



COMPLEX CALLS

Accelerating agents and AI in the post-pandemic contact center pivot

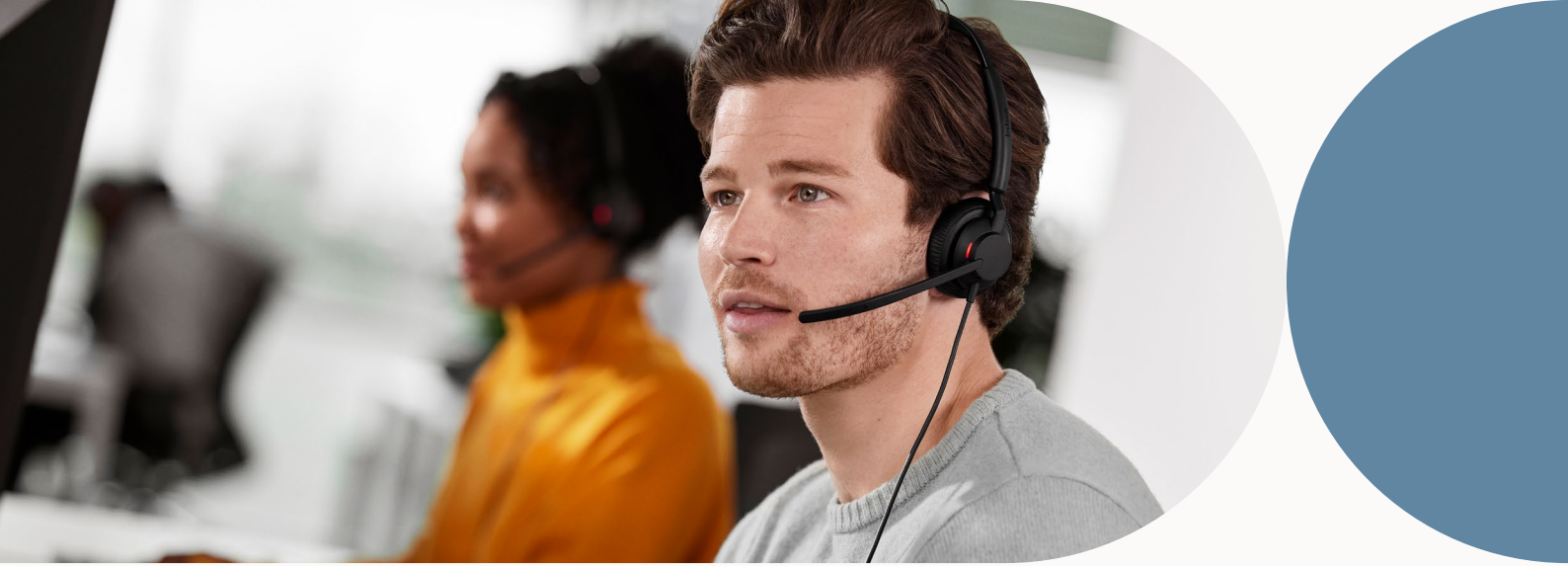
Introduction

In 2022, the customer experience equation involves more complexity than ever before, from omnichannel challenges to the pace of change faced by customers and the issues with which they need assistance. In contact centers, call volumes are up, attrition is at an all-time high, and artificial intelligence solutions have often fallen below the expectations of leaders who implemented them.

Now, as most regions restabilize from the pandemic and contact centers begin to explore their longer-term digital transformation, cloud adoption, and workplace setups, the strategic decisions taken by leaders have become far more important. Knowing where to invest right now, and how to stay ahead and lead in the customer experience is crucial. Contact center leaders need to prioritize their spend across technology, real estate, people, and operations at a time when investments need to be future proofed, despite rapid changes in business today.

However, this challenge is also an opportunity, as contact center leaders who invest in the right areas, from agents to technology, and specific artificial intelligence solutions, can get ahead and offer increased customer satisfaction, while reducing costs and keeping agents happier and more productive no matter where they're working from. In this white paper, we'll discuss the key shifts and trends in the contact center, as well as associated focus areas for investment to lead the post-pandemic customer experience.





The changing world for customers

Over the last few years, the world has evolved at a rapid pace; increased inflation, pandemic uncertainty, and irreversible changes in where and when we work are new realities with which many of us now contend. These external levers have also significantly changed what customers need from businesses and brands, where they choose to spend their money, and who they do business with. With these shifting sentiments, businesses have reacted with evolving customer experience focuses.

At Fortune 500 companies, customer service is now the fourth most popular core value.¹ And, McKinsey's 2022 State of Customer Care Survey recently found that customer care is now a strategic focus for most companies. As organizations across industries look to capture a greater share of wallet and increase customer lifetime value, customer experience has shifted from a cost center to a core differentiator and potential profit center.

ACCELERATED INVESTMENT IN CX

As the importance of customer experience has grown, so too has the investment in modernizing it and increasing the channels through which customers can reach brands. While some transformation processes were already underway, the pandemic accelerated and altered the course for many CX professionals.

With the digital pivot and growth in omnichannel adoption, many customers have become accustomed to resolving queries through automated or digital channels. But despite the success of scaling digital care solutions, there are still many bottlenecks. According to McKinsey, 77% of leaders report that their organizations have built digital platforms, but only 10% report that those platforms are fully scaled and adopted by customers.²

To enhance the customer experience, respondents in a recent McKinsey survey had identified their top three priorities over the next 12 to 24 months as:

- 1 Retaining and developing top talents**
- 2 Investing in a simplified customer experience while reducing call volumes and costs**
- 3 Growing digital care and further analytics capacities³**

¹ Deloitte, Elevating Customer Service, 2021

^{2,3} McKinsey, The State of Customer Care in 2022

The changing world for customers

VOICE REMAINS VITAL

Despite the rise of digital service points and investment in artificial intelligence, voice channels have grown in both operating cost, popularity, and brand value. Although there's now a range of alternative options, throughout the pandemic, 60% of consumers said they preferred a phone call for difficult queries and bypassed self-service channels.¹

On top of this, 82% of consumers have reported that getting their issues resolved quickly is the single most important factor in having a great customer experience.² And yet, 72% have said it's harder to reach a real person now than it was at the beginning of the pandemic.³ What's more, recent research has found that when companies try to humanize chatbot service interactions, customer dissatisfaction heightens.⁴

This shows that customers recognize the utility of both chatbots and humans as uniquely distinct from one another. Humans are there to solve complex issues, while chatbots and other AI-driven tools must serve in an assistive function. When the lines between these become too blurred, customer frustration increases, and brand reputation takes a hit.

Contact center leaders have also found voice remains in demand, with phone consistently ranking as the most used, preferred CX channel with the highest CSAT and FCR.⁵ In a recent survey, 61% of surveyed leaders reported a growth in total calls, with increased contacts per customer and a growing customer base as the key drivers. More so, 58% of leaders are anticipating call volumes to increase over the next 18 months.⁶

At the same time, when customers reach an agent, these service interactions are commonly listed as the most important make-or-break experiences they have with a brand.⁷ In fact, 1 in 3 would likely abandon their favorite brand after a negative customer service interaction.⁸ But, more than half of agents (51%) are reporting that legacy technology is a significant obstacle in the customer experience⁹, with 58% saying it's sometimes difficult to hear what customers are saying and 30% reporting this challenge often.¹⁰ To maximize the value of voice channels and the customer lifetime value they can drive, contact center leaders should enable clear voice channels that set agents up to deliver exceptional experiences.



¹ Qualtrics, Disrupting the 2020 Contact Center: Actionable Changes to Drive Firm and Customer Value in 12 Months
² Spearline Global Telecoms Quality of Service Report
³ Replicant, Survey: The Effects of Bad Customer Service and How Brands Can Fix It
⁴ Blame the Bot: Anthropomorphism and Anger in Customer-Chatbot Interactions, Cammy Crolic et al. (Journal of Marketing, 2022)
⁵ Nice, 2020 Customer Experience (CX) Transformation Benchmark
⁶ McKinsey, The State of Customer Care in 2022
⁷ Deloitte Digital, Creating human connection at enterprise scale
⁸ PWC, Experience is everything: Here's how to get it right
⁹ Five9, The Contact Center Workforce of the Future, 2021
¹⁰ Cisco & BT, Autonomous Customer 2021



At the center: adapting to an evolution in agent experience

In the last year, we've conducted two pieces of research to better understand the sentiments around knowledge workers and their location preferences. The conclusions are clear – hybrid working is the preferred choice for employees, and direction in which most organizations are headed. Not only does the majority of the workforce have a preference towards a hybrid working model, but giving employees the freedom to choose where they work from improves motivation, trust, mental well-being, and overall productivity.¹

Contact center agents would also prefer more flexible work. But the transition to remote work for agents has had many challenges for an industry traditionally heavily reliant on peer comparisons and supervisor monitoring. According to recent Qualtrics research, 55% of agents report being granted remote work flexibility, compared to 76% reported by contact center managers. Today, data estimates indicate roughly half of agents are mostly or full time back in the office.²

While contact centers were among the hardest hit sectors to adapt to home working during the pandemic, with challenging cloud transformations and differing at-home setups, 77% of service organizations are currently adopting or accelerating their work-from home programmes.³

In order to make off-site contact centers a success, there are several challenges that need to be overcome, from driving agent engagement to enabling supervisors with the same oversight they have on-site. Though 75% of contact centers plan to move to cloud in the next two years⁴, both agents and supervisors have struggled with distributed teams in contact centers. While at-home agents, supervisors, and customers will benefit from these shifts, most of these benefits have yet to be realized as agents and leaders have struggled with short-term adaptations to at-home working.

THE INDUSTRY MUST UPDATE TO THE CHANGING ROLE OF THE AGENT

In the past few years, as the landscape of CX has evolved, so too has the role of the agent. CX channels have grown, voice has become more important and skilled, and agents now represent the voice of a brand. But many CX practices haven't always invested in agents as much as other areas of CX development.

Since the pandemic, most customer service managers have reported attrition rates of 42%, similar to what we were seeing prior to the pandemic, although some have seen an average rate of agent turnover of up to 58% year over year.⁵ Attrition has always been above average in the industry, and new Qualtrics research from 2022 shows that one in five agents think about quitting every week. The nature of calls has also been impacted over the last few years, with 60% of agents saying that customers became ruder and more aggressive during the pandemic.⁶ Additionally, research from Nice shows that 31% of agents say that they're currently looking for a new job right now.⁷

This attrition can be credited to a few key reasons, most of which relate to poor retention strategies from contact centers, with little to no training and no clear career path. As much as 38% of contact centers are reportedly investing in little to no retention strategies, and the majority of agents (58%) say that if they do receive any kind of training, they think it is of little to no benefit.⁸ Training is costly, and often comes with agent downtime.

With an average of 6-12 weeks minimum for training, shadowing and nesting and an estimated \$10,000 per agent onboarding, even smaller contact centers could spend upwards of \$400,000 per year on new agent training, based on average industry attrition rates. This isn't factoring the average continued agent training costs, which can easily amount to upwards of \$5000 per year. It has also been increasing as the complexity of calls requires more specialist knowledge and regular agent training updates. In 2021, Five9 research found that 55% of contact centers experienced higher call volumes and 47% reported an increase in complexity.⁹

With increasing costs of living and changes in the way most people want to work, it's not surprising that 55% of agents want higher pay and 34% want more flexibility. The other leading concerns, according to Calabrio Research, are a stronger sense of career path, better technology, and more training.¹⁰ It's clear to see that great investment is needed to sustain agents on a day-to-day basis and give them better tools and workplace practices to do the job successfully.

¹ Jabra Hybrid Ways of Working 2022 Global Report ² Qualtrics, Customer Service Agents Share Thoughts from the Front Lines of the Economic Downturn

^{3,4} Deloitte Elevating Customer Service – from cost center to experience hub, June 2021 ^{5,9} Five9, The Contact Center Workforce of the Future, 2021

^{7,8} Nice Contact Centers - From Attrition to Retention: 2022 Nice WEM Global Survey ¹⁰ Calabrio Research, Health of the Contact Center, Agent Wellbeing and the Great Resignation, 2021

At the center: adapting to an evolution in agent experience

REMOTE WORK CHALLENGES

In addition to the aforementioned challenges, agents were also challenged by remote working. Both contact center supervisors and agents struggled with the work-from-home setup for several reasons. Agents were isolated at home and unable to compare themselves to their peers, leaderboards were almost nonexistent, and motivation slumped.

On the other hand, supervisors were unable to check-in on agents, detect which agents needed support, or deliver coaching and guidance. In order to sustain the voice of your brand and have engaged agents, contact centers need to invest in better software and hardware tools to foster more connected teams and reengage distributed supervisors and agents.

TOP CHALLENGES FOR WORK FROM HOME AGENTS

Supervisor and agent challenges from home need to be addressed in order to improve the agent and customer experience from remote locations.

Here are the top four challenges currently facing agents working from home:

1

Visibility & support

Using AI and tools that allow the agent and supervisor to have the same supportive relationship, whether in the call center or remote

2

Peer comparisons

44% of at-home agents say that the biggest challenge they have from remote working is not being able to compare themselves with their peers¹

3

Gamifying the agent experience

57% of managers say that gamifying the agent experience improves performance, happiness, and engagement²

4

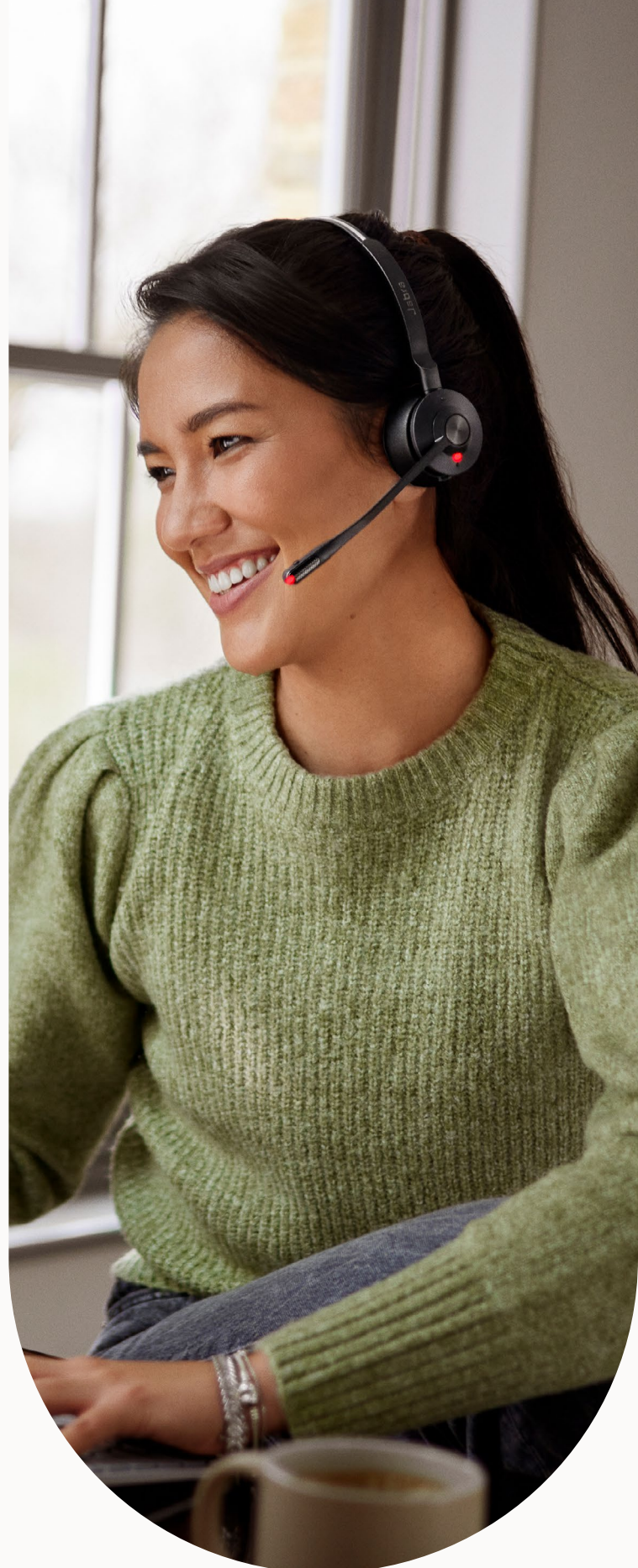
AI adoption

Remote agents are twice as likely to say that AI will be impactful in their contact centers in next 2-3 years³

For some contact centers, transforming into more flexible workspaces that focus on agent development and a work-from-anywhere culture might seem insurmountable, but for those who can enable better work-life balance and flexibility, costs can be reduced, while key CX KPI's, agent satisfaction, and retention all increase.

^{1,2} Nice, Contact Centers, From Attrition to Retention: 2022 Nice WEM Global Survey

³ Calabrio Research, Health of the Contact Center, Agent Wellbeing and the Great Resignation, 2021





3 Key adaptation areas for the future of contact centers

AX WILL DRIVE CX

As outlined in the section on changes in the agent landscape, pandemic disruption and evolution of the contact center have resulted in an underinvestment in the changed role of the agent. Recent research shows that nearly half of surveyed managers report increased employee attrition over the past 12 months.¹ In the past, call center agents were cheap and low-skilled positions to fill, making them fairly easy to replace. With growing call volumes and the increasing complexity of calls, contact centers can't afford to continue with such high attrition rates – the cost of training new agents and downtime is significant and contact center leaders need to develop better employee retention strategies in order to attract and retain high talent.

Now, agents have become highly skilled with longer and more frequent training cycles. What's more, the stakes are higher than ever before in voice channels. Unengaged agents can harm brand reputation. Investing in the agent experience has been slow to catch up, but there's a renewed focus on attracting and retaining agents, as well as developing their soft skills to drive better empathy, engagement, and personalized customer service. As customers contact agents for more complex problems, the need for empathy and conversation training is increasing. According to Salesforce, 68% of customers expect brands to demonstrate empathy, but just 37% receive it. Investing in keeping your agents happy and enabling them to work flexibly can lead to drastically improved customer service interactions.

In that regard, despite the challenges of remote working, most research shows that contact center agents want to work from home or at least have flexible work options. Not only can it help contact centers access new talent, but flexible working can enable strategic scheduling during peak call periods as well as allowing agents or part-time workers more flexibility in their schedules. With the right technology and culture, supervisors and agents can foster close teams, with gamified leaderboards, intuitive supervisor support, and more flexible customer support.

With 3 in 5 leaders listing talent attraction, training, and retention as a top priority, creating better organizational cultures with stronger trust, better motivation, and more feedback and training will be essential in the coming 12-24 months.² As contact center leaders invest more in the agent experience, costs can be reduced, while agents feel more engaged and fulfilled, resulting in simpler and better CX delivery.

There is a direct correlation between contact center employee engagement and customer satisfaction. Here's how to make a difference:

- 1 Tools and rewards that reflect the agents' performance accurately and fairly**
- 2 Tools that empower advisors to perform their best**
- 3 Self-coaching tools that create engagement through gamification**

^{1,2} McKinsey, The State of Customer Care in 2022

3 Key adaptation areas for the future of contact centers

SHIFTING PRIORITIES WILL CHANGE KPIS

For years, contact centers have been run as cost centers; aiming at being as efficient and low-cost as possible, and the metrics we used to measure success followed within this formula. As organizations prioritize customer service, and agents are better enabled to work remotely, the metrics on which success is measured will change. And while metrics like Net Promoter Score, Average Handle Time, First Call Resolution, and Customer Satisfaction Surveys are still valuable, we need to evolve our metrics to drive a better understanding of what it takes to deliver exceptional CX.

Most existing KPI's are retrospective and often carry biases, while also being more challenging to actually address or improve. And when it comes to agent training, retrospective training from things like CSAT analysis are often very time consuming for the agents, and costly for the centers.

While simpler queries can now be solved with solutions such as chatbots, the demand for empathy and efficiency on voice channels is only increasing, as the needs serviced by voice channels are also shifting in complexity.

When looking at what delivers a great customer experience call, we can identify a few simple factors:

1

Engaged, knowledgeable CX advisors

2

What tools they have: the quality of conversation, knowledge, empathy and voice clarity

3 Key adaptation areas for the future of contact centers

While AHT, FCR, NPS and CSAT scores are still essential in guiding contact centers, the shifting value of the agent and increased ROI from soft-skill training is harder to track with these scores. Speech-to-text analytics can be misleading, and with factors such as call complexity and time increasing, AHT metrics don't always enable supervisors to gauge customer satisfaction. As agents handle higher-value customer interactions, contact centers need to reevaluate the qualifiers of success in their CX operations.

In the future, contact centers will need to find tools with real-time analysis of:

- 1** **Advisor engagement levels**
- 2** **Customer happiness and satisfaction during the course of an interaction**
- 3** **The conversation experience, shifting from what we say to how we say it**

AI WILL PAVE THE WAY FOR HYBRID WORK AND SIMPLIFIED CX

For years, we've been talking about the disruption that AI will make across almost every industry. In contact centers, 79% of leaders plan to invest in greater AI capabilities in the next two years. But AI applications are wide ranging in the contact center, and many leaders have been unsure where to place their AI investments. While most contact centers have already begun piloting or deploying an AI solution within their contact center, the results haven't always met expectations.

According to Deloitte, only one in four leaders say that AI had met or exceeded expectations, while nearly two in five said that their AI investments had not delivered on its promise. To help accelerate the success of AI deployment in contact centers, leaders need to find specific and targeted applications of AI to help drive business and enhance the technology used elsewhere in the CX journey.¹

Common areas where AI deployment has let leaders down can range from a misunderstanding of what it can do, not enough time taken to incorporate it with an incumbent system, or a false diagnosis of the greatest area of impact for the AI to be deployed. Contact center leaders need to make targeted investments in AI that support agents and supervisors in remote working setups and enable problems to be solved as scale.



¹ Deloitte, Elevating Customer Service – from cost centre to experience hub, June 2021

3 Key adaptation areas for the future of contact centers

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AI applications should focus on data and analytics to support functionality: measuring performance, connecting omnichannel journeys and attribution, or identifying opportunities for delivering more customer value via personalization. In an AI-powered omnichannel ecosystem, contacts can be automated to free up time and enable greater ROI from human contacts. With agents in contact centers, automated real-time coaching can provide feedback for agents that help them navigate customer interactions more seamlessly while also developing the agents and creating higher engagement. For supervisors, these consolidated dashboards can highlight high and low performance, as well as flagging challenges, making it easier for supervisors to spend their time focusing on the most acute areas where support is needed. While these solutions can help realize greater on-site efficiency, they are particularly beneficial in remote or distributed CX organizations, where communication between agent and supervisor is reduced.

AI benefits for remote agents:



Agent benefits

- Coaching and training
- Leaderboard and gamification
- Customer sentiment
- Real-time conversation analysis (less training downtime)
- Boost performance and learning without stress (real-time vs. retrospective training)



Supervisor benefits

- Understanding of how customers are feeling
- Visibility of agents and which calls to listen to
- Awareness of how agents are doing on average
- Remote agent supervision feedback on agent background noise, crosstalk, conversation flow, pace, and intonation

Key takeaways

Remaining agile in the midst of current global economic and geopolitical uncertainty is challenging for almost every business. Moreover, driving transformation at scale on top of this is a massive undertaking. However, the opportunity to gain market share through elevated customer experiences is more important now than it has ever been.

Customers are looking to brands to deliver experiences as a key differentiator, and the role that a contact center and human agent plays in this CX stack is elevated and more sought after than it has ever been. At the same time, agent turnover is peaking, while engagement scores are on the opposite end of the scale.

To reengage agents and supervisors, the right combination of AI deployment, hybrid work policies, and rethought KPIs can enhance ROI, meet the agents in the complexity and demands of today's work and elevate the customer experience.

Organizations wanting a competitive edge cannot afford to hesitate at this crossroad, and those that lead the way will build a robust and resilient customer experience machine, leading to longer customer lifetime value and long-term gain.





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