The CXO Guide
Digital Transformation in Contact Centers

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Introduction

Today, the battle for survival in the corporate world is more competitive than ever before. The battleground? Delivering winning customer experiences (CX). According to the ‘2017 Gartner Customer Experience in Marketing’ survey, more than two-thirds of marketers say their companies compete mostly on the basis of CX, and in two years’ time, 81% expect that they will compete entirely on the basis of CX.

One cannot discuss customer experience without talking about contact centers. Contact centers are invariably the first line of contact that a customer has with a business; it’s also often the only interface that they have with an enterprise. The impetus to create a favorable and lasting impression with the customer has propelled the contact center industry to reinvent itself and to seek newer and bigger opportunities. Which explains its phenomenal growth over the years. From a niche industry in the 1980s to an estimated $407.1 billion by 2022, call centers, now called contact centers, have come a long way.

Did You Know?

The earliest known instance of a customer service complaint dates back to 1750 B.C.! The clay tablet, on which the complaint regarding quality of copper was inscribed, is now on display at the British Museum.
Around 2015, contact centers were hit by a sweeping wave of digitization. The war cry to ‘go digital or die’ resonated as contact centers found themselves unable to cope with changing tides and moving goalposts. The competition was intense. Products features no longer served as the basis for differentiation. Customer expectations and demands were rapidly evolving, even as customer behavior underwent a metamorphosis. The social media explosion meant that customers were spending more time online, liking, sharing, recommending products and swapping stories about brands. Rapid advancements in digital technology, in the areas of artificial intelligence (AI), big data, analytics, Internet of Things (IoT) and others, and its adoption by individuals and corporates, paved the way for massive advancements in the contact center industry, probably more than in any other.

The industry transitioned from the call centers of the 80s to the modern contact centers of today. From ‘voice-only’ to omnichannel, from linear processes to multi-pronged approaches, from simple, script-based conversations to analytics-
driven, personalized conversations. The industry has seen the introduction of process automation, voice recognition, biometric authentication, customer journey analysis and predictive analytics among other innovations.

**Impact of digital technology on contact centers**

Traditionally, call centers served only one purpose—to be a troubleshooting, ‘phone-in only’ service that customers would use to connect to the business. Today, customer service sits at the table alongside marketing and sales, as businesses try and create brand differentiation based on customer experience. It is said that a moderate increase in CX generates an average revenue increase of $823 million over three years for a company with $1 billion in annual revenues. This is where the contact center comes in—it is a tremendous driver of business growth. Microsoft’s ‘Global State of Multichannel Customer Service’ report states that 60% of consumers have higher expectations for customer service now than they did just one year ago.

In the current competitive environment, customer experience defines the brand. Not advertising. Not what the company says on their website. In 2017, United Airlines lost over $1.4 billion in value overnight when a passenger’s experience went viral on social media. Customers define how the brand is perceived. We live in an integrated and connected world where every customer touchpoint is as important as the next. With so many potential touchpoints, companies are rising to the challenge by embracing digital technologies. And digitization enables contact centers to raise the bar on customer experience.

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*There is no such thing as a steady state anymore. There is a period of intense change followed by a phase of stability, followed by another period of intense change. The most difficult thing is helping people overcome resistance to change when they are used to business, as usual, lasting for ten years.*

Brad Clay, Chief Information and Compliance Officer, Lexmark International
Deeper customer insights

There are 2.5 quintillion bytes of data created each day. The last two years alone has seen 90% of data being generated.\(^1\) Using big data and analytics, contact centers and businesses in general, are able to mine this data and derive deeper insights about customers and their buying habits. It is a fact that brands with deeper insights offer better customer experiences. According to Forrester, “Businesses that use artificial intelligence (AI), big data and the Internet of Things (IoT) technologies to uncover new business insights will steal $1.2 trillion per annum from their less informed peers by 2020.”\(^2\)

Deeper insights also enable contact centers to match customers with cross-selling and upselling opportunities. With access to better and more accurate data about the customer, agents in contact centers can predict what customers will need, and when they will need it. If every contact center agent was able to cross-sell a service or product to 10% of the customers they interacted with in a month, imagine the revenue that will flow into the company. This isn't hard to imagine. According to Marketing Metrics, the chances of closing a sale with an existing customer are as high as 60 to 70%, while with a new prospect, it's down to 5 to 20%.\(^3\) Couple that with intelligent insights, and you could expect success rates to be inching up even higher.

Deeper insights also improve overall customer experience as customers receive information about products and services that they require as when they do and are not be harassed by irrelevant sales pitches at inappropriate times.

With social media integration, contact centers can develop better and more complete customer personas, which in turn help businesses create specific and targeted messaging that yield better results. Proactive customer support, through monitoring of social media channels, helps contact centers preempt customer dissatisfaction and churn.

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**Did You Know?**

The phrase ‘to put someone on hold’ was the result of Alexander Graham Bell handing over his telephone device to his partner, Mr. Watson, and saying, “here, hold this”.

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Optimization of processes

With the availability of more data, businesses can use analytics to determine patterns and trends which can help in making their multi-tiered business processes more efficient and reliable. One of the key challenges that contact centers face is the fact that agents have to multitask while interacting with customers. If processes are not optimized, it is easy for them to overlook an essential step in the process, or to miss something important that the customer has said in the course of the conversation.

Another way that contact centers improve efficiency with technology is to have chatbots deal with Tier 1 issues. With the advancement of machine learning (ML) and artificial intelligence (AI), businesses use chatbots and intelligent IVRs to help customers navigate the labyrinth of customer support without the involvement of human agents. Mundane and repetitive customer support requests are handled by machines swiftly and efficiently, thereby reducing customer ‘wait’ time and increasing satisfaction. This frees agents to respond to more complex customer conversations and escalations, which increase job satisfaction and reduces employee churn. Having AI-enabled processes manage call routing, ensures optimum use of all resources, all the time.
Analysis of contact center operations also helps businesses make sense of trends that they can capitalize on. E.g., if through analysis it was found that maximum customer complaints occurred over the weekend, it is possible to ramp up operations for the weekend while scaling back resources during the weekday.

Another technology-aided benefit is the ability to have real-time feedback about the company's product or services. Such feedback helps indicate if there is a problem with the product or the communication of a particular benefit, which can help the business make adjustments accordingly without having to wait for too long to get a formalized customer feedback.

Figure-3

Impact of digital transformation on contact center operations

<table>
<thead>
<tr>
<th>Strategic</th>
<th>Today</th>
<th>Tomorrow</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operation efficiency</td>
<td>Customer advocacy</td>
</tr>
<tr>
<td></td>
<td>Service transaction</td>
<td>Managed journeys</td>
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<tr>
<td></td>
<td>Re-active response</td>
<td>Pro-active advice</td>
</tr>
<tr>
<td></td>
<td>Resolving issues</td>
<td>Nuturing communities</td>
</tr>
<tr>
<td></td>
<td>Information silos</td>
<td></td>
</tr>
<tr>
<td>Operational</td>
<td>Emails and Phone calls</td>
<td>Information consistency</td>
</tr>
<tr>
<td></td>
<td>Informative Websites</td>
<td>Social Interactions</td>
</tr>
<tr>
<td></td>
<td>Information systems</td>
<td>Engaging Applications</td>
</tr>
<tr>
<td></td>
<td>Desktop-based</td>
<td>Connected Experiences</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Touch-based, Voice-based</td>
</tr>
</tbody>
</table>

Source: 'The Digital Transformation of Customer Services'-Deloitte

Did You Know?
The first call center was founded in 1957. Owned by Time Inc. and operating as 'Life Circulation Co.', its purpose was to increase LIFE magazine subscriptions.
Key emerging trends

Contact centers will offer more self-service features

Increasingly, customers are moving away from call/voice-based support and looking for self-service or peer-assisted support systems as their first form of interaction with a business. Consider these statistics: 50% of customers think it’s important to solve product or service issues themselves, and 70% expect a company website to include self-service features. Over 70% of consumers will choose to message over calling if given a choice. By 2020, experts predict that more than 85% of all customer interactions will be handled without the need for a human agent.

Preferred customer support channels (2017 to 2019)

Self-service features include chatbots, SMS, FAQs, IVR, how-to-videos, web forms and more. In addition to saving the business money—reports suggest that over $1 trillion is spent on 265 billion customer service calls each year—self-service empowers customers and puts them in control of their journey and purchase decisions.

AI-Powered Bots: According to experts, chatbots can help reduce customer service costs by up to 40%. Advances in machine learning and conversational AI
enable bots to have near-human conversations with customers. In the future, as IoT-enabled devices proliferate, machines will take over the ordering process. Soon we will find customer support conversations taking place between machines and not people.

Video: Video is becoming more prevalent. This is especially evident in the healthcare and fashion sectors. According to a report, 60% of Generation Y would prefer video chats with their physician rather than visiting the doctor in the office (The Connected Patient, Salesforce, 2015). Fashion assistants powered by AI, help customers put together their outfit of the day, using a complex mix of video and AI. Companies put out ‘how-to’ product videos which promote greater customer satisfaction. New product launches are always accompanied by YouTube influencers hosting an ‘unboxing and first impressions’ video because this helps customers make purchase decisions.

Contact centers will be driven by automation

There was a time when automation was restricted to certain industries. Today, automation is everywhere and is affecting every sphere of our lives. It is particularly useful for repetitive tasks that require a great deal of accuracy. In the customer service industry, and particularly in contact centers, there are many areas where automation has added value.

The benefits of automation are tremendous, including reducing costs and increasing efficiencies within the contact center process. Automated chatbots can a) reduce ‘wait’ time that is imposed on customers b) speed up the process by recording data quickly and correctly. It’s estimated that by 2022, the banking and healthcare sector will make savings of up to $8 billion with chatbot usage.

Automation is also used in intelligent call routing and queuing which improves performance and maximizes the efficiency of all resources. Automation increases customer satisfaction by virtue of a faster issue-resolution timeframe, and the usage of Visual IVR. Visual IVR is a normal IVR with a visual interface ideal for use on a smartphone device. For simple tasks like changing an address, checking status, and the like, customers dislike having to spend more time than necessary. That’s where Visual IVR comes in. According to experts, Visual IVR platforms raise Net Promoter Scores (NPS) to as high as 90.

Did You Know?

IVR (Interactive Voice Response) has been in use since the 1960s. The next step in its evolution, enabled by RPA, is ITR (Interactive Text Response), which is now emerging.
Automation also increases employee satisfaction as agents are freed up to focus on more interesting tasks than routine, repetitive ones that are boring and time-consuming. These are best performed by automation.

The fear that machines will replace humans is not without reason. However, based on early adoption outcomes, it is clear that automation will not entirely replace human agents. It will change what tasks human agents are assigned and the role they play. Research shows that more than 50% of customers want to interact with a human in case of a crisis, or when they need a solution to a problem with a product or service. These types of interactions are crucial touchpoints in the customer’s assessment of a business. They also provide valuable up-sell opportunities.

According to a recent Regalix study, State of Contact Centers 2018, senior executives responsible for contact center operations, expect a significant increase in the number of queries to be handled by automation tools within the next two years.

Automation tools handle less than 25% of customer queries currently for as high as 55% of contact centers that were surveyed but is expected to do so for only 18% of contact centers in the next two years. Similarly, automation tools handle over 50% of customer queries for only 26% of contact centers currently, but that number is expected to go up to 45% of contact centers in the next two years.

The most important contribution that automation makes toward increasing customer satisfaction at contact centers is the ability to ease interactions and facilitate faster transactions. This is especially important when you consider the
following statistics—45% of shopping carts are abandoned due to lack of immediate support, 91% of unsatisfied customers will not return for a repeat purchase or service, and 61% of failed customer support calls could have been solved with better access to data.\(^a\)

![Figure-6](image-url)

**A customer’s priority list**

<table>
<thead>
<tr>
<th>How will customers prioritize the following attributes in future interactions with your contact center(s)?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personalization of interaction</td>
</tr>
<tr>
<td>Innovation technology features</td>
</tr>
<tr>
<td>Following through on commitment</td>
</tr>
<tr>
<td>First contact resolutions</td>
</tr>
<tr>
<td>Empathy provided during interaction</td>
</tr>
<tr>
<td>Ease of interaction</td>
</tr>
<tr>
<td>Accuracy and quality of information provided</td>
</tr>
<tr>
<td>Access to the Contact Center</td>
</tr>
</tbody>
</table>

*Source:* ‘Global Contact Center Survey 2017’-Deloitte\(^a\)

San Francisco-based self-service SaaS software vendor, MindTouch, reports that 79% of customers today prefer self-service over contacting human agents for support. Moreover, 75% of all online customers also expect to receive support within 5 minutes of them initiating contact with the company. This makes it amply clear that without technology intervention, human agents won’t be able to deliver against customer expectations. According to Microsoft’s 2017 State of Global Customer Service Report, 75% of global respondents have used a search engine to find answers to service-related questions before calling in an agent. In fact, 90% of respondents have said they expect brands and organizations to offer an online portal for self-service.

**Did You Know?**

The term ‘call center’ was first published and recognized in 1983 by the Oxford English Dictionary.
Picture this:

British Gas regularly puts out ‘how-to’ videos on its YouTube channel. The videos are based on topics such as, ‘Preparing for heavy snowfall,’ ‘What to do if you don’t have hot water,’ or ‘what to do if your pipe is frozen or has burst.’ These videos are a resource for customers and have helped the company cut down on the number of service calls while ensuring that customers have the answers they need, when they need it, at their fingertips.

Contact centers will embrace omnichannel

For a few years now, the contact center industry has talked about omnichannel. A natural evolution from multichannel, the omnichannel provides for a seamless customer experience.

One of the biggest pain points for customers with the current process is having to repeat their information and narrate their problems to a customer support agent each time they connect from a different device. After being put on hold for ten minutes, that’s the last thing a customer wants to do. With omnichannel, customer data—including previous calls and issues logged—is seamlessly available to every agent irrespective of which channel the customer chooses to use on a given day. The agent then begins the conversation from a place of ‘knowing’ the customer. This reduces customer frustrations and helps solve the problem faster.

Many contact centers claim to offer omnichannel, but what they really offer is multichannel. And much of that failure stems from the inability to integrate disparate systems. Cloud technology makes it easier to integrate and maintain a single window to all customer data.

Did You Know?

Since 1992, International Customer Service Week has been celebrated every year in the first week of October.
The evolution of channel-based customer communication

This is how experts envision omnichannel will work. A customer triggers the omnichannel interface and will be authenticated through bio-metric analysis. Intelligent call routing will then activate the preferred response point – a bot, an agent, or an in-person discussion – for the customer and proceed with the conversation on the channel of choice. AI tools, working in the background, will instantaneously determine if the interaction involves more complex scenarios than a bot can handle, and before the customer is aware, will route the conversation to a human agent, where needed.

Today, mobility and mobile apps have an enormous impact on customer service. Microsoft’s ‘2017 State of Global Customer Service’ report states that 33% of customers (43% in the case of millennials) use their mobile devices to initiate customer service requests. Apps, such as Visual IVR and similar mobile device-based omnichannel applications help bridge the gap between touch points and provide a seamless customer experience.

Picture this:

A UK-based fashion retailer, Oasis, has mastered the omnichannel customer experience. Walk into any of their stores, and you will be met with an iPad-carrying, shop assistant, who can provide accurate product information and can also ring up your purchases on-the-spot. If something is out of stock, the assistant will instantly place an online order and have it shipped to your home.
Contact centers will be more predictive

Traditionally call centers have always been reactive, responding only when customers seek them out. Today, businesses cannot afford to be lax in customer support. According to a 2017 NICE Study, eight in 10 customers report that, if they have a bad customer experience, they'll consider switching brands. A report from Forrester, states that 73% of people say that valuing their time is the most important thing a company can do to provide them with good service. Customers today are aware that their attention, time and money are what’s at stake here and they are not afraid to get the best deal for themselves.

With advancements in predictive analytics, businesses can chart the course of a customer’s relationship with them, identify what could be important to the customer at a given point in the customer journey, and provide personalized services that will strengthen the relationship. Predictive analytics helps contact centers stay one step ahead of their customers in anticipating their needs.

Gaurav Passi, Executive VP of Products and R&D at Five9, provided this example. “Imagine a customer was overcharged $15. Right now, the onus is on the customer to initiate an interaction with the company using chat or voice. She will then need to explain the problem and provide some authentication. At the end of this interaction, the company will refund the money, but that still leaves the customer feeling frustrated. In an ideal world, the customer wouldn’t need to contact the company at all. The business would notice the error and proactively notify the customer that the erroneous amount will be credited. This is when a customer truly feels valued.

Predictive analytics and Artificial Intelligence (AI) can deliver a level of service that goes beyond what is humanly possible. It will anticipate needs by context, preferences, and historical data and will deliver proactive alerts, relevant offers, or content. Combing through vast amounts of data on the internet, it can identify customer service issues and proactively offer support without the customer contacting the company.

A Qantas customer was once put on hold for 15h, 40m. Zappos employee, Steven Weinstein, holds the record for the world’s longest customer service call at 10h, 43m.
Picture this:

Many companies send out messages/emails to their entire mailing list when they launch a new product or service. To customers who don’t need the service or product, these unsolicited messages are unwelcome, distracting, and show the company in a bad light. Rather than use a ‘one-size-fits-all’ approach, Avaya suggests companies use predictive analytics to have the ‘right conversations with the right customers.’ In the words of Avaya’s Chief Technologist, Jean Turgeon, “Organizations that adopt this approach are moving from the contact center environment into the world of the “relationship center” – a term that covers a number of meanings: mutual understanding of what is important, appreciation and respect of likes and dislikes, delivering value to both parties, and, eventually, building long-term relationships that are extremely hard to break.”

Contact centers will be more social

Social media has taken the world by storm. From connecting with friends across the globe, to finding communities of likeminded people within the same city, from selling niche products to being discovered as the latest singing sensation, from finding people to join a carpool to finding one’s next favorite author, it seems like everything that is worth anything, is happening on social media. According to reports, there are over 3.196 billion social media users in the world today. Most customers are social media users.

Figure-8

Social media statistics

<table>
<thead>
<tr>
<th>DIGITAL AROUND THE WORLD IN 2018</th>
<th>TOTAL POPULATION</th>
<th>INTERNET USERS</th>
<th>ACTIVE SOCIAL MEDIA USERS</th>
<th>UNIQUE MOBILE USERS</th>
<th>ACTIVE MOBILE SOCIAL USERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BILLION</td>
<td>7.593</td>
<td>4.021</td>
<td>3.196</td>
<td>5.135</td>
<td>2.958</td>
</tr>
<tr>
<td>URBANISATION:</td>
<td>55%</td>
<td>53%</td>
<td>42%</td>
<td>68%</td>
<td>39%</td>
</tr>
</tbody>
</table>

Source: ‘Global Social Media Research Summary 2018’-Smart Insights
Contact centers will be more social

Social media has taken the world by storm. From connecting with friends across the globe, to finding communities of likeminded people within the same city, from selling niche products to being discovered as the latest singing sensation, from finding people to join a carpool to finding one’s next favorite author, it seems like everything that is worth anything, is happening on social media. According to reports, there are over 3.196 billion social media users in the world today. Most customers are social media users.

According to statistics, 90% of social media users have used social media to communicate with a brand, and 63% of customers expect companies to offer customer service on social media. It has been said that customers prefer using social media to connect with businesses over other channels.

Here’s how businesses can benefit using social media for customer support:

- **It provides unfiltered access to customer feedback** – close monitoring of social media channels enables companies to compile a list of real-life problems that customers face with the product or service. This enables proactive issue resolution and provides businesses with a close-up view of how customers really think and feel about the offering as well.

- **It delivers greater customer insights** – Using analytics, contact centers can delve deeper into who their customers are, their likes and dislikes, their hopes, dreams, and aspirations. Social media provides businesses with a glimpse into their lives, and that data can be used to tailor offerings and communication messages.

- **It is personal** – customers prefer being treated as individuals and not as statistics. Social media fosters direct communication which brings the individual/person to the fore.

- **It is transparent** – the nature of social media is such that interactions and conversations are visible to all, at least on some channels. So when agents are interacting with customers and helping to resolve their issues, other potential customers are watching. Contact centers that add levity to an already stressful situation and work hard to solve customer problems, often win gold, not just with the customer who raised the complaint, but also with the many potential customers who watched the interaction.

- **It is more cost-effective** – it costs an average of $1 to solve a customer issue on social media and is 63% cheaper than telephone support.
Contact centers will get more personal

There was a time when personalization meant using the customer's name instead of a generic greeting. For many companies that is still the level of personalization they offer. However, customers have moved beyond that and want truly integrated and personalized experiences.

The excerpts of this Accenture study shows that customers are eager for personalized experiences.

**Customer expectation when it comes to personalization**

Accenture Strategy research confirms that globally customers crave highly personalized CX:

- **33%** OF CONSUMERS who abandoned a business relationship last year did so because personalization
- **48%** OF CONSUMERS expect specialized treatment for being a good customer

Nearly one third of consumers expect companies with they engage to know more about them

Consumers around the world recognize they need to share personal data in order to get the experiences and offers they desire. In exchange, they expect companies to safeguard the information they share.

- **87%** OF CONSUMERS believe it is important for companies to safeguard the privacy of their information
- **73%** OF CONSUMERS find not being able to trust a company with personal information to be a top source of frustration

**Source:** ‘Put your Trust in Hyper-Relevance’-Accenture

Customers are aware that their personal data is the currency of personalization and they are okay with that as long as companies treat it with respect. Accenture calls this hyper-relevance. Quoting from a recent report by Accenture, “Companies’ efforts to personalize customer experiences (CX) are based largely on an understanding of routine behaviors and fixed attributes, such as age or address. Globally, leaders recognize that personalization’s value is limited. Many are now focusing on delivering hyper-relevant CX, based on a deep understanding of the context in which consumers make purchasing decisions. The value of investments in hyper-relevance grows over time because companies keep pace with consumers’ “non-constants” and changing circumstances. Hyper-relevance requires two things: More personalized data about customers and the trust of customers.”
One cannot discuss personalization without talking about trust. Personalization can be perceived to be an invasive process that sometimes scares customers away. However, if personalization has to have any significance, customers need to trust businesses to treat their confidential information with the privacy and respect it deserves. We've heard of too many data breaches in recent times, where customer data is stolen, and companies have hidden that fact, especially from customers who have been violated. According to Gartner, by 2022, a company's cybersecurity rating will become as important as its credit rating, when customers and partners assess the risk of doing business with a company. Contact centers, in the spirit of full disclosure, must describe how confidential information is used to deliver better services to customers and address questions and concerns that customers may have. Every customer interaction must be focused on building trust and strengthening the relationship with the customer.

From personalized product recommendations to pricing and discounts, contact centers help ‘humanize’ the company and build relationships with the customer. For example, contact centers can ‘remember’ the customer’s preferred communication channel, important dates, family details etc., use biometrics to authenticate the customer at the door, assign the customer to the same agent for the sake of continuity, have a greeting script that includes carrying on from the previous interaction that the customer had with the company, ensure that the customer knows that their purchase with the company is much appreciated, show an awareness of the customer and their needs, and most importantly, let the customer know that their business is important to the company. Personalization always leads to increased customer engagement. According to data, AI-powered personalization on websites resulted in 63% of respondents experiencing an increase in conversion rates and 61% noting an improvement in customer experiences.²

Amazon has made a business out of promoting products based on previous purchases and browsing history. This is personalization at scale, a type of mass customization.

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The FCC's Telephone Consumer Protection Act prohibits robocalls. A Florida man was recently fined $120 million for placing 96 million robocalls in a period of just three months in 2016.
How businesses are using AI to personalize the customer experience

How brands currently use AI to personalize the consumer experience
Among retailers that have adopted AI for at least one application

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tailor pricing and promotions in real-time</td>
<td>40%</td>
</tr>
<tr>
<td>Provide relevant search results</td>
<td>40%</td>
</tr>
<tr>
<td>Personalize content across all channels</td>
<td>39%</td>
</tr>
<tr>
<td>Curate products that consumers are most likely looking for</td>
<td>34%</td>
</tr>
<tr>
<td>Enable visual search based on images</td>
<td>32%</td>
</tr>
<tr>
<td>Anticipate questions that consumers will ask</td>
<td>31%</td>
</tr>
<tr>
<td>Utilize voice recognition for search, discovery, and ordering</td>
<td>26%</td>
</tr>
</tbody>
</table>

Source: ‘How Top Retail Brands Are Aligning Around the Consumer Experience 2018’-Salesforce

Personalization is what is going to be visible to the customer. They are asking, ‘How much is my bank my true partner who knows me, understands me and tells me proactively where I need to be going?’ This is what new fintech’s are offering, and we have to do the same.

Prashant Nateri, Business Management Director, Retail, consumer, and business banking, Huntington National Bank
Picture this:

In September 2017, in the wake of Hurricane Irma, one Tesla owner who was in the evacuation zone, contacted the company, concerned that the 200-mile range of his 60 kWh Tesla Model S battery might be inadequate for him to reach safety. Tesla responded by enabling the owner temporary access to the battery’s full 75 kWh of energy, which translated into an additional 30 to 40 miles of driving range. The company also proactively unlocked additional range for other Tesla owners in the area who might also need the extra boost to get out of harm’s way. This is an example of a company using personal data in a way that builds trust and equity.

Key technologies to watch

Digital transformation is proving to be pivotal, as companies evolve and mature in this information age. A Forrester report stated that professional services executives predict that by 2020, digital entities will influence 49% of revenue.

Several technologies aid digital transformation in contact centers. Here are some of the key ones.

Artificial Intelligence (AI)

AI has been around for the last 60 years, but it is only in the recent past that great strides have been made with the technology. From intelligent call routing to chatbots, AI has played a tremendous role in elevating customer experiences at contact centers. Subsets of AI such as Machine Learning (ML), Natural Language Processing (NLP), Artificial Neural Networks (ANN), are responsible for many of the developments that we see in contact centers today. These include:

Virtual assistants (bots) – the rise of conversational AI has enabled businesses to use virtual assistants who can have almost human-like conversations with customers. Amazon’s Alexa, Apple’s Siri and Google’s Assistant, are all examples of how AI-powered virtual assistants are integrating into our world. In contact centers, virtual assistants can easily handle Tier 1 customer queries and do so more efficiently than human agents. Virtual agents can also analyze sentiments and provide an accurate assessment of the emotional state of the customer.

Meaningful customer interventions – with access to customer data, AI can analyze and provide in-depth insights into customer actions, buying patterns and more. These insights are invaluable to contact centers as they determine what the best time to call customers is, how they should approach them and how their scripts should read. These insights also help contact centers personalize product
offerings specific to individual customers.

Intelligent routing – AI can parse large amounts of data quickly and pair the most likely agent that can handle a particular customer’s problem because of prior experience with the customer or specific knowledge about the problem.

Figure-11

**How contact centers are using AI (Regalix’s State of Contact Center 2018)**

<table>
<thead>
<tr>
<th>In which piece of the workflow has AI been used?</th>
<th>Voice-based communication</th>
<th>Text-based communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>For assisting live agents (for example, suggesting probable solutions or pulling out customer data)</td>
<td>54%</td>
<td>54%</td>
</tr>
</tbody>
</table>

Studies find that 70% of millennials prefer other channels of communication over voice.
Cloud technology

According to a recent survey, the two major obstacles that stand in the way of companies embracing new technology in contact centers are:

- Integrating software systems (61%)
- Legacy software systems that can’t be replaced (46%)

Companies have invested a lot of money over the years in developing systems that work for them. These legacy systems addressed a specific need that contact centers had at one time. Today, however, businesses need to access the data that resides in these legacy systems and integrate it with data that resides in newer systems. Rather than throwing everything out and starting from scratch, businesses can now use cloud technology to create a platform that integrates such different and disparate systems. This will ensure that the data is still useful and that businesses are able to deploy a solution sooner rather than later.

Platforms are used extensively in contact centers to create a user-friendly layer that helps agents enter data easily. Omnichannel integration which needs access to data that exists across multiple systems and processes is also made possible by cloud-based platforms.

Analytics

As is with AI, analytics has been a game changer for contact centers. It would have been impossible to develop more in-depth customer personas or derive so much meaning from disconnected data points without analytics. Predictive analytics has paved the way for contact centers to explore and develop innovative customer strategies. Analytics helps contact centers unearth hidden customer pain points and illuminates areas that need attention. E.g., Macy's recently reported that 46% of their sales came from just 9% of their customers. Without analytics, it would have been impossible to derive insights like that one.

Did You Know?

It’s expected that by 2020, the average person will have more conversations with bots than with their spouse.
Internet of Things (IoT)

While still a relatively nascent technology, IoT promises to be another pivot which will launch contact centers into the future. According to a Gartner forecast, the number of connected things in use will go up from 14.2 billion in 2019 to 25 billion by 2021.

IoT devices gather massive amounts of data from sensors which can hold hidden treasures in terms of insights. IoT devices can proactively report a problem about a product without the need for customers to intervene. IoT devices can be programmed to self-heal and download and apply a patch without any human involvement. When customers report a problem with a contact center, much of the initial conversation is focused on diagnosis. IoT devices can help by providing agents with data about the problem. Overall, IoT devices will help elevate customer experiences and will change the nature of conversations that customers have with contact centers.

Figure-12

**Technology priorities**

What emerging capabilities are you planning to make strategic investment in the next two years related to customer experience or contact center(s)?

- **Advance Analytics:** 66%
- **Voice the Customer:** 54%
- **Routing Solutions:** 49%
- **New Channels:** 48%
- **Workforce Solutions:** 38%
- **Artificial Intelligence:** 34%
- **Process Automation:** 33%
- **Process Analytics:** 28%
- **Traffic Management:** 19%
- **None at this time:** 4%
- **Other:** 4%

*Source: ‘Global Contact Center Survey 2017’—Deloitte™*
What lies ahead

The catchall phrase for the future of contact centers is strategy. Contact centers will continue to evolve as a strategic think-tank that will intersect with all aspects of the business. From product research and development to marketing and sales, contact centers will grow to play a strategic role in every customer-centric decision that is made. Which is why there will be a Chief Customer Officer or the equivalent in every company. This designation will be the voice of the customer within the organization. Many businesses have already adopted this trend, and it will become mainstream across all organizations in a few years.

Today, contact centers are concerned with seamlessly integrating customer data for better customer experiences. Tomorrow the focus will shift to making customer experiences effortless and organic to the customer journey. From delivering a service that is a necessity to crafting customer experiences that take no effort at all and are even, dare we say it, enjoyable, contact centers will continue to drive innovation in customer experiences.

One of the ways that contact centers will do that is through continuous technology improvements. While AI, analytics, big data, social media, and other existing technology continue to evolve and transform customer interactions, new technology in the form of video and biometric analytics will drive further innovation within the industry.

Currently, capturing feedback through NPS scores and surveys, are used primarily as indicators of success at the contact center. This will evolve in the years to come which will lead to other indicators, which are more experiential and intuitive, being adopted by the industry.

The job description of human agents will continue to evolve. AI will never entirely replace human agents, but it will definitely change what they do on a day-to-day basis. This will lead to a more specialized, highly skilled workforce with skills that are specific to a product line or company.

Conclusion

Digital has had an impact on all industries, but none perhaps as much as the contact center and customer service industry. The last few years have been tumultuous, and change has been the only constant. This pace of transformation is only set to accelerate in the years to come. Our suggestion? Get on board, strap yourself in, and get set for the rollercoaster ride of the decade.
References:

2. https://www.customerserv.com/blog/how-big-call-center-industry
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.

For more information
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