CONTACT CENTER PIPELINE
JULY 2019

THE FUTURE OF THE CONTACT CENTER: OPTIMISM WITH A DOSE OF CAUTION

"As centers pursue bots, RPA, and a variety of AI-enabled capabilities, it is imperative that we consider the people and process changes that go hand-in-hand with these powerful tools."

Contact Center pipeline

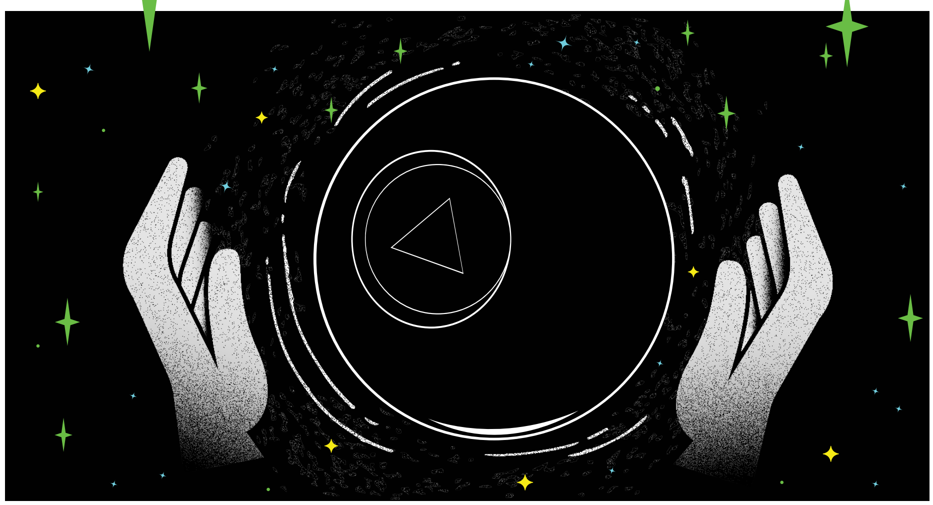
THE FUTURE OF THE CONTACT CENTER: OPTIMISM WITH A DOSE OF CAUTION

Survey results reveal enthusiasm for employee and customer impacts, but tempered expectations for timing and the bottom line

BY LORI BOCKLUND, STRATEGIC CONTACT

We embarked on a fun little survey this spring to gather input on the future of the contact center. Our focus was on which technologies are expected to have the greatest impact and what that impact might be. Of course, artificial intelligence (AI) is a hot topic, so we asked those with "transformational" expectations of AI to share more input on this widely hyped enabling technology.

The results should provide useful insights to those who sell technology, those who analyze and write about it, those who try to make the business case to invest in it, and those who implement and use it.

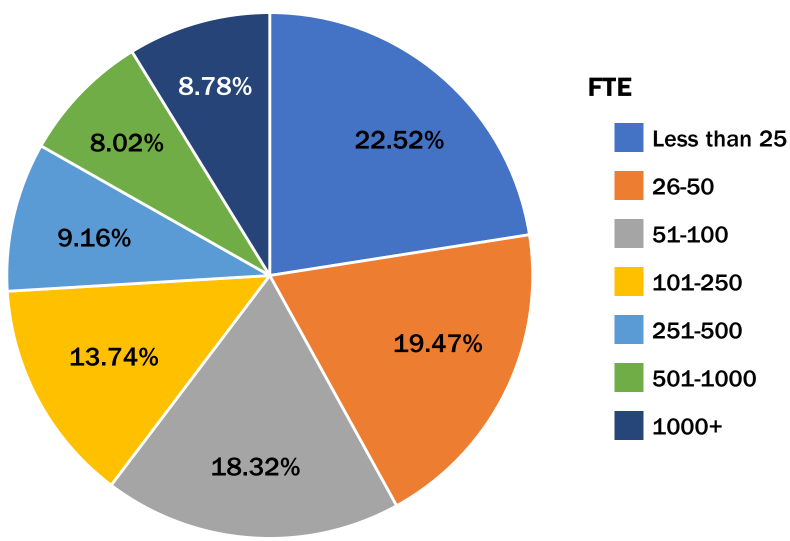


Demographics

A broad spectrum of players shared their perspectives on the future of contact center technology. Nearly half of our 330 participants are CC leaders such as managers, directors or VPs. We slice some of the results into three main categories to explore their different viewpoints:

1. **Corporate and other ("Corporate")**: Corporate Executives, Corporate IT/Telecom
2. **CC Professionals ("CC Pros")**: Contact Center Leadership (e.g., Managers, Directors, VPs) and Contact Center Frontline Staff (e.g., Supervisor, Team Lead, Agent), and Contact Center Operations Support Managers or Analysts (e.g., Reporting/Analytics, WFM, QM)
3. **Industry Experts ("Experts")**: Industry Consultants, Industry Analysts and Vendors/

FIGURE 1: CC Participants Represent a Variety of Sizes



Financial Services Perspectives

A high percentage of participants were in the financial services vertical; it is the only one with enough input that we feel comfortable sharing a few specific points about how they differed from the overall input.

- Nearly 40% expect automation won't change frontline staffing needs
- Participants shared an interesting balance on their perspective of AI, with 39% indicating they think it will be transformational and 33% saying it will not live up to the hype
- Financial Services was the only vertical that indicated AI may drive revenue

FIGURE 2: Expectations of Technology Impact on Frontline Staffing Varied Greatly*

Q: IMPACT OF AUTOMATION ON FRONTLINE STAFFING?

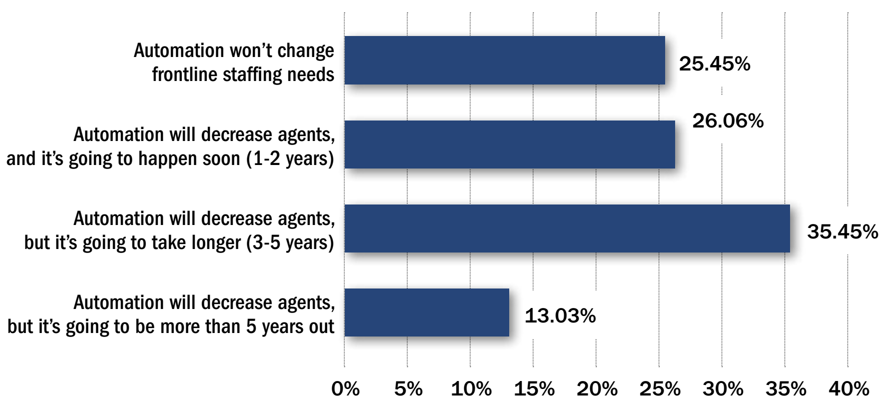
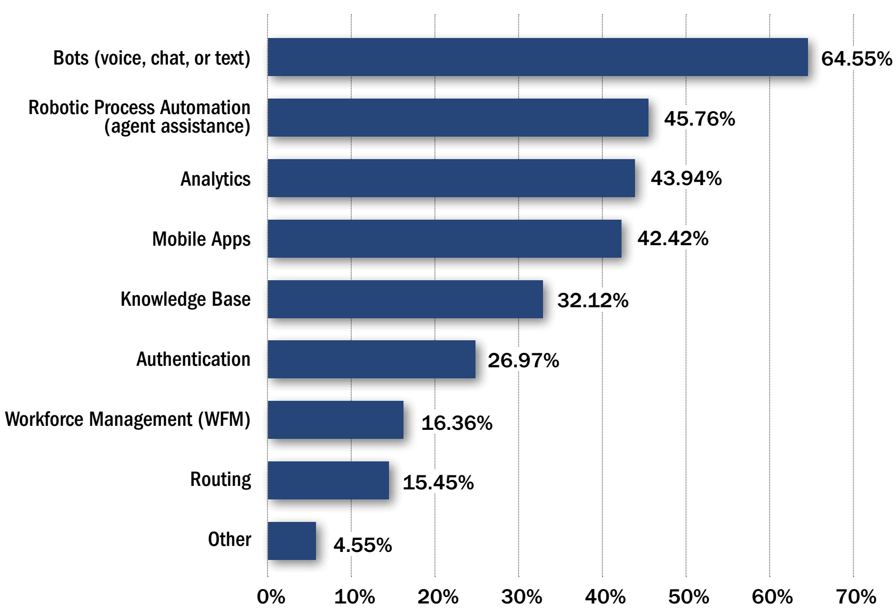


FIGURE 3: Bots Is a Big Winner in the Top Technologies List*

Q: TOP 3 TECHNOLOGIES IMPACTING CCs OF THE FUTURE?



*Visit www.strategiccontact.com/survey/contact-center-technology-future/ to get the survey results graphics, including the breakout of perspectives and sizing.

Value Added Resellers (VARs)

Importantly, the CC Pros represent a wide range of sizes as shown in **FIGURE 1**. This input enabled us to look at differences in perspective by size as well. Our industry segments were not as diverse. I share some input specific to the financial services industry, as they represented about 39% of our inputs (**SEE SIDEBAR**).

Note: To download the survey graphics, including the breakout by perspectives and sizing, visit www.strategiccontact.com/survey/contact-center-technology-future/

Impact of Automation on Frontline Staff

We started with a general look forward into the expected impact of automation on frontline staffing levels. Nearly 50% expect automation to reduce frontline staffing in three or more years. Approximately equal numbers (a quarter of participants) sit in the pessimist and optimist camps represented by no change and change happening *soon* (1-2 years). (**SEE FIGURE 2.**)

IMPACT ON STAFFING BY PERSPECTIVES

CC Pros are on the more pessimistic end of the spectrum, with one-third expecting no impact of technology on staffing levels. Only 10% of Industry Experts and 20% of Corporate share that view. Not surprisingly, more Corporate respondents expect results sooner (in 1-2 years)—33%. Perhaps most interestingly, nearly 75% of Experts have these impacts pegged for three or more years out.

IMPACT ON STAFFING BY SIZE

Slicing our data by size, we find great skepticism from the smallest centers; almost 50% of <25 seats and 31% of 25-50 seats expect no staffing change. Large centers (501+) are betting on impacts but in the 3-5 year timeframe. The largest (1,000+) generally expect impacts (only 9% say it won't change frontline staffing), with about 35% pegging the timeframe at 1-2 years and 52% at 3-5 years. Mid-size (251-500) are the most optimistic, with 46% expecting impacts in 1-2 years.

Top 3 Technologies

We asked participants to select the top three technologies they believe will have the greatest impact on contact centers of the future. Unsurprisingly, Bots, which were defined to include voice, chat, or text, are number one by a good margin. Robotic Process Automation (RPA) to provide agent assistance follows with Analytics and Mobile Apps on its heels. Routing and Workforce Management (WFM), which are bread-and-butter tools for centers, rated pretty low, perhaps indicating people are not looking for as much change here. Knowledge Base has high expectations for about a third of participants. (**SEE FIGURE 3.**)

TECHNOLOGY BY PERSPECTIVES

Experts had a higher view of Analytics than others, with 57% selecting that option, and RPA, with 56%. Authentication was the choice of 35% of CC Pros, many of whom are in financial services where authentication plays a huge role and offers great challenges and risks. Over half of CC Pros also chose Mobile Apps, showing they are counting on them to have a big impact in the future. (**SEE FIGURE 3A** for a breakout of the top four technologies by perspective.)

TECHNOLOGY BY SIZE

All sizes of centers favored Bots, with three bands over 70% (26-50, 501-1,000, and 1,000+). Only the smallest (<25) did not rate Bots at the top, giving a slight nod to mobile apps (59%) over Bots (58%). The smaller the center, the greater the expectations of mobile apps (ranging down to 24%-30% on the largest bands). Perhaps that shows the bigger centers (which are often part of bigger companies, with more IT resources and greater budgets) already have made more progress in that category. The bigger the center, the more they are looking for an impact from RPA, ranging from 29% of the smallest up to nearly 70% for the largest. This makes sense given the volumes and opportunities created to shave seconds on *many* contacts. (**FIGURE 3B** shows the breakout of the top four technologies by center size.)

CC Goals Impacted by Technology

Next, we wanted to know what types of changes people expect technology to deliver. We focused on the top contact center goals around cost, service and revenue to see what

FIGURE 3A: Breakout of Four Top Technologies by Perspective*

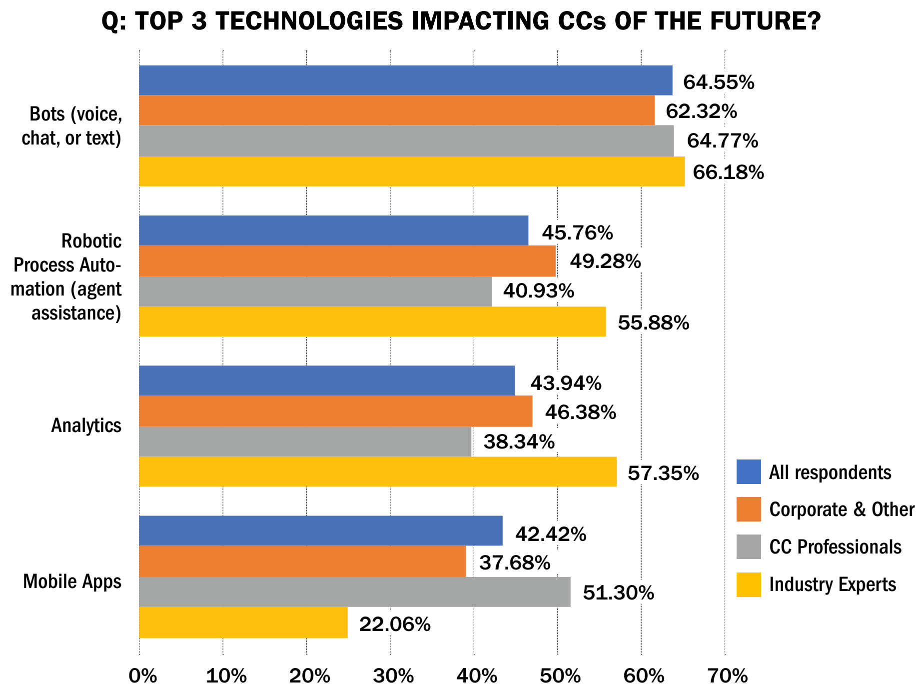


FIGURE 3B: Breakout of Four Top Technologies by CC Size*

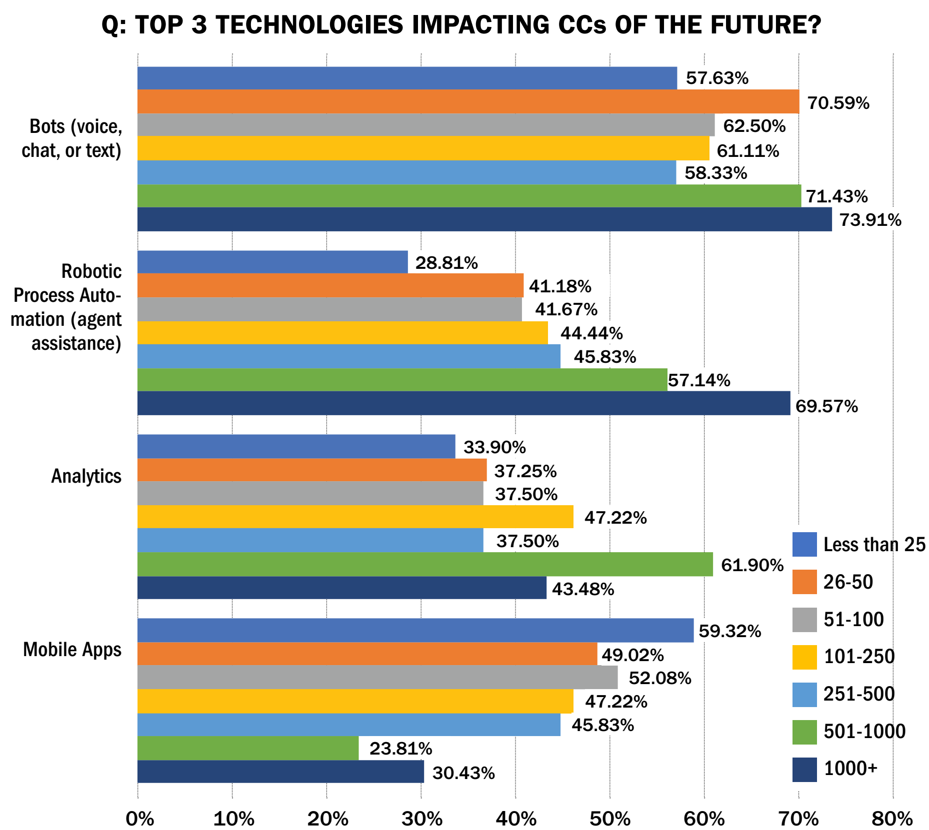


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FIGURE 4: Service Tops the List of Expected Impacts*

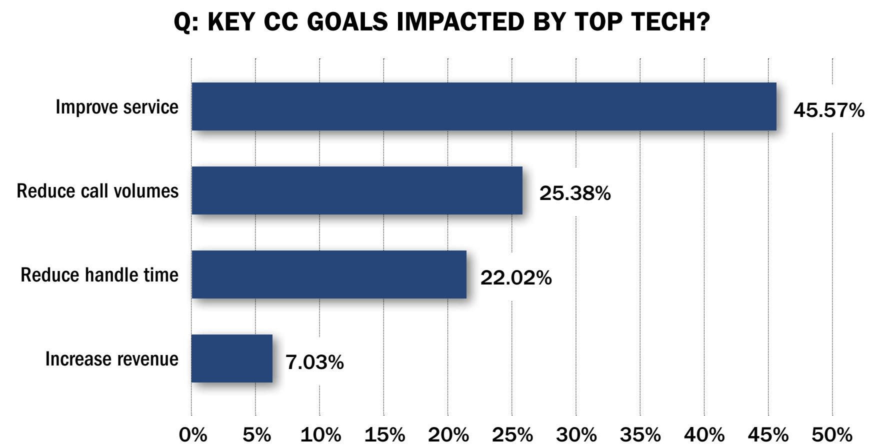
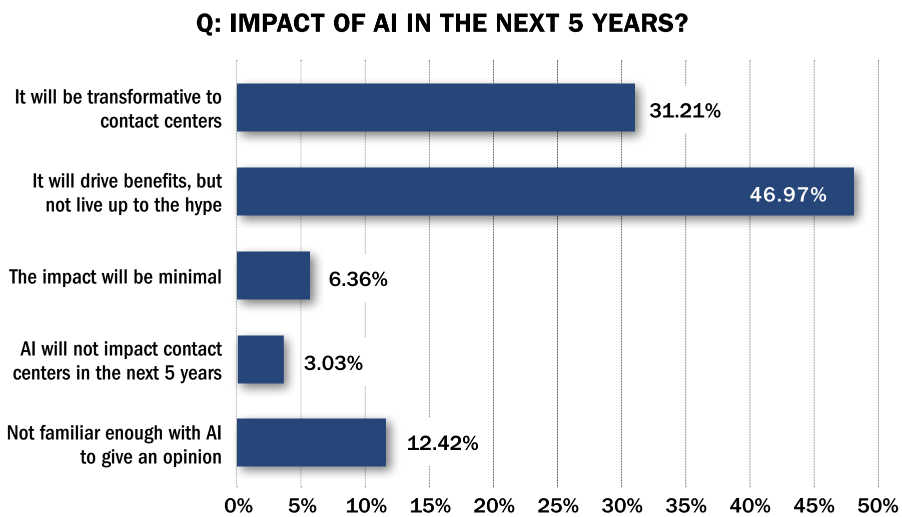


FIGURE 5: AI May Be Transformative… or a Disappointment!*



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participants expect will be impacted the most. Almost half showed a focus on service, and all the top technologies could help deliver on that goal. The high-ranking technologies like Bots and RPA allude to reducing handle time and volume; those each earned around 25% of the participants' vote. Revenue change is an expectation only for a small percentage. (SEE FIGURE 4.)

GOALS IMPACTED BY PERSPECTIVES

It will likely come as no surprise that Corporate people showed more interest in revenue, nearly doubling the overall percentage (13% chose revenue). CC Pros rated volume reduction higher than the others did at 31%, while Experts showed a different weight on reducing handle time (26%). These inputs correlate a bit with the top technologies (e.g., mobile apps could reduce volume, analytics could help identify ways to reduce handle times).

GOALS IMPACTED BY SIZE

One variation by size jumped out: Service improvement is the highest expectation for all but the largest centers (1,000+) where only 22% chose this goal. The mega-centers have higher expectations of reducing AHT (39%) and volume (30%). The smallest centers had the highest percent interest in revenue at 12%.

Impact of AI

In the overall technology question, we asked respondents to temporarily set aside AI as it can play a role in any of these technologies. Then, we asked people to weigh in on what impact they think AI will have on contact centers in the next five years, so that we could then dive a bit deeper into that enabling technology with those that are the most enthusiastic. Less than one-third see it as transformational, and the others displayed a fair amount of cynicism. If you are familiar with the analyst firm Gartner's technology hype cycle, perhaps the 47% who indicated AI will drive benefits but not live up to the hype are in or heading to the "trough of disillusionment." In contrast, only about 10% say they expect minimal or no impact in the next five years. (SEE FIGURE 5.)

AI IMPACT BY PERSPECTIVE

Interestingly, Experts are noticeably more cynical about AI, with almost two-thirds indicating it will not live up to the hype. CC Pros are the most optimistic with about one-third viewing it as transformational.

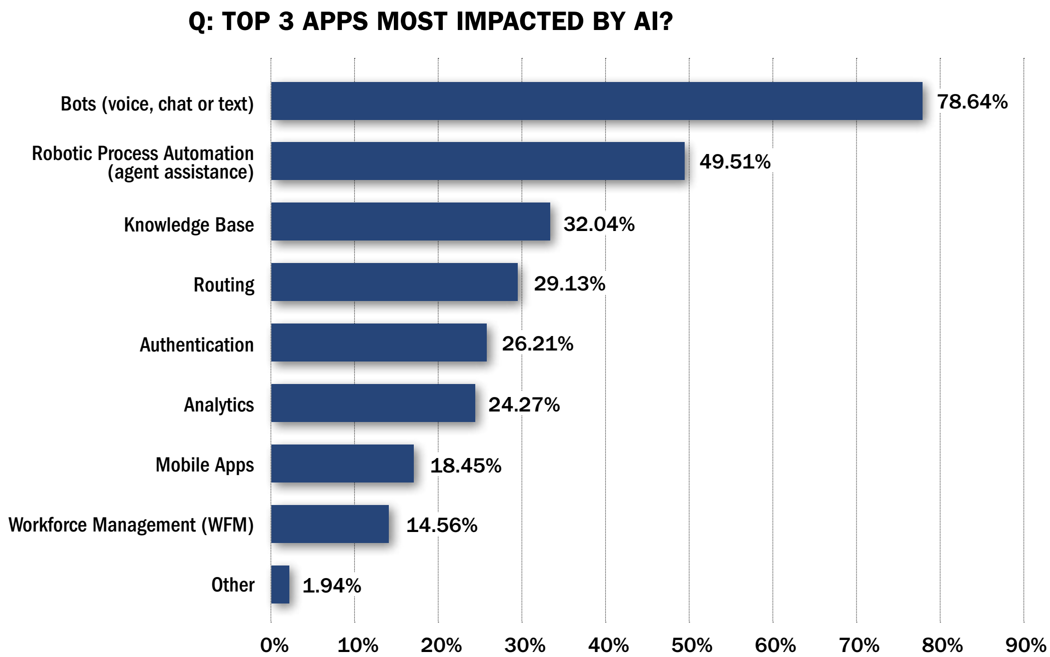
AI IMPACT BY SIZE

We found more cynicism about AI at larger sizes. Since these centers are arguably the early adopters, that may show some *learned* (and earned) perspective. In line with that hypothesis, those indicating they don't know enough about AI to give an opinion were much higher for small centers (37% for <25, 16% for 25-50, vs. 3%-9% for the other sizes), and chances are they are less likely to have pursued AI projects or pilots. The view that AI will be transformational was balanced across sizes, with a range of 24%-40% making that choice. The cynicism range is much wider with 24%-67% expecting benefits won't match they hype.

Applications Impacted by AI

We then asked those in the "transformational" camp which applications will be most changed by advanced AI. Similar to automa-

FIGURE 6: Bots Is a Big Winner in the Top Technologies List*



tion technology in general, Bots is highest and RPA is second, but we see an even stronger focus on Bots. Expectations on routing took the greatest leap, nearly doubling from routing without AI. (**SEE FIGURE 6.**)

APPS IMPACTED BY AI BY PERSPECTIVE

Experts showed a higher belief in RPA (63%) and routing (37%). Corporate (40%) and Expert (37%) perspectives both show more belief (or hope?) in Analytics. No Experts pointed to Mobile Apps while 25% of CC Pros and 22% of Corporate did.

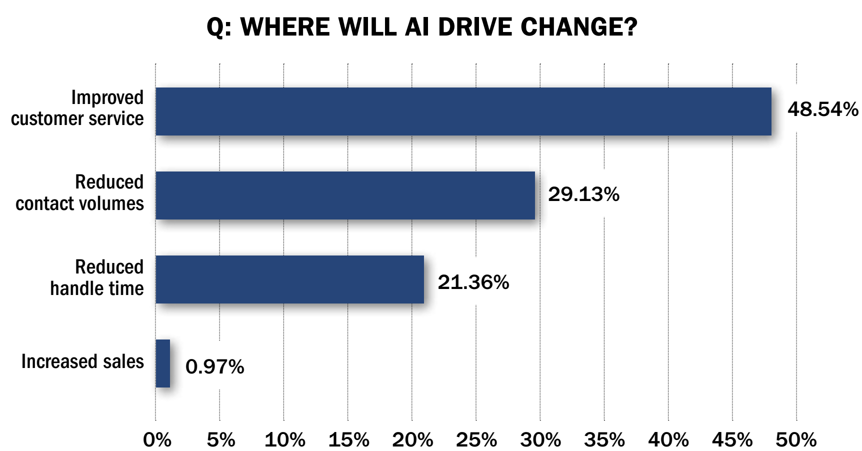
APPS IMPACTED BY AI BY SIZE

Similar to the views of RPA overall, the larger centers again have more hope and faith in RPA with AI. Beyond that, there are no visible trends aligning sizes and applications impacted by AI.

AI Drives Change

Our last question on AI looked at where the changes driven by AI will be most evident, focusing again on the key business goals. Even fewer are looking to AI to drive sales or revenue impact. Volume and AHT impact are fairly balanced, although with a wider gap in favor of volume reduction. (**SEE FIGURE 7.**)

FIGURE 7: Service Again Tops the List of Expected Impacts*



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AI CHANGE BY PERSPECTIVE

The Experts focused more on volume (42%) than AHT (5%), and significantly differed from the others in these categories. CC Pros exhibited balance on the two cost-reduction elements (27% on reduce handle time, 28% on reduce volume), and were a bit lower on service than others at 44%. We might expect Corporate to have more focus on sales and cost factors but they are instead the highest on service improvements, with 60% selecting that expectation of AI's impact.

AI CHANGE BY SIZE

The smaller and larger centers chose reduced volume at a lower percentage (14%-20%) while the three mid-range size bands for centers between 51 and 500 seats were 30%-50% in the volume camp. The 251-500 band was the only one where service improvement

FIGURE 8: More Hope for Employees and Customers than the Bottom Line?*

Q: WHAT IMPACT WILL TECHNOLOGY HAVE ON CCs OF THE FUTURE?

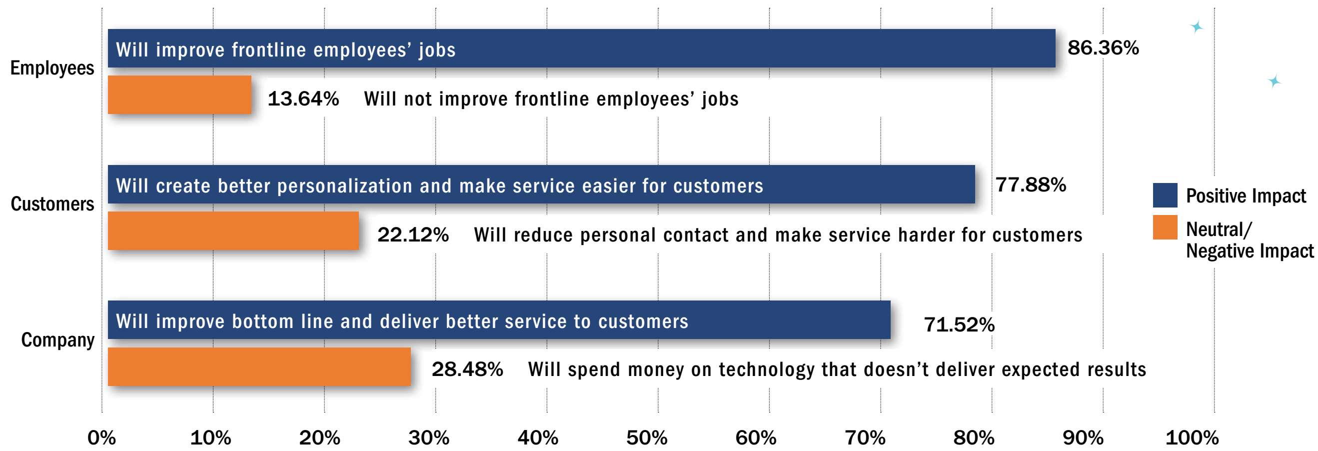

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TABLE 1: Variations by Perspective and Center Size

CONSTITUENTS	DIFFERENCES IN *PERSPECTIVE*	DIFFERENCES BY *SIZE*
Employees	The optimism is greatest with CC Pros at nearly 90% The Experts are most skeptical (20%)	The skepticism is higher among larger centers, up to 22% for the 101-250 band and 12%-14% for the higher bands
Customers	Skepticism among Experts is much higher at 35% (vs. under 20% for others)	Skepticism is greater for smaller centers than the largest (range up to 31% for 101-250, while only 10%-13% for three largest bands)
Company	Skepticism among Experts is much higher at 37% (vs. under 27% for others); as we might expect, Corporate is the most optimistic (75%)	Skepticism is greater for smaller centers than the largest (range up to 39% for 101-250, 10%-14% for the two largest bands)

was not the highest, with volume reduction at 50%. The largest centers rated reduced handle time and service improvements equally at 43%. Sales did not register at all except for 5% in the 25-50 range.

Impact on Employees, Customers & the Company

Finally, we presented participants with three sets of binary choices to gauge optimism or concern for the future impact on three important constituents of technology: Employees, Customers and the Company. While overall optimism is strong, two interesting insights jump out: Participants expressed a significantly dimmer view of technology's impact on the company and the highest hopes are for employees, not customers. (**SEE FIGURE 8.**)

Within these questions, we find a few interesting variations by perspective and center size (**SEE TABLE 1**).

Where to From Here?

No matter your center size or vertical, or what perspective you bring to the crystal ball of contact centers of the future, the way to drive value from technology is to recognize it's not all about the technology! Undoubtedly, some of the cynicism expressed is flavored by past experiences with technology that didn't deliver on its promises. And while we all want to improve the customer and agent experience, the reality is that technology pays for itself by reducing volumes and handle times, and driving additional revenue. A line can often be drawn from service improvements to these more tangible and measurable outcomes. As centers pursue bots, RPA, and a variety of AI-enabled capabilities, it is imperative that we consider the people and process changes that go hand-in-hand with these powerful tools.

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