

CSG Xponent Ignite delivers rapid CX journey orchestration

For financial services, healthcare, retail, and telecommunications





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The art of persistent customer relevance

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About this report

Following a detailed interview with Joshua Davidson, Executive Director, Xponent Product Management at <u>CSG</u>, and his colleague, Robin Opperlee, Director of Product Marketing, Customer Experience, this report takes a look at CSG Xponent Ignite, CSG's approach to customer experience and how it helps businesses in several industries rapidly enhance their customer engagement capabilities. Xponent Ignite was launched on October 19, 2022, and harvests CSG's customer engagement expertise gained from over a decade in financial services, government, healthcare, retail, and telecommunications. The solution provides an Al-supported mechanism for intelligent customer experience orchestration throughout each customer's interaction journey.

What makes Xponent Ignite especially effective in the four industries is that the solution enables organizations to build the business case, create a prioritized roadmap for maximum impact, and deploy rapidly, aided by industry-specific best practices.

<u>CX-Create</u> is an independent IT industry analyst and advisory firm focused on advances in customer engagement technologies and strategies for successful customer engagement and persistent customer relevance, critical growth drivers. The author of this report and founder, Jeremy Cox, has a perspective on CX honed by around 40 years of experience as a practitioner, consultant, and analyst.

Highlights:

- The business context for CSG Xponent Ignite key drivers and common challenges
- About CSG
- Solution overview of Xponent Ignite and associated onboarding and rapid deployment services provide a CX edge
- CX-Create's viewpoint CSG provides a valuable CX customer journey orchestration engine, Xponent Ignite, and practical rapid deployment services



The business context for CSG Xponent Ignite— key drivers and common challenges

Most organizations recognize CX as a strategic imperative but need help to deliver it.

The ability to reliably deliver a positive customer experience, meeting customer expectations throughout their various interaction journeys, digital and physical, is accepted by most as critical to growth. Innumerable research studies in recent years show CX as a board-level priority in recognition of it as a growth engine. The Covid-19 pandemic reinforced the importance of digital customer engagement enablers as traditional face-to-face interactions were curtailed.

According to Statista, spending on CX technology was expected to reach \$641bn by the end of 2022, up from \$500bn in 2019. However, despite this level of investment, the American Customer Satisfaction Index shows that since the start of the century, customer satisfaction has largely plateaued and is even in decline – see figure 1. Similar findings from the UK Customer Service Institute reveal that customer satisfaction has not improved, despite major banks, retailers, and others investing tens of \$millions in CX technologies. An additional insight from their research was that 96% of the 65% of customers who gave a score of nine or more on a ten-point scale also shared their intentions to remain loyal. Moreover, companies that were responsive and demonstrated consideration for the individual's needs and context were more likely to receive high satisfaction scores leading to repeat purchasing and recommendations. The correlation between CX quality perceived by the customer and the increased likelihood to buy is clear.

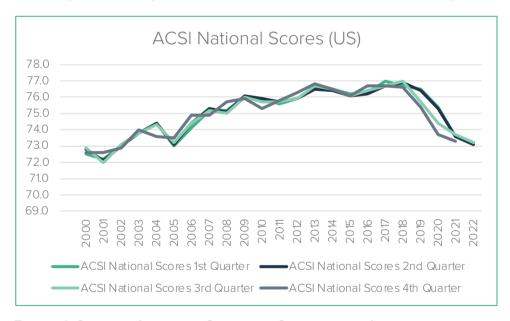


FIGURE 1: SOURCE: AMERICAN CUSTOMER SATISFACTION INDEX

So, given the growth in CX-technology investment, why are companies failing to achieve higher satisfaction scores?

Organizational and technological barriers stymic progress.

Developing the infrastructure to deliver a consistently relevant and positive customer experience is a complex challenge, especially in large organizations that have evolved over decades and think and act linearly based on a classic product-driven value chain view of the business. In this perspective, the customer's place is at the end of the line. Departments perform activities in sequence, like a production line, each with its own targets and measurements.



In many cases, systems to support each department have been developed over the years and are not always connected. This leads to silos and departmental and customer data fragmentation, most of which is purely transactional and therefore lacks critical information about individual customer motivations, expectations, or needs. Yet customer interaction journeys are often chaotic and nonlinear and may span multiple interaction points such as eCommerce sites, web pages, contact centers, etc., and from various devices. Without access to real-time behavioral data and the ability to synthesize what is already known about the individual customer, the customer's context remains hidden.

Attempts to mitigate these blind spots with CRM systems have failed, as these also typically record only transactional information and basic demographic data. Attempts to segment customers to provide more relevant offers or treatments prove to be hit or miss despite extensive research into customer wants and needs through surveys and focus groups.

To overcome these challenges, many organizations have tried to develop 'typical' customer journey maps and make assumptions about what customers may need depending on their journey and the stage of their buying process or post-purchase support inquiry. This trial-and-error approach, laced with assumptions about outcomes each customer seeks, often fails to deliver the intended positive and mutually rewarding experience. Little wonder, then, that satisfaction scores remain stubbornly low, leading to lost revenue.

CSG's research found that 90% of companies don't know where to start to close the experience gap to meet customer expectations across all journeys. They also found that 88% cannot get a holistic view of the customer, a foundation for CX when plagued by internal silos.

Despite being a board-level concern, this complex challenge has ramifications across operations and 'front-office' customer engagement. CX is not just about marketing, sales, or even service. Fulfillment of orders relies on effective operations, supply, and often an ecosystem of partners, each bringing some value to the proposition and impacting the customer experience. Knowing where to invest and what ROI can be expected is a tall order many struggle to quantify, resulting in decision paralysis despite the apparent urgency to adapt to accelerating change.

It is these challenges that CSG and its Xponent Ignite customer engagement platform can help organizations overcome.

About CSG

CSG, formerly Cable Services Group, has evolved considerably since its early payment processing days as a division of First Data Corporation and subsequent management buyout in 1994. Payments now only represent 10% of the vendor's \$1bn+ annual revenues. Two other areas deliver the rest, digital monetization at around 50% and customer engagement at 40%.CSG Xponent is the company's flagship customer engagement platform featuring customer journey orchestration, customer journey analytics, and a customer data platform. The CSG Xponent Ignite solution extends the capabilities of the Xponent platform, focusing on helping organizations build out a business case and jump-starting their journey orchestration with industry-specific, pre-built customer journeys and preconfigured integrations into a business's existing tech stack.

Solution overview of CSG Xponent Ignite and associated onboarding and rapid deployment services provide a CX edge

Figure 2 provides an overview of CSG Xponent Ignite's customer engagement solution that does more than trigger relevant customer communications based on the journey stage.





FIGURE 2: OUTLINES THE XPONENT IGNITE SOLUTION. SOURCE: CSG

CSG's portfolio of customer engagement solutions, including Xponent, which is a first-generation rules-based customer communications management tool, generated over \$80m in 2021. Building on Xponent's success, CSG introduced Xponent Ignite, which, when connected with adjacent front and back-office systems via APIs, provides an orchestration engine that, as well as relevant communications, triggers specific actions. Customer data can be ingested in real-time from streaming data, such as a customer's digital footprints as they interact online or a combination of streaming and batch updates from CRM and billing systems. Machine learning and embedded rules access the data within Xponent's data management layer, a core component of Xponent Ignite built by natively integrating a customer data platform into the product. One of the main advantages of Xponent Ignite is its ability to draw behavioral insights from customers throughout their interaction journeys and combine this with what is already known about the customer from various systems of record like CRM or financial systems. Synthesizing this data enables the Al component to interpret the customer's intent and either trigger relevant and helpful information via the preferred digital channel, including messaging apps, or a process managed in adjacent systems, perhaps to send out a service engineer to fix a technical problem at the customer's home or business premises.

Industry-specific use cases span the complete customer interaction lifecycle

CSG has put its decade of customer engagement expertise to good use. Use cases for each of the four industries outlined above cover the entire customer lifecycle from the initial search for information to purchase, fulfillment, onboarding, usage, customer support, and so on. Customer privacy and channel preferences are captured and respected to build long-term trust with the brand. The machine learning (ML) algorithms, over time, take over from rules-based triggers and constantly learn and fine-tune the experience based on behavioral patterns, perceived intent, and resulting outcomes.

A library of API connectors simplifies connections to operational and customer engagement systems.

Pre-configured integrations are provided from the API library, enabling organizations to connect to source systems easily, like popular CRM, programmatic advertising, marketing automation, and contact center systems, minimizing disruption to the client organization's systems landscape. Over 100 different systems can be connected without major systems integration or coding.



CSG services unravel the complexity of omnichannel CX

As discussed, many organizations need help to overcome the complexity of CX or know where to start. Even when they have a robust and holistic strategy for customer engagement, the investment choices to build or buy or rip and replace legacy systems can be overwhelming and delay progress.

CSG's Xponent Ignite helps organizations navigate the early stage in several ways:

- Based on multiple questions and industry benchmarking data, a CX Maturity model
 assesses the current maturity and CX capabilities, which can then be used to support
 strategy workshops. The spider chart output identifies the main areas that need to be
 addressed to progress to the next level of maturity.
- An ROI calculator assesses which journeys will have the largest and fastest return, enabling
 decision-makers to determine where to invest and why it is worth it. This removes much of
 the anecdotal guesswork and helps organizations establish milestone targets and metrics
 before further investment.
- Preconfigured customer journeys based on best practices, industry-specific templates, and
 pre-built customer journeys are used to accelerate deployment. Examples include
 mortgage loan applications in financial services, appointment reminders and test result
 delivery in healthcare, receiving and activating loyalty cards in retail, purchasing devices,
 and offering bundles in telecommunications. Once the client organization is up and running,
 feedback loops from the embedded algorithms and analytics provide opportunities for
 continuous improvement and adjustments that may be required due to behavioral pattern
 changes.

CX-Create's viewpoint – CSG provides a valuable CX customer journey orchestration engine, Xponent Ignite, and practical rapid deployment services

With Xponent Ignite, industry-based preconfigured journeys allied to practical early-stage support in the four industries provide a means to accelerate CX improvements. Many obstacles and barriers discussed can be removed and overcome without having to rip and replace existing CRM or contact center systems. Many vendors have developed customer engagement platforms that include some element of customer journey orchestration. Only a few, however, have developed practical support to accelerate onboarding and deployment. This is a distinct advantage that CSG has in the four industries it supports.

CSG should partner with major consultancy firms and systems integrators with expertise in other industries it does not currently support. This would expand its addressable market. CSG should also consider partnering with similar organizations in the current industries it supports to expand its reach.



Summary details Table 1: Fact sheet

Solution name	CSG Xponent Ignite	Solution category	Customer journey orchestration engine
Key industries	Financial services, healthcare, retail and telecommunications	Geographies	Global – CSG serves customers in over 120 countries
Deployment model	SaaS	Licensing basis	Subscription
Size of organizations served	Typically, 500M+ + large enterprises	Go-to-market model	Direct and partnerships with consultants and SIs
Number of employees	5,000+	Key partnerships	AWS, Microsoft, KIOSK Information Systems
URL	https://www.csgi.com/	HQ	Englewood, Colorado US

Appendix

Further reading

<u>CSG Xponent Ignite Visualization</u> – CSG Xponent Ignite introductory video.

<u>Six principles behind a symbiotic Customer Experience</u> – CX-Create blog.

The Customer Engagement Platform – part 2: Anatomy – CX-Create blog.

The Enterprise as an Adaptive Living System – CX-Create blog.

New value disciplines must be mastered for the digital age CX-Create blog.

