

MOVING FORWARD: WHAT WILL 2024 BRING FOR CONTACT CENTERS?

**Contact Center Pipeline's Advisory Board shares
timely insights to take into the New Year.**

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CONTACT CENTER PIPELINE'S ADVISORY BOARD SHARES TIMELY INSIGHTS TO TAKE INTO THE NEW YEAR.

BY BRENDAN READ, CONTACT CENTER PIPELINE



Another year, another round of hope and promise that risks being undermined by uncertainty and potential chaos. Is 2024 turning out to be "The Year of Angst?" New methods and promising notably artificial intelligence (AI)-driven technologies are driving innovations that could make products and services more useful, user (both customer and employee)-friendly and supportive, efficient, reliable, and productive. Experience gained with these new tools should lead to their refinement in the technology and in developing best practices on applying, installing, and using them. That includes understanding what these solutions can/cannot do (and customers' attitudes and use of them), and in training staff on them.



Meanwhile, contact centers have been refining their work strategies including work-from-home (WFH), hybrid working, and workforce management (WFM).

The benefits from innovations and best practices cannot come soon enough. Rising costs (including childcare and transportation) and labor shortages loom. Meanwhile, customer and employees' expectations and insistence for excellent customer experiences (CXs) and employee experiences as the price for their loyalty grows.

These trends are taking place against - and shaped by - the backdrop of the looming contentious U.S. election, multiple conflicts and wars notably in the Middle East and Ukraine, crime, and an increasingly uninhabitable planet that are leading people to feel anxious with fear for their futures.

Contact centers, particularly their agents, bear the expectations and the tone of the times through their interaction with customers that are, at the same time, shaped by the changes and pressures of them.

To provide advice and guidance for contact centers, we reached out to our Advisory Board to find out what contact center trends do they foresee in 2024? Are they the same, changed, or new as compared to 2023?

MIKE AOKI
PRESIDENT, REFLECTIVE KEYNOTES, INC.



Here are three NEW trends for contact centers in 2024.

First, the hype around AI in contact centers will fade as companies discover a certain percentage of customers prefer not to interact with AI. Similar to how ATMs (Automated Teller Machines) did not completely replace human bank branch tellers, there will still be a percentage of contact center customers who want to speak with a live agent.

Additionally, the adoption of AI in customer service may not meet a contact center's lofty expectations, depending on the complexity of the service provided. For instance, many AI chatbots and voicebots only address a limited range of customer issues. Anything outside of that narrow band of topics needs to be managed by a live agent.

Second, there is a growing need to prioritize customer service and sales skills within the mortgage industry. Consumers are struggling with mortgage approvals, renewals, and refinancing due to rising interest rates. As a result, several alternative mortgage lenders have contacted me for sales and customer service training.

Mortgage officers, underwriters, and renewal teams need excellent customer service skills to help homeowners cope with "sticker shock" when renewing their mortgage at a much higher interest rate. Or assist mortgage applicants with the frustrating process of getting a new mortgage approved in a much tougher lending environment.

Third, contact centers will struggle to find Gen Z employees for their phone queues. Gen Z is more inclined to use their mobile phones for chat rather than voice.

That lack of voice experience makes Gen Zs less comfortable and skilled at handling phone inquiries. So, contact centers will have to update their recruitment and new hire training processes to find and train "phone friendly" employees. This presents a challenge for staffing, as young people fill many entry level contact center roles.

JON ARNOLD
J ARNOLD & ASSOCIATES



The contact center space - as we know it - saw a great deal of disruption in 2023, where fundamental shifts are unfolding, and will continue into 2024. There will always be new launches, features, players, etc., but bigger changes are happening that will be more transformative, and I'll cite three of them here.

1 AI IS ACCELERATING BUT IS NOT THE SILVER BULLET
This is the leading trend everywhere, but it will continue to be particularly impactful for contact centers, and the broader field of customer service.

Not only are customers becoming more digital-centric, but so are their behaviors around buying products and services, as well as how they engage with brands. Collectively, this is producing continuous streams of data pertaining to the customer journey that we've never had before.

This scenario is tailor-made for artificial intelligence (AI) and contact center leaders are coming to recognize the various ways that AI can harness that data.

As a result, contact centers are accelerating their investment in AI, not just to stay ahead of the curve, but as a way to close the gap between the constraints of their legacy technology and the rising customer experience (CX) expectations of their customers.

While this may be the right course of action, there could well be some setbacks in 2024, as AI is not yet mature enough to be the silver bullet most have been led to believe.

2 CLOUD IS DOMINATING, BUT IS NOT YET RULING
The COVID-19 pandemic jump-started many plans for cloud migration, and the trend will remain strong in 2024.

Most contact center vendors are leading with contact center-as-a-service (CCaaS), even among those with legacy roots, and innovation efforts are now mainly focused on cloud. Not only is cloud becoming the deployment model of choice in general for IT, but it's foundational for adopting AI, and these two trends generally go hand-in-hand.

That said, the contact center space will not become entirely cloud-based in 2024, and that will likely hold true for years to come.

Cloud may dominate the headlines, and while most contact centers have gone this route to some degree, they are mainly hybrid deployments. As such, the overall landscape is more nuanced, and it's important to recognize that large segments of the market remain premise-based. There are good reasons for this, and while these contact centers may get to the cloud in time, cloud will not become the status quo for all in 2024.

3 SHIFTING THE CENTER OF GRAVITY FROM THE CONTACT CENTER

As businesses become more focused on CX, the clearer it becomes that the contact center is just one part of the equation, and not the whole equation.

"...THE HYPE AROUND AI IN CONTACT CENTERS WILL FADE AS COMPANIES DISCOVER A CERTAIN PERCENTAGE OF CUSTOMERS PREFER NOT TO INTERACT WITH AI."

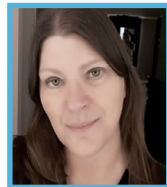
-- MIKE AOKI

Conventional thinking puts the contact center at the core of all forms of customer engagement, but that model no longer holds. The cloud and AI trends noted earlier continue to reshape the relationship between customers and brands, and if anything, we'll see more touchpoints in 2024, and they won't all be in the contact center.

Lines will continue to blur for how businesses engage with customers, with a mix of traditional inbound inquiries to the contact center, and various forms of outbound communication from other parts of the organization, targeted both at existing and prospective customers.

For 2024, contact center leaders will need to think more holistically about their technology decisions, as their operations can no longer be run in isolation. Far more integration with other operating units will be needed, not just for which technologies to use, but also to share data so AI tools can provide everyone with a more complete picture of each customer.

DR. DEBRA BENTSON



2024: The Year of Employee Experience

If 2023 has been the year of the Customer Experience, then 2024 must usher in "The Year of Employee Experience." A year to celebrate our human resources that often consume more than 70% of our budgets. Time to ignite employee engagement to fuel retention, enable innovation, and drive the feeling of value for our human resources.

My Mother-In-Law always told me to "prune the rose bushes to make them grow." The same advice works in contact centers too. Culling staff who are a poor fit for the culture, out of step with the mission, or simply toxic is vital.

When people are not happy and productive in their role and environment, they tax the energy and happiness of those around them, and syphon time from their supervisors. It is better for everyone if they are either moved to a role where they can be successful or "promoted to customer."

With more automation there are some tactical imperatives because automation skims off simple work and leaves the most complex work for the employees. We must cultivate staff with sharper skills, offer compensation commensurate with the level of work, and add staff to support the higher complexity work. Providing relief by infusing other types of work is another effective tactic.

"...TREAT YOUR TEAM AS IF YOUR BUSINESS DEPENDS ON IT - BECAUSE IT DOES."

-- DR. DEBRA BENTSON

"...CONTACT CENTER LEADERS WILL NEED TO THINK MORE HOLISTICALLY ABOUT THEIR TECHNOLOGY DECISIONS, AS THEIR OPERATIONS CAN NO LONGER BE RUN IN ISOLATION."

-- JON ARNOLD

Incentivize engagement in a meaningful way. In lieu of pizza and desk trinkets, consider setting up an account for each employee to earn monthly bucks or credits. Allow them to earn additional deposits by completing work with value-added outcomes. Invite employees to shop in a cafeteria-style forum. Involve your employees by letting them influence what prizes are offered and empower them so they can choose their own adventure!

Home or office remains a hot topic of discussion. Personally, remote work is great for me. It is a very personal choice for everyone with significant human consequences for both their wellness and productivity.

When I consider the question about remote work options, I ask myself these two questions.

The first is "can the work be done remotely?" The answer to that will satisfy if there are technical, logistic, or regulatory hurdles that cannot be overcome.

The second is "do the employees want it?" While some employees will cheer for the time and commute savings of remote work, others may experience paralyzing anxiety from being isolated. It is key, whenever possible, the employee preference must be supported.

In closing - treat your team as if your business depends on it - because it does.

SANGEETA BHATNAGAR
SB GLOBAL HUMAN CAPITAL SOLUTIONS
GTACC CHAIR



TRENDS

The trends I will focus on will be around the "people" part of this amazing industry.

SKILLS REQUIRED

Leaders and organizations will need to further develop Adaptability skills in order to lead and inspire through all of the continuous change. Leaders will need to have an adaptable mindset to enable them to effectively serve their teams and increase employee engagement: which ultimately impacts the CX.

Recruitment. The speed and length of the Recruitment cycle will need to be fast and efficient with a quick turnaround time from the point of application to interview and then feedback.

"LIKE SO MANY CONTACT CENTER TECHNOLOGIES THAT HAVE COME BEFORE IT, AI IS RIDING A WAVE OF HYPE THAT MAKES EVERYONE THINK THEY BETTER JUMP ON BOARD."

-- LORI BOCKLUND

The length of this cycle will be shorter than in recent years. We have seen in the last few years that many companies have needed to shorten their turnaround times to avoid losing candidates in the process and I expect this to continue into 2024. There will be a candidate-centered blend of Tech and the Human touch. A lot of AI is being used currently but I think how it will be used will be more human-centered.

Talent Retention. Candidate expectations have changed, and we are witnessing a drastic adjustment in the labor market. Candidates have a choice and are constantly looking at which organizations deliver a better employee experience.

It is important to note that **employee experience** starts at the time of the job posting, that first connection regardless of which channel or method of interview you choose (traditional email/phone interview, face-to-face, or AI-assisted speed interview style).

The increased awareness of this within HR and Operations teams started a few years ago as many organizations saw increased attrition during all levels of onboarding and with tenured staff. I expect this trend to continue into 2024.

To retain talent, organizations must have a commitment to creating an **employee-centric environment** with a culture of **inclusion, social responsibility**, and most importantly alignment with **purpose**.

LORI BOCKLUND
PRESIDENT - STRATEGIC CONTACT, INC.



AI BREAKTHROUGH OR BUST?

I wouldn't dare write about 2024 trends without talking about Artificial Intelligence (AI). But will it be the breakthrough that contact centers are hoping for, or another technology that falls short of expectations? That depends on how we apply it!

Like so many contact center technologies that have come before it, AI is riding a wave of hype that makes everyone think they better jump on board. The analysts, vendors, and yes, consultants, tout its magical powers. Contact center leaders - or their bosses - are sure if they could just make this next investment, contact volumes and handle times will decrease, customer experiences will soar (and translate into great NPS and revenue numbers!), and maybe even create happier agents that are more productive and don't leave so soon.

With that grand vision, it's important to keep in mind that AI is not something that you just buy, turn on, and let it run. It needs careful design to apply it well, tuning to get it just right, and adaption as things change. Whether manifested in a bot, routing, forecasts, schedules, agent assist and knowledge management, or interaction analytics, AI needs experienced and diligent people to work with it.

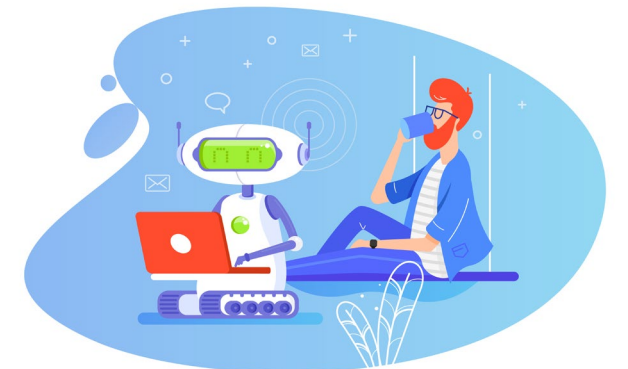
The largest centers, with the most money *and* staff, are going to lead the breakthrough scenarios. They have the teams to work with the technology, along with vast amounts of data and sandboxes to play in. They have leadership support that goes beyond hope to strategy and commitment. The small and medium-sized centers, of which there are many, will need to count on the vendors or their value-added reseller (VAR) partners to get off the ground with AI capabilities, and then find ways to optimize and extend what they do with it. That means funding in-house analysts (something I have lobbied for countless times) and/or paying third parties to provide the focused services required.

In the 1988 film, "Who Framed Roger Rabbit," the animated character Jessica Rabbit famously said, "I'm not bad, I'm just drawn that way." My clarion call about AI and how we make it a breakthrough technology for all contact centers boils down to how we "draw it" - with vision and insight along with experts and animators who bring it to life, monitor and optimize it, and keep it from going astray. The technologies that have come before it and fallen short weren't bad; they were just drawn that way.

TIFFANY LAREAU
CERTIFIED WORKFORCE MANAGER
HUMAN NUMBERS



PREDICTION: we'll see more customers exploring online self-service support even if they haven't tried that with us before. And more people reaching us with non-phone channels, even though we're not necessarily promoting those. They saw this technology work successfully at other places and that drives new behavior for our own customers. It becomes contagious when everyone else is doing it.



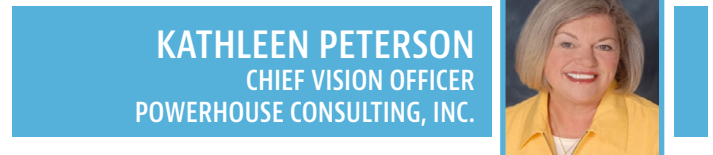
But the trend I'm really looking forward to is a literal mathematical trend of having calmer historical data sets to work from for the first time in four years. My forecast potential ranges are returning to single-digit percentages, and that means confidence rates are improving. The reason is because I finally have a full twelve months of historical data that is relatively normal to work from again.

I kept a thorough paper trail of the chaotic, frenzied history showing exactly where our data went askew in the 13th week of the year 2020, and where it went wrong every few months after that. Each time we expected to return to normal, another brick would fall and our "new normal" got a hard reset. The silver lining was this created the need for clever new and improved forecasting practices, which ultimately led to better forecast accuracy. But many times, it felt like the forecast was simply chasing after these runaway actuals.

I enjoy a forecasting challenge just as much as the next person (probably more) but the challenges we've gone through in The Twenty-Twenties have been extreme. We used stacked growth rates (yikes!), we combined seasonal patterns with real-time data (unheard of!) and when it got really bad, we introduced super-aggressive models that required constant babysitting. Keeping track of all this bedlam was like holding a club sandwich badly in need of a toothpick.

Nowadays, our cleaning efforts are back to addressing the regular, boring things we'd expect to see, like excessive repeat abandons due to understaffing, handle-time outliers > than 1.75 standard deviations from the goal, occasionally some weather-related stuff, and your typical system outages. Fingers crossed it stays that way and that it remains a consistent linear trendline.

(And yes, my happy medium for AHT's StDev measure is 1.75x instead of 2x. Try it out - you may find you like that better, too!)



KATHLEEN PETERSON
CHIEF VISION OFFICER
POWERHOUSE CONSULTING, INC.

The word "trend" is used to describe a general direction or popular opinion rather than a specific forecast. Last year, I imagined that one of this year's trends would be "stabilization." Yikes! How wrong I was! The Contact Center, like the world beyond it, has been anything but stable. So here are the trends that I predict for 2024.

" CANDIDATES HAVE A CHOICE AND ARE CONSTANTLY LOOKING AT WHICH ORGANIZATIONS DELIVER A BETTER EMPLOYEE EXPERIENCE. "
-- SANGEETA BHATNAGAR



ONGOING INSTABILITY

I continue to see "instability" as the Contact Center industry becomes inevitably altered by the many forces at work in today's marketplace. These extend well beyond the impact of the obvious advances in technology. I use the word instability to mean a lack of balance in both positioning and managing the emerging Contact Center environment. It begins with the indicators of instability at the enterprise level. Operating costs are going up, margins are going down, market share is unpredictable, and unemployment is at an all-time low. There are directives around hybrid, premise, or remote operations and Customer Experience scores are failing. All this has a negative and ripple effect on the Contact Center.

ONGOING ATTRITION

Ongoing attrition is a primary factor underpinning operational instability and there are more causes than one can document. To put it simply ... agents leave because they either got a better offer or they just don't like working for your company. In today's market, with unemployment well below the norm, job hopping becomes less risky than ever before. Agents that feel mistreated, unfulfilled, overloaded, or undertrained are jumping ship and happily being hired by a market desperate for talent.

High attrition drives operational instability. The entire Ops Team - Workforce Management, Training, Quality, Supervisors - must shift from managing and developing a stable staff to constantly hiring and managing new staff. Staff needs are greater, and it takes longer to produce efficient, effective, results.

Attrition and operational instability also have a negative impact on the Customer Experience. Also, a general feeling of being "overwhelmed" often contributes to the attrition of good leaders, moving instability to chaos!

ONGOING TECHNOLOGY SEDUCTION

Last year I mentioned a trend that I called a "massive technology seduction." This year it is bigger and better due to the explosion of Artificial Intelligence (aka AI). AI makes promises beyond our wildest dreams, though this is not a new phenomenon. For decades the latest and greatest technologies have been that shiny "new thing" that will solve all problems. BE CAUTIOUS is all I have to say. Make sure your problem statement and your requirements are VERY CLEAR before deciding whether the issue or solution requires an investment in new technology.

"... THE TREND I'M REALLY LOOKING FORWARD TO IS A LITERAL MATHEMATICAL TREND OF HAVING CALMER HISTORICAL DATA SETS TO WORK FROM FOR THE FIRST TIME IN FOUR YEARS."

-- TIFFANY LAREAU

FOCUS ON RETENTION

The trend I would like to see is more about why agents STAY and less about why they leave. I recommend a 2024 initiative that establishes a clear set of objectives directly related to what makes your place a "good place to work." Do not turn the activity into a never-ending and detailed academic case study. Simply ask your agents what they are lacking, what they need, and what they feel is out of balance in the Contact Center. Our consulting work often includes frontline Focus Groups where we ask these questions. The answers have consistently included a lack of consistent and clear communication, no ongoing training, and a feeling of being overloaded. Do something about the conditions that drive agent dissatisfaction, and you will overcome a major obstacle to success.

I have some good news about all this! Fortunately, instability is a temporary state that happens during change. Be a student of those changes to identify opportunities to be a positive force in linking actions to outcomes and the Contact Center to a high-value asset.



MICHELE ROWAN
PRESIDENT
WFH ALLIANCE

It is exciting times for contact centers! Here are some of the top game changers I'm seeing amongst my colleagues and customers.

• **Digital transformations.** There are big shifts to the cloud for data and design, key investments in all sorts of AI tools, upgrades to ACD platforms and omnichannel options, and significant stakes in data organization, presentation, and utilization across the enterprise. Secure and easy access to sensible data is a clear path to aligning customer and employee experiences.

AI is going to have a swift impact in the contact center environment for many industries. As a result, we will see some reductions in staffing requirements: and we will see elevation in the knowledge, skills, and abilities required in many roles.

And, quite naturally, the emphasis will then shift to getting very good at hiring the right people (versus just filling training classes) and improving retention. The contact center ecosystem is being reshaped: all for the better!

• **Call for, and higher-paid, knowledge workers.** The \$12/hour basic skilled job in the contact center is all but gone. Replacing it are those that call for advanced knowledge, skills, and abilities to support complex problems and diffuse emotions that often land in the contact center after self-help failure: at \$20/hour (minimum) starting pay rates.

In order to get the most out of these new agents, quality of hires and improved retention are absolute musts. Otherwise, the old churn rates we are accustomed to accepting will just decimate the bottom line.

" PEOPLE WANT TO HAVE A CHOICE IN WHERE THEY WORK (HOME, OFFICE, HYBRID, FULLY REMOTE). "
-- MICHELE ROWAN

• **Flexibility in the workplace.** People want to have a choice in where they work (home, office, hybrid, fully remote). So, the more options you offer, the wider your net will be for best-in-class hiring.

Employees want to be involved in the design and structure of their work schedules. Many want to be able to adjust their schedule from month to month or quarter to quarter to align with their personal lives. Some want fixed schedules that will never change.

Self-scheduling, split-shifts, micro-shifts, on-demand schedules, and flexibility in attendance policies are all hot topics.

Attendance tracking is transitioning from the juvenile penalty-driven systems that have been in place in contact centers to more of a macro measurement for the month (e.g., % of time someone worked versus scheduled time), with a goal of fulfilling work time at x% of what was scheduled.



FEATURE

"FORTUNATELY, INSTABILITY IS A TEMPORARY STATE THAT HAPPENS DURING CHANGE."

--KATHLEEN M. PETERSON

Points, deductions, penalties, and occurrences are being replaced with mature accountability mechanisms that better reflect employee presence as a whole.

- **Right-sized sourcing and hiring.** Material efforts are being put into better hiring: and better retention. Turnover in contact centers is the single biggest expense that the business units have to endure, with many centers filling one single role as many as two or three times in just 12 months.

The surefire solution is shifting dollars away from job boards and into beefed up, well-branded employee referral programs to improve the quality of hires and stick rates. The \$250 referral bonus is being replaced with a \$1,500 referral bonus, payable in total after 90 days or even 120 days.

Given the cost of just one new hire in a contact center (excluding training) is \$3,500, even the expanded referral bonus is still only half the cost per hire using job boards. Organic mentoring falls into place with the referring employees seeking success: and employee satisfaction (for everybody) is markedly improved. It's a huge win!

- **Gamification.** Many contact center employees use games in their personal lives. So, using gaming in the workplace is a natural utility for things like establishing new relationships, making onboarding fun, skills building in new hire and recurrent learning, and ongoing team building and performance management.

I liken running a contact center today without gamification to running a distributed organization without cameras. It's just a deep miss that will only make a business less connected and more expensive to operate. 📍



Brendan Read is Editor of Contact Center Pipeline. He has been covering and working in customer service and sales and for contact center companies for most of his career. Brendan has edited and written for leading industry publications and has been an industry analyst. He also has authored and co-authored books on contact center design, customer support, and working from home. Brendan can be reached at brendan@contactcenterpipeline.com.

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