The COVID-19 pandemic has forced organisations to rethink their business models, accelerate their digital transformation programs and respond to rising customer expectations. Working as a high-octane accelerant, it has triggered a rapid shift towards agility, digital and customer-centricity.

Those who were positioned on the right side of these trends have used the pandemic as a catalyst to transform and grow their business. Having a high level of customer-centricity is a hallmark of success for any business looking to navigate its way through today's turbulent times.

Fifth Quadrant's latest research, sponsored by Verizon, demonstrates a clear link between CX and commercial outcomes, and validates the powerful effects generated by a CX Flywheel allowing CX Leaders to reap the benefits.

The report, "2021 APAC CX Maturity", is based on a survey of 404 CX professionals in the Asia Pacific (APAC) region and categorises organisations into four levels of CX maturity: Leaders (the most mature), Progressives, Followers and Laggards (least mature). The maturity model is based on how organisations have leadership support, engage their employees, leverage customer insights, invest in technology and measure the success and ROI of their CX activities.

Only 24% of APAC organisations are categorised as "**Leaders**"

| 16%	30%	31%	24%
0 TO 64 Laggards	65-74 Followers	75-84 Progressives	85 TO 100 Leaders

Maturity Score
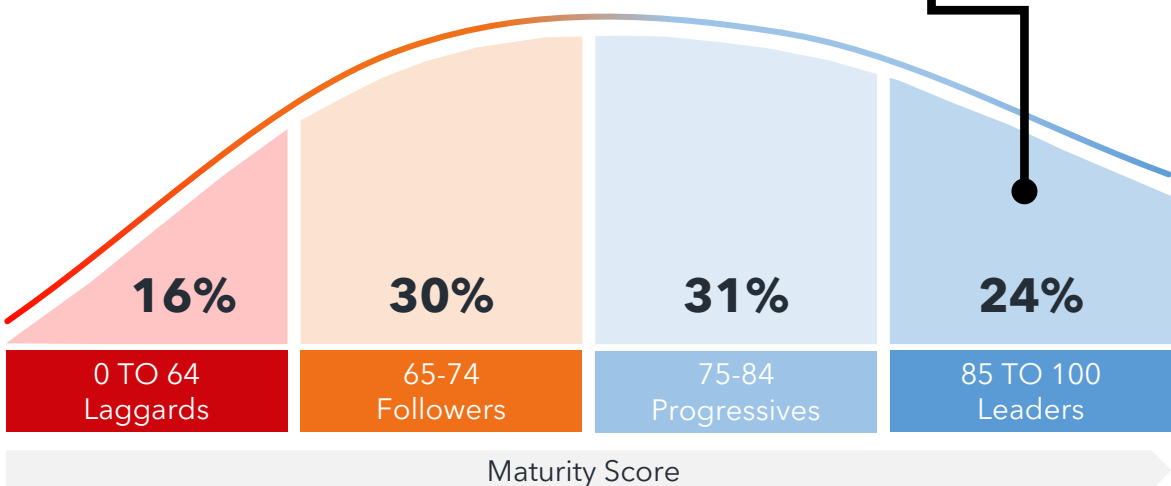
The report reveals that only a quarter of APAC organisations are categorised as "Leaders", highlighting the opportunity for APAC business leaders to invest in critical CX capabilities such as agility, insights, empathy, measurement, data, culture and strategy.
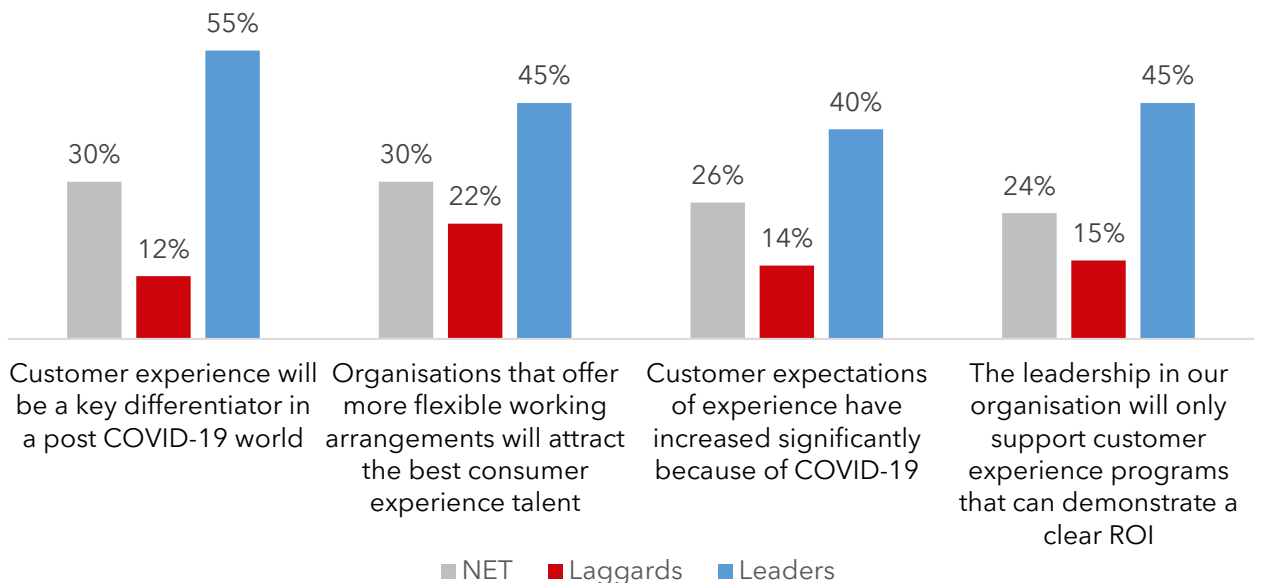
fifth quadrant

By embracing innovation and enabling a remote, distributed workforce, Leaders are emerging from the pandemic with potent new tools in their management toolkit that lead to increased employee productivity and C-suite support. Leaders place a high degree of trust in their employees and are supporting flexible working arrangements, and in return are seeing higher levels of productivity. Conversely, Laggards are more likely to see productivity fall when employees work from home.

Productivity when working from home:

	Better	Same	Worse
NET	43%	35%	23%
Laggards	27%	40%	32%
Leaders	49%	31%	20%

■ Better ■ Same ■ Worse
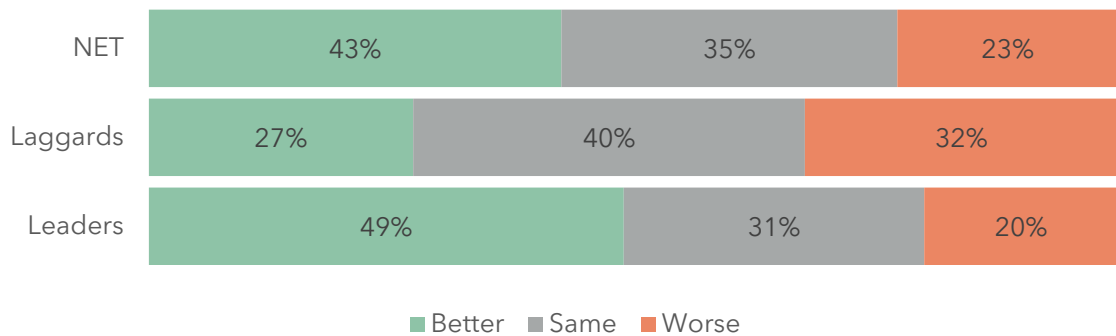
With customer expectations rising during the pandemic, Leaders have capitalised on CX as a key differentiator, and have increased their commercial focus on CX by supporting innovations that demonstrate a clear ROI.

% Strongly Agree that:

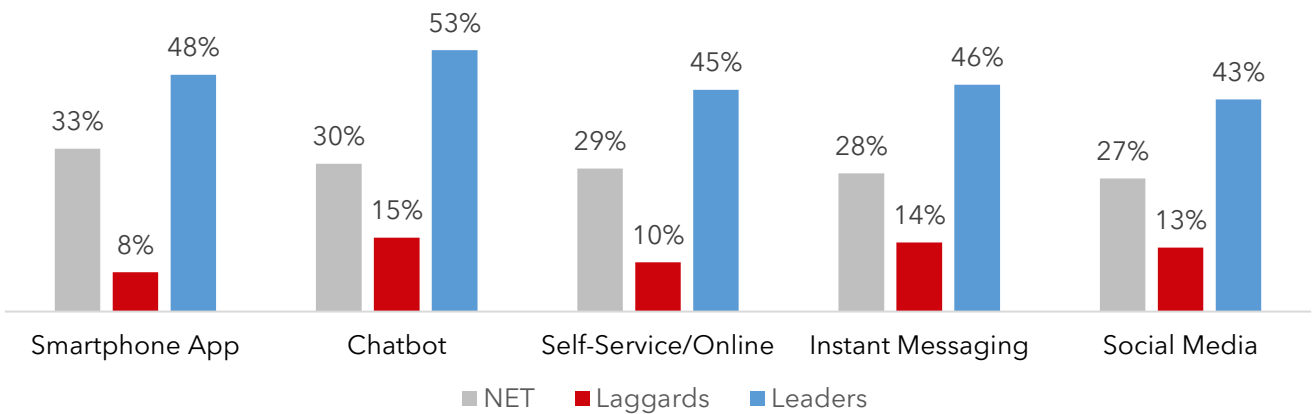|	NET	Laggards	Leaders
Customer experience will be a key differentiator in a post COVID-19 world	30%	12%	55%
Organisations that offer more flexible working arrangements will attract the best consumer experience talent	30%	22%	45%
Customer expectations of experience have increased significantly because of COVID-19	26%	14%	40%
The leadership in our organisation will only support customer experience programs that can demonstrate a clear ROI	24%	15%	45%

■ NET ■ Laggards ■ Leaders

THE SHIFT TO DIGITAL

Recognising that customers are spending more time at home, Leaders have invested in digital channels such as apps, self-service, chat, and social media channels and provide customers with nine communication channels on average, whereas Laggards are only offering five channels. Leaders have integrated these new digital services into the existing channel mix to provide a seamless customer experience.

Impact of COVID-19 on CX experience through channels

% Significantly Improved:

Channel	NET	Laggards	Leaders
Smartphone App	33%	8%	48%
Chatbot	30%	15%	53%
Self-Service/Online	29%	10%	45%
Instant Messaging	28%	14%	46%
Social Media	27%	13%	43%

■ NET　■ Laggards　■ Leaders

Successful channel integration has been enabled by communication platforms that are built within a secure and robust technology infrastructure. This investment in digital has helped Leaders to manage the cost to serve, while at the same time meet customer needs for a convenient, seamless experience. Without a well-defined channel strategy Laggards will continue to struggle to meet rising customer expectations.

TECHNOLOGY INFRASTRUCTURE

Laggards have been held back by on-premise contact centre telephony systems, which restricted operations during lockdown periods. Leaders have managed these challenges by investing in cloud- based solutions: nearly a half of Leaders (47%) have migrated all of their contact centre IT assets to the cloud vs 7% of Laggards. Those APAC organisations that have embarked on a contact centre cloud migration journey are looking to access new technological features that improve CX and reduce operational costs.

fifth quadrant

OPERATING MODEL

The contact centre operating model is evolving rapidly. First, the future of work for contact centres is changing with nearly a third (31% rising to 44% in South-East Asia) of all APAC organisations planning to move operations to a distributed, remote working model with agents given the option to work from home. Second, CX Leaders and organisations based in South-East Asia are planning to maintain outsourcing but shift operations onshore in response to the pandemic. Finally, there is a clear preference among Leaders, and South-East Asian based organisations generally, to outsource contact centre operations, and to reduce costs, improve efficiency and access a broader labour pool to help achieve CX success.

ARTIFICIAL INTELLIGENCE

With continuous pressure to evolve and adapt, CX Leaders are turning to Artificial Intelligence (AI) to support the customer experience by providing a more personalised service, with tailored recommended based on previous customer interactions. Interestingly, organisations in South-East Asia have the highest adoption of AI in their CX strategy.

% of Organisations using AI as part of CX Strategy:

NET	Laggards	Leaders	AUS	NZ	SEA
48%	32%	63%	40%	51%	57%
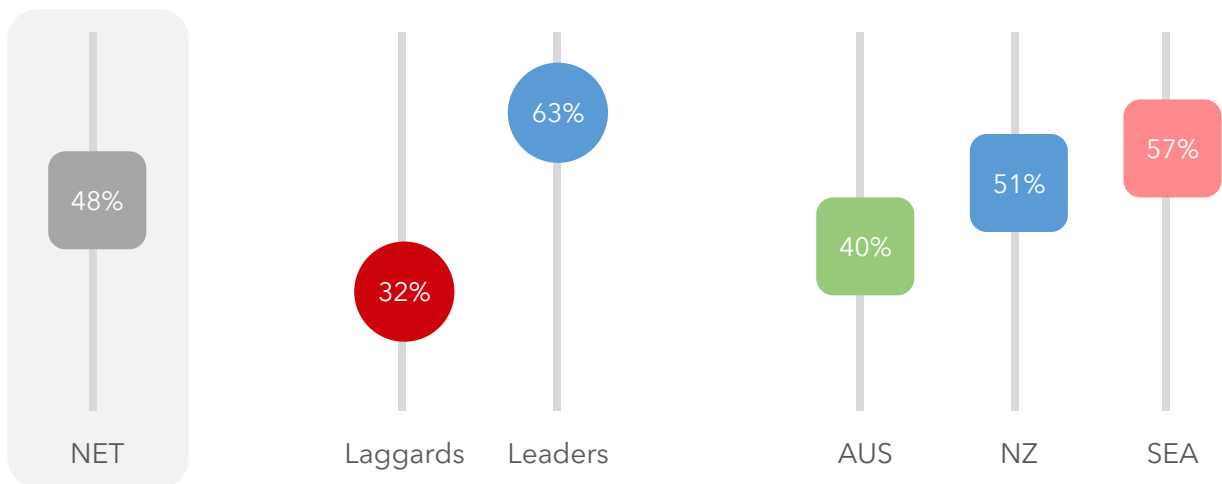
By deploying AI across sales, fulfillment, marketing and customer support, Leaders are more likely to deliver a better end-to-end customer experience and provide a more fulfilling experience for employees. There is a significant opportunity for vendors to help organisations optimise their current AI systems and guide the next wave of adopters on their AI journey.

fifth quadrant

HOW TO BECOME A CX LEADER?

If the gap between an organisation's CX capabilities and customer expectations expands, there is a risk of increased customer churn and defection which may threaten the future existence of the business . While there is no universal playbook to achieving CX success, there are some necessary foundations and steps to take which can help organisations transform their CX performance.

6 Steps To Improving CX Performance:

1. C-Suite Commitment
Persuade the C-Suite to commit to and be active in your CX strategy

2. Break down Silos
Remove departmental silos and align the business to the needs of the customer

3. Customer and Employee Feedback
Routinely collect and use customer and employee feedback to continuously improve EX and CX and drive better customer outcomes

4. CX KPIs
Set KPIs that clearly measure the commercial impact of CX initiatives

5. Link CX Improvements to ROIs
Regularly report on CX performance and the ROI of CX activities to the C-Suite

6. Rinse and Repeat
Rinse and repeat to create a flywheel effect from your CX activities.

[Click Here To Download The Full Report](#)

Get In Touch:

Steve Nuttall
Director – Fifth Quadrant
snuttall@fifthquadrant.com.au

Hannah Lemon
Account Manager – Fifth Quadrant
hlemon@fifthquadrant.com.au

fifth quadrant

sponsored by verizon√