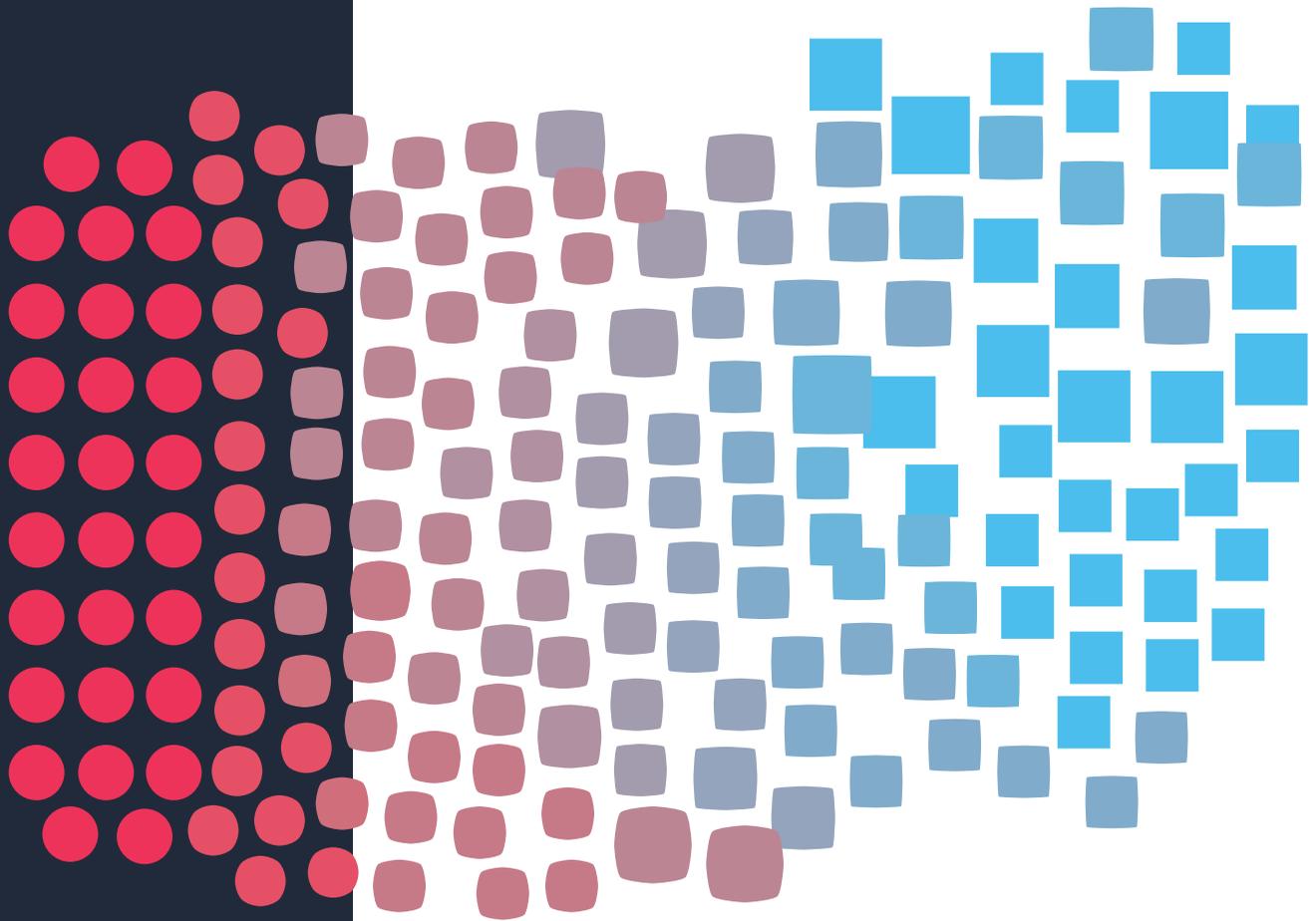


STATE OF CONTACT CENTERS 2018

The role of AI in transforming
CSAT and the workplace



Executive Summary

Contact centers are the first line of contact between most businesses and their customers. They play a vital role in influencing customer experience.

In their quest to constantly raise the bar on customer experience, businesses are investing more in contact centers, both in terms of people and technology. Emerging technologies like AI are changing the very face of contact centers and the potential they hold in understanding and engaging with customers. Customers, in turn, are more demanding today than ever. They expect to be served by businesses anytime, anywhere, and their patience is on a short leash. To stay relevant, companies need to adopt these technologies faster and find more ways to connect with their customers to provide them with a more personalized and seamless experience across all channels.

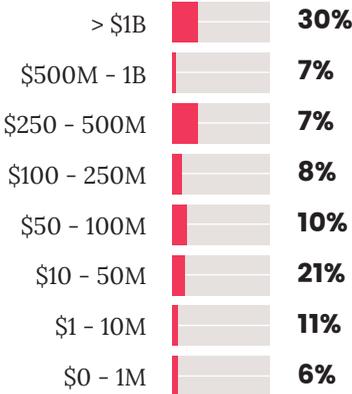
This study aims to understand the state of contact centers today and the direction in which they are poised to move in the future. We surveyed senior executives responsible for contact center operations across regions to gain insight.

Profile of Respondents

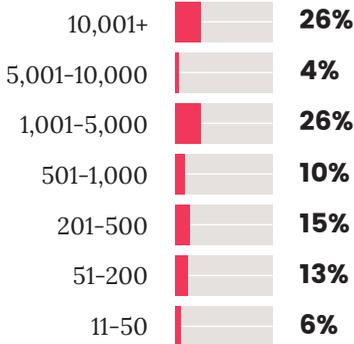
Industry Break up



Revenue Break up



Employee Break up



Level Break up



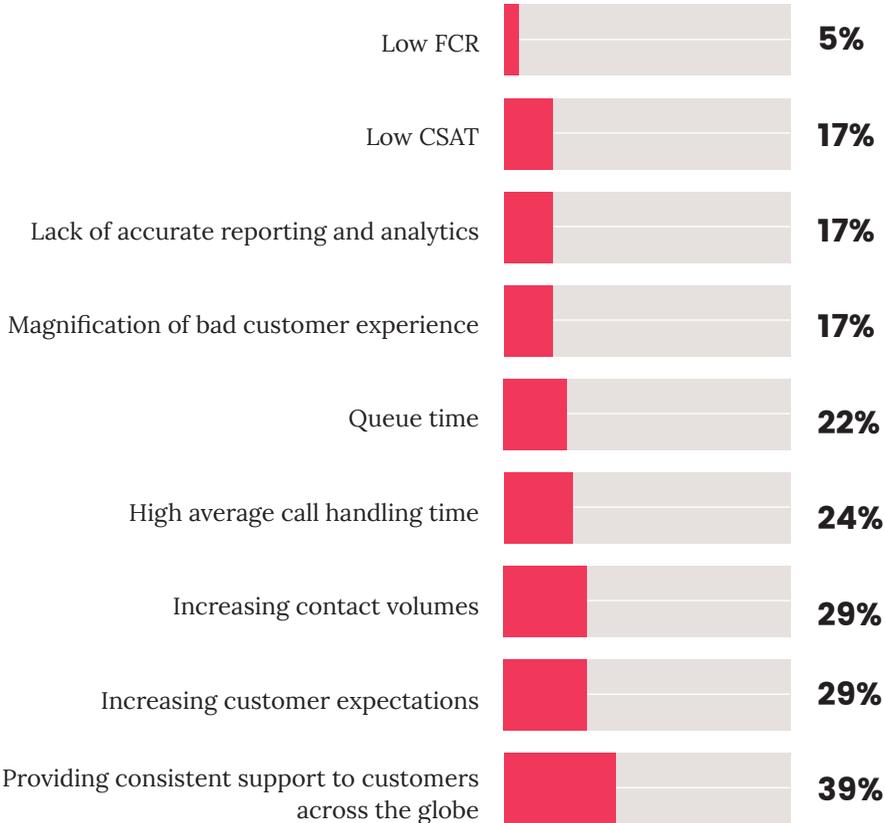
Key insights from the study

- Customer experience is topmost in priority for contact centers
- Automation tools are expected to handle more customer queries in the next two years
- AI adoption is still low, but the majority of companies are planning to invest in AI in the next two years
- Phone and email are the dominant communication channels for support
- Limited use of messaging and social media
- Predictive analytics and big data analytics are the primary area of investment for companies this year
- Training agents and engaging more with them are the key focus areas for companies in the people management space

Providing consistent support to customers is the biggest delivery challenge

When asked what they found most challenging in terms of delivery, the largest number of respondents (39%) said it was *providing consistent support to customers across the globe*. *Increasing contact volumes* (29%) and *increasing customer expectations* (29%) were the other key challenges mentioned.

What are the key pain points with respect to delivery in your contact center?

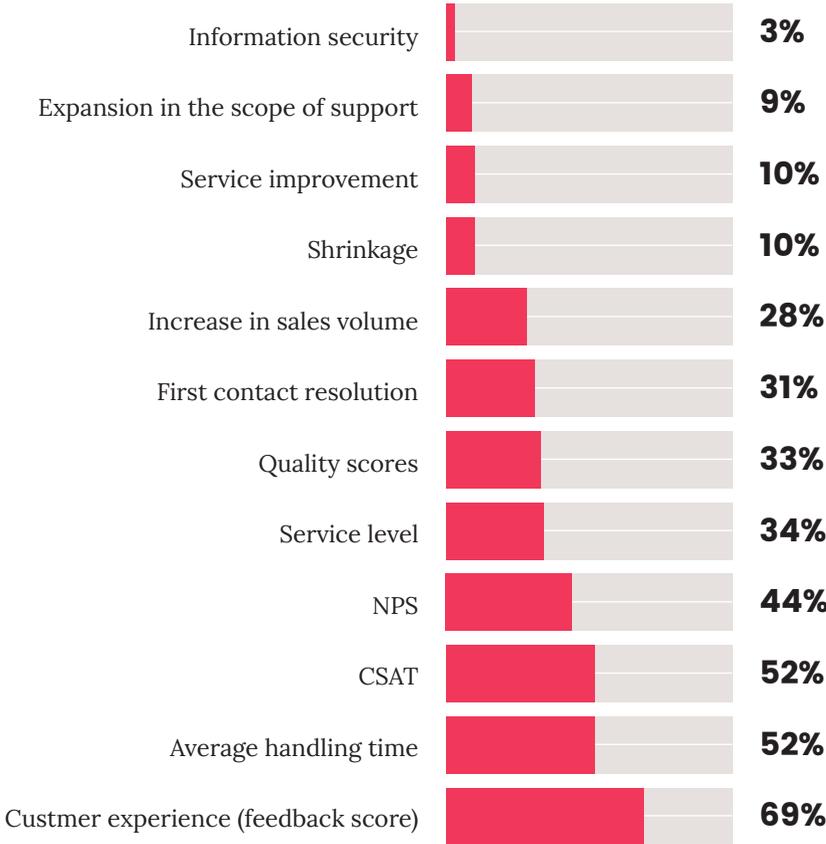


Customer experience is the top indicator of performance

With every contact center making an effort to deliver outstanding customer service, it is perhaps only natural for *customer experience* (69%) to be chosen as the top performance metric. CSAT (52%) and *average handling time* (52%) are also seen as important, given that they can directly impact customer feedback scores.

Only 28% of respondents chose *increase in sales volume* as a key performance metric, underlining the strategic importance that organizations have begun placing on overall customer experience over focusing narrowly on revenue growth.

What are the key metrics you track to gauge the performance of your contact center?



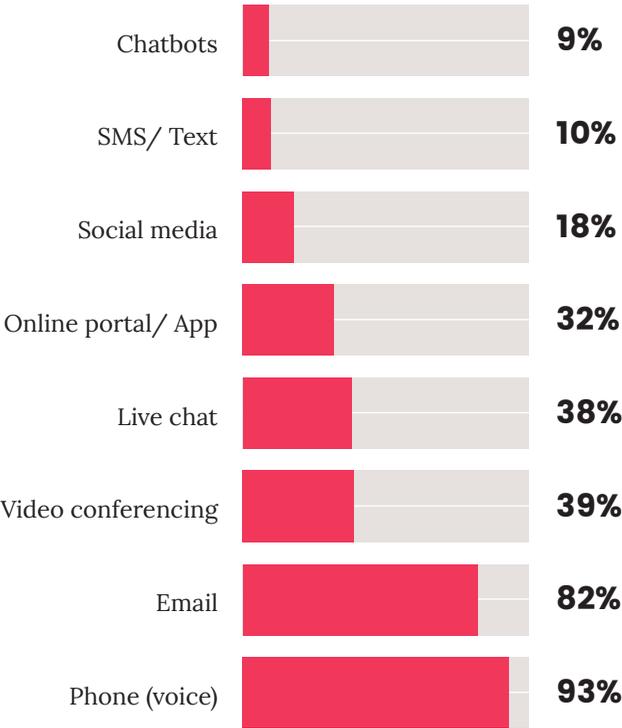
Phone and Email are the dominant communication channels

93 percent of respondents said they use a *phone* to communicate with customers or prospects, while 82% said they use *email*.

Surprisingly, emerging channels like *live chat* (38%), *social media* (18%) and *SMS/Text* (10%) don't seem to have built much traction yet, despite their increasing use by customers.

Organizations need to rectify this imbalance and be where their customers are by providing them with more options for interaction.

How do you interact with customers or prospects?



Automation tools are on the rise

Organizations expect a significant increase in the number of queries to be handled by automation tools within the next two years.

Consider this: automation tools currently handle less than 25% of customer queries for as high as 55% of respondents, but are expected to do so for only 18% of respondents in the next two years. Similarly, automation tools currently handle over 50% of customer queries for only 26% of respondents, but that number is expected to go up to 45% of respondents in the next two years.

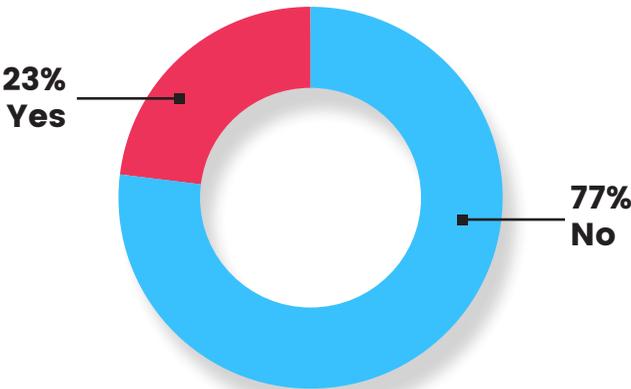
What percentage of customer queries are currently handled by automation tools? How might this change in the next two years? (By automation tools, we mean intent recognition tool, cognitive search option, self-service capabilities etc.)

	Currently	Next 2 years
0 - 25%	55%	18%
26% - 50%	19%	38%
51% - 75%	19%	21%
75% and Above	7%	23%

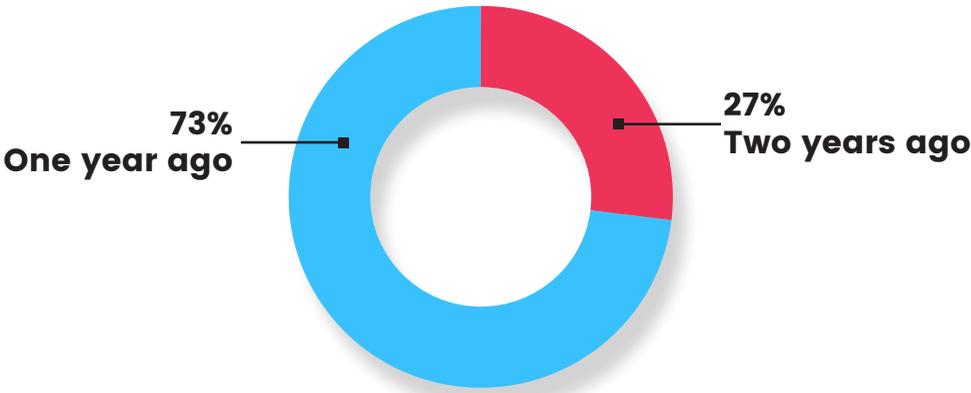
AI is still new in contact centers and adoption is low

AI is still at an early adoption stage in contact centers. Only 23% of respondents said that AI has been introduced in their contact centers. Moreover, it seems to be quite a new phenomenon too, as the majority of them (73%) claimed that they adopted AI only a year ago.

Has AI technology been introduced in your contact center?



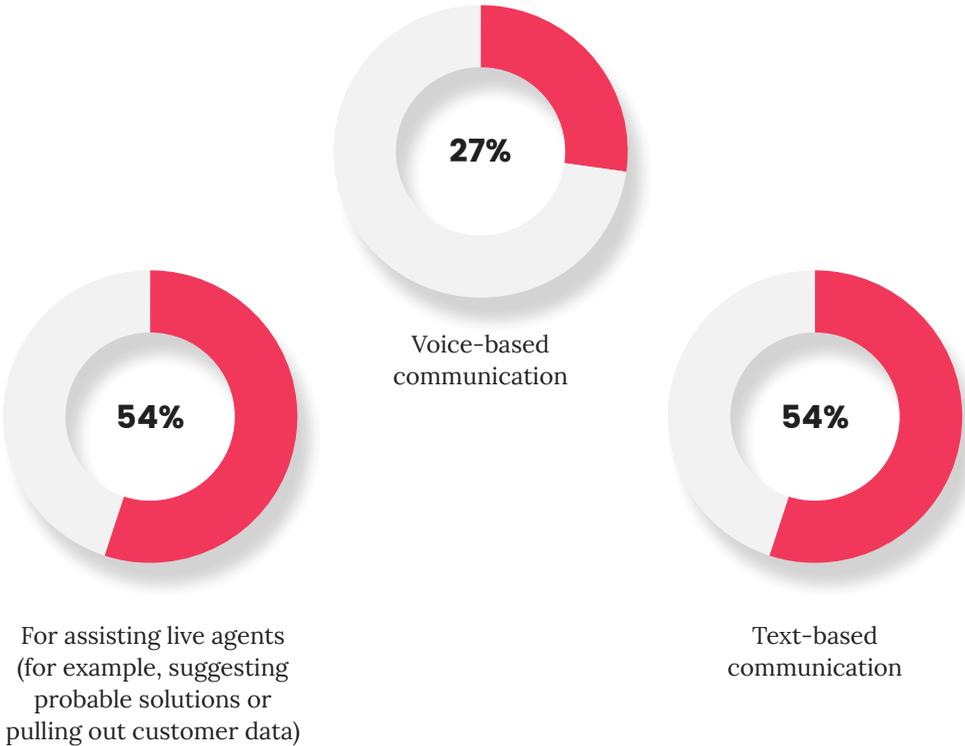
When was AI introduced in your contact center?



AI is being employed currently for basic applications

So what is AI being used for? Considering its early adoption stage, it isn't surprising that the only major areas where AI is being currently employed are *text-based communication* (55%) and *for assisting live agents* (55%). More complex applications, as in *voice-based communication*, have far fewer adopters (27%).

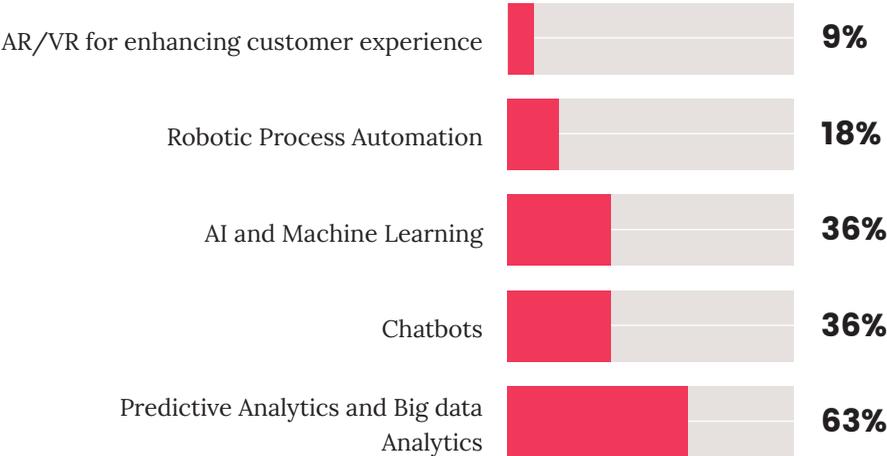
In which piece of the workflow has AI been used?



Predictive Analytics and Big Data Analytics top the list of technologies that companies plan to spend more on this year

64 percent of contact center executives said they are spending more in Predictive Analytics and Big Data Analytics this year over what they had spent last year. A smaller number of respondents also mentioned increased spends in *AI and Machine Learning* (36%) and *Chatbots* (36%).

On which of the following technologies/strategies is your company spending more this year as compared to last year?

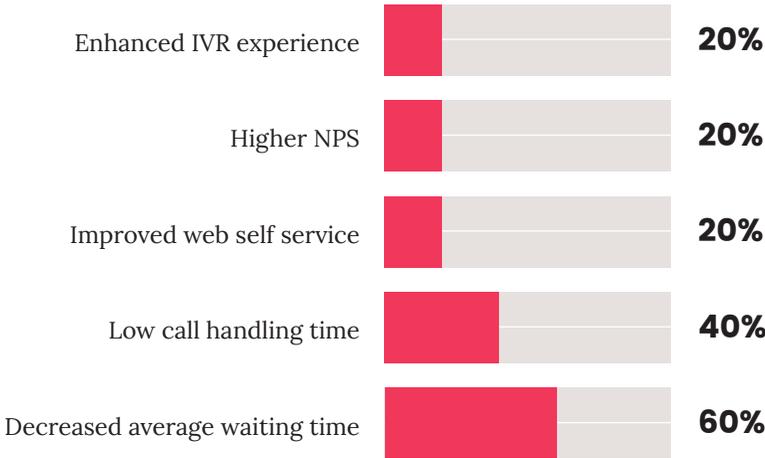


The benefits of AI are varied

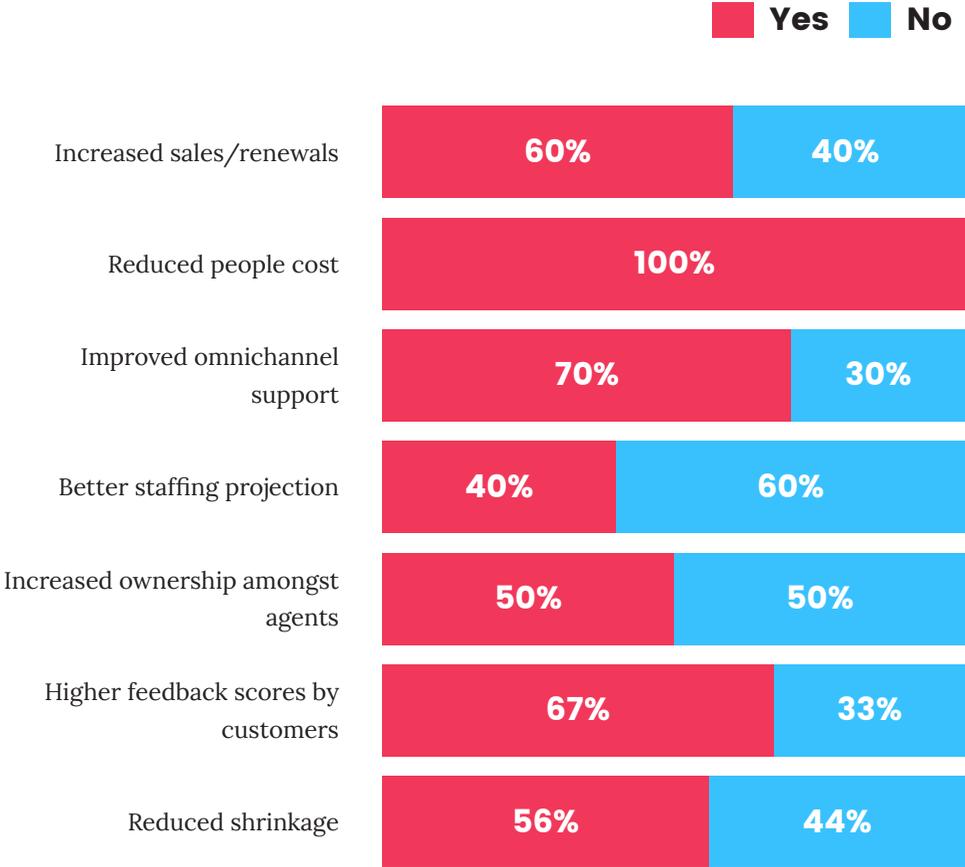
For one, AI has helped in reducing overall response time. 60% of respondents said AI has been able to bring down the average waiting time for customers while 40% said AI has helped in decreasing their call handling time.

Other benefits mentioned by respondents include *reduced people cost* (100%), *improved omnichannel support* (70%), and *increased sales/renewals* (60%).

Which of the following has AI influenced?



After the implementation of AI in your contact center, do the following hold true?



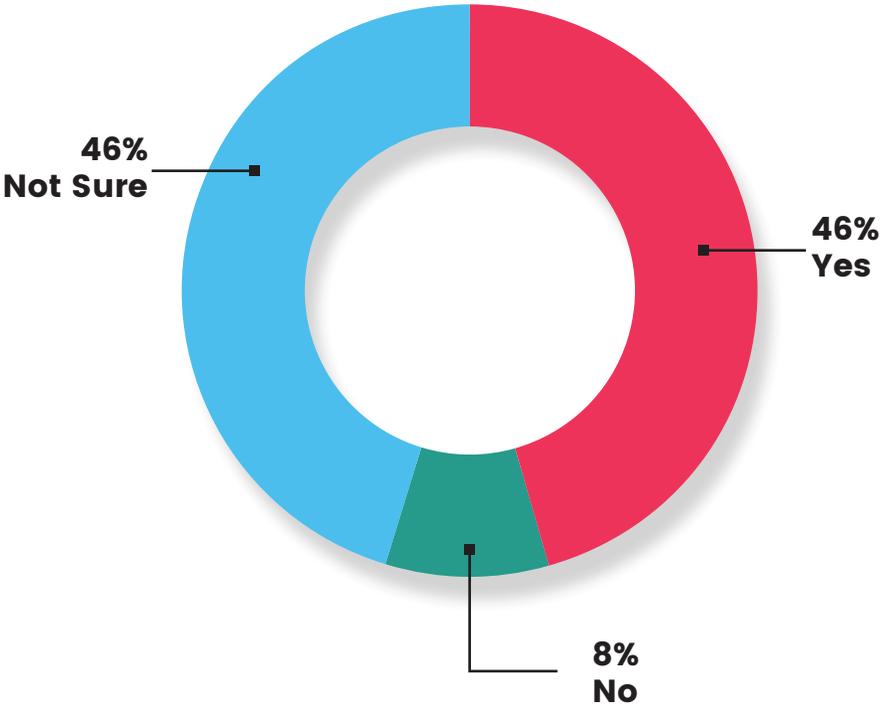
However, the impact of AI in increasing CSAT and ESAT is not yet fully apparent

Being in its early adoption stage, the impact of AI in increasing CSAT and ESAT, it turned out, was not immediately apparent to those who have implemented it.

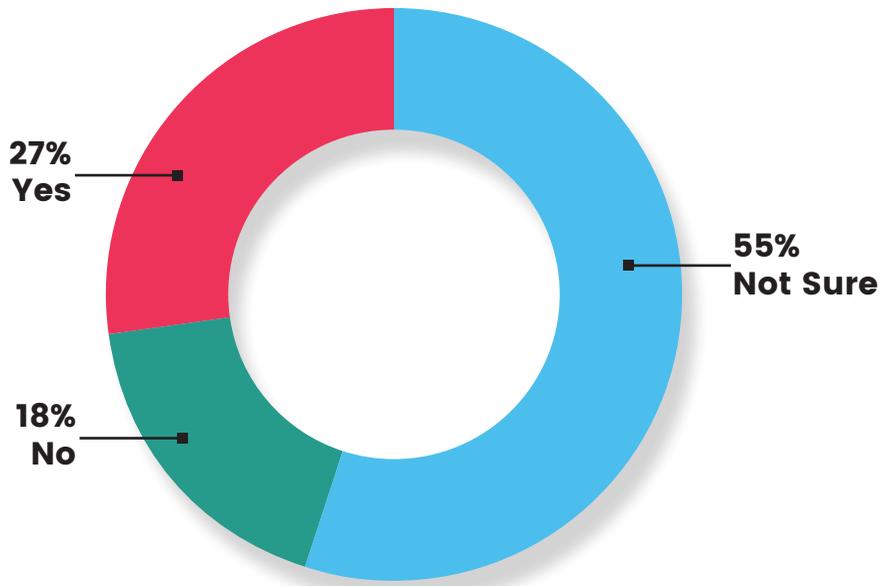
While a good number of respondents (46%) believed that AI has helped in increasing the average CSAT in their contact centers, an equal number of respondents also said they were not sure about it.

In comparison, only 27% of respondents felt that AI has helped in increasing the average ESAT, while 55% remained unsure about it.

Has AI helped in increasing the average CSAT in your contact center?



In your opinion, has AI helped in increasing the average ESAT (Employee Satisfaction)?



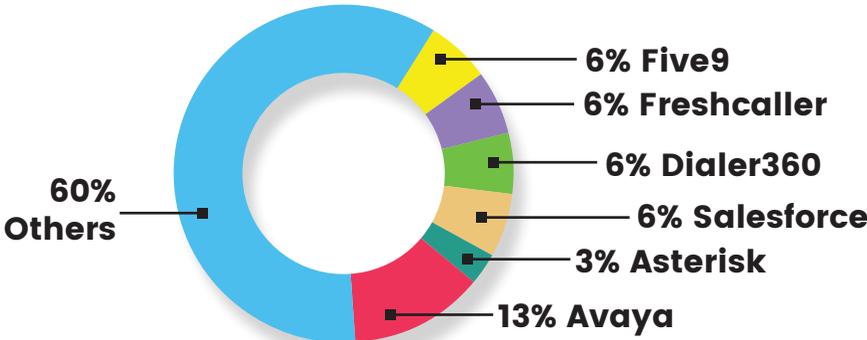
A wide range of technology solutions are currently in play

We came across a variety of tools and solutions that contact centers have implemented. This is typical of a technology in its early adoption stage. While a few solutions were more popular than the others, it looked like there was still no dominant market leader.

Which of the following platforms do you use for your AI infrastructure?



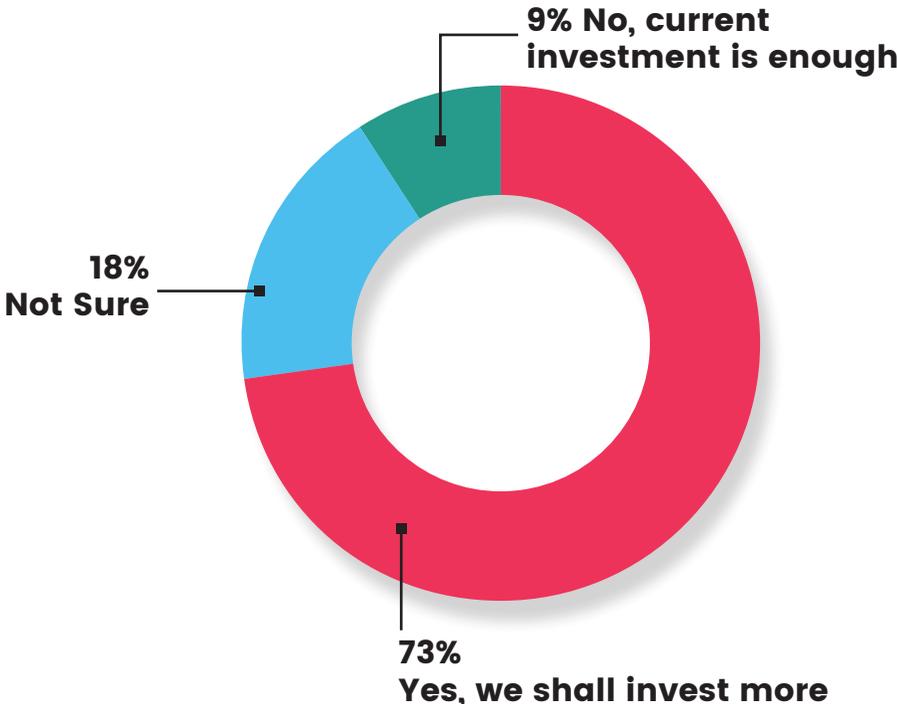
Which platform does your contact center currently function on?



Businesses plan to invest more in AI in the next 2 years

Despite the benefits of AI not being fully realized yet, 73% of organizations we surveyed said they intend to invest more in the technology in the coming two years. Obviously, contact center executives are optimistic about the potential that AI holds in helping them deliver a better experience to their customers.

Do you plan to invest further in AI in the next 2 years or you think your current investment is enough?

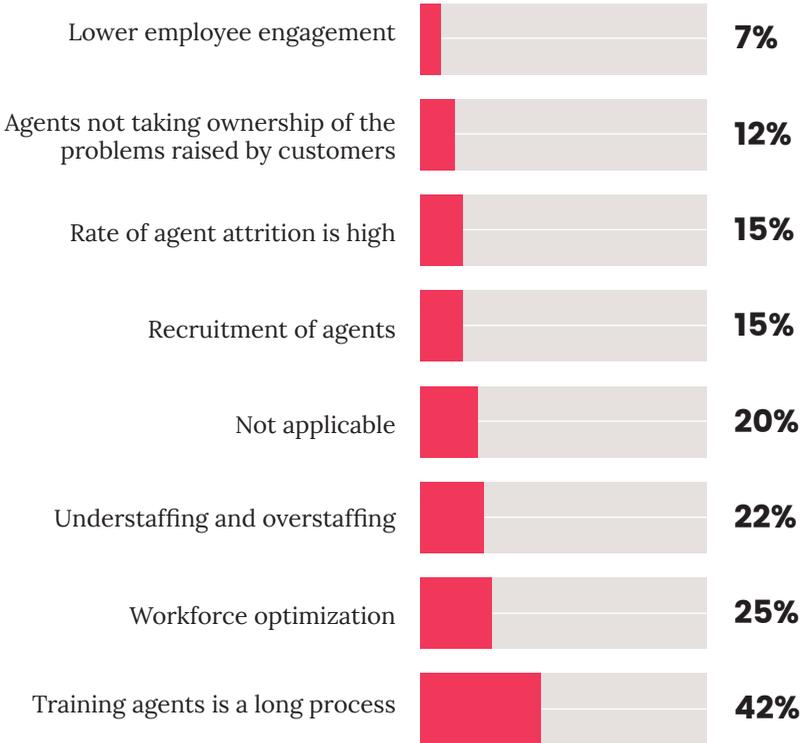


Long training process for agents is the biggest pain point with respect to human resource management

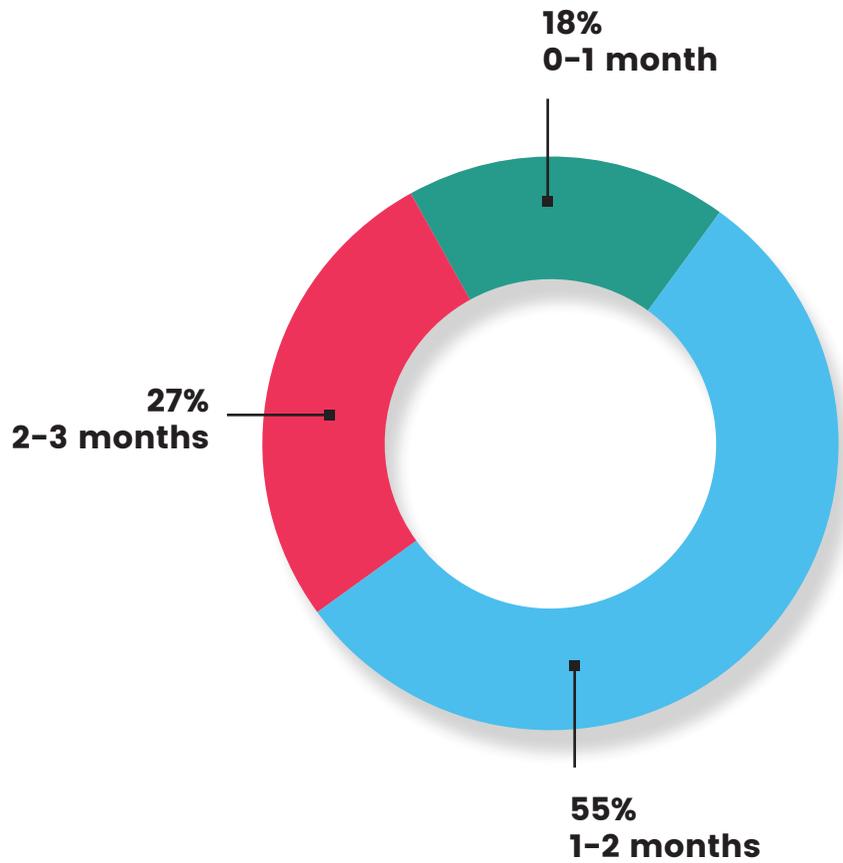
43 percent of executives cited the long process of training agents as the major pain point with respect to human resource management.

Asked how long it took to train an agent, 82% of respondents said it took anywhere between one and three months to train a human agent when they join.

What are the key pain points with respect to human resource management in your contact center?



How much time do you spend in training human agents when they join?



Recommendations

- **Deliver a fully realized omnichannel experience to customers**

Phone and email are currently the dominant channels of communication for contact centers. However, customers have migrated to a variety of channels and devices and expect businesses to provide support to them in the channel and device of their choice. The mobile, for one, is emerging as a dominant platform. We recommend companies devise a strategy that optimizes delivery across all channels.

- **Tap into the rising potential of messaging and social media in providing support to customers**

More and more customers have begun using social media to request support. It's an opportunity and a challenge for businesses. While the quick resolution of a problem can gain the attention of followers, a lackluster service response can go viral even faster. In addition to social media, companies need to adapt to communicating on messaging platforms with their customers as these are becoming the de facto language of the millennials.

- **Adopt AI faster**

AI adoption in contact centers is still low and nascent. Today, customers can request support anytime, anywhere, and on any device they choose. They don't want to repeat themselves to service agents and prefer a self-service option. They also expect to be served quickly. This has introduced a level of complexity in the business that only technology can solve. AI through chatbots and machine learning can help resolve queries faster and provide a more personalized customer experience. To be in business and stay competitive, we recommend that companies adopt and implement AI and AI-related technologies sooner than later.

- **Explore the full potential of AI and related technologies**

Currently, AI is being used primarily for basic applications like text-based communication and assisting live agents. The potential of AI is far beyond this. We believe voice-based applications, predictive analytics and big data analytics are some emerging applications that contact center executives need to familiarize themselves with.

- **Train human agents to work with chatbots**

With automation on the rise in contact centers, AI applications would soon take over routine queries and human agents need to be reskilled to handle the more complex interactions with customers. Agents also need to be trained to work alongside AI-powered chatbots.

- **Institutionalize agent training**

The long process involved in training agents is one of the biggest pain points mentioned by the respondents in our study. Contact centers need to resort to technology for help here. Sales enablement tools, AR/VR training tools and customized training capsules for individual learners are some of the applications that trainers and human resource executives need to incorporate into their training programs.

About the Analysts



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Nimish, works with CMOs and senior marketing professionals. His research focuses on customer success management, predictive analytics, mobile enablement and other emerging trends that help customers leverage technology as an enabler of marketing and business outcomes.

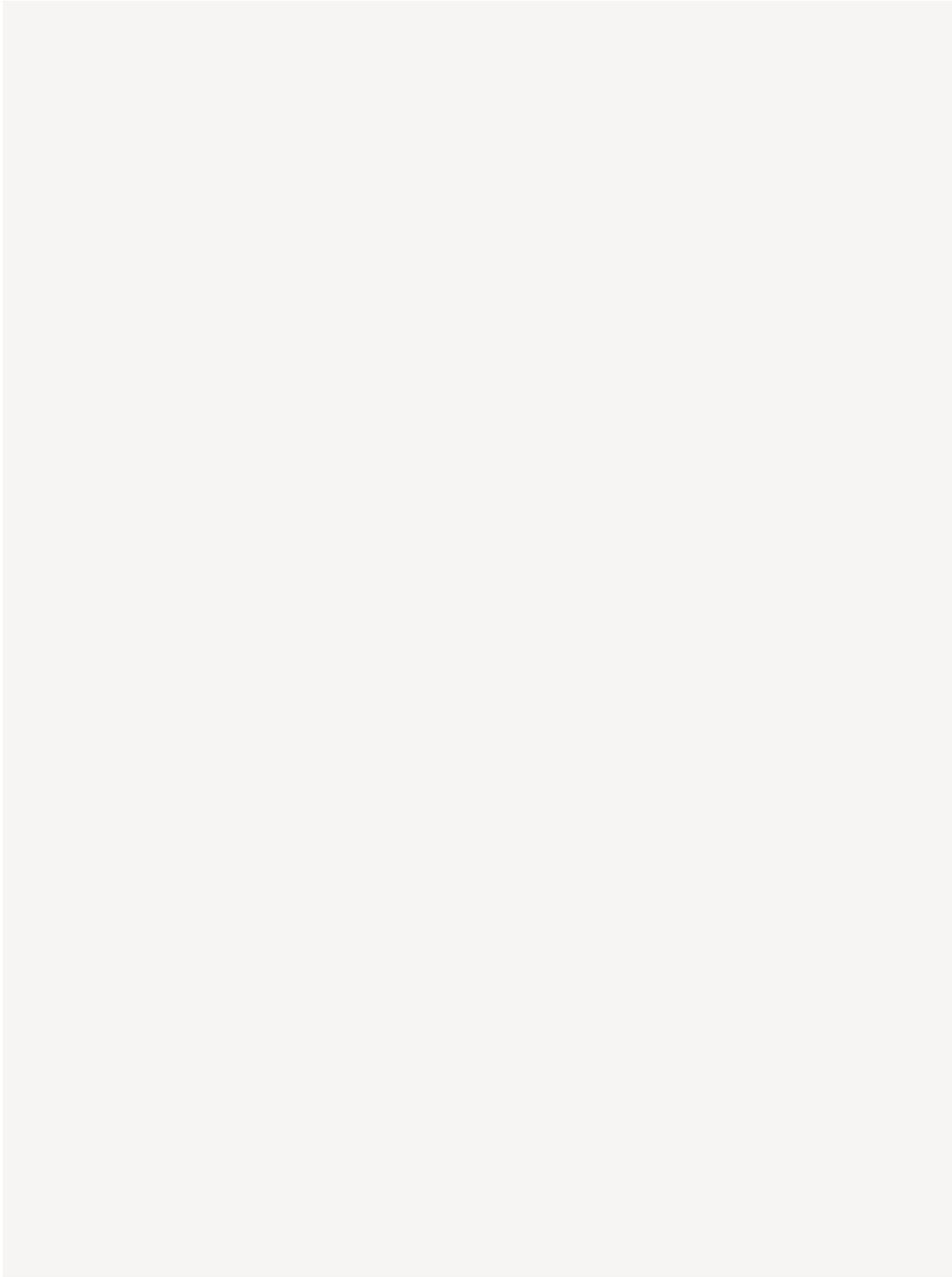


Arunh Krishnan

Senior Analyst

Arunh started his career with consumer product marketing, moved to brand management, and been involved in new product launches. In his various roles, he has had deep involvement with consumer and product research. Arunh is currently involved in studying emerging trends and understanding consumer behavior in the digital space.

Notes



About Regalix Research

Regalix Research supports organizations across the globe augment their marketing, customer satisfaction, and retention initiatives through timely insights. Headquartered in Mountain View, the heart of the Silicon Valley, the organization boasts of an extensive network of top executives and practitioners across the globe who help identify, and answer the ‘when’ and ‘why’ of disruptive trends.

About Regalix

Regalix is a Customer Acquisition and Customer Success company that re-imagines digital experiences across hi-tech, ad-tech, and retail domains. The company has partnered with some of the largest global B2B organizations in their efforts at customer acquisition, growth and retention. Regalix works with businesses, supporting their customers’ through the entire journey, to deliver reliable products and services in today’s subscription-based economy.

Regalix has a long history of creating award-winning ventures with enterprises through co-innovation and idea-driven frameworks that inspire companies to think different. Headquartered in the Silicon Valley—Mountain View, California—Regalix has offices in Europe and Asia.

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