

itel



THE  
**CXFIX**  
A REMEDY FOR  
CSAT DECLINE

<b>INTRODUCTION</b>	<b>3</b>
<b>CHAPTER 1: CX in Crisis</b>	
Are we facing a CX crisis?	4
The causes of CSAT decline	5
What this means for brands	6
<b>CHAPTER 2: Decoding Loyalty</b>	
What drives loyalty?	8
The science of happiness in CX	9
Building emotional fitness	12
<b>CHAPTER 3: The EX Factor</b>	
The employee engagement decline	13
A feeling of disconnection	14
The call for reconnection	15
<b>CHAPTER 4: The AI Detox</b>	
Diagnosing AI misuse	17
AI placebo – hype or realty	18
Steps to AI detox	19
The AI ROI evaluation	20
<b>Key Takeaway</b>	<b>21</b>
<b>About Us</b>	<b>22</b>



# Fitting a Square Peg into a Round Hole

As CX providers, we are relentless in our mission to enhance customer experiences.

In today's climate of rising inflation and tight budgets, the drive to cut costs has intensified. Too often, I see brands focusing solely on expenses without considering how these cuts impact service delivery. They want to invest less while still expecting high-quality service—trying to fit a square peg into a round hole.

What they might not consider are all the efficiency and financial gains that come from investing in nearshore outsourcing destinations and CX programs. BPO providers in these regions can offer long-term value that goes beyond per seat costs. They can boost sales, retention, and brand reputation, which allows brands to tap

into the lifetime value of a customer - turning "cost centers" into loyalty generating "value centers".

By losing sight of what truly matters, companies may be missing out and alienating their customers and delivery partners—risks that might take years to repair.

But here's the fix. Reversing this trend and fostering genuine connections require a thoughtful, strategic approach. Invest wisely in what truly drives value—your customers, the right technology to support exceptional customer experiences, and the professionals who leave a lasting impression. This guide is here to help you navigate these challenges and reconnect with what matters most.

*Let's make the connection matter*

**Yoni Epstein, CD**  
Founding Chairman & CEO



# Are we facing a CX Crisis?

For the past three years, there has been a notable decline in customer satisfaction (CSAT), affecting almost every single U.S. industry.

According to Forrester's 2024 Customer Satisfaction Index, **40% of brands experienced significant declines in CSAT this year**, with 10 out of 13 industries seeing their steepest drops ever.<sup>1</sup>

Though the American Customer Satisfaction Index (ACSI) paints a slightly rosier picture<sup>2</sup>, what makes this a true crisis is the decline in

emotional connection between customers and brands, which is the focus of Forrester's research.

The "wellness" of customer experience (CX) is at stake, and these symptoms are the alarm bell that something is not quite right. Despite significant investments in technology and self-service features, only 26% of consumers feel that brand interactions are now quick and convenient. A troubling 55% say things have only become worse.<sup>3</sup>

## CHAPTER 1: The CX Crisis

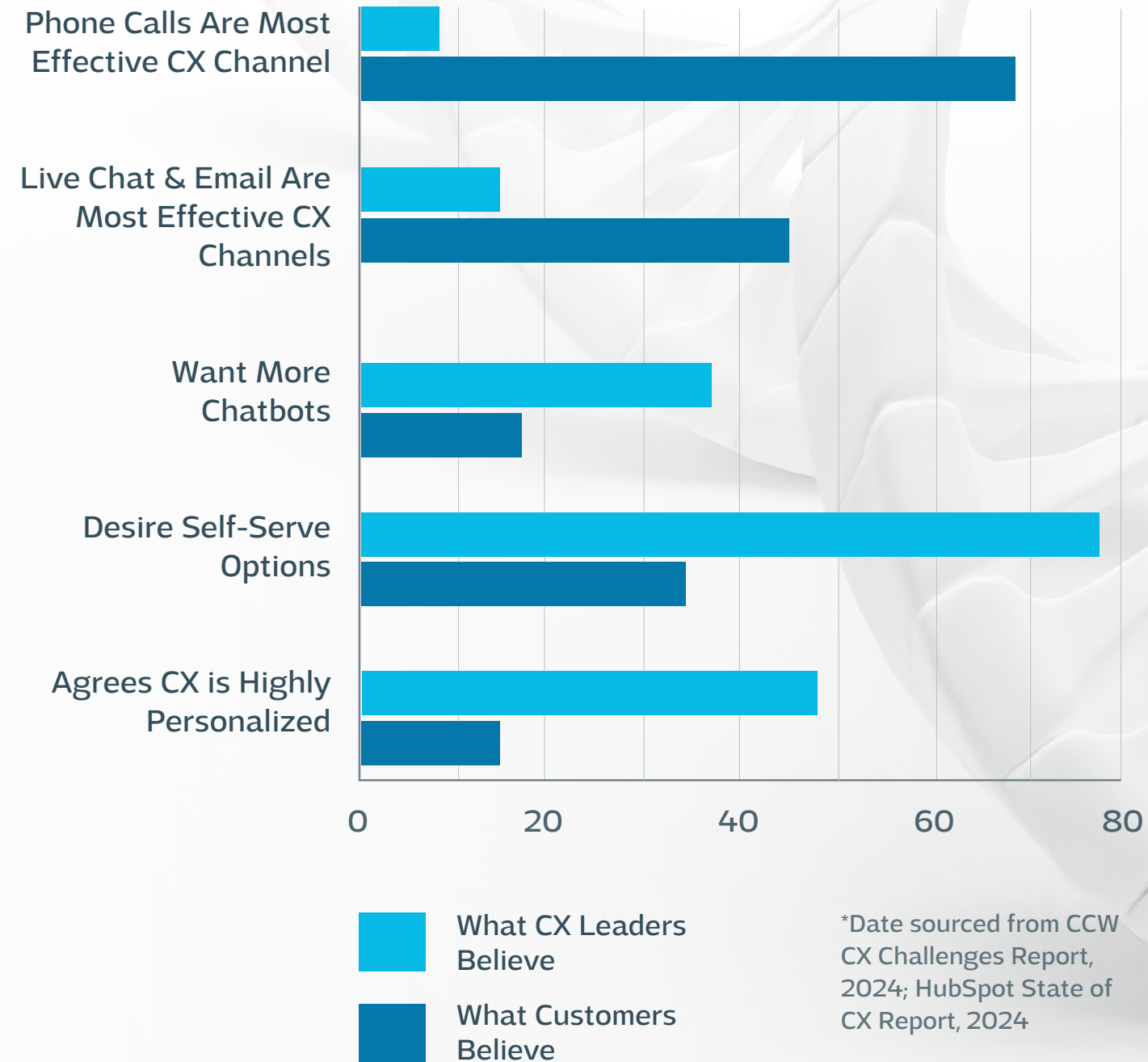
# The Causes of CSAT Decline

## Misaligned Priorities

As companies contend with rising inflation, the drive to lower costs has become intensified. Many brands are outsourcing their CX to the lowest cost provider, instead of the team and location where they would reap the greatest return.

There's also a widening misalignment between customers and those heading their company's CX programs. According to the latest HubSpot State of CX Report\*, **only 19% of organizations say they understand their customers well<sup>4</sup>**, and this is evident when you look at the following graph.

## Differing Expectations Between Companies and Customers



As you can see, many leaders are prioritizing technologies and engagement channels that, while they may streamline operations and reduce expenses, may not be the average consumers' preference. If this trend continues, we can only expect a further decline in customer satisfaction.



## The Technology Paradox

By implementing AI and self-serve experiences, many brands believe that they are giving consumers more choice, convenience, and control over their own customer journey, when in fact, only 22% feel they have any autonomy over where they interact with a brand. What's more, almost half say that unhelpful automated platforms and chatbots are a "challenge" to navigate.<sup>5</sup>

**The truth is that ineffective technologies may be having the reverse effect than intended, pushing consumers to place more trust in traditional forms of customer support, such as phone calls.**

Perhaps that's why, despite the multitude of engagement channels, most customers still prefer to speak to a live agent. Yet, a staggering 52% say it is extremely difficult to reach one, forcing customers to expend more effort, and more time, just to get their issues resolved.<sup>6</sup>

## What This Means for Brands

The implications of this crisis are far reaching. As CSAT scores decline across industries, customers are less likely to remain loyal, leading to higher churn rates and negative impacts on both brand reputation and business growth.



**48% of consumers, when faced with poor CX, will simply switch brands.<sup>7</sup>**

## A More Holistic Approach

What these studies suggest is that technology alone is not a “cure” or “fix all” for declining CSAT.

A more holistic approach would be to look at the entirety of the customer journey and to understand how certain tools like AI and automation can be integrated to better align with customer expectations.

This will require not only a deeper understanding of what CX technologies can do, but also their limitations. This involves finding a delicate balance between reaping the efficiency gains of technology without losing that all-important human connection that customers still crave.



# CHAPTER 2: Decoding Loyalty

## What drives loyalty?

Loyalty transcends repeated purchases—it's the emotional bond customers feel with a brand. Emotion is the strongest driver of loyalty, and emotionally connected customers are more than twice as valuable as highly satisfied customers.<sup>7</sup>

Loyal customers are not just satisfied—they're emotionally invested.

Decoding happiness defines the new loyalty frontier.






**Negative experiences reduce loyalty by 58%, while positive emotional connections can drive a 306% increase in customer lifetime value.<sup>5</sup>**





# The Science of Happiness in CX

Happiness can come from resolving issues, but it's really about hitting the right emotional "happy" notes, as described in the table below.

YOUR CUSTOMER EXPERIENCES	WHAT IT MEANS	IMPACT	SCIENCE
 <b>Autonomy</b>	Customers feel in control of their interactions	Releases dopamine, reinforcing positive emotions and loyalty	Triggers dopamine, reinforcing pleasure and loyalty
 <b>Competence</b>	Customers achieve their goals effortlessly	Builds confidence in your brand, fostering trust	Enhances confidence through successful outcomes
 <b>Relatedness</b>	Customers feel valued and understood	Fosters emotional connection, driving long-term loyalty	Creates psychologic safety, reducing stress and boosting satisfaction



## Measuring What Matters

Traditional metrics like CSAT offer a snapshot of satisfaction, but miss the deeper emotional and behavioral drivers of loyalty. Companies must tap into advanced emotional metrics to understand and strengthen customer relationships.

## Why Emotional Metrics are the Future of Consumer Loyalty




Emotions are powerful motivators. Customers notice when service quality diminishes—whether through less attentive support, reduced service hours, or inexperienced agents—and this erosion can significantly impact their emotional investment in the brand.

### Three Emotional Metrics to Deepen Customer Connections:

- 1 Emotional Connection Index (ECI)**  
High ECI scores drive 3x higher retention rates<sup>8</sup>
- 2 Customer Effort Score (CES)**  
Low effort retains 96% of customers<sup>9</sup>
- 3 Psychographic Data**  
Personalized experiences increase engagement by 75%<sup>10</sup>

# Investing Where it Counts

Enhance **happiness** in your CX Systems by focusing on these three areas:

-  Integrate AI technology that can analyze real customer sentiment and emotional tone (ECI).
-  Streamline processes to reduce customer effort (CES) with intentional automation and support.
-  Analyze large data sets using keyword segmentation and predictive analytics for more personalized engagement.



# Building Emotional Fitness in CX

*Strengthening the Bonds of Loyalty*

Think of CX as a fitness regimen for emotional connection. Here's how brands can build loyalty "muscles":

1

## EMBRACE EMOTIONAL INTELLIGENCE (EQ)

Equip agents with tools to understand and respond to customer emotions in real-time.

2

## LEVERAGE SENTIMENT ANALYSIS

Use AI-driven sentiment tracking to adapt interactions on the fly. Think of these tools as the "fitness trackers" of emotional health in CX.

3

## DESIGN CX TO DELIGHT

The phrase, "with pleasure" should be your guiding light. Map customer journeys to identify peak moments for possible delight that create emotional resonance.



Between 2021 and 2024, true loyalty—driven by emotional connections rather than incentives—grew by 26%, indicating that personalized experiences and value alignment deepen customer relationships.<sup>5</sup>

4

## FOCUS ON PERSONALIZATION

Personalization goes beyond names in emails, chats, order history—it's about anticipating needs and creating experiences that reflect what customers truly value.

# CHAPTER 3: The Ex Factor

## ◆ The Employee Engagement Decline

There's not only a CX crisis occurring, but an employee productivity and retention dilemma.

More than half of today's employees say they are relatively unproductive at work. According to Gallup, over 15% of the global workforce is "actively disengaged",<sup>9</sup> and it's showing. Customers are reporting that, in general, contact center agents seem less friendly, less helpful, and less empowered to solve their problems.



Employee attrition has reached a new peak. Prior to 2018, agent turnover was under 25%. By 2022, it rose to an average of 38-50%.

## A Feeling of Disconnection

So, why are some workers not as productive or motivated as they could be? It's something that goes beyond worker compensation and has more to do with how employees feel.

Consider the average demographic of contact center agents (age 30 and under). Younger employees are more likely to say they feel lonelier (22%), less happy (31%), and are less likely to report high levels of well-being at work (34%), compared to their older counterparts.<sup>9</sup>

It paints a concerning picture of a young workforce that is struggling to find meaning and satisfaction in their careers during an age of increased isolation and disconnection both socially and professionally.

## The Cost to Companies

If the EX-crisis is not addressed, **the average company stands to lose between \$228 - \$355 million a year in lost productivity.**<sup>11</sup> This is not to mention the cost for agent turnover can be upwards of \$20K per agent, when you factor in the expenses of onboarding and training.<sup>10</sup>

A disengaged workforce will also affect customer satisfaction and has been found to be one of the top reasons for declining CSAT scores.



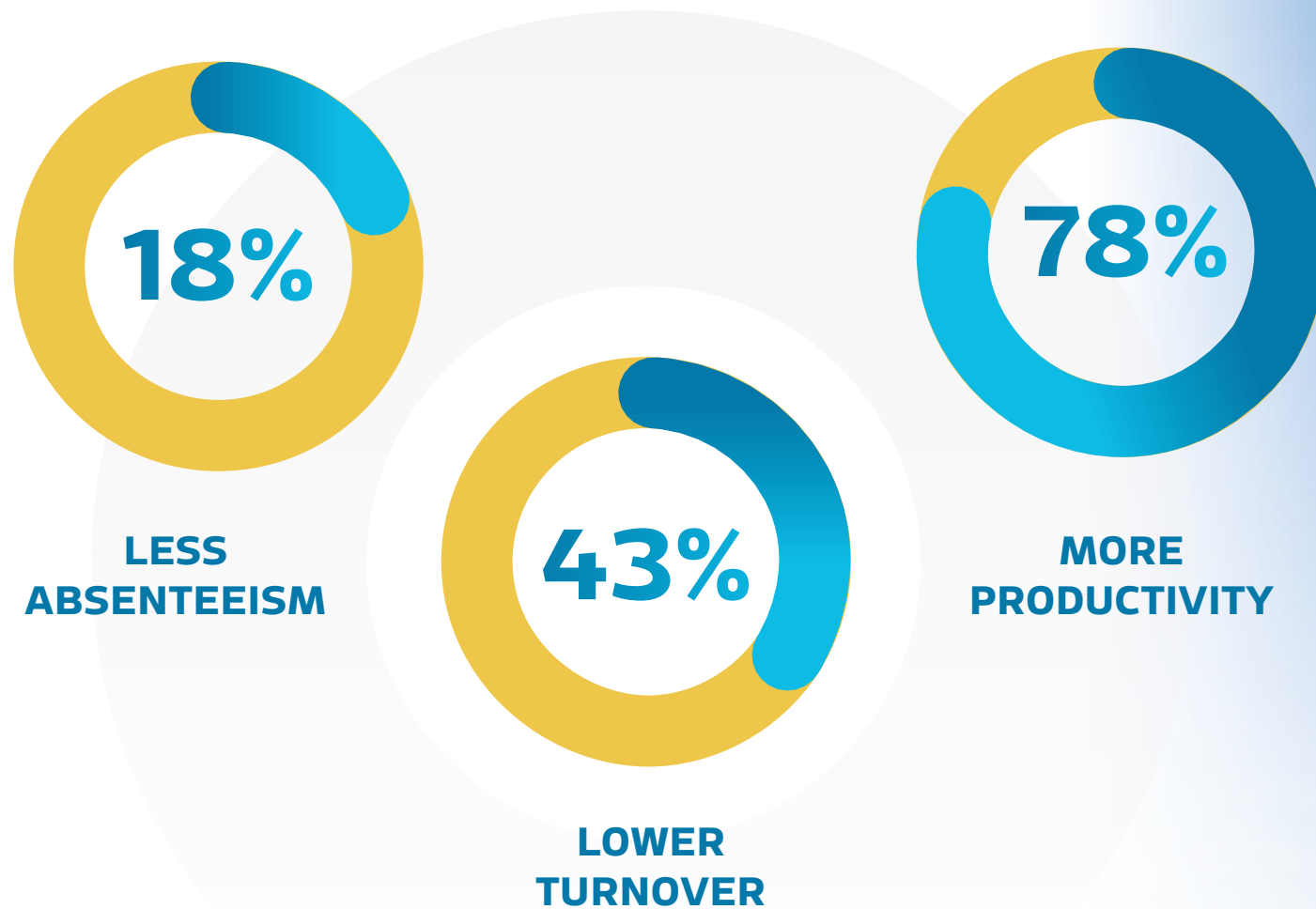
**Bucking the trend, Latam & the Caribbean have the 2nd highest regional percentage of engaged employees.<sup>9</sup>**

Additionally, two-thirds of contact center agents are at risk of burnout. A lack of skills development, not feeling appreciated, and dealing with increasingly demanding customers has led to disengaged employees. Once burnout takes hold, the result is often lower productivity and higher attrition.




# The Call for Reconnection


Companies have several reasons to want to re-engage and reconnect with their employees. Engaged workers experience:





According to Gallup, companies are also 23% more profitable when employees are actively engaged in their work.

## Here are a few suggestions for boosting employee morale and retention:

- 

Make it known in the onboarding process that you offer development and career opportunities – a powerful message that you’re committed to employee advancement.
- 

Combat employee loneliness by fostering positive relationships with other team members and teach healthy coping skills and stress relief techniques to prevent agent burnout.
- 

Live up to your promise and give agents sufficient training to feel confident in their roles. Provide regular feedback and coaching and explain how agents’ roles contribute to the company’s overall mission/goals.
- 

More than 80% of contact center agents say they are overwhelmed by multiple systems. AI-powered platforms like *itelligence*® can help agents understand issues and find quicker resolutions by consolidating customer data in one place.



# CHAPTER 4: The AI Detox



## The Great AI Detox

The state of CX is at a tipping point.

---

The race to adopt AI has driven unprecedented change in customer service, and there is a growing realization that it's not a cure-all. Instead of connecting more deeply with customers, many brands are seeing CSAT scores drop, and emotional connections erode.





Is AI to blame? Not entirely. The real issue is the race to adopt rather than adjust—automation without alignment. The promise of speed and efficiency has often come at the expense of meaningful interactions, and the data proves it.

It's time to pause and recalibrate AI's role in your CX strategy.

### Diagnosing AI Misuse and Overuse

AI misuse is at the heart of today's CX crisis. While overuse of AI gets much of the blame, it's often misapplication—using AI in areas that demand a human touch—that leads to frustration. Automation should support, not overshadow, the emotional connections customers value.

### Here Are the Symptoms:

#### Over-Automation Driven by Cost Pressure

Focusing solely on reducing costs can lead to over-automation. Fully automated systems often fail when escalations or complex issues arise, resulting in impersonal interactions, leaving customers frustrated with unresolved problems. Automation tools efficiently handle repetitive tasks but often fail when escalations or complex issues arise, leaving customers frustrated and unresolved.

#### Ignoring Emotional Needs & Generational Preferences

Customers may value speed, but connection matters more. While AI can resolve queries faster, it lacks the

emotional intelligence needed to build loyalty on speed alone.

#### Data Silos Persist

AI is only as effective as the data it accesses. Fragmented systems and one-size-fits-all solutions block personalization and seamless experiences.

The heart of CX isn't AI—it's the customer and the service professional. Misusing AI disrupts this connection, amplifying the need for a thoughtful and balanced approach to AI integration.



**70% of customer interactions are managed by AI systems, but 80% of business leaders admit CX improvements are elusive.<sup>12</sup>**

# The AI Placebo: Hype or Reality?

## HYPE

**AI Always Resolves Issues Faster**

**Call Deflection Equals Success**

**All AI Solutions Eliminate Data Gaps**

## STAT

92% of leaders say AI has improved response times, over 82% of customers expect immediate resolution.<sup>14</sup>

58% of consumers feel their issues are too complex to be resolved by self-help solutions alone.<sup>15</sup>

Only 35% of companies report fully integrated customer data, limiting AI's effectiveness in creating seamless experiences.

## REALITY

Speed without resolution doesn't satisfy. Customers care more about having their problems solved than a quick response.

Deflecting calls boosts efficiency by shifting high-cost support to less expensive self-service delivery, but failures in tone detection or routing can recreate the same IVR frustrations experienced a decade ago.

Fragmented systems prevent AI from delivering personalized solutions. Without full data integration, AI recommendations often fall short.



# The AI Detox

## Customers are Clinging to the “Zero” Lifeline

The human lifeline of “0” is still there—and customers are still using this. Pressing zero to bypass AI systems shows that, while customers value speed, they still want a human connection to solve their problems.



**New Data Shows 75% of Consumers Crave Talking to a Human.<sup>13</sup>**

They are not rejecting technology; they are rejecting poor implementation.

## The AI Detox: 3 Steps to Reconnect



### Nurture Customer Connections

Avoid assuming Gen Z prefers chat and Boomers prefer live agents. Use historical data and align to industry support.

Customers want to feel heard, not forced into systems that do not work for them.



### Empower Your Team

Train your team to use AI effectively as a tool to enhance—not replace—the human touch.

Develop a CX strategy that balances human expertise and technology for optimal performance.



### Be Selective with AI

Deploy AI where it adds value, like automating repetitive tasks or analyzing data, without over-automating.

Choose the right AI partner to customize solutions, integrate seamlessly, and eliminate data silos.

# The AI ROI Evaluation

Are you getting value from your AI Solution?

<input type="checkbox"/> 100% QA Capability	Achieve Quality Transcription
<input type="checkbox"/> Workforce Management Tools	Optimize Workforce Planning
<input type="checkbox"/> Limitless Real-Time Dashboards	See Everything Effortlessly
<input type="checkbox"/> Customer Sentiment Mapping	Track Emotional Data
<input type="checkbox"/> Custom Integration	Eliminate Dangerous Data Silos



Effectiveness and ease hit new lows, while emotional quality languished. The average effectiveness of experiences fell by 4 percentage points (to 64%) and the average ease fell by 3 percentage points (to 66%). Brands also struggled to connect emotionally.<sup>1</sup>

—Jacques, Pete, Forrester, 2024



See how our suite of AI solutions, **itelligence®**, stacks up to your 2025 AI ROI Evaluation.

Email

[sales@internationalcx.com](mailto:sales@internationalcx.com)  
**to schedule your demo today.**

# Key Takeaway

## **Moving Towards Optimal CX Wellness**

Hopefully, this manual has given you some insight into the worrisome CSAT decline, with ways to avoid or reverse the trend altogether.

The cure is not about choosing a technology solution over a human one. But like any good remedy,

it's about blending the best of traditional approaches with the latest technologies.

It's finding ways to build more connection with your customers by ensuring that your tech stack, engagement channels, metrics, and EX strategies all align towards the same goal: optimal CX wellness.



# About Us

itel is an award-winning customer experience partner that specializes in nearshore and onshore CX delivery in service locations across the Caribbean, Latin America, and the U.S.

Through a combination of voice and non-voice solutions, strategic planning, and AI innovation, we help clients build brand authentic experiences that drive deeper loyalty and deeper connections with customers, all delivered through a flexible, geo-diverse delivery model that can evolve with your business.

Connect with our team!  
[sales@internationalcx.com](mailto:sales@internationalcx.com)



# References

[1] Jacques, Pete. "Customer Experience Quality in the US Falls to an All-Time Low." Forrester, 21 June 2024, [www.forrester.com/blogs/us-cx-index-2024-results/](http://www.forrester.com/blogs/us-cx-index-2024-results/)

[2] "CCW Market Study: CX Trends, Challenges, & Opportunities." CCW Digital and NICE, June 2024.

[3] "U.S. Overall Customer Satisfaction: The American Customer Satisfaction Index (ACSI)." The American Customer Satisfaction Index, ACSI, 19 Nov. 2024, [www.theacsi.org/the-acsi-difference/us-overall-customer-satisfaction/](http://www.theacsi.org/the-acsi-difference/us-overall-customer-satisfaction/)

[4] "2024 Annual State of Service Trends Report." HubSpot, Mar. 2024.

[5] Donlan, Kirk. "32 Customer Loyalty Statistics Your Business Needs to Know in 2025." Emarsys, 14 Oct. 2024, [www.emarsys.com/learn/blog/customer-loyalty-statistics/](http://www.emarsys.com/learn/blog/customer-loyalty-statistics/)

[6] "How Success, Effort, and Emotion Affect Customer Loyalty." XM Institute, 15 May 2024, [www.xminstitute.com/research/success-effort-emotion-loyalty-2024](http://www.xminstitute.com/research/success-effort-emotion-loyalty-2024).

[7] Schmidt, Maxie. "Customer Effort: How to Measure It Right." Forrester, 13 Aug. 2019, [www.forrester.com/blogs/dont-just-measure-customer-effort/](http://www.forrester.com/blogs/dont-just-measure-customer-effort/).

[8] Radavicius, Thomas. "55+ Personalization Statistics & Facts for 2024." Sender, 30 Aug. 2024, [www.sender.net/blog/personalization-statistics/](http://www.sender.net/blog/personalization-statistics/).

[9] "State of the Global Workplace." Gallup, Jan. 2024.

[10] Desmarais, Mike. "Call Center Attrition Rate – Is It Now the Most Important KPI?" SQM Group, SQM Group, 30 Mar. 2023, [www.sqmgroup.com/resources/library/blog/call-center-attrition-rate](http://www.sqmgroup.com/resources/library/blog/call-center-attrition-rate).

[11] Smet, Aaron De, et al. "Some Employees Are Destroying Value. Others Are Building It. Do You Know the Difference?" McKinsey & Company, McKinsey & Company, 11 Sept. 2023, [www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/some-employees-are-destroying-value-others-are-building-it-do-you-know-the-difference](http://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/some-employees-are-destroying-value-others-are-building-it-do-you-know-the-difference).

[12] "State of the AI Connected Customer." Salesforce, 2024, [www.salesforce.com/resources/research-reports/state-of-the-connected-customer/](http://www.salesforce.com/resources/research-reports/state-of-the-connected-customer/).

[13] Smith, Mercer. "107 Customer Service Statistics and Facts You Shouldn't Ignore." Help Scout Blog, 22 Nov. 2024, [www.helpscout.com/75-customer-service-facts-quotes-statistics/](http://www.helpscout.com/75-customer-service-facts-quotes-statistics/).

[14] Bump, Pamela. "The State of Customer Service & Customer Experience (CX) in 2024." HubSpot Blog, 27 June 2024, [www.blog.hubspot.com/service/state-of-service-report](http://www.blog.hubspot.com/service/state-of-service-report)

[15] "This 2024 CX Leaders Trends & Insights Consumer Edition." Execs In The Know, October 2024, <https://execsintheknow.com/blog/trends-insights-consumer-edition-report/>.