



How Contact Center Modernization Plays Into AI Strategies

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Organizations in the U.S. and U.K. are responding to changes in how contact center workers want to work by experimenting with modern technologies, such as AI and generative AI.

But can this experimentation contribute to top-level business strategy? It is, after all, a classic zone where people, process and technology come together. And that is often where an organization will find a competitive advantage, even if it is temporary.

Research from TechTarget's Enterprise Strategy Group (ESG) looked at the state and maturity of contact center technology and organizations that deploy it in a report called "Impact of Evolving Work Environments on Contact Center Platform Requirements." ESG surveyed 347 IT and business professionals in North America in August 2023.

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How COVID-19 affected workplace norms

The legacy of the COVID-19 pandemic on remote work is clearly visible in ESG's research, and the direction and pace of that fundamental change continues. The survey found that 84% of contact center agents worked from corporate offices, and the expectation was that only 53% would.

Compared to 2022, respondents found bigger challenges in 2023, which include supporting remote agents, boosting agent experience, maintaining compliance and integrating with customer-centric systems. These challenges are likely to continue in 2024, which is perhaps unsurprising with agents working remotely, in multiple locations, etc.

Yet, the biggest technology story of 2023 -- the rise of generative AI (GenAI) -- also made its mark on this research. Among respondents interested in the use of AI and machine learning in the contact center, especially in relation to GenAI, it is plausible to assume they are searching for a competitive advantage.

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GenAI use cases are nascent

ESG's research indicates that AI use in contact centers is strong, but GenAI use cases are still in the early stages. The technology is not quite there yet, so measuring ROI is difficult and there is risk surrounding operational GenAI use.

A majority of the organizations surveyed use AI in their contact centers already. Unsurprisingly, this is mostly in the form of chatbots. The next two most common use cases were using analytics to find trends and agent assistance.

Still, GenAI was the standout technology trend of 2023. Three-quarters of respondents either agreed or strongly agreed that GenAI has the potential to improve contact center operations. To be exact, 41% of respondents said they were evaluating or piloting GenAI tools, 52% were in wait-and-see mode and 7% said the technology was too risky.

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Younger organizations are more bullish on GenAI

Among younger organizations -- of 20 years standing or less -- 43% strongly agreed on the potential of GenAI, which was significantly ahead of organizations that have been around for 21 to 50 years, and even further ahead of those older than 50. Younger organizations are more likely to seek competitive advantage as they look to establish themselves in a market.

What use cases does this group imagine? They divide into humans out of the loop -- chatbot-driven customer interactions and proactive customer service -- and humans in the loop, which include summarization and assistive technologies for agents.

Which departments are involved in GenAI initiatives? IT is the majority stakeholder, but is closely followed by customer service, call center and operations managers. Additionally, 36% of respondents boasted the involvement of executive managers. This seems low, given the high strategic importance GenAI gained in 2023.

For example, in ESG's research into enterprise use cases for GenAI, published in August 2023, GenAI ranked higher than sustainability and cloud migration as a

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strategic priority for enterprise IT globally. The report found 9% of respondents identified GenAI as a top strategic initiative, marginally ahead of cloud and sustainability. It also suggested GenAI will affect the top five initiatives, which were cybersecurity resiliency, digital transformation, cutting costs, automation and app modernization.

Other CX trends

The latest annual CX trends report from Zendesk revealed a rapid transition toward intelligent CX, with a shift to AI. The report found that 70% of global respondents use GenAI tools, with 83% of those reporting a positive ROI.

The vendor partnered with OpenAI, the creator of ChatGPT, in April 2023 and uses ChatGPT capabilities in many of its customer service tools.

In its report, Zendesk referenced London retail store Liberty as a reference customer for its AI tools. The CX team at Liberty uses Zendesk analytics to understand customer service performance. The team also uses Zendesk AI to automatically classify and route incoming tickets to the right agents.

The report cited Ian Hunt, director of operations and customer services at Liberty.

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"In the past, I was always quite nervous of bots because we want to deliver a personal service, but what I've seen in the past six months is that we can use AI to enhance the delivery of personal service," Hunt said. So, some user testimony shows growing confidence with chatbots.

The extent to which CX vendors and their customers will absorb GenAI experimentation into their contact center modernization strategies should unfold this year now that excitement around the advent of GenAI has died down.

I will continue to question how organizations' use of CX technologies can add up to competitive advantage within their industries. It's perennial for all business applications software, but is particularly germane to how companies and organizations meet their customers.

Brian McKenna is a senior analyst at TechTarget's Enterprise Strategy Group, who focuses on customer experience and other business applications. Previously, he was an editor at ComputerWeekly.

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