

ZENDESK INSIGHTS

IT leaders tackle new challenges with security, AI & CX



Priorities have shifted significantly in the last three years, IT leaders say

Following years of economic booms, busts, and a rapidly changing digital landscape, IT leaders are citing new priorities as areas of investment. These include customer experience, AI, and data security, privacy and protection.

According to a Zendesk global survey of 1,200 IT leaders, high competition, mounting customer expectations, and new AI tools are all contributing to changing priorities. Amplifying the strain on IT, 50% of participants agreed that their teams are being asked to deliver more with fewer resources, adding pressure to scale with staff they already have.

The market at large has been captivated by developments in AI. For innovators and leaders, digital transformation is table stakes – and while IT leaders are curious about AI, it may be surprising to learn that 87% also cited investing in cybersecurity and data privacy as a top priority as their businesses continue to handle high volumes of sensitive data.

AI is poised to create a lasting impact on businesses. Increased demands around the implementation of AI from investors has IT leaders excited and uncertain about how and where to prioritize. Deploying and optimizing AI across the organization has increased significantly in priority, according to 84% of IT leaders. Implementing AI, however, requires a wealth of data that needs to be managed securely – and if businesses are unsatisfied with the tools they’re using to do so, they’re ready to make changes.



While “the customer is king” may be an age-old mantra, the increased demands and expectations of customers is increasing pressures for IT leaders. A significant 86% of surveyed leaders agree that enhancing customer experience has increased in priority over the last three years. An equal percentage of IT leaders have also stated that improving employee experience has increased in priority, credence to the idea that more engaged employees result in better business outcomes.

This report will cover the results of the survey and interviews of IT leaders, providing strategic guidance on key areas to prioritize.

IT leaders reassessing tools in order to improve CX & EX

IT leaders cite both customer and employee experience as priorities that have increased in importance over the last three years and plan to invest in both over the next year.

When it comes to customer experience, there is a general consensus among IT leaders. The goal is to deliver seamless, personalized experiences – augmented by AI – and powered by secure, private data.

While the vision and its importance are widely accepted, the pressure is on for IT leaders: 64% of those surveyed admit to facing challenges in maintaining data quality and relevance for personalization. This is

causing businesses to look outwards to support their vision.

These organizations have a wealth of employee and customer data to work with, but are experiencing roadblocks and challenges in data protection across the many disparate systems in which this data is stored. In fact, 89% of surveyed leaders say securing data privacy and protection is important to customer experience in the next 12 months.

89%

of IT leaders agree that data privacy and protection is important to customer experience

With the seismic changes in the market during the last three years, leaders have been re-evaluating their tooling. In fact, 71% of those surveyed explicitly cited the volatility

of the last three years as giving them cause to reassess their customer experience and service tools.

Standards are higher across the board. Because of the challenges and complexities of staying up to date with cybersecurity and data privacy, IT leaders want their CX partners to improve in these areas.

Employee experience has become an equally important concern for competitive organizations, with IT leaders citing seamlessness, personalization and security – the same qualities sought after in customer experience – as highly important for attracting and retaining top talent.

In a competitive landscape, the stakes are higher. According to one surveyed leader in healthcare, “Our hospital staff are Gen Z and millennials. We need to be ahead of the game, because if we aren’t, they will leave us.”

AI poised to change customer experience, exposes skill gaps and uncertainty

Coverage of AI has exploded in the last year, with new tools delighting and concerning IT leaders. The pressure is on for decision makers who must distinguish hype from reality – all while dealing with constraints of staffing, knowledge gaps and privacy concerns.

And while generative AI promises to completely change the customer experience sphere, many have not found a clear use case for deploying it in their workplaces.

89%

of IT leaders say using AI across the customer journey in the context of CX is important

IT leaders are under pressure to make sense of AI innovations, through hype cycles, breakthroughs and new opportunities. 58% of surveyed leaders say that they are concerned about how quickly the AI landscape is changing, affecting their ability to keep up.

Disruption is par for the course in IT – change-minded leaders are always looking for the next big thing. But parsing through hype and function might require expert opinion. Over the next twelve months, 80% of surveyed leaders plan to increase budgets to accommodate generative AI, with 55% saying that adopting emerging generative AI and

“What would be insightful to know is... What are the specific areas of AI that IT leaders need to focus on? How should they keep themselves abreast? What are the use cases? What are the watchouts – what is hype and not?”

Chief Digital and Information
Technology Officer,
5000+ employee business

large language models is of high importance. But to what effect? The applicability of generative AI leaves some leaders with more questions than ideas.

Experts note a clear link between implementing AI and customer experience. In fact, 86% of leaders attest to the importance of increasing the usage of AI in CX.

It's not just the rapidly changing landscape giving IT leaders pause – the explosive popularity of AI is also exposing gaps in knowledge as organizations struggle with implementation. 57% say that emerging AI technology has exposed such gaps, with many lacking an understanding of AI and its potential impacts. AI is complex and ever-changing. Meanwhile, 60% say that their organizations struggle to collect and label sufficient, high-quality data to train AI models effectively.

Data security and privacy at odds with consumer expectations for personalization

Whether it's a cyber attack, a data leak, or simply outdated systems, the risks around storing and managing data securely are always evolving – especially as demands for personalization in CX and EX grow.

In order to secure and protect customer and employee data, 88% of IT leaders say they plan to increase the budget on cybersecurity over the next twelve months. While security has been a priority for years, expectations around personalization and data insights are surfacing new pressures for IT leaders.

IT leaders sound off on AI

“AI has been applied in pharma for years, but the applicability of generative AI and LLMs is a big unknown. Sure, it can create job descriptions, but is there anything more to it?”

Chief Digital and Information Technology Officer,
5000+ employee business

“We're not a huge company. We have a small IT team. I don't have the resources on staff with data scientist skills. We rely on third party tools.”

Chief Information Technology Officer,
1000+ employee business

“We get feedback from investors asking if we can leverage AI to be quicker.”

Chief Information Technology Officer,
1000+ employee business

And while AI can help drive personalized interactions at scale, many businesses are concerned about the safety and security of AI tools. But data privacy concerns also go beyond AI. The push to personalization and more distributed workforces have resulted in large volumes of personal, customer data that companies must safeguard and manage responsibly, with 66% of surveyed leaders citing data privacy and protection regulations as imposing significant limits on their personalization efforts.

As IT leaders increase their spend on security, they expect their partners and vendors to stay up to date with compliance. Most, however, find that vendors are not meeting these expectations, with 79% saying that their current customer experience software could do more to address cyber security.



Top ranked priorities,
according to IT leaders

63%

Strengthening cybersecurity
and data privacy measures

60%

Enhancing customer
experience

59%

Better use of data and
insights for the business



“After the basics,
what’s next? What
are other companies
doing to protect
employees from
cyber threats?”

VP of Information Technology,
1000+ employee business

While IT leaders are faced with shuffling priorities and an ever changing tech landscape, our data highlights key areas to prioritize now and long term:

Customer and employee experience:

These are consensus IT priorities and key areas for businesses to set themselves apart from competition. Take control by ensuring your tools are best-suited to take advantage of AI, data privacy controls, and the rewards of seamless customer and employee experiences.

Data security and privacy: This is top of mind for IT leaders. Ensure your policies and tools create trust for your customers and employees, while continuing to understand the opportunities of compliant and encrypted data.

Artificial intelligence: AI has extremely practical workplace applications, especially in the realm of customer experience. Seek out expert opinions from your partners, vendors, and peers to fill out knowledge gaps

Learn more about Zendesk

Deliver the best customer experiences in a world of constant change.

Only Zendesk delivers the unique blend of best in class experiences and the flexibility needed to adapt to evolving technology and customer expectations. It's a powerful combination that ensures businesses can take advantage of new opportunities and handle constant change. Zendesk delivers cost efficient scalability and agility, without making customers sacrifice service or innovation.

To learn more, visit [Zendesk.com](https://www.zendesk.com)

The methodology of this report was based on a global quantitative survey of 1,200 IT leaders and in-depth interviews. Survey participants were professionals holding VP or C-level titles at enterprise-sized businesses with 1000+ employees. In-depth interviews were carried out in May 2023.

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