a different scenario will be used when the customer buys a product and another when the customer does not ultimately complete the purchase and abandons the basket.

With marketing automation tools, it is also easier to analyse trends, study behaviour and prepare reports – they provide insights into the effectiveness of advertising campaigns, conversion rates and other relevant metrics. They allow us to measure activities, adjust them and change them when necessary – to achieve the highest possible efficiency.

14 *E-mail marketing software*

E-mail marketing software, or email marketing software, is one of the platforms used in marketing automation to create and execute email marketing campaigns.

Most such programmes, for example, offer customisable email templates that are attractive to the user, yet do not require employees to have programming and design skills. Editable templates allow you to easily design your message and add images, text and interactive elements.

In addition, email marketing programmes make it easier to manage subscribers and segment contacts, as well as personalise messages. With these, we can tailor the content so that the user gets a message that starts with, for example: “Hi, Joanna! Personalisation features also allow the message to be tailored to, for example, location or previous interactions with the company.

Email marketing tools also help to plan campaigns in advance and design various scenarios depending on what action the recipient takes (opens the message, clicks a link, etc.). In addition, thanks to this software, our emails do not end up in spam and we can monitor their deliverability rates.

E-mail marketing software often also includes A/B testing features that allow you to vary message subject lines, content call to action or image layouts in the text. We can then determine which option is most effective and improves conversion rates.

15 Technologies and tools to support ESG strategies

The **ESG (environmental, social and governance)** criteria are becoming increasingly important for companies and their customers. Many of us expect companies to take social and environmental responsibility by engaging in green initiatives. We are also more likely to trust brands that support initiatives such as recycling, reforestation or carbon footprint offsetting.

Although the area of ESG can prove to be a difficult field to operate in - it is easy to expose oneself to accusations of greenwashing or misconceived environmental strategy – governments in many countries and the European Union are encouraging companies to adopt ESG practices. It is also worth noting that, in addition to the obvious environmental impact, actions that take ESG into account result in savings (e.g. by reducing waste or using energy-efficient technologies) and build a positive image for the organisation.

Technologies used in ESG strategies

Renewable energy and energy efficiency solutions

Companies can optimise energy consumption through solutions such as intelligent office buildings equipped with systems that control lighting, heating, ventilation and air conditioning. Energy efficiency is also promoted by the transition for LED lighting and equipping offices with energy-efficient appliances and equipment. In addition, the use of the Internet of Things makes it possible to collect and analyse information on the energy consumption of a specific building.

Supply chain management solutions

Supply chain management technologies help optimise the processes involved in the production, procurement, logistics and distribution of goods. They provide real-time visibility of goods movement, allow monitoring of stock levels or shipments and identify bottlenecks. Demand planning and forecasting help to better manage goods and minimise surpluses.

Tools for monitoring and reporting greenhouse gas emissions and environmental data

Energy monitoring tools allow companies to track the energy consumption patterns of different facilities, processes or equipment. They integrate with energy meters, smart appliances or building management systems, collecting real-time consumption data. With these tools we can control energy or water consumption, amount of waste, CO_2 and other greenhouse gas emissions, carry out environmental audits and assess compliance with regulations.

Digital payments and electronic solutions

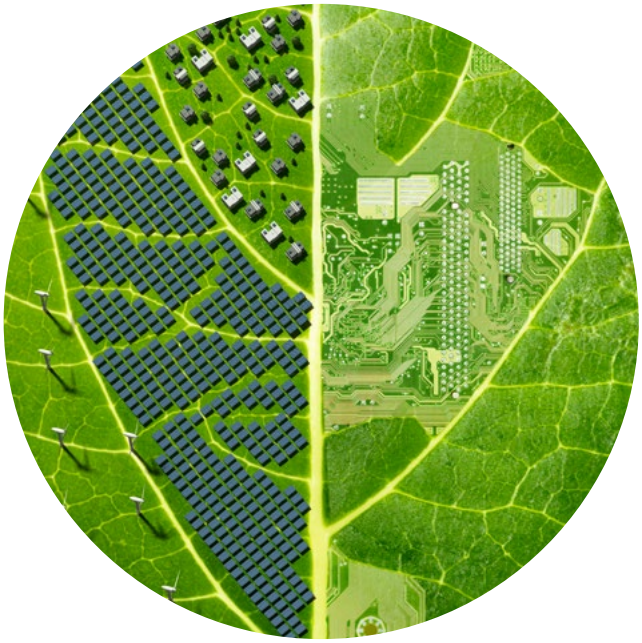
Digital payment systems and electronic solutions reduce the need for paper documentation, reducing paper consumption. Digital payment options are also convenient and secure for the customer. Customers can benefit from faster payments and reduce their carbon footprint, which has a positive impact on their experience.

ESG strategy at PZU

As PZU, we are actively involved in the energy transition and have ambitious goals in this area.

- By **2024** year we plan to be fully using green electricity, offsetting the emissions of from its own sources and thermal energy.
- By **2030** year we plan to further reduce CO_2 emissions by further reducing our carbon footprint and maintaining full climate neutrality. in operating activities.
- We want to make the operations of our key partners and subcontractors climate-neutral by **2040** year.
- We want all our insurance customers' operations and investments to become climate-neutral by **2050** year.

You can read more in the chapter on ESG.



According to the PZU expert

The insurance industry is a sector where building trust, customer loyalty and long-term relationships is key. Therefore, the impact of ESG on the customer experience in the insurance industry continues to grow in importance. It is difficult to talk about building a sustainable and responsible insurance company without taking the customers' perspective into account.

The insurance sector is increasingly aware of the risks associated with natural catastrophes and climate change. We are also tackling climate change at PZU. We invest in the development of renewable energy in Poland, offer insurance products related to green energy and reduce our environmental impact.

The insurance company is an important member of local communities. We are with our clients at the most difficult moments of their lives. Caring for customers, empathy and a responsible approach to customer relations are at the heart of our business. Preventive health and safety measures contribute to improving people's quality of life. Community engagement is an area in which PZU has been active for many years.

What must not be forgotten is transparency and honesty in the conduct of business. Insurance companies should provide customers with clear information on policies and insurance conditions. At PZU, we use simple, understandable language. We make sure that the letters and information addressed to customers are clear and understandable. This is how we work on their confidence.

Building customer relationships with an ESG focus in the insurance industry is an approach that is not only in line with market trends, but above all it is ethical and responsible business conduct. Consequently, a better customer experience.

Dorota Macieja
Member of the Management Board,
PZU Życie SA

16 Challenges and constraints associated with technologies

Integration of technologies

The technologies described in our report undoubtedly help to build and manage a better customer experience. However, they bring with them challenges that organisations need to address. Particularly important in this context is the integration of different technologies and compatibility between systems, platforms or software solutions.

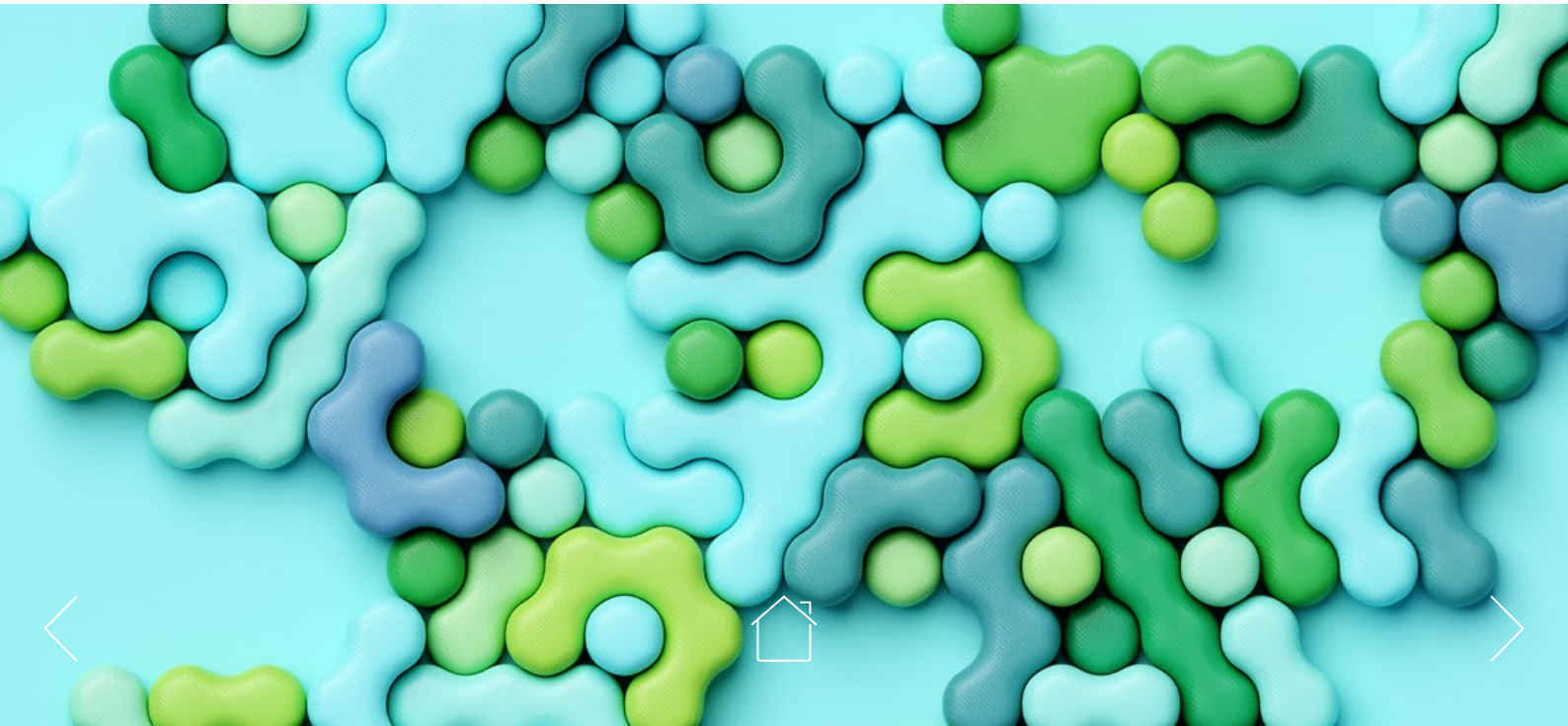
Each technology may have its own specifications, protocols or data formats, making it difficult to exchange and interpret information seamlessly. Compatibility issues can arise at various levels, including hardware, software, data structures and communication protocols.

Integrating data from multiple sources and systems can also be a challenge. Different tools and programmes may use different data models, making it difficult to synchronise information. It is also important to ensure safety and data privacy during harmonisation and synchronisation processes – each technology may have its own security mechanisms, access controls and encryption protocols. An overarching control of security measures and proper protection of sensitive data is necessary here.

The integration of different technologies can also affect the performance and scalability of an organisation's operating systems - hence a sound assessment of resources and planning of appropriate requirements is essential. This may include optimising the hardware infrastructure, using the cloud, implementing caching mechanisms or using distributed computing methods.

In addition to the technology side, it is also important to be prepared for technology integration on the design side. The process of implementing a new technology or project can involve multiple teams and departments, each with their own objectives and priorities. Coordinating these activities can prove challenging. It is therefore important to communicate clearly and establish rules for cooperation.

Employees who are expected to use new technologies will also need training and time to adapt to the processes. Here, change management initiatives and supporting people so that they can adapt smoothly to the new reality are important. It may be necessary to consciously guide people through change, create a culture that fosters innovation and growth, and sometimes even change the way leadership is led.



Progress and technological debt

Technology is advancing at a frenetic pace - just think that just a few years ago it was difficult to imagine mobile banking or working from anywhere in the world, and services such as ordering a taxi remained many to be desired in terms of Customer Experience. Today, the speed of technological innovation is dizzying and it is sometimes difficult to keep up with the new developments in the world of tools and programmes, especially if we are planning for the long term. Newer technologies can make the current ones, implemented only a few years ago, obsolete, and solutions that were considered a sure thing and relied on by everyone will be forgotten all too quickly.

For this reason, we must all become visionaries and look to the future for signs of change and disruption, in order not only to stay on top of trends, but even to stay ahead of them. Let's look at the revolution we are seeing in the area of generative AI – although it seems like a breakthrough to many, numerous experts emphasise that the power of artificial intelligence visible today is a natural consequence of processes that have been taking place for many years. Of course, we are dealing with a new phase in the development of artificial intelligence, but that does not mean that it has not been present in our lives.

It is therefore important that organisations with so-called technology debt do not allow it to build up. Many companies are using outdated infrastructure, assuming that they will 'manage somehow'. Meanwhile, older systems may soon cease to be compatible with newer technologies (e.g. they may not have the necessary interfaces), so that debt will build up, seriously increasing the cost of subsequent innovation.

It is also important in this context to ensure that the right talent is in the organisation – people who have the specialist knowledge and skills needed to use and understand new technologies. There are already great *talent gaps* in the market today – there is a shortage of, for example, highly qualified IT specialists or people with experience in new areas such as artificial intelligence, *blockchain* or cyber security. Organisations need to make an effort to make people want to work for them. They should also pay attention to the training and upskilling *(upskilling)* of current employees in order to equip them with the competences of the future.

Man or machine?

New technologies, especially artificial intelligence, also sometimes raise legal and ethical questions. How to approach AI--generated content? If an automaton makes a mistake, who will be held responsible for it? How do we use technology so as not to violate customer privacy or over-personalise? These are just sample questions, that you can ask yourself. Matters are not made any easier by the fact that the law has not kept pace with the development of technology, and it may still be a long time before legislation regulating, for example, the use of AI sees the light of day.

It is also worth remembering that technology is not everything - it is easy to monopolise technology and therefore make users dependent on one provider or technology platform. Most importantly, technology will never solve the problems we may have in the CX area - it is a means to an end rather than a ready-made recipe for success. Even the most advanced and groundbreaking technology can prove useless if the user experience is unintuitive or overly complicated because of it. It is we – the people – who have the ultimate power and control over the algorithms and tools and it is up to us, how we will use them.

In some cases or even industries, the customer experience will be created by people, not – technology. Sometimes even the most perfect robot is no substitute for a one-to-one conversation with a human, and the best technologically equipped company will not build excellent customer service without a conscious leader.

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> *Technology is a useful servant but a dangerous master.*
>
> **Christian Lous Lange,**
> **winner of the Nobel Peace Prize in 1921**

Future

1 What will the future bring?

Recent years have seen extraordinary technological advances. The way we do business, communicate and relate to customers is changing before our eyes. In the near future, we can expect even more breakthroughs and innovations that will have a significant impact on the future customer experience - and on the experience of all of us as humanity.

Imagine a situation where you buy a new TV online. We go to the shop's website and there is immediately a virtual assistant who recognises us and greets us, addressing us by name. Based on our purchase history, the assistant suggests TV models that best suit our needs. We can see a virtual demonstration of each, test the various functions and compare specifications, and when we have additional questions, we can chat with a chatbot or voice assistant.

Once we decide to make a purchase, the transaction takes place using blockchain technology, which guarantees the security of data and payment. Of course, we can do all this not only on the website, but also in the mobile app.

We can also start a transaction in one channel and finish it in another. In addition, we can carry out the entire process by voice control, without using a keyboard or touchscreen.

Once the TV is purchased, we do not have to worry about settings and configuration - the device will update itself to the latest version or send the manufacturer information about a fault.

This is just one of many scenarios that could become a reality in the next 5, 10 or 15 years. The technologies and trends that will be gaining prominence during this period can not only streamline the shopping process, but also allow for the creation of more personalised, sophisticated and engaging customer experiences.

In this chapter, we take a brief journey into the future of the technologies that will shape the Customer Experience field in the next 5, 10 and 15 years.

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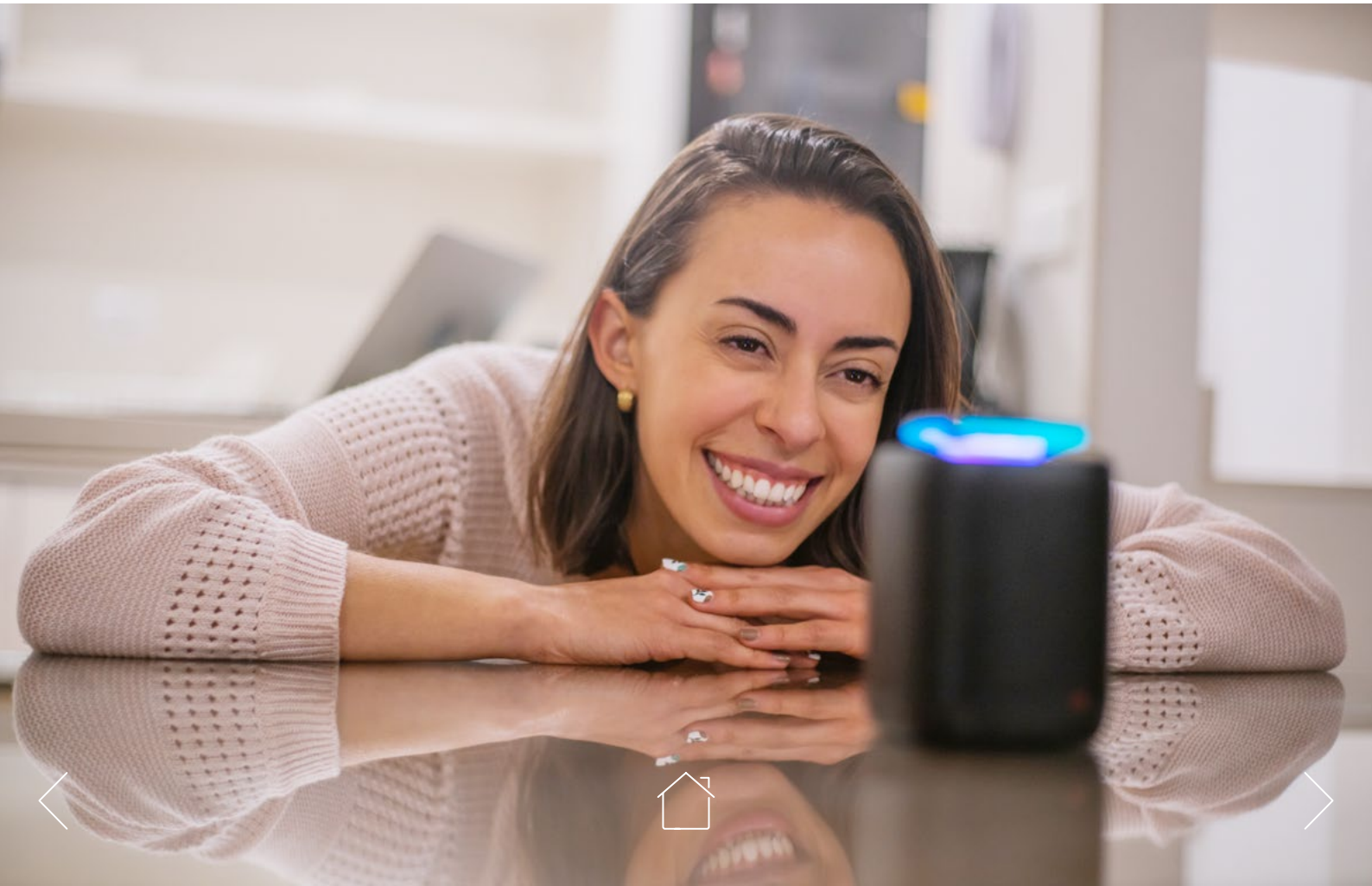


According to the market

In the coming years, customer service and the customer experience when interacting with a brand will be increasingly shaped by new technologies. Artificial intelligence, the internet of things or blockchain are already starting to make their way into businesses and completely transform customer relationships. We can expect a real revolution in this area soon.

I remember a discussion I had a few years ago with a friend who had spent 15 years in the car insurance industry and was absolutely convinced that there was no way that contact with an agent could ever be replaced by technology. This is already happening. Let's see what happens in the next 5-10 years.

One of the most important changes will be the growing role of chatbots and virtual assistants using artificial intelligence. Chatbots can already cope with answering typical, repetitive customer questions, and the possibilities of these are growing rapidly. Soon we will have armies of integrated bots capable of more complex interactions and even a certain level of emotional intelligence. The possibilities of technology, especially in terms of conversation and emotional analysis of the customer's voice, will expand unbelievably. Virtual assistants will gain human characteristics and conversation with them will become fluid and natural.

Artificial intelligence will not only improve customer communication, but will also allow hyper-personalisation of the offer and shopping experience. By analysing huge data sets, AI will be able to predict customer needs and advise them with products ideally suited to their needs. Marketing based on advanced analytics will bring brands much closer to customers.

Online shopping will be fully personalised and secure. New technologies will also allow the virtual world to be linked to the physical world in customer service. Thanks to augmented (AR) and virtual reality (VR), shopping will become a a much more attractive experience - we will, for example, be able to virtually try on clothes, visualise the layout of furniture or try on make-up without moving from home. Blockchain in turn will introduce a new dimension of transparency and security in customer service, e.g. guaranteeing the protection of personal data and secure payments.

Customers will feel as if they are in the shopping centre of the future, where every shop and product is matched perfectly to their needs. At stationary points, we will be served by humanoid robots and communicating with them will be intuitive thanks to advanced voice communication and gestures.

However, the development of technology does not necessarily mean the dehumanisation of customer service. Rather, new technologies will free employees from routine tasks so that they can focus on building lasting relationships with customers and solving their problems

in a human way providing the company with a human face. This can make customer service much more efficient, convenient and personalised. At the same time, attention to the needs of customers and the human dimension of the relationship with brands will remain key, Ondbrands will have to constantly take care of this.

Jowita Michalska
CEO,
Digital University

2 5-year perspective

Improved language models using artificial intelligence

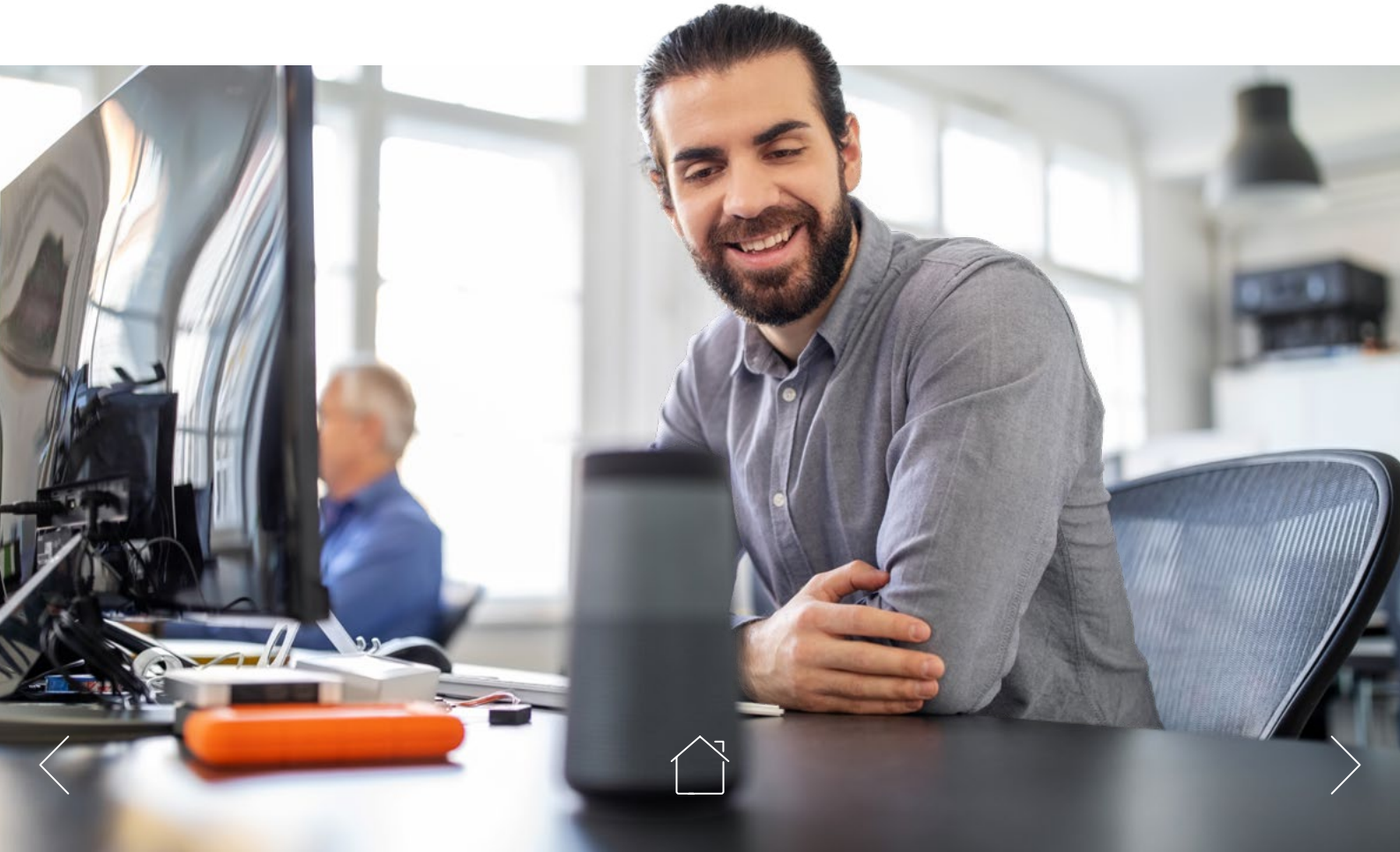
In the near future, we are likely to see further intensive development of language models such as **ChatGPT** and its successor. Future iterations of these models will be even more advanced than today – and will better understand the context of the questions being asked and the nuances and subtleties of language. They will also be able to adapt more to our individual preferences - making a significant difference to the quality of the customer experience.

Future language models – compared to current ones – will be able to accommodate longer conversations and improve the continuity of discussions. They are also likely to cope better with ambiguity, as well as with the demands of specialist knowledge. They will also be able to integrate knowledge from very extensive databases (e.g. search the content of websites or databases) and give us more up-to-date and relevant answers.

In addition to this, future language models will integrate with other technologies, such as computer vision. They will therefore be able to process not only textual but also visual information. They will see the images shown to them or films and respond to them, and with combined knowledge (words and images) they will have more substantive and helpful conversations. We also expect deeper integration of artificial intelligence with smart devices and the internet of things (*internet of things*, IoT).

Experts also expect that as AI research progresses, language models will become more emotionally intelligent – learning to recognise and respond to emotions, becoming more empathetic and supportive. However, the question arises whether they will also become more objective and unbiased, devoid of bias. Today, we are not yet able to answer, but many experts working with artificial intelligence point out that one of the priorities in researching its development is its ethical dimension.

In the next five years, we can also expect language models to become our regular contributors. For example, they will be able to serve as real-time interpreters of conversations or support customer service for agents. This hybrid approach can optimise customer service and improve problem solving.



Real-time personalisation

Real-time personalisation is a technology that uses, among other things, artificial intelligence and machine learning (*machine learning*, ML), as well as data analysis and integration – all to adapt to customer expectations and respond to them. Importantly, the technology allows to dynamically modify almost all customer touchpoints and offer personalised views on websites, mobile apps or newsletters.

For example: when shopping in an online shop, we can receive personalised recommendations of products recommended on an ongoing basis based on our behaviour. If we are looking at sports shoes, the system immediately recommends different models in the colour and size that we have looked at before.

Another example would be a personalised user interface. Imagine visiting a website to buy insurance. When we enter the home page, the system will display a summary of the current insurance and will tell you what options we can currently use. In addition, on the page with the relevant offer, the system will automatically fill in part of the application form based on the data previously provided and enter, for example, the model of our car, its make or year of manufacture.

Real-time hyper-personalisation can provide an even more intuitive and personalised customer experience, who can more easily find the information they need and complete the transaction faster..

User voice interfaces

Voice user interfaces (VUI), or voice user interfaces, are tools that enable voice conversation between a human and a device. A popular example is the voice assistants present in smartphones, such as Siri, Google Assistant or Amazon Alexa.

We no longer have to type a command on a keyboard or touchscreen, as VUI uses speech recognition and synthesis to communicate and perform the agreements.

Soon, user voice interfaces will help us to shop or activate services - they are getting better at recognising voice commands and interpreting our responses.

For example, user voice interfaces can be used to:

- **control home devices** – we can use our voice to turn lights on and off, adjust the temperature, play music or manage other devices in the smart home,
- **search for information** – instead of typing queries into a search engine, we can just ask our voice assistant a question and it will have the answer right away,
- **perform tasks and organise daily activities** – we can schedule meetings, create reminders, send messages or perform other tasks using voice commands,
- **buy and use services** – voice assistants can help you shop online, book tickets, order food or pay.

With advances in technology and the development of artificial intelligence, VUIs are becoming more and more effective – and convenient and fast. They can be used by people with disabilities. They are also useful when we cannot use the touchscreen – for example, when we are driving or playing sports. In the long term, they can completely transform the way we carry out our daily activities and provide us with much more natural and intuitive communication with machinery.

Call automation

Customer interactions with chatbots and process robots (*robotic process automation,* RPA) may soon become standard – all thanks to the development of technologies such as *natural language processing* (NLP) and artificial intelligence. Call automation is primarily intended to improve customer service and reduce response times or, for example, waiting times on the call centre.

Chatbots, or programmes designed to chat with people, are already being implemented on websites, mobile apps, social media platforms or chat systems. Their importance will grow in the coming years - they can provide basic information, handle less complex requests and guide users through such processes such as ordering or registration.

Process robots, on the other hand, are software that mimics and automates repetitive activities performed by people on a computer. Process robots can be used to automate customer service activities such as filling in forms, processing orders or updating data.

Call automation will work especially well in areas such as:

- **customer service** – chatbots can answer customer questions, handle requests, provide product and service information and solve simple problems,
- **order handling** – chatbots can guide customers through the ordering process: helping them select products, providing availability information, accepting payments and confirming orders,
- **data update** – process robots can automatically update customer data in the systems related to changes of address, phone number or preferences.

Call automation can become a powerful customer service tool – reducing response times, providing daily and round-the-clock assistance and eliminating human error. It also helps to save time and resources. Of course, it will not eliminate humans from the processes – it is important to strike a balance between automation and human interaction, especially in more complex and emotional situations where humans may be irreplaceable.

3 Perspective 10 years

Augmented and virtual reality

In the next 10 years, we are facing further intensive development of augmented reality (*augmented reality*, AR) and virtual reality (*virtual reality*, VR) technologies. As we have already written in the section on technologies, augmented reality (AR) is a technology that combines virtual elements with the real environment, giving users an enriched experience. Virtual reality, on the other hand, creates a fully immersive experience, transporting users into a virtual world.

The development of AR and VR over the next few years will allow, among other things:

- virtually visit hotels, restaurants or tourist attractions,
- virtually try on clothes, glasses or shoes and test cosmetics, as well as visualise the layout of furniture or decorations in the home,
- take virtual car test drives,
- provide information, guidance and instructions to assist, for example, in assembling furniture or operating equipment,
- conduct trainings, staff training and simulations of e.g.emergency or health and safety situations,
- organise virtual presentations, exhibitions and virtual shows accessible from anywhere in the world,
- virtually transport the customer to brand locations and provide immersive experiences.

Integration of smart devices – the internet of things

As we mentioned in the chapter on technologies, the internet of things is a technology that enables communication and collaboration between different, interconnected devices. In the context of CX, the further development of IoT has great potential to change the way, how we experience interactions with products – especially when combined with hyper-personalisation.

For example: thanks to IoT, smart homes can adjust lighting, temperature or audio settings to our preferences. The house will know what temperature and light we like best depending on the time of day or the number of household members. In addition, we will not have to worry so much about faults or maintenance of the devices – they will themselves send information about their technical status to the manufacturer or update themselves to the latest version.

The Internet of Things can also be used to monitor and analyse customer behaviour - such as drivers while driving. Thanks to devices that collect data on driving style, speed, braking, acceleration and other factors, drivers will be able to benefit from insurance offers prepared according to the *pay as you drive* principle, in which the premium depends on the from the customer's actual driving data. If a driver drives safely and economically, they can pay a lower premium, which in turn will encourage them to drive safely.

In addition, IoT can also be used to quickly identify emergencies or traffic accidents and respond to them quickly. The IoT device can automatically send a notification to the insurer and emergency services, reporting the location and situation in real time.

Voice trading

Voice-based e-commerce, or ***voice commerce***, means using the technologies and voice assistants described earlier to shop and pay.

Customers do not need traditional interfaces such as a keyboard or touchscreen to browse products, add them to their basket and finalise their purchase – they can do so simply using voice commands.

In a decade's perspective, our grocery shopping might look like this: We will simply say: "Hey, Google, add milk, eggs and wholemeal bread to my basket", and the assistant will add these products to our virtual basket. Then we will just have to confirm the order and pay for it – also by voice.

Voice commerce is certainly a more intuitive and convenient way to shop. Especially when we are busy cleaning or cooking, for example. It simplifies the entire purchasing process and increases customer loyalty.

Already, many companies are investing in integrating their e-commerce platforms with voice assistants. Importantly, in parallel to this technology, new authentication and security mechanisms are being developed to confirm customer identity and avoid unauthorised transactions.

PZU expert's opinion

We live in interesting times. With the help of new technologies, even a small group of people are able to do groundbreaking things. Technology is the vehicle for many changes in different spheres of our lives. It improves the efficiency and quality of business processes, enables the introduction of new business models, and contributes to improving the customer experience. It is also significantly changing the labour market, as evidenced by the fact that around 60 per cent of current occupations did not exist before 1940. Technology is indeed changing and will continue to change our lives. Increasing automation is expected to increase global GDP by at least 7% over the next decade. With all the advantages of using new technologies, however, it is important to remember that they are a means to an end and not an end in themselves. In addition to fantastic examples of the use of technology in business, you can also find many failed stories ruining existing customer relationships. Let's use it wisely and remember that our customers' expectations are also evolving. It is our customers who have the final say and the technology should serve them, and not the other way around.

Marcin Kurczab
Director of Innovation,
PZU

4 15-year perspective

Biometrics and emotion recognition

Biometrics is a technology that has already been present in our lives for some time (e.g. unlocking your phone with your finger or facial recognition). However, its full development is yet to come. In the context of CX, biometrics can primarily streamline the customer authentication process, eliminating the need for traditional methods such as passwords and PIN codes.

Fingerprint or facial recognition authentication is becoming increasingly popular e.g. in mobile banking, and soon we may be almost entirely away from setting and remembering passwords or codes. This makes transactions more secure and customers more comfortable.

Emotion recognition, on the other hand, refers to technologies that identify and analyse emotions expressed by people. Using various techniques, such as speech analysis, facial expression analysis or analysis of biological signals, the systems can read and interpret the customer's emotions. This can help to know his mood and current preferences, and, as a consequence, personalise his experience more. We will respond differently when a customer is irritable and annoyed and differently when they are relaxed.

In addition, in combination with other technologies such as artificial intelligence and machine learning, biometrics and emotion recognition can enable real-time personalisation based on an analysis of the customer's current mood.

Biometrics can certainly make a significant difference to the Customer Experience. However, appropriate privacy measures, transparency and customer consent must be kept in mind. The collection of biometric data should be carried out in accordance with regulations and standards. It is also worth consciously educating customers about the benefits and principles of using this technology.

Blockchain technology

Blockchain technology, also known as distributed register technology, could also revolutionise the CX field. It ensures secure and transparent data exchange and streamlines payment processes and authorisation.

Blockchain can be described as a decentralised system forrecording and verifying transactions that works on a distributed network basis. In contrast to traditional central databases, *blockchain* technology allows copies of transactions to be maintained on multiple computers on the network, providing greater reliability, security and transparency.

The *blockchain* technology can have many applications in the CX area. Below are some examples.

Secure data exchange

The *blockchain* technology allows data to be stored and shared in a decentralised and unalterable way instead of being stored in one place. This means that customers have more control over their data and can keep track, who has access to their information.

Payment processes

With *blockchain* technology, payment processes can be simplified and accelerated, eliminating intermediaries and reducing transaction costs. Cryptocurrencies that use *blockchain* technology allow customers to pay directly, without the involvement of traditional financial intermediaries.

Authorisation and authentication

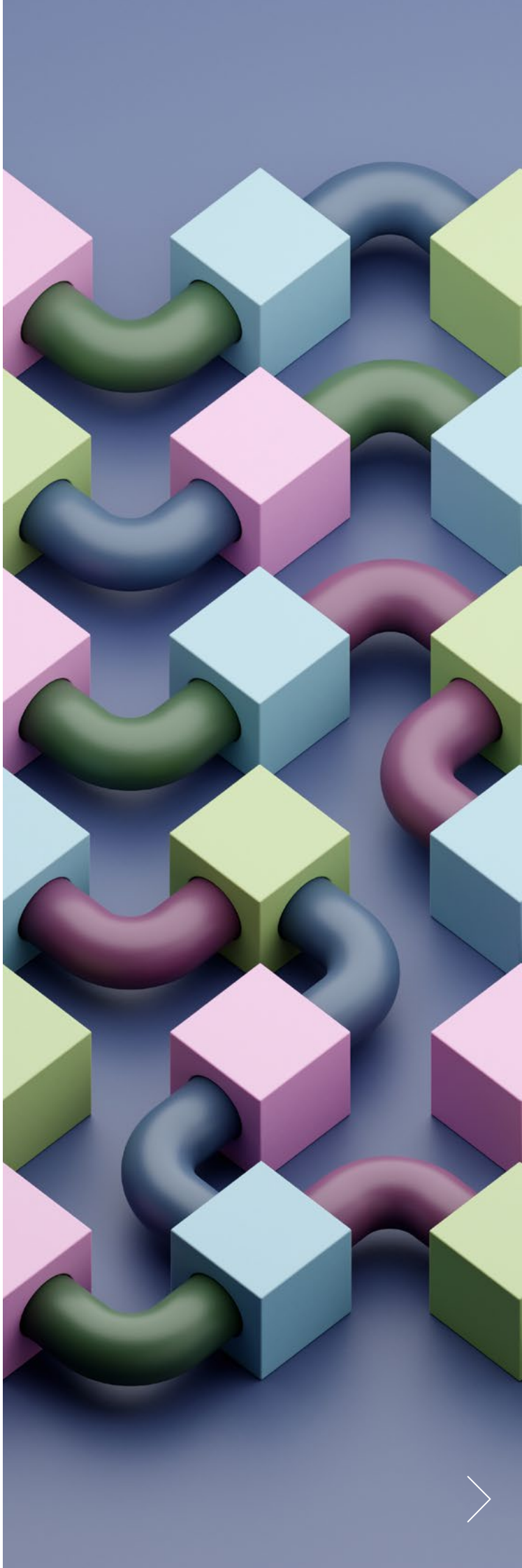
The *blockchain* technology owes more secure methods of client authentication. For example, unique cryptographic keys allow the customer to prove their identity in an unalterable and secure way.

Loyalty programmes

Loyalty programme transactions can be recorded within the *blockchain*. This will eliminate possible manipulation and ensure fair rewards for customers.

Tracking of origin and authenticity

Thanks to *blockchain* technology, the origin and authenticity of products can be traced. Customers who can easily check that the product is original and comes from a trusted supplier, they have more confidence in the company and are more satisfied.



Artificial intelligence in the workplace

Artificial intelligence in the workplace is the employment of algorithms to do the tasks that humans used to do. While the term may raise fears of 'replacing humans with robots', it rather implies using AI to support employees in carrying out their duties. For example: by automating processes or routines, employees can focus on more complex tasks that require human intuition and creativity.

When it comes to customer service, chatbots can take over part of the interaction with customers, and artificial intelligence can be entrusted with analysing the data on the basis of which we prepare an offer.

Artificial intelligence will also work well as an employee:

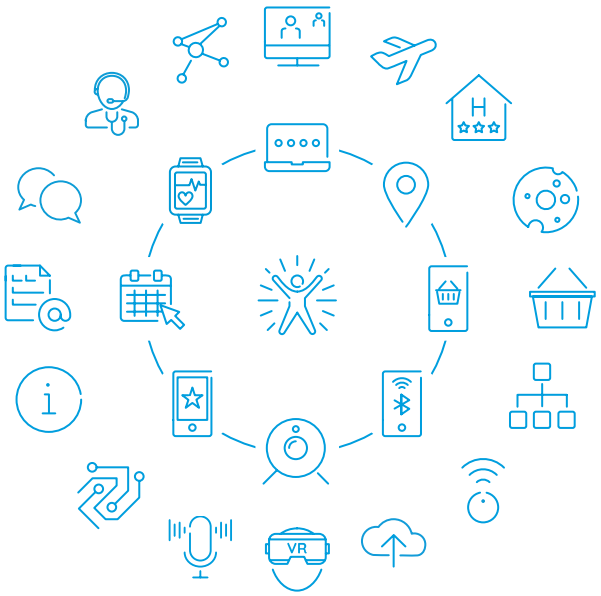
- **automation of HR processes** – selection of candidates, verification of CVs, organisation and scheduling of recruitment meetings, monitoring of employee engagement,
- **risk analysis and security** – identification of risk and fraud and protection against cyber attacks,
- **automate administrative tasks** – sorting and categorising documents, analysing contracts or generating reports,
- **supporting decision-making processes** – analysing data and generating scenarios and recommendations for investment decisions, marketing strategies or optimising production processes.

5 Behind the horizon

We can confidently say that exciting times lie ahead. Augmented reality and virtual reality will transport us to enriched worlds where we can test products and virtual interactions. The internet of things will enable us to use smart devices that personalise our experiences, monitor our needs and provide new levels of interaction. *Voice commerce* will allow us to make purchases and transactions using voice commands, while biometrics and emotion recognition will create new opportunities to understand our needs and adapting to our emotions. Artificial intelligence will not only become a tool to automate our tasks, but also to support our customer service personnel.

These changes will not only affect the customer experience, but also the daily lives of all of us: consumers, entrepreneurs, employees and bosses. The more we learn about new technologies, The less we fear them and the more we can benefit by innovating, anticipating customers' needs and surprising them with a non-trivial approach to CX.

Unforgettable customer experiences are not possible without the human element - empathy, understanding and flexibility, which are the cornerstones of any successful interaction. Technology is - and always will be - just a tool to help us create an exceptional customer experience. Incorporating the company's values and culture and putting the customer at the centre will be key. Only in this way will we be able to strike a balance between technology and people and provide our customers with an experience they will remember for years to come.



Summary

In the opinion of the PZU expert – summary

We are immersed in the digital world: at home, at work, on the move. Thanks to technology, we keep in touch with friends, attend interesting events and run errands in government offices. We manage our daily life.

The experience of recent years, as well as access to the internet in virtually every corner of the world, has resulted in the spread of digital solutions even among social groups that previously showed restraint. A study carried out by PZU and published in the report “With the customer for better and worse” clearly showed that, over the course of two years, the percentage of people using the benefits of the digital world has increased by several percentage points in practically every age group. The biggest jump was in the so-called silver group, where the percentage of people using the internet was as high as 69% compared to 25% two years earlier. Looking at the map of the customer journey with the company, we have noticed that at virtually every stage of the journey, the preference for contact via digital channels is comparable to or significantly exceeds the desire for contact via traditional channels.

Such an image makes it clear that the digital world is not an alternative, but our reality. The world is speeding along with us and our main stakeholders - our customers. In order to respond to their needs, we should leave them the choice of of how, where or when they want to do their business. Therefore, technology is already an integral part of the business. Thoughtful use of modern solutions not only reduces the operating costs of the company, but more importantly, will positively influence customer perception and help to build a long-lasting and strong customer-company relationship.

In the report, together with our content partner Digital University, we have brought you what we believe are the most interesting trends and are tempted to estimate the future. Because the future starts today and the lack of development and answers to the needs of customers can cost us a lot.

I hope that you have found reading the publication inspiring and that it will result in positive changes in your organisations.

Katarzyna Plewa
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Ladies and gentlemen,

I am extremely proud that this is the third time we have been able to share the Customer Experience Building Report with you. The subject of customer experience is very broad and covers virtually every area of a company's operations. Even the smallest detail can have an impact on customer perception. If you have any doubts, please analyse your next visit to a shop, restaurant or office.

In previous publications, we have shared with you our experiences and practices on how to build a customer-centric culture in an organisation, analysed the different stages of the customer journey with a company or examined the digital maturity of Poles. We rounded all this off with the conclusions of extensive research into consumer experiences and expectations carried out in our home market.

In our latest publication, we focus on the technologies that support us. There is no doubt that digital transformation has become a key driver of growth. And all of us - regardless of our position in the organisation - must be ready to adapt to modern solutions. This allows us to act faster, more efficiently, better. We reclaim the space and time to focus on what matters most in building relationships with clients.

In today's business world, competition is fierce and customers are increasingly demanding. Therefore, taking care of their good experience is no longer just an interesting project. This is the operating philosophy of modern organisations, where CX is firmly embedded in the DNA of the company's operations.

At PZU, we are committed to continuous development. We are systematically making changes that take into account the needs of our customers. As a responsible industry leader, we want to deliver more than just insurance. And we are doing it. We share knowledge, encourage action, inspire. I am convinced that the 'Age of New Experiences' report will provide the impetus for new solutions. As leaders influencing change in our organisations, we need to lead by example. Our commitment to a customer-centric approach must be evident in our day-to-day operations. And by consistently striving for excellent CX, we can achieve long-term success.

I thank you for taking the time to read the report and strongly encourage you to read our previous publications on customer experience, available at: www.pzu.pl/raportcx.

Warm regards

Aleksandra Agatowska
President of the
Management Board,
PZU Życie SA