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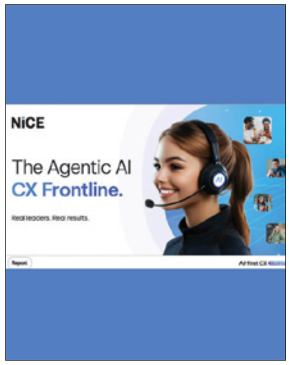

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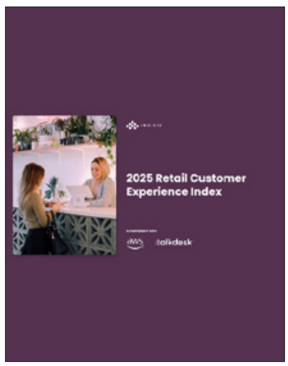

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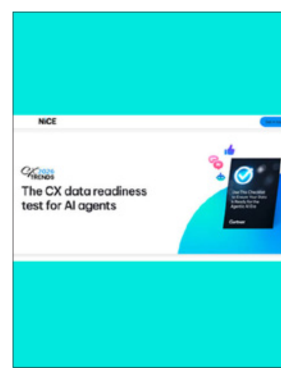

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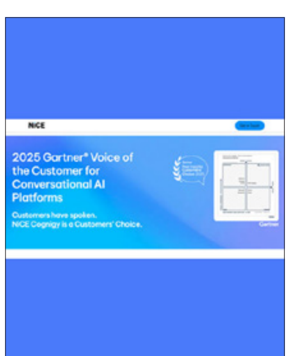

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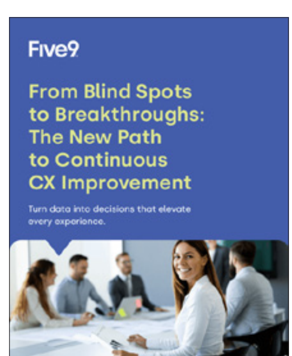

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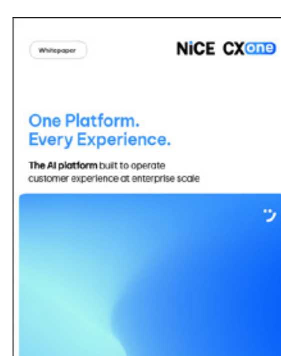

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The Debate Around Dynamic Capabilities

The state legislature in New York just passed a bill that bans what has been called surveillance pricing or personalized pricing. In essence, the bill, called the One Fair Price Act, makes it illegal for companies in the state to provide discounts to customers based on data they have gathered about them. The bill now heads to Governor Kathy Hochul's desk for signature.

Surveillance pricing refers to the practice of using consumer's personal data, such as past behavior, browsing history, device type, income, location, or ZIP code, to dynamically charge different individuals different prices for the same product or service. The act prohibits businesses from collecting or using such data to individually tailor or inflate prices, while expressly preserving legitimate discounts, coupons, loyalty programs, and senior pricing.

DYNAMIC PRICING MODELS MIGHT BE UNFAIR, BUT WHAT'S A LOT LESS AMBIGUOUS IS HOW COMPANIES CAN USE CRM DATA TO DYNAMICALLY ALTER OTHER ASPECTS OF THE CUSTOMER EXPERIENCE.

The bill drew support from a broad coalition of legislators, advocates, and community leaders, who framed it as a victory for consumer privacy. Sponsors emphasized a single governing principle: that the price a consumer pays should reflect the product being sold, not the data a company has collected about the buyer.

The One Fair Price Act signals growing regulatory scrutiny of data-driven and algorithmic pricing models, and New York is one of the first states to act. If the One Fair Price Act becomes law, New York would be the third U.S. state to address personalized pricing, following Maryland (which enacted a law to prohibit dynamic pricing for food retailers and third-party delivery service providers) and Connecticut (which enacted a similar prohibition as Maryland and also requires disclosure of personalized pricing practices). Additional states, including California and New Jersey, are considering similar proposals.

I'm not quite sure where I come in on this issue of dynamic pricing. On the one hand, I certainly wouldn't be opposed to my Uber driver giving me a better fare because I've tipped well in the past, my food delivery service cutting me a price break because of how frequently I order, or the local big-box home improvement store giving me a better rate on new drywall because I live in an area that floods often and will likely be making lots of purchases in the coming months. I can also see how these dynamic pricing practices might be considered unfair by those who don't get similar discounts or who get charged more due to their individual circumstances.

I also have mixed feelings about any government body telling companies how much they should charge for their goods or services and how they can and cannot use the mountains of data that they collect about their customers.

What's a lot less ambiguous in my mind is how companies can use their CRM data to dynamically alter other aspects of the total customer experience. In this issue, we highlight two of those use cases.

In our cover story, "Friction Mapping Moves to CRM to Spot Customer Pain Points" (page 12), we highlight how CRM data, customer journey mapping, artificial intelligence, analytics, and other technologies are coming together to identify where customers are having difficulty during their interactions with companies. Though most of this has traditionally happened after the fact, new technologies are enabling it to occur in real time, empowering companies to dynamically alter experiences as customers move along their paths to purchase and beyond.

In our second feature, "Dynamic Content Delivery Fuels the Ultimate Hyper-Personalization" (page 16), we highlight how companies can use their CRM data to tailor the marketing messages they deliver to prospects and existing customers. In essence, dynamic content delivery tools automatically decide what customers see, when they see it, and from where it gets served, in real time. For companies, the returns from dynamic content delivery can be quick and substantial, the article concludes,

With dynamic pricing, the benefits are a bit murky. With these two other use cases, the benefits are far easier to quantify: better customer experiences leading to greater customer loyalty, increased revenue, less waste, and competitive advantage. Not even the politicians should be able to find fault with that.

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CUSTOMER RELATIONSHIP MANAGEMENT

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By R "RAY" WANG

7 Agentic AI Lessons Learned

Map out your processes and journeys now

The world is awash in agents, and every enterprise customer experience vendor is now agentic. At Constellation's AI Forum DC in September 2025 and AI Forum Silicon Valley in March 2026, more than 150 artificial intelligence practitioners shared many best practices and lessons learned in agentic AI deployment. These CX professionals showed how they were able to achieve a real return on transformation investment (RTI) for sales, marketing, service, commerce, and advertising.

Here are the seven lessons that matter:

1. Manage the mind-shift in culture.

Leaders must make clear the intent and purpose of agentic AI deployment. Agentic AI used for cost reduction operates differently than agentic AI used for revenue and growth. Constellation's RTI looks at cost, benefit, probability, and project type to classify projects by these metrics:

- Regulatory compliance
- Cost reduction
- Operational efficiency
- Maintenance and incremental improvement
- Revenue and growth
- Business model transformation
- Brand transformation

Expectations on outcomes should be clearly stated up front. Give your teams the agency to make decisions and empower them to succeed. By setting the right cultural tones, agentic AI projects will create a win-win.

2. Invest in a defensible data strategy.

A good data strategy serves as the foundation for successful agentic AI deployments. It's about more than just data governance and quality; the companies that have invested in a coherent and clear data strategy can build the foundation to support personalization, right-time offers, infinite ambient orchestration, and more. Data and distribution are the clearest business moat. Organizations that underinvest will feel the pain in every deployment and consequently accumulate a sizable technical debt.

3. Reinvent your business processes for decision velocity.

Collapse decision trees and replace them with agents. Automation is assumed, but when and where you insert a human becomes the key linchpin of success. CX leaders have a once-in-a-generation opportunity to redesign business processes and customer journeys according to these steps:

- Trust intelligent machine automation via agents.
- Augment the machine (agents) with humans.
- Augment humans with a machine (agents).
- Trust human judgment (with humans and agents now in a symbiotic trust relationship) fully.

4. Always automate the deterministic.

Start with an inventory of deterministic processes. These are well defined and often have a clear regulatory foundation. Binary as yes-or-no decisions, deterministic decision trees can rapidly be collapsed and automated for the biggest short-term wins. The biggest gains come from automating deterministic processes with agents so that probabilistic processes can be augmented by human or machine.

5. Improve precision in the probabilistic.

Probabilistic processes are the most problematic with agentic AI. Leaders must determine a comfort level for precision. At 85 percent accuracy for customer service, most leaders could be happy. At 85 percent accuracy for order completion, millions of dollars will be lost. At 85 percent accuracy for financial transactions, jail time is on the table. For every probabilistic process, the level of precision determines when a human is inserted. People are inserted when confidence in precision is low, regulatory requirements mandate a human decision, or a human touch is called for. Understanding when and where to insert a human is the secret sauce for probabilistic processes.

6. Prepare for cross-platform agentic AI.

Agents have different levels of granularity in process, and often teams force-fit agents to a department. Successful deployments break through functional fiefdoms to cut across departments and support end-to-end processes. The romantic notion of one agent per role makes no sense when agentic AI can scale massively across roles, departments, and business processes. The rise of cross-platform agents requires a holistic view. Successful leaders go end-to-end as far as they can.

7. Index for wisdom before knowledge.

In the age of AI, expertise is a commodity, but experiences are not. The ability to connect the dots across industries, markets, regions, and offerings comes from decades of pattern recognition and experience. Most LLMs have learned from success while most successful humans have learned from failures. This lens allows for the acceleration of human judgment. The level of an individual's expertise can be judged by the questions they ask, not the answers given. Wisdom trumps knowledge, and staffing levels should reflect this.

THE BOTTOM LINE: START NOW

Time is of the essence. CX leaders who map out processes and journeys can start on their agentic AI path ahead of the technology. Applying these seven best practices, organizations can fast-track their selection of technology vendor and services partner.

R "Ray" Wang is the author of Everybody Wants to Rule the World: Surviving and Thriving in a World of Digital Giants *(HarperCollins Leadership) and founder of Constellation Research.*

By BOB PEDERSEN

AI Isn't Killing SaaS; the People Who Sold It Are

Software sales followed a simple playbook that hasn't panned out

As hundreds of billions in software market value evaporate, a convenient villain has emerged: AI is killing software-as-a-service (SaaS). There's only one problem: the "SaaSpocalypse" narrative is wrong.

AI isn't killing SaaS. The people who sold enterprise software are. I know, because for 20 years, I was one of them.

HOW THE OVERSELLING MACHINE WORKED

Enterprise software sales have followed a simple playbook: sell customers on buying for the company they hoped to become, not the company they actually were.

Customers would tell us they needed a certain amount of software. We'd look at their growth projections (which were always optimistic) and build a three-year plan around those assumptions. Buy this much capacity now, we'd say, and the per-unit rate would be dramatically lower. That was usually enough to get them to sign up.

But reality rarely matched the slide deck. Customers bought future-state capacity they'd never use, but the rate was too good, and the contract was done.

Over time, this approach effectively became the industry standard. Salesforce and Oracle did it. SAP increasingly pushed bundles that included customer experience and analytics, focusing on migrating its existing install base to a new version rather than winning new customers.

As a result, companies today are sitting on enormous quantities of software they bought but never used. That's what's coming back to bite these SaaS companies.

AI BROKE THE MODEL

As AI-driven workflows let smaller teams handle what once required a much larger headcount, the traditional per-seat licensing model comes under real pressure. Years of aggressive overselling have turned into a visible surplus that many CFOs are no longer willing to justify.

The response from software vendors has been revealing, as they've rushed to incorporate AI into their products. But do these updates represent new capabilities, or are they just repackaging that existing unused capacity?

When a company offers to swap thousands of unused CRM licenses for seats on a new AI product, that's not necessarily adoption. In many cases, it's just converting one line of dormant shelfware into another under the guise of "innovation" to protect the contract value.

VIBE CODING WON'T SAVE YOU

Some finance and technology leaders are looking for ways to bypass vendors entirely. The emergence of AI-assisted development, or vibe coding, has made it possible to prototype a functional application in hours instead of weeks or months.

But an application you can prototype in an afternoon still has to be able to stand up to testing, security, maintenance, and support requirements.

Vibe coding can feed a culture of "shadow IT," where teams build and run tools without the knowledge or approval of the company's IT department. It may be a fast way to create, but it can create a burden that ends up costing more than the SaaS licenses you were trying to avoid. It's trading visible waste for hidden debt.

WHAT CHANGE ACTUALLY LOOKS LIKE

I know all this because I've seen what happens when you do it differently. After a career spent perfecting the overselling playbook, I joined a company where we had to rethink the model from scratch.

Instead of charging for how many people log in to our software, we price based on the revenue a customer manages through our platform. What we earn is directly tied to the value we help deliver. If the customer doesn't grow into the tool, we feel it, too.

When your pricing is tied to outcomes, you can't afford a 12-month implementation followed by years of shelfware. You need to show measurable impact in weeks, not quarters.

It also forces you to confront an uncomfortable truth about the market. Most companies that could benefit from pricing software aren't using any. Industry estimates suggests that of the more than 20,000 companies that could benefit from price management solutions, only about 1,200 use one.

The old model oversold the top of the market and ignored this massive middle, because selling outcomes to a $200 million distributor wasn't as lucrative as loading up a Fortune 500 company with seats they'd never use.

That's starting to change. It's an uncomfortable shift for many companies, but it's the correction the industry needs. The companies that get there first will earn the trust of a new wave of customers.

"SaaSpocalypse" makes for a good headline, but it isn't quite accurate. The real story is that the bill is coming due for how software was sold. The sooner both sides of the table acknowledge that, the sooner we can build something that actually works.

Bob Pedersen is chief revenue officer at Zilliant, a provider of pricing life cycle management. A former vice president at Salesforce, Pedersen has more than 25 years of experience managing high-performing sales teams.

AI Agents to Automate Half of Customer Service Jobs by 2030

AI is already handling most customer inquiries, and automation will continue to accelerate, Forrester predicts

By 2030, nearly half (49 percent) of all current customer service jobs will be lost to artificial intelligence, shifting human roles away from direct customer interaction toward directing, governing, and optimizing AI agents, Forrester Research predicts in a new report.

The firm further predicts that within the next two to five years, customer service organizations will shrink traditional roles while creating new, more data-driven and technical positions focused on oversight, insights, and customer value creation.

"AI agents are not just reducing costs in customer service, they are redefining what customer service work actually is," says Kate Leggett, vice president and principal analyst at Forrester. "Over the next few years, we will see fewer people answering routine questions and many more people directing, coaching, and governing AI systems that interact with customers at scale.

"Leaders who treat this shift as a pure automation exercise will fall behind," Leggett adds, noting that winning organizations "will redesign roles, invest aggressively in reskilling and continuous learning, and rethink how they measure success, turning customer service from a cost center into a source of customer value, loyalty, and revenue growth."

The research firm says that AI will have a much greater impact on customer service jobs than previous customer service technologies like interactive voice response systems and chatbots, citing some of AI's early impacts: AI is involved in 96 percent of Anthropic customer inquiries and handles 90 percent of inquiries for travellers going through London's Heathrow Airport; 80 percent of inquiries for TeamSystem; and 68 percent of inquiries for the Rocket Money personal finance app.

Forrester also expects that as AI automates routine interactions, lower-tier customer service representatives will increasingly supervise AI agents, resolve exceptions, and provide feedback to improve AI performance, while higher-tier roles will specialize in complex, technical, or relationship-driven work that is difficult or costly to automate. High-volume contact centers will experience the greatest staff reductions, while lower-volume, higher-complexity environments will see less dramatic displacement, Forrester also predicts.

At the same time, though, new roles are expected to emerge around insights, data, and AI governance. Insight and analytics teams will become more strategic as AI enables detailed analysis of performance, cost, and customer outcomes down to the level of individual intents, according to Forrester.

And as AI scales and flattens organizations, customer service leaders are expected to shift responsibilities to customer value creation and revenue growth, meaning more work on front-office functions that drive customer service and loyalty. To that end, some companies have already added sales quotas for customer service representatives.

Forrester also foresees changes in operational and IT roles. In operations, managers will take on more strategic roles as they blend AI-driven insights and efficiencies with human understanding. In IT, roles will expand to support AI innovation, including AI agent configuration and optimization.

The research firm recommends that customer service operations do the following:

- Plan jobs to change at different rates and to different degrees.
- Redefine, develop, and hire for essential skills, like data analytics, business judgment, quality oversight, relationship management, collaboration, and critical thinking.
- Craft an essential skills assessment and development plan.
- Chart a skill development path, not a one-time training course.
- Invest in continuous learning for adaptive and resilient workers.
- Cross-train workers who can step into different roles.
- Determine who is responsible for AI creation, management, and execution, while also establishing responsibility for the supervision of AI.

But even with all that preparation and training, Forrester points out that staffing levels will continue to change, regardless of the level of AI adaptation and maturity within organizations. *—Phillip Britt*

AI-Enabled Sellers 2.6 Times More Likely to Achieve Growth

AI can drive sales growth when leaders redesign seller workflows around it, Gartner finds

Sales organizations that provide sellers with artificial intelligence-enabled next-best-action guidance are 2.6 times more likely to achieve commercial growth, according to a survey by Gartner.

And organizations that prioritize upskilling sellers on AI are 2.4 times more likely to achieve strong revenue growth. However, the finding also highlights a growing divide between the rapidly expanding capabilities of AI and sellers' ability to apply those capabilities effectively in day-to-day work.

"The most effective sales organizations are not simply layering AI onto existing ways of working," says Greg Hessong, senior director analyst in the Gartner Sales practice. "They are redesigning seller workflows so AI can support execution, recommendations, and orchestration, while sellers focus their time on the moments where human judgment and customer value matter most."

AI-enabled growth depends not only on technology adoption but also redesigning sales roles around how work gets done, Gartner says. Sales leaders should redesign roles for an AI-driven environment, aligning those roles to AI-augmented workflows and preparing future roles for the task of orchestrating AI agents, the firm adds. The need for that shift is becoming more urgent: Gartner predicts that by 2027, 95 percent of sellers' research workflows will begin with AI, up from less than 20 percent in 2024.

But at the same time, additional Gartner buyer data also showed that human sellers still outperform generative AI in the following ways:

- Buyers were 28 percentage points more likely to say sales reps, not genAI, helped them advance to the next step in the purchase process.
- Buyers were 32 percentage points more likely to say a rep made them feel confident in the purchase decision.
- Buyers were 39 percentage points more likely to say a rep understood their needs.
- Buyers were 21 percentage points more likely to say a rep helped quantify the benefits for their organization.
- Buyers who spent more time with supplier reps reported the lowest levels of dysfunction, and buying groups with low dysfunction were 13 times more likely to report high-quality deals.

AI is well suited to activities like account research, personalized messaging, signal monitoring, and next best actions, while sellers stand out in empathy, judgment, contextual understanding, and value framing,

"Sales leaders who win with AI will not ask sellers to do everything they did before, just faster," Hessong advises. "They will build AI-augmented roles that give sellers more capacity to help customers realize value, advance decisions, and achieve better outcomes."

To derive the most benefit from these changes, Gartner recommends that firms assign new sales roles to deploy human sellers where they will provide the most value. To determine that, companies should audit current workflows to determine where humans and AI are best suited. The low-value, high-effort tasks should be automated so that human sellers can focus on buyer engagements with the most impact.

Gartner also urges CSOs to shift from using AI for small incremental gains, focusing instead on raising the overall performance ceiling.

Gartner's specific recommendations for CSOs include the following:

- Partner with sales or revenue operations to systematically audit current sales processes to identify low-value, high-effort administrative tasks ready for AI automation.
- Mandate that human resources and sales enablement formally rewrite seller role descriptions to explicitly evaluate and provide compensation for AI fluency and output discernment, rather than simply for sales experience.
- Establish an AI agent sandbox, a controlled testing environment where top-performing sellers can pilot commercial, off-the-shelf AI agents on specific deal stages before rolling them out to the full sales team.
- Ask sales operations to review current sales process stages and sources of administrative bottlenecks.
- Identify tasks for "agentification," distinguishing them from those best left with human sellers.
- Decide how and where to deploy AI, identifying opportunities to embed the technology in workflows.
- Upskill sellers for AI so they can oversee the quality of AI-enabled workflows and ensure the quality of AI-generated outputs.
- Ensure that new roles emphasize the right mix of skills: Transform sales roles to reflect new seller responsibilities and enable sellers to focus more time where their specialized skills are needed most, such as building consensus and delivering insight-driven customer engagements.

—Phillip Britt

AI Saves Sellers 5 Hours Per Week

Sales is failing to reinvest AI efficiency savings, Gartner finds

Artificial intelligence is delivering measurable efficiency gains for sales organizations, saving sellers an average of 4.8 hours per week, according to Gartner.

However, 72 percent of sales organizations reported low reinvestment of those time savings back into high-value sales activities, creating what Gartner calls a "reinvestment gap" that limits AI's impact on commercial performance.

This comes despite findings from Gartner that sales organizations that achieve moderate to large AI time savings and then reinvest that time into high-impact sales activities are 2.2 times more likely to exceed customer growth goals and 3.1 times more likely to exceed lead-to-opportunity conversion goals, compared with organizations that reinvest less.

More than 1 in 10 (11.5 percent) of sales organizations said they have allocated AI investments to improving productivity, while 46 percent said their AI investments are centered on increasing revenue and reducing costs.

"AI is not the hero of this story; AI is the accelerant," says Dan Gottlieb, vice president analyst in the Gartner Sales Practice. "The opportunity is not simply using AI to improve sales productivity. It is using AI to break through the constraints that limit sales output."

Gartner further notes that there is a significant difference between sales organizations getting returns from their AI investments and those that don't; one-quarter reported a 50 percent or higher positive return, while just one-fifth had a 50 percent or higher negative return, according to the firm's research.

Gartner also found that the need to rethink productivity is urgent. Sales organizations continue to invest in CRM platforms, technology stacks, process redesign, automation, AI, and headcount, yet productivity gains remain constrained by operating models designed to scale primarily by adding more people.

Productivity innovators are pulling ahead by moving beyond headcount-based productivity models. These organizations build strong data infrastructure, reinvest AI time savings into high-value sales activities, and establish operating rhythms that improve seller performance and commercial outcomes.

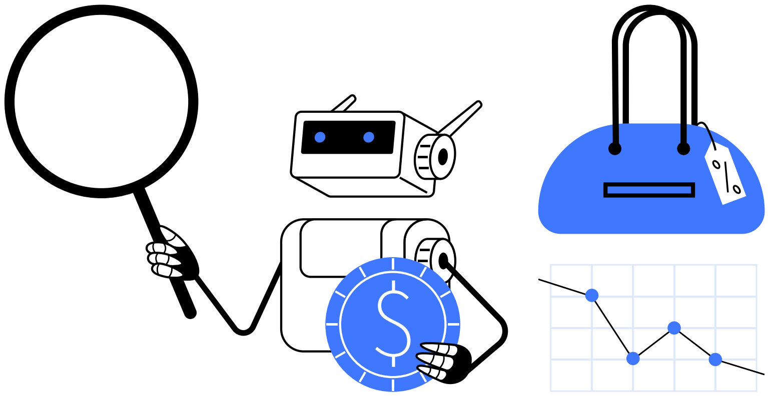
To overcome the productivity paradox, CSOs should focus on three actions: owning AI-forward sales infrastructure, orchestrating winning seller behaviors, and capturing AI's impact on sales capacity, the firm says.

"Sales productivity does not stall because reps forget how to sell; it stalls because the system quietly caps them," says Gottlieb. "By redesigning the system around sellers, sales leaders can turn AI-enabled capacity into sustained productivity gains."

According to the research firm, the discrepancy shows that AI value depends less on access to technology and more on how sales organizations redesign the systems around it.

Gottlieb adds that a better measurement would be what Gartner calls digital capacity units, or AI improvements in human equivalents. Such a measurement treats AI as a workforce resource, he explains. Examples include gains in productivity, closed deals, and win rates.

"Organizations that measure sales productivity at the customer segment or market level are 2.5 times more likely to exceed revenue growth goals," Gottlieb says. *—Phillip Britt*



Consumers Want AI Shopping Help, Not Purchase Decisions

Marketers should prioritize AI tools that support research and comparisons, Gartner urges

As companies race to invest in agentic commerce, consumer willingness to let artificial intelligence make purchase decisions for them topped out at just 11 percent across lower-stakes categories, such as personal care and household supplies, according to Gartner.

The survey found greater openness to AI tools that help narrow product choices, as 31 percent of consumers said they would be willing to allow AI to narrow choices for household supplies purchases, and 28 percent were willing to do so for personal electronics purchases.

"Consumers are not looking to outsource shopping decisions to AI," says Kate Muhl, a vice president analyst in the Gartner Marketing Practice. "They want AI to help them find better information, compare prices, identify deals, and narrow choices, while keeping final decision-making control for themselves."

Marketers would do well, then, not to focus investments on fully autonomous shopping agents, the firm says.

Gartner cites trust and accuracy as the biggest barriers to broader adoption, noting that early adopters still encountered friction when using AI for shopping. Among consumers who used AI while shopping for recent purchases, 54 percent said they had to double-check the accuracy of all information generative AI tools provided, and 62 percent said information from genAI tools ended up being a waste of their time.

"Accuracy is now a brand issue," Muhl says. "If consumers believe AI shopping tools create more work by requiring them to verify every recommendation, they will not see those tools as convenient or valuable. Marketers must prioritize transparent, reliable information, especially around price, product fit, and recommendations.

"The brands that earn consumer trust will be those that use AI to enhance consumer control, not replace it," she adds.

Companies would also do well not to eliminate salespeople from the equation, despite consumers wanting to do more self-service in the buying journey.

A separate Gartner study found that 69 percent of B2B buyers said they prefer to validate AI-generated insights with human sales reps, even as 45 percent said they used genAI during recent purchases. Buyers also reported using an average of seven information sources as they evaluated vendors and products.

"B2B buyers are more comfortable using digital channels and genAI to navigate the purchase process on their own, but that does not eliminate the role of the seller," says Robert Blaisdell, a vice president analyst and chief of research in the Gartner Sales Practice. "Buyers still turn to sales reps to validate AI-generated insights and support decision making at critical moments in the journey."

As AI becomes a more common part of the B2B purchase journey, buyers are also weighing the reliability of the information they receive. Fifty-one percent said they are more likely to encounter misleading information from genAI, while 49 percent said they are more likely to encounter misleading information from sales reps.

These findings point to a more nuanced buying environment: Buyers want the speed and convenience of digital and AI-assisted research, but they still rely on sales reps when they need reassurance, context, and decision support. Reps remain the most important information source when buyers are researching a business problem or need, identifying a preferred supplier and securing internal support, and finalizing the purchase.

"Buyers still turn to sales reps to validate AI-generated insights and support decision making at critical moments in the journey."

"Sales leaders should not interpret buyer preference for digital self-service as a signal that sellers matter less," Blaisdell states. "It is a signal that sellers need to show up differently, engaging where they can help buyers validate information, reduce risk, and move forward with greater confidence."

Brand Discovery Finds New Vectors

Companies invisible on digital and physical channels will be overlooked, Clutch finds

The way consumers discover brands has fundamentally changed in the past five years, a fact cited by 85 percent of consumers in a new Clutch Research survey.

With nearly 60 percent of consumers discovering brands online and 78 percent still finding new brands while physically shopping, discovery is no longer a single channel; it's everywhere at once, the research firm reports.

Among the sources for product discovery, 34 percent of consumers said they encounter new brands on social media every day, while 43 percent said they turn to Google or other search engines when actively researching.

And when seeking to increase their discoverability, artificial intelligence is quickly becoming a channel that marketers cannot ignore, according to Clutch. The firm found that though most consumers (56 percent) have yet to discover brands through AI, adoption is accelerating. Gen Z, Millennials, and Gen X are all experimenting at similar rates, and 47 percent of all consumers in the firm's study said they expect AI tools to define how they find brands in the years ahead.

The research also found that once consumers find new brands, they move quickly. Nearly three in four (72 percent) purchased something from them within a month of discovery.

Based on that, Clutch notes that reach without credibility doesn't close. Forty-two percent of consumers said positive reviews were the top factor in converting discovery into purchases, and nearly 40 percent said they trust friends and family most when evaluating brands. Only 5 percent said influencers were their most trusted source.

"Getting discovered is half the battle," says Anna Peck, an analyst at Clutch. "Consumers are moving fast, from first exposure to purchase in a matter of days, and the brands that convert are the ones that have already built credibility through reviews, word of mouth, and consistent presence across channels."

>>> Personnel Moves

Keepit, a data protection platform provider, has named **James Dwyer** its chief revenue officer.

8x8 has named **Emily Masterson**, an executive with 19 years of experience at Oak Telecom, Unify, Atos, and 8x8, its global head of channel.

ContinuumGlobal, an engagement marketing services company, has promoted **Marie Aiello**, who served as its senior vice president for the past four years, to president.

Matt Derella, who joined **LinkedIn** in December 2024 to lead global sales for the advertising business, is taking on an expanded role as senior vice president of LinkedIn Marketing Solutions and Microsoft Advertising.

Crunchbase has named **Ketaki Rao** its chief product officer and promoted **Ann Davis** to chief revenue officer.

VastAdvisor, providers of an organic growth operating system for wealth management firms, has brought on **Jeremi Karnell**, formerly head of data solutions at Envestnet and CEO of Truelytics, as chief product officer.

LoopMe, a brand performance company, has appointed **Courtney Howell** as senior vice president of global partnerships, **Maggie Wider Parker** as vice president of direct sales, and **Staci Kapnick** as assistant vice president of global revenue operations. These hires are part of a broader expansion of LoopMe's North American teams.

Seismic, a sales enablement platform provider, has named **Rob Pinkerton**, a former senior vice president of product strategy at Oracle and former chief marketing officer at Morningstar, its chief marketing officer, and **Kimberly Schultz**, formerly of Amazon, its chief human resources officer.

Genspark.ai, an AI workspace provider, has named **Jamison Powell**, a former executive with Monday.com, NewVoiceMedia, and MessageLabs, its chief revenue officer.

Alliant, a provider of deterministic purchase behavior, predictive intelligence, cognitive science, and omnichannel activation, has named **Chuck Ott**, formerly of Zeta Global, Redpoint Global, and Merkle, chief revenue officer.

>>> Capital Investments

Rep AI, providers of an artificial intelligence platform for e-commerce, has raised $6.2 million in follow-on funding from Silicon Road Ventures, Osage Venture Partners, Flashpoint Venture Capital, and Zendesk. The new capital will accelerate product innovation, expand market reach, and support enterprise growth.

Lokam.ai, a voice-first AI platform for automotive dealerships, has raised $350,000 in funding from World Auto Group, the NVIDIA Inception Program, and LvlUp Ventures.

Respond.io, a customer conversation management platform provider, has raised $62.5 million in series B funding from Camber Partners, Endeavor Catalyst, and existing investors. The funds will be used to fuel expansion, mergers, and acquisitions within North America and Europe.

Ergo, a Y Combinator-backed startup, has completed a $2.8 million seed round to advance its platform, which pulls signals from every call, email, Slack thread, and sales tool into one connected operating layer, then uses that context to keep CRM records accurate automatically.

Genspark.ai, an AI workspace provider, closed a $100 million Series B extension, bringing its total Series B funding to $485 million The round was backed by Sozo Ventures, Korea Mirae Asset, UpHonest Capital, and other investors.

Clario, an enterprise data platform provider, launched from stealth with $6 million in seed funding from Preface Ventures, Foster Ventures, Golden Sparrow, High Sage Ventures, Moment Ventures, Mentors Fund, Page One Ventures, Rain Capital, Ridge Ventures, and Transform VC, as well as angel investors Michael Callahan and Baris Aksoy.

REQUIRED READING

Brand Positioning Can't Be Added After Production

Product development should have Brand Power Built In

In *Brand Power Built In: How Tech Products Really Win Hearts and Minds*, brand strategist Lifang He delivers an end-to-end integrated product and brand strategy model to avoid the pitfalls that often tank promising innovations. She also reveals why some tech products win customers' hearts and minds while others seem doomed to obscurity, and how to break down organizational silos, embed customer-centric thinking into company culture, and create products that naturally attract customers. *CRM* editor Leonard Klie spoke with He to get more insight.

***CRM*: What is brand positioning and why is it so important?**

Lifang He: Most people think of positioning as a marketing tool, but its greatest value is strategic: It defines what you build, who it is for, and why it matters. Positioning is the North Star that guides product, brand, and go-to-market decisions across the organization. It helps customers understand why you matter and gives them a reason to care.

Today, as AI makes it easier than ever to build new products, standing out has never been harder. Without clear positioning, companies risk creating products that look and feel the same and fail to earn customers' attention and trust.

How do companies achieve the ideal positioning?

Effective positioning begins with a deeper understanding of customers' problems, motivations, and unmet needs. Whether you're a startup entering an established category or a mature business pursuing growth, the key is identifying a customer need that others have overlooked.

When Rivian entered the electric vehicle market, being electric alone was no longer enough to differentiate. Rivian saw an opportunity to serve customers who wanted a vehicle that combined adventure, sustainability, and luxury. Its vision to become "the Patagonia of electric vehicles" became an internal decision-making filter that influenced what the company built and how it brought the brand to market.

How do brand identity, go-to-market strategy, and product development all fit into the positioning process?

This is the heart of the *Brand Power Built In* approach. Positioning is where the process starts, but it only creates value when product development, brand identity, and go-to-market strategy all bring that same vision to life.

Ring was first launched as Doorbot. The company's breakthrough came from a single insight: Home security starts at the front door. That reframe expanded the doorbell narrative into a broader promise of home and neighborhood security. The tagline "Always Home" captured that positioning and became the foundation for its product road map, brand identity, and go-to-market strategy.

The story told through naming and visual identity is the same story told in product design, and the same story told in marketing campaigns and sales efforts. When those elements are aligned, they create a cohesive customer experience that builds differentiation, trust, and loyalty.

You suggest integrating brand equity and performance marketing. Why, and what benefit does that yield?

The most effective campaigns achieve double duty: They drive sales while also strengthening the brand. Performance marketing captures existing demand and drives short-term results, while brand building creates future demand by reinforcing your promise and helping customers understand why you matter.

Companies need both. When they work together as an integrated, full-funnel strategy, they drive current revenue and long-term growth. Strong companies lower customer acquisition costs, increase retention and lifetime value, and create sustainable demand that doesn't depend entirely on paid advertising.

In addition to Ring and Rivian, you also cite PillPack as a company that got it right. What did it do differently?

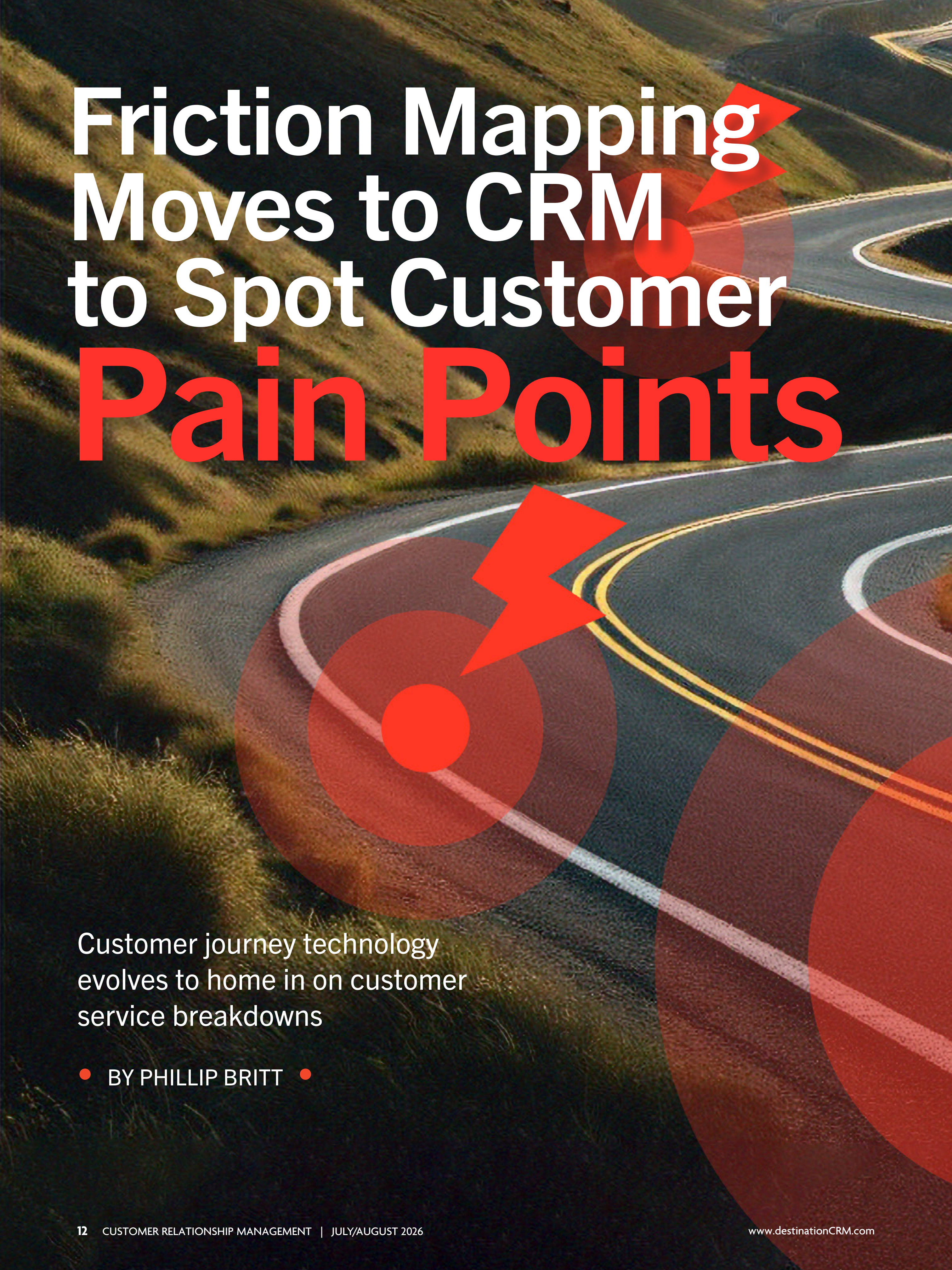
Ring, Rivian, and PillPack built brand power into their products from the beginning. They didn't treat brand as something to add after product development. Instead, they used brand thinking to shape what they built, how customers experienced it, and what they wanted to stand for.

That's how Ring transformed a doorbell into a global home security brand, how Rivian broke through a crowded car market to become America's most loved automobile brand, and how PillPack turned a frustrating medication management experience into something delightful.

What is the one message you want readers to take away from this book?

Brand and product are inseparable. Customers experience the features, the onboarding process, the reputation, the story, and the confidence it inspires as a single package. The product and the brand arrive together.

That's why differentiation, trust, and customer connection can't be added after a product is developed. They must be built into the product from the beginning.



Friction Mapping Moves to CRM to Spot Customer Pain Points

Customer journey technology evolves to home in on customer service breakdowns

• BY PHILLIP BRITT •

Friction mapping first appeared years ago in behavioral psychology and cognitive science, leveraging our natural tendency toward the path of least resistance. It diagrams the mental barriers, cognitive load, and emotional friction that stall human action. By understanding these mental hurdles, practitioners have been able to redesign patients' environments to encourage better decision making, reduce stress, and make desired habits easier and undesired behaviors harder.

Businesses only recently began adopting friction mapping to identify and eliminate the roadblocks, delays, and points of frustration that stall customer interactions. They used to rely on customer surveys to glean that kind of information, but low response rates due to survey fatigue have made that much more difficult.

So organizations today have been increasingly turning to artificial intelligence-powered, real-time, unstructured data and predictive analysis to visualize exactly where and when customers abandon tasks. Friction mapping takes basic customer journey mapping to a whole new level, and a well-done friction map can tell where the friction points are, their magnitude, their frequency, and who is impacted by them.

In their zeal, though, many companies have been looking at the wrong things. Many organizations assume the biggest customer frustrations are obvious. They often focus on staffing levels, response times, or system functionality, even though friction frequently develops in less visible places where departments, systems, and customer expectations fail to connect smoothly in real-world interactions, experts contend.

Friction might be widespread, or it might be isolated to a single element, like a website or mobile app. Friction mapping will look at how many times somebody tries to click on something and cannot move forward, or something like cart abandonment, pointing out where and when customers abandon it and how far they were into the shopping experience before abandonment, says Elaine Buxton, president and CEO of Confero, a CX research and mystery shopping firm. "The technology is really helpful to figure out where things are breaking down, particularly if the whole customer experience is all digital, like online sales or something like that."

Digital sellers often don't have personal interactions with customers, so using friction mapping technology is critical to find online points of failure, Buxton adds.

Good friction mapping will often uncover unexpected points of friction, according to Dan Herbatschek, founder and CEO of Ramsey Theory Group, a software development firm that provides artificial intelligence,

cybersecurity, and digital marketing services. "Organizations initially look for the answer to their customer service breakdowns by analyzing angry phone calls, terrible survey scores, or abandoned transactions."

Typically, service breakdowns occur earlier in the interaction, and this creates a negative chain reaction. Friction mapping can pinpoint the exact breakdown point, and that makes it extremely powerful, because it shows the true failure origin point, Herbatschek adds.

"The best friction mapping products have the ability to combine sentiment analysis, refund delays, escalation patterns, resolution times, clickstream behavior, support tickets, chat logs, call transcription, CRM data, and more," Herbatschek says. "Friction mapping links everything together so visibility across your entire organization's ecosystem and the failure point can be easily and very quickly identified. Friction mapping is a huge problem for brands, and not enough enterprises know how to execute it properly. It really is key to customer retention and increasing revenue."

Until they create a visual representation of their current processes, most companies trying to unearth issues don't understand how many hours they can waste trying to find each friction point, says Lucy Blackley, founder and chief product officer of Bombix, which provides unified product experience management solutions for consumer goods industries.

Friction mapping, she adds, helps to identify the same issues being experienced by customers as well as internal team members.

HOW IT WORKS

There are many ways of finding points of failure throughout the customer journey.

TTEC Digital, for example, uses a mystery shopper technique in which one of its employees calls in or emails clients to order their products or services. They will look at how easy it is to find the item or service, ask questions, and place the order. Once the product is shipped, the mystery shopper will find out how to return it.

The company also uses a combination of Adobe Customer Journey Analytics, Qualtrics XM, and Genesys Speech and Text Analytics to help assess issues like how easy the website was to navigate, how quickly the mystery shopper could find the item or service, whether simple queries required special logins or account registrations, whether the correct item shipped and how it arrived, how easy it was to return, and more. After completion, the mystery shopper provides a full report of all interactions.

The number of vendors offering friction mapping software is large and growing. Some software is stand-alone, while other solutions are part of larger suites that often include technologies for journey mapping, journey orchestration, performance analytics, quality assurance, feedback management, and more.

Latane Conant, chief marketing officer of Parloa, a provider of AI agent and customer experience automation solutions, adds that AI today can simulate much of what a human mystery shopper does to enable companies to produce friction maps much more quickly than they did in the past.

"You can test for different customer types, like a happy customer in Mexico and an angry customer in Romania, then see exactly how the design of your customer service stacks up. AI has changed the immediacy of friction mapping," she explains.

AI is also helping companies solve friction issues more quickly, according to Conant. "The ability to remove friction has never been greater than it is now, which I think is a real exciting place to be."

But even then, "while many organizations focus heavily on CRM platforms, AI tools, dashboards, and customer analytics software, technology alone is rarely the root solution," says David Carneal, founder of Digital Efficiency Consulting Group. Software might help expose where friction exists, but it does not automatically resolve the operational logic creating the problem in the first place, he explains.

Buxton agrees, pointing out that while the technology might be good at mapping the friction points, and AI can help interpret the map, consultants are still needed to help determine the emotions behind the friction points. This could include the degree to which customers are inconvenienced by different friction points.

More detailed analysis can also uncover whether one or a combination of friction points are resulting in lost revenue and profits, Buxton adds.

NOT ALL BAD

Experts caution, though, that both in the physical and digital environment, there are times when companies might want some friction—or more correctly, what customers would consider friction—in their operations. Making a customer talk to a customer service representative before canceling a subscription likely adds frustration for the customer, but for the company, it creates an opportunity to save the account or maybe even upsell it.

Some customer friction will be intentional. Called positive friction, it is often used to assist users in crucial interactions, such as confirming a specific action or consequence. It could involve a confirmation pop-up that appears before a customer deletes a file, closes a program without saving, unsubscribes from an email newsletter, or opts out of a marketing campaign. Other positive friction might be used for security purposes, such as passwords or security codes for online payments. And some points of friction, like delivering long disclosures, might be necessary in highly regulated industries.

THE WORST OFFENDERS

The objective of friction mapping, though, should be to eliminate the negative points of difficulty, and those can be found in many stages during the customer journey.

"There are many potential points of excessive friction: the chatbot, call center agent, CRM workflow, email, or something

else. The bottom line is that customers' disappointment is ultimately with one thing—your brand," Herbatschek says.

Other key points of friction include slow websites, nonresponsive designs, long waiting times, a lack of information or inaccurate information, system bugs, and improperly configured handoffs,

A major point of friction at an increasing number of companies today is the difficulty connecting with a live agent, adds Robert Wakefield-Carl, senior director of innovation architects at TTEC Digital. "Companies want bots to handle everything, so they front-end IVRs with bots. They even front-end their emails with bots, and there's a lot of friction to get past them."

> A major point of friction is the difficulty connecting with a live agent.

Parloa, in researching its "State of Agentic CX in 2026 Report," found that some industries, like healthcare and utilities, were worse than others, but all industries had serious friction issues, according to Conant. "All of them were bad, worse than we had expected going into the study. Part of what's happened is that brands have fooled themselves into thinking that self-service means that customers don't want to talk to you."

TTEC Digital has worked with many major companies to help identify and solve points of friction. Companies selling low-price goods and services tend to have more points of friction, with customers more willing to accept the roadblocks, while companies with high-price goods and services tend to have fewer points of friction, are more likely to want them eased, and have customers less willing to accept too many hurdles, according to Wakefield-Carl.

The restaurant industry is also riddled with friction points, largely because of the many different systems in use. The industry has different technologies developed by individual teams within different departments, all with their unique needs, Buxton says.

While sellers of such technology usually promise integration across systems so that everything flows smoothly between systems, the reality often is that there are unexpected points of friction or complete bottlenecks, she says.

"Sometimes you can have a situation where one screen says start your order, another says place an order now, and another says buy now. One says product, one says menu," Buxton says. "The terminology is not even the same throughout each of the components, and everything is supposedly integrated."

Across industries, it's also important to note that friction often occurs early in the customer interaction and can alter what happens throughout the rest of the process, experts agree.

In its research, Parloa found that the greatest point of friction occurs before the customer interaction even begins. "Before a chatbot or interactive voice response system can even fail, customers can't find support at all," says Malte Kosub, Parloa cofounder and CEO.

According to Parloa's research, 43.3 percent of the world's largest companies display no visible phone number or chat option. Of those that do, 56 percent require scrolling to find it, and nearly 95 percent of chat widgets appear only on the homepage rather than the support page where consumers with active problems land.

When customers do find a chatbot, it almost certainly won't solve their problem, Kosub adds. In nearly 4,000 tested interactions, the bots failed the basics at astonishing rates: 90 percent couldn't remember information that the customer submitted two minutes earlier, 98 percent couldn't follow instructions, and only 8.9 percent of chatbot conversations actually achieved the customer's stated goal.

When these friction points escalate, the designed failsafe—transferring to a human—becomes a roadblock in itself, Kosub adds, noting the report's findings that 89.9 percent of attempted transfers to a human agent fail.

Drew Madore, founder and CEO of Synergist Digital Media, a digital marketing agency in Philadelphia, recommended in a recent blog post that companies pay particular attention to the following in their friction maps:

- Drop-off points above 25 percent, meaning that something's broken or confusing.
- Support ticket clusters: When you get the same question 50 times, that's not 50 customer problems. That's one design problem with 50 victims, he explained.
- Time-on-page outlier: If a form that should take 90 seconds to complete averages four minutes, people are likely getting confused somewhere along the way.

LOOKING AHEAD

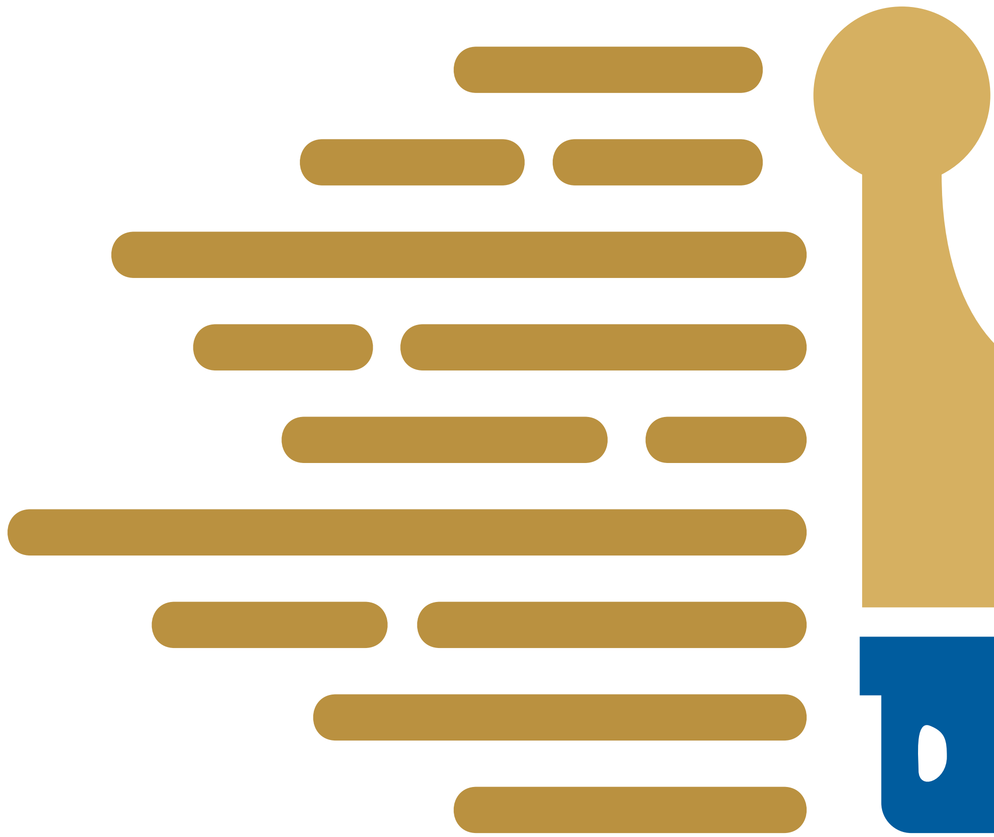
Companies that redesign their customer experience platforms around points like these to support autonomous resolution, reliable escalation, persistent context, and efficient machine-to-machine interaction are likely to differentiate themselves on both cost and quality, experts agree.

And as more companies come to that realization, friction mapping will become more ubiquitous in the next couple of years, Buxton predicts. "I can remember when journey mapping was considered a new thing. People didn't really understand what it was. A lot of companies thought let's just make a pretty diagram of the customer's journey and experience through our organization."

That evolved into a map designed to track CX and sales, both online and offline, which became useful for companies in determining how to improve the customer journey to boost sales and revenue, she continues.

Buxton expects friction mapping to follow a similar path of increased adoption among companies. "It's a higher and better use of journey mapping."

Phillip Britt is a freelance writer based in the Chicago area. He can be reached at spenterprises1@comcast.net.

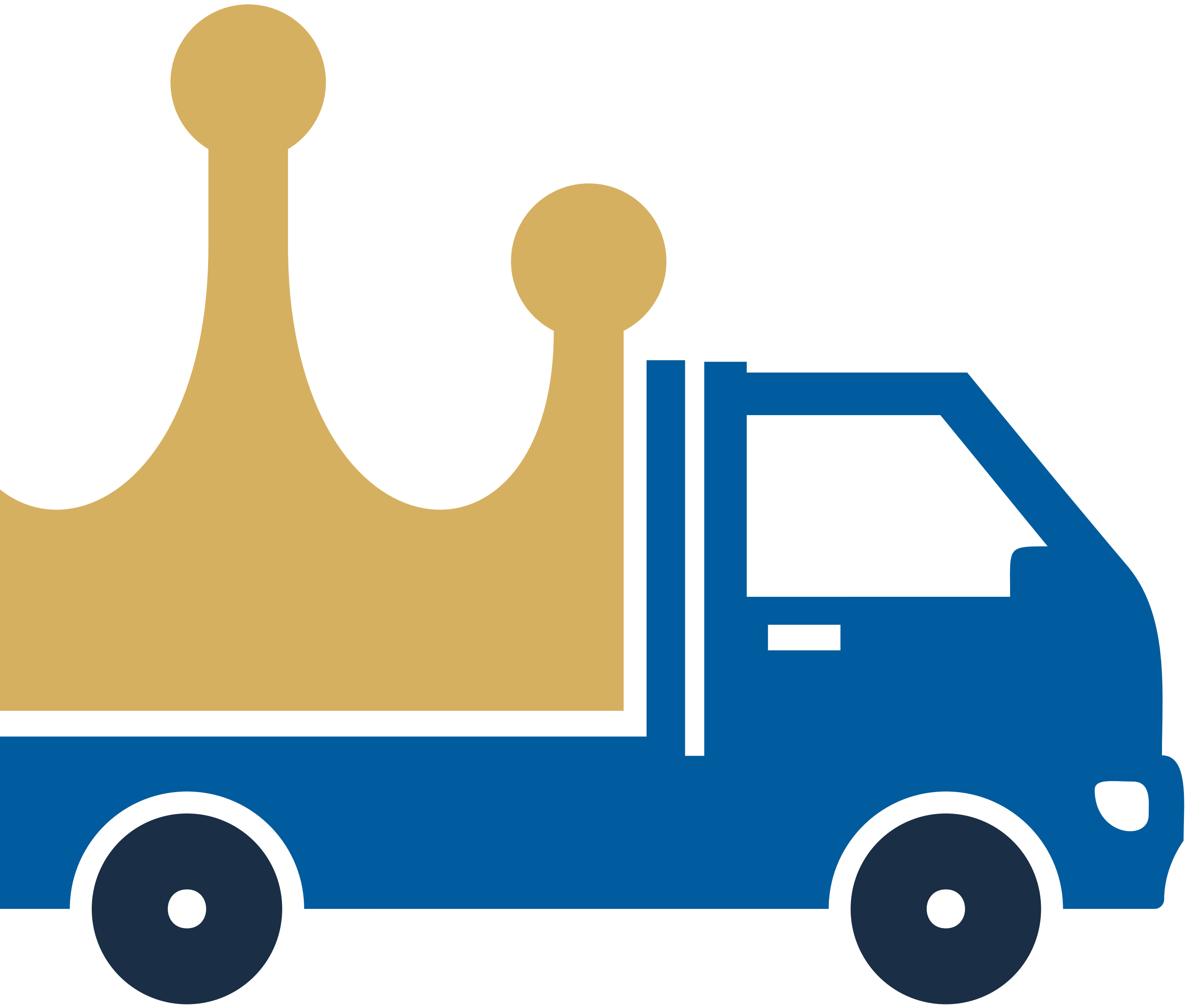


Dynamic Content Delivery

Fuels the Ultimate Hyper-Personalization

Content is still king, but only when it meets the right customer at the right time and place

BY PHILLIP BRITT



In modern marketing, they say content is king, a phrase that reflects the reality that valuable, relevant, and consistent content is the most effective way to attract, engage, and retain customers. The right content, in the right context, builds brand authority, fuels search engine and artificial intelligence agent visibility, and drives long-term customer loyalty.

Great content has gone from optional to essential. It drives lead generation and long-term growth by educating buyers looking to comparison shop before they buy. It positions companies as trusted sources of information and keeps them top of mind when prospects are ready to buy.

But simply churning out massive amounts of blogs posts, ad copy, video testimonials, and sales brochures isn't enough. Companies—or more specifically, their marketing departments—need a cohesive strategy that optimizes content for search engines and artificial intelligence assistants, understands audiences so content aligns with customer needs, and even measures results to keep improving over time.

Called dynamic content delivery, this strategy takes into account a number of factors, including the following:

- **audience-centricity,** which means directly addressing the pain points, questions, and ambitions of specific target demographics;
- **optimization**, meaning that content is structured perfectly for human readability as well as search engine and artificial intelligence indexing; and
- **customer value**, which translates to informing, entertaining, or providing practical guidance when needed without relentlessly pushing a hard sale.

Dynamic content delivery relies on a continuous loop of data collection by interconnected CRM systems and customer data platforms (including details like demographics, location, past purchases, browsing history, and device type), predefined marketing rules to determine which content blocks should be displayed to which audience segments, and real-time rendering, which serves up the appropriate copy, images, videos, or product recommendations instantly once the user opens an email or loads a web page.

In email marketing, dynamic capabilities enable systems to automatically populate different product recommendations, hero images, or discount codes based on individual subscriber purchase history or web activity. On websites, they can swap out banner ads, landing page headlines, or navigation menus based on whether the visitor is a first-time guest or returning customer. In mobile advertising, they can adjust ad copy and visuals to match prospects' location, time of day, local climate, season, or weather patterns. And with triggered messaging, they can automatically deliver follow-up push notifications with customized offers when customers abandon their shopping carts, cross a physical geofence, or click a specific link.

In essence, dynamic content delivery tools automatically decide what customers see, when they see it, and from where it gets served, in real time and without manual intervention.

AI'S INFLUENCE

The advent of generative AI has only intensified the need for dynamic content moderation and accelerated its adoption.

Unfortunately, many companies went in the opposite direction early on. Generative AI led some to emphasize delivering more content than trying to differentiate their content, says Tara DeZao, senior product marketing director at Pegasystems. "There are many brands using genAI to scale content and content delivery. They are flooding the marketplace with non-differentiated content.

"The average consumer sees 6,000 messages per day. GenAI offered the hope that it would scale content delivery, and it is, but it's also adding to the noise, and it's diluting the brand efficacy a bit," she adds: "Everyone can be a content creator, but now we're saturating the market with undifferentiated content."

Undifferentiated content is likely to be ignored by target audiences today, Attentive found in researching its "2025 Consumer Trends Report: The State of Personalized Marketing." The report found that 81 percent of consumers routinely ignore irrelevant marketing messages, and 96 percent say they are more likely to make purchases when companies personalize their outreach.

The returns from dynamic content delivery can be significant and quick. A recent Forrester Research study found that companies using Pega's dynamic Customer Decision Hub solution saw the following results:

- full ROI within six months;
- $217 million in annual incremental revenue;
- $385 million in annual retained revenue;
- $652.1 million in three-year incremental revenue;
- $1.2 billion in avoided revenue loss over three years; and
- a 15 percent reduction in customer churn by the third year.

Salesforce, recognizing the value of dynamic content creation, acquired Contentful, a composable content platform to deliver personalized digital experiences at scale, in early June for an undisclosed amount. The acquisition will enhance Salesforce's Headless 360 with a native, enterprise-grade content layer that connects customer data with engaging content experiences across Salesforce's leading applications.

Salesforce intends to integrate Contentful across Customer 360. As a native layer within the platform, Contentful's structured content architecture becomes accessible to Agentforce, enabling agents to query, assemble, and deliver content dynamically without manual publishing steps.

Together, Agentforce and Contentful will move enterprises from static, channel-specific content to dynamic content orchestration—assembling one-to-one experiences at scale based on context, channel, language, and business rules. This unification gives companies a single content layer across all channels (email, web, mobile) and in any use case (marketing, commerce, sales), eliminating the fragmentation that slows time-to-market and undermines brand consistency.

"Every meaningful customer interaction depends on three things working together: the right data, the right AI-driven content, and a modern, effortless experience," said Jujhar Singh, president of C360 applications and industries at Salesforce, in a statement. "With Contentful, we complete that picture by adding a native, headless, composable content layer that lets Agentforce dynamically assemble and deliver personalized experiences across every channel, at the speed and scale the AI era demands."

That kind of hyper-personalization is the greatest benefit of dynamic content delivery, but the technology's pluses go beyond that.

"The [dynamic content] tools of today should be able to provide you with the ability to understand the incoming data signals from your prospects and customers and a delivery mechanism to get them the content they need," DeZao says.

That understanding goes beyond hyper-personalization and timing to also interpret signals that the prospect or customer isn't interested, so they don't get angered by a flood of marketing messages, DeZao says.

THE KEYS TO SUCCESS

The best content delivery tools understand that customer journeys are not straight lines from initial discovery to purchase, she continues. "I think of them as octopus tentacles because we have so many connected devices and so many channels. We're on multiple customer journeys at once."

The best dynamic content delivery tools will also stay with the customer on the journey but only serve up content that is value-added, according to DeZao, who notes that surface-level personalization, like simply acknowledging a birthday or similar event, "is going out the window."

While hyper-personalization is important, Borja Obeso, cofounder of marketing automation company Distribb, says dynamic content delivery tools offer other benefits as well. Among them, dynamic content delivery tools can also handle the following:

- **version management**, deciding which drafts go to which channels;
- **timing logic**, determining the best posting windows and frequency caps per channel; and
- **enrichment**, injecting internal links, canonical tags, and structured data.

In Distribb's pipeline, when a marketer pushes an article, the system patches the draft item into the CMS, publishes it, and then fires it to social endpoints in a coordinated sequence, Obeso says. "Without that coordination layer, you end up with duplicate content signals, broken canonical metadata, and inconsistent structured data across channels, all of which hurt search performance."

But successful dynamic content delivery requires good first-party data to deliver truly relevant, personalized marketing messages and informational content, marketing experts agree.

A home improvement store, for example, could have first-party data about bathroom supplies a customer purchased, which could signal that the customer might be a good prospect for a bathroom remodeling offer. If the customer doesn't engage with the offer, that's a signal that the customer might not be interested. However, clicking on a social media ad for the same supplies can result in the customer being blasted with offers.

"A brand that is going to get you to respond is also going to respect your privacy needs, sense those contextual signals that actually matter, and act on them in the moment," DeZao says. "Those that are trying to target you indiscriminately have you segmented into an audience rather than trying to talk to you as an individual."

Hyper-personalization is a more granular use of data to more finely target and personalize content, not only to a very specific audience but also to a very specific audience at a specific time or place, experts agree.

"Where most teams go wrong is treating dynamic delivery as a personalization feature rather than an architecture decision," says Danish Khan, a user experience/user interface product designer at Hostingli, a web hosting, domain, and server management services company.

"If your content model is not modular and composable from day one, retrofitting dynamism is expensive and brittle. The tools are mature. The accessibility thinking that should accompany them rarely is," he says.

At the personalization layer, tools pull user signals, including location, device type, session behavior, and past interactions, then map them against content rules, Khan says further. A returning mobile user at night gets a shorter, image-led layout. A first-time desktop visitor gets the full onboarding flow. These rules are either configured manually in a CMS dashboard or driven by models trained on conversion data.

OPTIONS ABOUND

For companies looking to adopt dynamic content delivery, a number of options exist, from comprehensive solutions to point solutions that handle different elements of the process. The vendor landscape is vast, with companies like Salesforce, Adobe, Pega, and Oracle Eloqua/Responsys offering powerful comprehensive solutions while other companies, like Smartly.io, HubSpot, Klaviyo, Optimizely, Canva, ActiveCampaign, Sprinklr, Sitecore, Mintent, Kapost, Curata, Ion Interactive, Content Workflow, Celtra, Hunch, Zuuvi, Brafton, LythoPlanner, and dozens of others, offer point solutions geared toward specific industries, audiences, channels, or use cases.

While point solutions offer some flexibility for companies that want different options for dynamic content, they also complicate the marketing tech stack, DeZao points out.

"Some companies have anywhere between 30 and 70 applications in their martech stack," she says. "The more applications you put in there, the more data silos you can have. When you have an all-in-one solution, you don't have as many data silos."

Whereas all-in-one solutions are designed to automatically deliver dynamic content across different channels, accounting for timeliness and frequency, point solutions require more active involvement by customers, DeZao says. "You have to tell it what to do."

Choosing the right solution also depends on the specific use case, whether it's e-commerce, lead generation, or broader advertising; the specific channel, like email, paid, social, web, or mobile app; and, of course, the marketing budget available. Marketing leaders also need to consider the other software in their technology stacks to make sure that integration isn't a problem. After all, any content tools should be able to pull information from and feed information to other systems without too much effort.

The proper dynamic content strategy also goes beyond the surface level. Even strong web content can fall flat if the site underpinning it keeps crashing or is slow or poorly designed, so companies need to look at website user experience, page speeds, and related issues to ensure that quality content performs as intended.

Dynamic content needs to be delivered quickly to be effective, so the infrastructure layer is vitally important, marketing experts contend.

At the infrastructure layer, a dynamic content delivery network caches assets across global edge servers so that the content comes from the nearest node, speeding up response times. These networks optimize and accelerate real-time web traffic using edge computing, intelligent routing, and protocol optimization to process personalized data closer to the end user for faster, more reliable transmission.

Experts also caution marketers just starting to look into dynamic content marketing to start small, perhaps with one specific issue, like cart abandonment, before expanding across all channels, audience segments, and use cases. Once dynamic content is deployed, you'll need to continuously test to determine which content yields the highest conversion rates, they stress.

And then, it's worth noting that dynamic content tools are increasing their use of agentic AI, which should enhance their benefits and decrease costs for users so long as the tools use the technology to provide more targeted dynamic content, not simply more content volume, according to DeZao.

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Why Your Primary Focus Should Be on Customer Retention

The shift away from new customer acquisition is finally taking hold • BY LINDA POPHAL

For all kinds of businesses, in all industries, and of all shapes and sizes, finding and attracting customers has long been a primary area of focus. And certainly that makes sense. Without customers, no business could survive.

But what happens when those new customers come on board? Often, not enough.

Instead of focusing on engaging and retaining customers who have already done business with them, many companies continue to spend the majority of their time, resources, and money on wooing new customers. You need only turn on the television or turn to your Facebook or Google search feed to know that this is true.

Unfortunately, a significant portion of these efforts might be misplaced. Data backs that up.

As early as 2014, *Harvard Business Review* reported that "acquiring a new customer is anywhere from five to 25 times more expensive than retaining an existing one." That's not just old news. It's generally agreed, across a wide range of publications and discussions among marketing leaders, that it costs far more to acquire new customers than to hold onto the customers you already have.

And yet, the focus on customer acquisition vs. retention remains. The gap between what the data says and what companies actually do has been one of the defining strategic blind spots of the modern marketing era. The good news: It's a gap that's finally closing.

Attracting and retaining customers require two very different approaches, explains Freddie Heygate, director of customer success and growth at Just After Midnight, a managed cloud services provider. "Acquisition is getting someone to the door, usually by creating awareness and persuading a first conversion. Retention is making sure every return visit is effortless so the customer keeps choosing you without being resold each time."

These fundamental differences between the two approaches, says Debra Andrews, founder and CEO of Marketri, a marketing consultancy, are generally reflected through organizational structure. "Marketing and sales organizations have historically

been built and measured for customer acquisition," she explains, focused on tactics like creating a pipeline and generating leads. Customer service teams are generally responsible for maintaining customer satisfaction to ensure retention.

Customer success teams, though, "usually don't have a seat at the revenue strategy table," Andrews says.

The operational differences run deep, notes Christopher Coussons, who runs U.K. marketing agency Visionary. "Acquisition marketing is volume-and-conversion-focused—get more eyeballs, convert them efficiently, repeat. Retention marketing is relationship-and-recurrence-focused—understand who's already chosen you, deepen the relationship, increase their lifetime value."

Acquisition, Coussons says, "leans on paid media, conversion rate optimization, and lead generation playbooks." Retention, on the other hand, "leans on segmented email marketing, customer success programs, loyalty mechanics, and the unsexy work of consistent communication."

The latter area of focus is far less labor-intensive, Coussons points out, because customers have already demonstrated their trust through prior purchases. New prospects must be persuaded from scratch.

WHY COMPANIES WERE SLOW TO SHIFT

If retention has always been cheaper and more profitable, why have companies been so slow to shift their focus and their resources to that effort?

Harry Morton, CEO and founder of Lower Street, a podcast production agency, says it comes down to the emotion tied to these two different aspects of relationship building. "Every time there's a new customer, it's classified as a new win, and there's an element of celebration around it," he says. "But retention doesn't always get the same visibility in conversations, or maybe the same kind of celebration. Retention is a lot slower and not always seen as glamorous."

There are also structural issues at play, suggests Heygate. "Retention work sits in the messy middle between teams," he says. "Marketing can drive demand, product can ship features, and support can resolve tickets, but no single function may own the end-to-end experience when things go wrong."

Reliability and relationship continuity, he adds, have historically been treated as cost centers because their success is invisible. "When systems are healthy, nobody notices. When they are not, everyone notices."

Paid acquisition, by contrast, offers fast feedback loops and clean dashboards, representing a much easier story to tell in a boardroom.

"The cheap customer acquisition era that funded the acquisition-first playbook is simply over."

Coussons identifies another structural barrier: "Most CRM-marketing stacks were built for acquisition reporting and produce poor retention dashboards," he says. "The marketing team owns acquisition; retention sits in customer success or product."

That split, he says, can impede the existence of a coherent strategy. Culture can also play a factor here, he says. "Founders preferentially fund what feels like offense. Acquisition feels like growth; retention feels like defense."

Despite these impediments and a strong history of acquisition focus among most companies, there are important shifts at play.

FORCES CHALLENGING THE STATUS QUO

The cost of acquisition has become impossible to ignore. Customer acquisition costs rose by approximately 60 percent between 2014 and 2019 for both consumer and business-to-business firms. More recently, research by SimplicityDX found that customer acquisition costs have risen nearly 222 percent since 2013.

Urina Harrell, founder and CEO of marketing firm Vox Pop Branding, points to digital advertising as having a major impact. Meta's cost per mille (CPM)—an advertising model where companies pay or get paid for every 1,000 ad impressions (views) an ad receives—increased by more than 60 percent between 2020 and 2023, she says.

Google paid search costs have had a similar trajectory. "The cheap customer acquisition era that funded the acquisition-first playbook is simply over," Harrell adds, noting that as interest rates have risen and investors have started to demand more efficient growth, "the unit economics of churn-heavy businesses became a liability."

Andrews echoes this reasoning. "Capital got more expensive, which means companies can't just throw budget at paid acquisition and wait for payback over 24 months," she says. "[Chief finance officers] are asking harder questions about [customer acquisition cost] and payback, and that pressure is moving upstream to marketing and sales strategy."

Privacy changes have also had an impact on rising costs. The deprecation of third-party cookies and Apple's iOS 14 update significantly degraded the effectiveness of paid social advertising, prompting companies to use the first-party data they already own based on the actions of their existing customers.

In addition to the impacts of rising costs, technology has also allowed retention to be readily measurable in real time. Chris Selland, founder and CEO of Differential Factor, an AI-native research and advisory firm specializing in market intelligence, intersection analysis, and corporate transformation, sees AI as the enabling technology here. "Companies can now identify churn signals, calculate customer lifetime value, and personalize retention metrics with a precision that simply wasn't possible before," Selland says.

Andrews adds that CRM platforms have improved to the point where retention has become "a strategy you can manage and measure."

Consumer behavior has also had an impact. As digital interactions have become more automated and generic, customers increasingly feel unseen.

They've also become quicker to act on these feelings, seeking attention elsewhere. Companies that hold the attention of these consumers have built and maintained genuine relationships.

WHAT THESE SHIFTS MEAN FOR MARKETERS

Churn rates, a measure of the level of customer attrition, average about 27 percent across B2B industries, according to CustomerGauge. But rates can be as high as 40 percent for consumer packaged goods organizations and 56 percent for wholesalers. A focus on reducing churn can have significant bottom-line impact for organizations of all kinds.

Amanda Stephens, vice president of operations at digital marketing agency seoplus+, describes how her company operationalized this focus through a "client success department" launched in 2025. The department includes an "at-risk" process designed to proactively identify and address clients at risk of leaving.

"Of the 27 clients flagged as at-risk this year, we have managed to retain 78 percent," she reports.

Her team's ratio underscores a broader organizational signal: "Our client success function is now bigger than our sales function. Both matter, but the fortune is not in planting the seeds but in tending the garden."

Adam Carr, chief revenue officer of sales platform provider Apollo.io, argues that many companies' post-sale operations were never built to scale in the first place. "We moved away from a reactive, ticket-based model and rebuilt post-sales around technical operators focused on adoption, expansion, and real outcomes," he explains. "More than 75 percent of our customers are now actively using our AI workflows. That depth of adoption doesn't happen by accident."

The takeaway, he says, is that the companies getting this right "aren't just investing in CS headcount. They're redesigning the entire post-sale system—how signals get detected, how interventions get triggered, how success gets defined and measured continuously."

THE PATH FORWARD

The shift toward retention-first isn't simply about reallocating marketing budgets. It requires rethinking what "growth" means and who's accountable for it.

"Marketing teams that are currently rewarded for [marketing-qualified lead] volume and new pipeline generation will need to be evaluated on net revenue retention, expansion revenue, and customer lifetime value," Harrell says. "Sales teams that are incented purely on new logo acquisition will need compensation structures that align their interests with long-term customer outcomes."

Successfully implementing these structures can have a measurable impact.

> "Sales teams that are incented purely on new logo acquisition will need compensation structures that align their interests with long-term customer outcomes."

Coussons reports that clients his agency has helped pivot from 80/20 acquisition-to-retention spend to roughly 50/50 typically see overall marketing efficiency improve from 25 percent to 40 percent within two quarters, in addition to increased customer lifetime value and more stable acquisition costs. This is, in part, because existing customers generate referrals that reduce pressure on the acquisition funnel.

This isn't just a marketing mandate, argues Elaine Buxton, president and CEO of Confero, a customer experience research firm. The operations department has an important role to play as well. "Organizations are shifting from asking 'How do we market to customers more effectively?' to 'How do we consistently deliver experiences customers trust and want to return to?'" Buxton says.

The distinction matters, she says, because "customers who feel genuinely valued are often more willing to extend grace and understanding when occasional service issues occur because trust already exists within the relationship."

The question for marketing and sales teams is no longer simply how to fill the funnel; it's how to increase the value of every customer relationship already inside it: more repeat purchases, more subscription renewals, more frequent visits, more reactivations of lapsed buyers.

As Morton of Lower Street puts it, companies are finally confronting the fact that "renting attention" is no longer sustainable. "It's great to see that companies are finally being forced to confront the fact that constantly renting attention is not an especially sustainable strategy on its own," he says. "Retention compounds; acquisition doesn't."

Savvy companies recognize that their retention efforts need to extend beyond upselling to using communication strategically to cement and sustain long-term relationships. These companies stay present, share relevant insights, and remember what matters most to their customers, as well as how customer needs continue to change and evolve.

Getting there, Andrews adds, "requires a different kind of content, a different outreach cadence, and a different relationship between the commercial and post-sale teams."

For organizations willing to make that investment, the payoff is compounding: a customer base that not only stays, but grows, refers, and advocates.

Acquisition will, of course, always matter. But the companies building durable businesses will have finally decided that acquisition can't be their primary focus.

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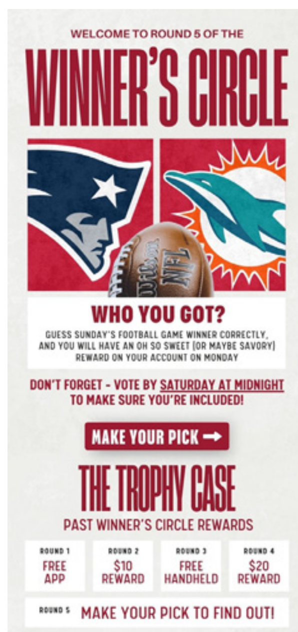
Tavern in the Square Scores with Paytronix Promo

Gamified promotion leverages New England Patriots fans to drive loyalty program registration and participation

Tavern in the Square opened its first location in Cambridge, Mass., in 2004, and it now has more than 20 "polished casual" restaurants and bars across New England. Tavern in the Square's parent company, Broadway Hospitality Group, also operates such celebrated concept dining outlets as Boston's the Broadway, Worcester's the Mercantile, and New York City's the Playwright.

Over the years, Tavern in the Square has differentiated itself by offering a complete dining experience across every occasion to the communities it serves. It is known for excellent food made daily in its scratch kitchens, a broad selection of craft beers and specialty cocktails, and a warm and inviting atmosphere.

Tavern in the Square had seen steady growth, but heading into the fall of 2025, the restaurateur wanted to renew its football season relevance and engagement without alienating the guest base it has amassed. In particular, it wanted to hold on to the robust weekend brunch guests, who were not necessarily driven to visit purely for sports.



At the same time, sports, especially New England Patriots football, has been a huge source of business for Tavern in the Square. "Our commitment to the New England community is a cornerstone of our brand," says Elisse Ciollo, vice president of strategy and analytics at Broadway Hospitality Group. "Patriots fans are among the most passionate and devoted in the country; we're happy to be supporting our local fans and bringing them value."

The desire to bring that value to patrons led Tavern in the Square to launch a unique Patriots-themed loyalty promotion with Paytronix, its guest engagement solutions for restaurants and convenience stores.

Called "The Winner's Circle," the promotion was tied to the company's Paytronix-powered Insider loyalty program, which it launched in February 2016. Tavern in the Square uses the Paytronix customer engagement platform to power its "Tavern Insider" loyalty program. The integrated system manages loyalty points, mobile engagement, and special gamified campaigns.

The "Winner's Circle" loyalty campaign gave Insider loyalty program members the opportunity ahead of the first Sunday of each month to predict the winner of each Patriots game. Insiders who guessed correctly were targeted, celebrated, and rewarded with a special motivating offer to bring them to a Tavern in the Square location during the week that followed. Each month, the offers grew in perceived value and richness and were communicated via site, social, and loyalty channels to drive anticipation, new registrations, and participation.

Riding the energy of fan expectations for a strong Patriots regular season and eventual Super Bowl run (they lost in the Super Bowl to the Seattle Seahawks, 29-13), the Winner's Circle campaign grew Tavern in the Square's loyalty membership and drove more customers into its restaurants throughout the football season. It also caused an increase in seasonal traffic as participants returned to redeem their rewards for additional meals.

"The program was a major opportunity to build interest, grow registration, and drive incremental sales, and we achieved all three," Ciollo said.

The results hit paydirt: New registrations in the days leading up to the pool grew 86 percent and accounted for 46 percent of all registrations in the weeks the campaign was run. Over the course of the program, correct respondents per campaign grew 509 percent, with the campaign gaining momentum as the Patriots' season prospects improved. Redeemer-driven sales grew 548 percent as more Tavern Insiders participated, were rewarded, and redeemed offers. Redemption rates among winners reached 54 percent by the end of the campaign.

the payoff

THE TAVERN IN THE SQUARE'S WINNER'S CIRCLE CAMPAIGN WITH PAYTRONIX YIELDED THE FOLLOWING RESULTS:

- an 86 percent increase in loyalty program registrations;
- a 548 percent increase in redeemer-driven sales; and
- a 54 percent redemption rate for special offers tied to the campaign.

BlueConic Provides More Responsive RFPs

CDP provider speeds processes with Responsive AI

BlueConic provides a customer data platform (CDP) and customer growth engine to unify first-party data from all connected channels into persistent, real-time profiles for individual consumers.

The Boston-based company had developed a rich library of content that it used to help develop requests for proposals (RFPs) for customers, but over time the content had become outdated, duplicated, or hard to locate. As a result, the company's solutions consultants had to start from scratch on each proposal, a time-consuming process that meant they couldn't develop the RFPs as quickly as some competitors.

"It was a nightmare," recalls Floran Felen, BlueConic's senior director of presales consulting. "We wanted a more structured way to handle RFP questionnaires."

The company wanted an artificial intelligence-based solution to help it produce the RFPs much more efficiently, which would help the company scale as well, according to Justin Walsh, a BlueConic solutions consultant.

To ensure it selected the best of a growing number of AI-based technologies, the company evaluated more than a dozen solutions, scoring each one based on satisfaction with AI-generated answers to RFP-related questions.

Responsive was the clear winner, Walsh says. "We found the Responsive results to be the closest to that of a human employee," Walsh says. Another selling point was that Reponsive allowed BlueConic to fully test the solution to ensure it worked as desired in the company's environment before signing an official agreement.

"We are an AI-native organization," Felen adds. "The Responsive approach to the handling of RFPs aligns with the way that we approach tasks and processes."

The first step with the technology was a content clean-up to ensure the knowledge base had the latest details and no duplicate content, Walsh says. "We used Responsive's AI tool to analyze content, synthesize it, then write new content rather than using the same answers over and over again for every prospect."

Doing so enabled BlueConic to more closely personalize responses for each inquiry and more efficiently deliver updated content to each individual, Walsh says. The underlying large language models have improved over time as well, meaning the performance of the solution continues to improve.

However, at the beginning of the initiative, BlueConic executives didn't fully trust the AI, Walsh admits. "We would edit every single response, so at the beginning it didn't give us the greatest time savings compared to the next quarter and the quarter after. We have found over the last year, using the trace score capability to determine how accurate the response was, we can gauge if a response needs a full review or a rewrite or if we can move on to the next question."

As BlueConic executives became more comfortable with the AI-generated content, Responsive's AI tool started handling more of the RFP process. Within six months, it was generating complete RFPs.

Walsh adds that there is more trust with the Responsive solution because it relies on knowledge from the BlueConic content library rather than using LLM tools pulling from a variety of public sources, some of which have questionable material. The BlueConic content is also reviewed for accuracy by the company's legal team.

Along with removing duplicate and outdated content, Responsive AI also helped Walsh rewrite content for clarity and consistency.

The results have been impressive, with time savings for RFPs and prospect/customer questions that come before or after RFPs are requested. The average number of hours per RFP dropped 54 percent, from 13.6 to 6.2. On the receiving end, the total response time dropped 72 percent and the average time to answer prospect/customer questions decreased 61 percent.

Now that the Reponsive's AI benefits have been proven with the use of the solution for RFPs, BlueConic plans to expand use of the technology across the organization, enabling the company to provide customized answers to specific customer questions.

"We can incorporate market events or industry news for specific customers," Felen says. "So they get a personalized message, which aligns with our organizational goals of being AI native, fully automating, with potential human intervention in the process." —*Phillip Britt*

the payoff

SINCE BRINGING RESPONSIVE AI INTO ITS RFP PROCESSES, BLUECONIC HAS SEEN THE FOLLOWING RESULTS:

- average hours per RFP dropped 54 percent, from 13.6 hours to 6.2 hours;
- total response hours dropped 72 percent; and
- average time to answer prospect/customer questions decreased 61 percent.

By DONNA FLUSS

Closing the CX Divide: How Agentic AI Unifies the Front and Back Office

Back-office groups have not kept pace with improvements and innovation

Ask the chief operating officer of any large company to describe the current state of their customer experience (CX) back-office (also referred to as the mid-office) operations and the answer will be remarkably consistent regardless of industry. These environments are highly fragmented, dependent on legacy and dated systems, lack transparency, and are anchored to manual workflows that haven't changed much over the past few decades. Back-office departments lack real-time work-in-progress, aging, backlog, and service level agreement (SLA) risk visibility. Simply put, the back-office groups that support CX organizations have not kept pace with improvements and innovation in their companies' customer-facing contact centers and customer service functions, and the consequences are showing up in lack of CX, cost, and organizational agility.

THE HIDDEN COST OF THE CX BACK-OFFICE GAP

Executives are well aware of their CX back-office challenges, but they have been reluctant to invest in modernizing these areas, hoping the issues would quietly disappear without disrupting customers or operations. Organizations have been whittling down back-office operations over the past couple of decades, as reflected in the number of employees who work in these areas. In 2024, there were approximately 1.3 times as many back-office employees as front-office agents in enterprises (excluding government) in the U.S., compared to 2.5 times as many in 2014, according to the U.S. Bureau of Labor Statistics, based on DMG Consulting research and analysis.

Companies have made significant investments to improve the operational and cost-effectiveness of their back offices since 2000. These initiatives include hiring back-office specialty consultants; instituting business process management (BPM) programs; implementing enterprise resource planning (ERP) modules; and, in the past few years, customizing desktop analytics and other workforce engagement management (WEM) modules. While progress has been made in shrinking the number of employees dedicated to these functions, the underlying operational issues that plague the customer journey remain. The primary obstacle has not been a lack of available solutions; it has been organizational politics and siloed decision making that have resisted end-to-end change. DMG expects artificial intelligence to be the catalyst that finally overcomes these dynamics, as the cost and CX implications of inaction become impossible to defend.

AGENTIC AI CHANGES THE EQUATION

Agentic AI has the potential to resolve the CX back-office challenge by automating a significant percentage of customer requests and tasks that are currently handed off by the front office for resolution. Today, customer-facing resources (human and automated) resolve 85 percent to 95 percent of inquires during the initial contact. (The percentage varies by vertical and greatly reflects investments in intelligent automation, workflow, AI, and training. Financial services are on the high end of point-of-contact resolution, and healthcare is on the low end.) The remaining 5 percent to 15 percent of interactions, ones that typically require deeper research, multi-department fulfillment, or exception handling, are routed to back-office teams, where they enter an operating environment that is far less automated, transparent, or efficient. This creates friction because these are often more complex or already delayed interactions, yet they are sent to the CX organization that is least equipped to handle them with speed and transparency.

Agentic AI can fundamentally alter this dynamic. Unlike traditional workflow automation, which is designed to follow rigid, predefined rules, agentic AI can reason and make decisions, access multiple systems and data sources, and execute multistep processes autonomously. However, it is a best practice to have a human in the loop when these capabilities are rolled out and to perform ongoing automated quality management (AQM) on all of the interactions. An agentic AI system can receive a back-office work item, identify its context, retrieve the relevant information from disparate systems (internal, external, and third-party), apply business rules and judgment, and either resolve the task outright or advance it to the point where only a brief human review is needed.

In practical terms, this means that a significant share of the work currently sent to the back office can be resolved in minutes rather than days, often without human intervention. The implications for improving the CX and employee experience (EX), reducing operating expenses, and strengthening compliance are substantial. Back-office tasks that once took days to complete can be handled in near real time. Customers and front-office employees will no longer experience the black hole where front-end commitments are delayed or broken.

MAKING AGENTIC AI WORK

The most significant requirement is for executives to combine the front and back office into a cohesive CX function by eliminating organizational silos. Here are the remaining high-level steps to success:

1. Form a small working group (two to four employees, depending on volume) consisting of employees from the front office who will analyze all work items that are currently passed to the back office to determine what can be automated using either basic workflow or agentic AI. (This should be done on a historical basis, if the data is available.)
2. Communicate with your CX employees about this project to make them aware of the upcoming changes and invite their suggestions about ways to improve and speed up the automation and resolution of customer inquiries.
3. This working group also needs to document enterprise and CX policies and procedures that must be updated and adapted to allow certain tasks to be automated.
4. Obtain approval for process changes from all relevant decision makers, including senior front- and back-office leaders, auditing and compliance, etc.
5. Reach out to your AI center of excellence (COE) or CX AI team to bring them on board with this project and get on their schedule. (The sooner this is done, the better the chances of reducing your wait time for resources.)
6. If you don't have an AI solution to address this opportunity or are looking for a more appropriate tool for your CX organization, reach out to DMG and we'll be happy to help you select the best option for your organization.
7. Build the intelligent and agentic AI workflows and fully test each one to ensure that it is correct and has appropriate guardrails. It is ideal for two CX resources (with appropriate skills) to be involved in the build-out so that they are fully trained to use the AI application and can make ongoing changes and enhancements to agentic flows to minimize the demands on the AI COE. Additionally, the initial working group should participate in all testing phases.
8. Create an exception-handling workflow that delivers exceptions and new work items directly to a small number of CX specialists. This group should also be responsible for recommending new workflows on a continuous basis.

THE PRIMARY OBSTACLE HAS NOT BEEN A LACK OF AVAILABLE SOLUTIONS; IT HAS BEEN ORGANIZATIONAL POLITICS AND SILOED DECISION MAKING.

DMG recommends starting small, with one or two agentic workflows, to allow time to learn to use the AI tool and how to best test and implement each one.

EXPECTED IMPACT AND ROI

Companies that deploy agentic AI workflows to automate the handling and resolution of work items passed from front-office teams to back-office teams are expected to realize savings equivalent to a reduction of at least 40 percent of back-office operating costs. This does not mean all savings come from reducing back-office employees; efficiencies will also come from organizational improvements. It is essential to retain the appropriate resources from both teams, as the complexity of exceptions and work items will increase as more activities are automated.

Organizations that deploy agentic AI workflows to further automate the flow of work from the front office will experience a measurable improvement in customer satisfaction, first-contact resolution rates, and the end-to-end customer journey. Employee satisfaction will also improve due to fewer customer complaints and faster, more accurate resolutions.

THE PATH FORWARD

The CX back-office problem is not new, but the ability to finally solve it is. Agentic AI gives enterprises the tools to automate what decades of process improvement were unable to achieve. DMG recommends that CX leaders start by unifying their front- and back-office CX operations and launching a targeted rollout of agentic workflows to eliminate servicing silos, delays, and costly broken promises that are no longer tolerated by customers.

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By IAN JACOBS

The Last Line

The Contact Center Attrition Test

Here's a metric that should be getting more attention

"They just use your mind and they never give you credit/It's enough to drive you crazy if you let it" —Dolly Parton ("9 to 5")

COMPANIES LOVE TO TOUT the benefits of their artificial intelligence spending and deployments. It's like they are taking a prideful gym selfie after a single push-up. Their investment may be real, but the flex usually arrives well before the transformation. To make matters worse, or at least more complicated, in tech today the results being touted are often headcount reductions. That makes the victory lap feel a little…ummm…icky. It seems less like a celebration of better work and more like a tour of the empty desks left behind.

"How many people did we fire" is, thankfully, not the only way brands measure success in AI. In the customer experience world, we often see companies crowing about lowered service costs through reduced average handle time; reduced cost per contact; fewer repeat contacts; and more self-service resolution. (Speaking of icky, can we stop calling this containment or deflection? CX is supposed to start from the customers and their needs; these terms are fossilized versions of inside-out thinking.) We also see brands citing revenue increases from improved cross-selling, upselling, conversions, recovery of abandoned journeys, and higher shares of wallet. And in the regulated world, we see companies point to risk reduction, including fewer compliance failures, fewer complaints, better audit trails, and overall fraud reduction.

Those are all decent measures. But decent measures aren't the same as a complete proof-of-value story, especially when the loudest metrics make the organization look efficient before they prove the customer is better served. And those metrics can overlook the very employees that are supposed to be delivering the high-touch, high-EQ work left behind that AI couldn't handle. So here's one measure I'd like to see get more attention: contact center attrition rates going down. Not because AI made the job easier in the lazy sense but because AI made the job better.

For decades, the agent role has been designed around endurance. Take the next call. Find the right answer. Calm the customer down. Document everything. Stay compliant. Keep the queue moving. Be measured within a micrometer of your life. Repeat until your headset melts into your skull. Ain't no wonder the job has absurdly high churn baked into it.

But if all these tech vendor promises are true, AI changes the center of gravity. If AI can handle search, summarization, authentication support, after-call work, routine troubleshooting, and repetitive case types, the human role can move up the value chain. Agents become problem solvers. They can spend more time interpreting context, weighing tradeoffs, negotiating exceptions, and restoring trust when the process has already failed.

But to do that well requires greater skills. The work becomes less about reading from a script and more about knowing when the script doesn't fit. It asks agents to understand products, policies, systems, customer history, and business priorities. AI can tee up the facts, but the person still must decide what matters.

It also requires higher EQ. Once the easy stuff is automated, the remaining interactions are often more emotional, ambiguous, or high stakes. Customers don't want a warmer transfer to a robot. They want someone who can hear frustration, explain choices, and make a judgment call without sounding like they're being held hostage by the policy manual.

And in some industries, this opens the door to more credentialed roles. Healthcare, financial services, insurance, travel, benefits, education, and government services all have moments where customers need more than generic support. They need licensed, trained, or deeply specialized people who can operate with AI as a force multiplier instead of a compliance risk.

That's why attrition is such a useful test. If AI is really improving CX work, people would stay, grow, and build careers around it. Lower attrition would mean AI didn't just make service cheaper. It made the job more sustainable, more skilled, and more worth keeping. Now that's a proof point worth flexing.

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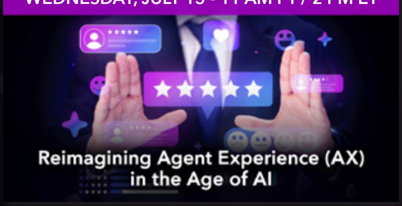

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