



CUSTOMER
CONTACT WEEK
DIGITAL

2020
**NOVEMBER
MARKET STUDY**

**FUTURE OF
THE CONTACT
CENTER:
A FORECAST**

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THE FUTURE OF THE CONTACT CENTER: A FORECAST

Customer contact leaders have long hoped to transform their infamously reactionary operations into proactive, forward-looking drivers of customer centricity.

On the surface, 2020 was not a good year for making that transition. As it went global in February and March, the COVID-19 pandemic introduced a plethora of customer contact challenges. These challenges—the emergence of work-from-home, rise of digital communication, surge in contact volume, and transformation of customer behaviors and demands—caught many companies wholly off-guard.

With companies struggling just to meet core customer and employee needs in the face of such disruption, the idea of looking ahead seemed impossible. The catch, however, is that customer contact leaders did not need to look ahead to see the future. The future was unfolding in front of their very eyes; they simply needed to view it from the right perspective.

As they adapted to COVID-19, contact center leaders received a front-row seat to the potential impact of distributed work models, cloud contact center infrastructure, digital engagement, and automation. They saw how important business continuity planning was to the health of the customer contact operation. They learned how real-time customer intelligence could transform every facet of the business.

The question, therefore, became whether they were adopting the correct mentalities and learning the most essential lessons. Were they approaching this 2020 as a one-year anomaly that will have no lasting ramifications for the contact center? Were they approaching their 2020 initiatives as one-and-done efforts that will suffice for the next few years? Or, were they looking at 2020's transformations as the *starting point* on the road to the contact center of the future?

The lattermost mindset is the most powerful one. It recognizes that remote work is here to stay—and focuses on *how* the model will evolve moving forward. It appreciates the importance of digital channels and automation technology—and focuses on *how* they will transform customer engagement in the years ahead.

This mindset forms the basis for CCW Digital's Market Study on the Future Of The Contact Center. Citing proprietary research, the report begins by revealing how the customer contact center will change—both strategically and tactically—following the events of 2020. It then uncovers the specific opportunities and challenges companies will face as they transform remote work, digital engagement, and automation from 2020 “stop gaps” into contact center cornerstones.



METHODOLOGY & DEMOGRAPHICS

To gather data for the Future of the Contact Center market study, CCW Digital conducted a survey in September and October of 2020. Targeted at leaders responsible for contact center, customer experience, marketing, information technology, and/or operations strategy, the survey uncovered companies' key challenges and priorities for the next few years.

Example respondent job titles included director of customer experience, operations director, digital lead, head of customer experience, manager of consumer services center, chief executive officer, chief operating officer, senior vice president of quality, workforce management manager, director of client solutions, head of customer service, vice president of sales, and senior manager of workforce analytics.

Respondent companies spanned numerous industries and all company size ranges.

ABOUT THE AUTHOR



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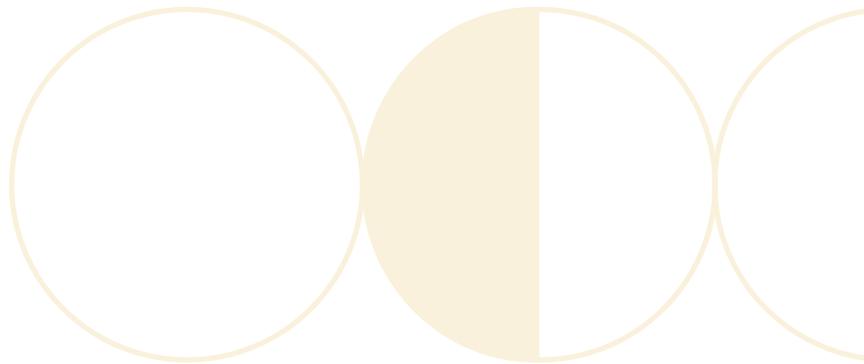


Brian Cantor is the principal analyst and director for CCW Digital, the global online community and research hub for customer contact professionals. In his role, Brian leads all customer experience, contact center, technology, and employee engagement research initiatives for CCW. CCW Digital's articles, special reports, commentaries, infographics, executive interviews, webinars, and online events reach a community of over 150,000.

A passionate advocate for customer centricity, Brian regularly speaks on major CX conference agendas. He also advises organizations on customer experience and business development strategies.

KEY FINDINGS

- 1** The digital transformation continues to reign as a top customer contact priority. A whopping 85% of businesses say “increasing the use of digital channels” will become more important going into 2025.
- 2** Other important objectives for the future of the contact center include increasing automation use, achieving customer satisfaction, collecting and actioning customer insights, and increasing customer loyalty.
- 3** Companies view support for remote work, customer-facing artificial intelligence, stronger customer data initiatives, company-facing AI, and omnichannel initiatives as key ingredients for tomorrow’s contact center.
- 4** In the wake of the COVID-19 pandemic, only 7% of companies anticipate returning to a “traditional” contact center model. Most will rely on remote work or other hybrid, distributed models.
- 5** Key work-from-home challenges include connectivity issues, mental well-being, “Zoom fatigue,” agent training and development, and peer communication.
- 6** Although they are emphasizing digital to a greater extent than ever before, 89% of companies believe phone communication will still play a role in the contact center of the future.
- 7** For 62% of companies, the success of automation investments hinges on reducing financial cost.
- 8** Other top priorities for automation investments include increasing capacity, improving the customer experience, raising the standard for operational performance, and increasing scalability.





FUTURE MATTERS: UNDERSTANDING THE BIGGEST CONTACT CENTER OBJECTIVES

At the end of the day, all business units have a reason for existing. They have a clear set of objectives for which they are accountable.

The contact center is not exempt from this rule. In fact, given its notorious fight against the “cost center” stigma, the contact center faces particularly significant pressure to perform.

Successful contact centers treat this demand for results as their sense of purpose—as their guiding light. The path to determining the right investments to make, initiatives to pursue, and transformations to undergo, therefore, begins with an analysis of pivotal contact center objectives.

Amid ongoing transformation, not to mention the COVID-19 pandemic, which objectives have become more pivotal to the contact center? Which, if any, have faded away?

When it comes to the former, no objective is gaining more traction than the digital transformation. **A whopping 85% of businesses say “increasing the use of digital channels” will become more important as contact centers look to 2025.**

The resounding support for digital utilization is nothing if not logical. Due to advances in technology and persistent

changes in customer behavior, digital channels have long been on the customer contact radar. They have long promised the ability to reduce operating costs while creating more convenient, frictionless customer experiences.

By exposing contact centers to resource crunches and the importance of business continuity, the events of 2020 only heightened the emphasis on digital engagement. If years of knowledge that customers demanded digital did not do the trick, the realization that it was the only way to efficiently handle the influx of COVID-driven inquiries surely did.

Just as they did for digital, the events of 2020 validated the buzz around automation. They revealed how essential the technology can be for keeping customers happy and agents productive even amid sudden, transformative shifts in behavior and market conditions.

As a result, automation is also rising to prominence as a major contact center objective. **Eighty-five percent (85%) claim automation use will be a more important objective moving forward,** putting it just below digital engagement as the #2 priority.

Other surging considerations include **customer satisfaction** (81%), **collecting and actioning customer feedback and insights** (78%), and **customer loyalty** (73%).

Each speaks to growing recognition of the contact center’s business impact. They also speak to the importance of making customer centricity the driving force behind contact center decisions.

By further emphasizing customer satisfaction, loyalty, and advocacy, companies are affirming the importance of creating great experiences for customers. By emphasizing customer insights, companies are not simply looking to align the contact center experience with the voice of the customer but also looking to leverage the contact center as a vessel for better learning about customers - and better calibrating the entire business around the goal of customer centricity.

In fairness, just about every conceivable contact center objective will become more important leading into 2025. Even direct sales, the worst-ranking objective in the survey, will become a bigger priority for a healthy 47% of organizations.

The real takeaway, therefore, is that companies are not looking to narrow the scopes of their contact centers. They are not looking to lessen their impact within the business, nor are they looking for simple “shortcuts” to declare false victory. They expect their contact centers to drive everything from great customer experiences, to technology transformations, to data gathering, to operational efficiency.

And insofar as contact centers will be responsible for achieving an array of objectives, strategic decisions will need to be sufficiently ambitious. Organizations will need to consider every possible avenue for empowering agents, streamlining operations, and improving customer connections.

As you look toward 2025, will these objectives be more or less important to the contact center?





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A PURPOSEFUL FUTURE OF THE CONTACT CENTER

As the aforementioned objectives come to prominence, the most successful contact centers will adapt accordingly. They will put agents—and, as a result, the overall business—in position to increase digital engagement, leverage automation, and boost customer satisfaction and loyalty. They will turn the contact center into the strongest possible asset for business success.

Clearly taking this reality to heart, companies identify **customer-facing AI** (an essential step for 62%), **improving customer analytics and data initiatives** (60%), **increasing company-facing AI** (57%), and **adding and/or better connecting digital channels** (57%) as four essential ingredients for the contact center of the future.

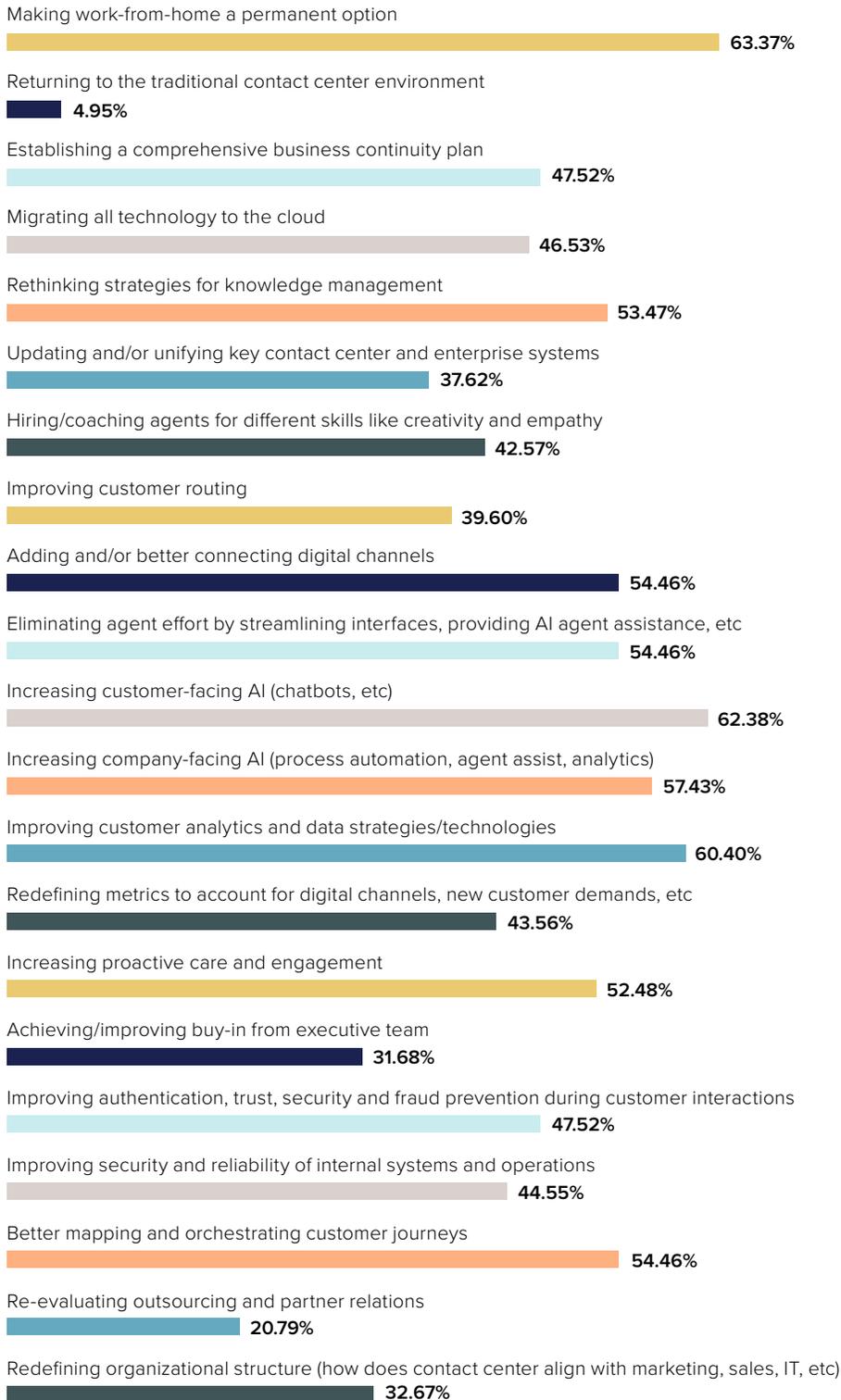
Not simply popular conversation topics, these initiatives directly align with the top contact center objectives ahead of 2025. Increasing AI and digital channel offerings will help companies achieve their digital transformation and automation objectives. They will build contact center

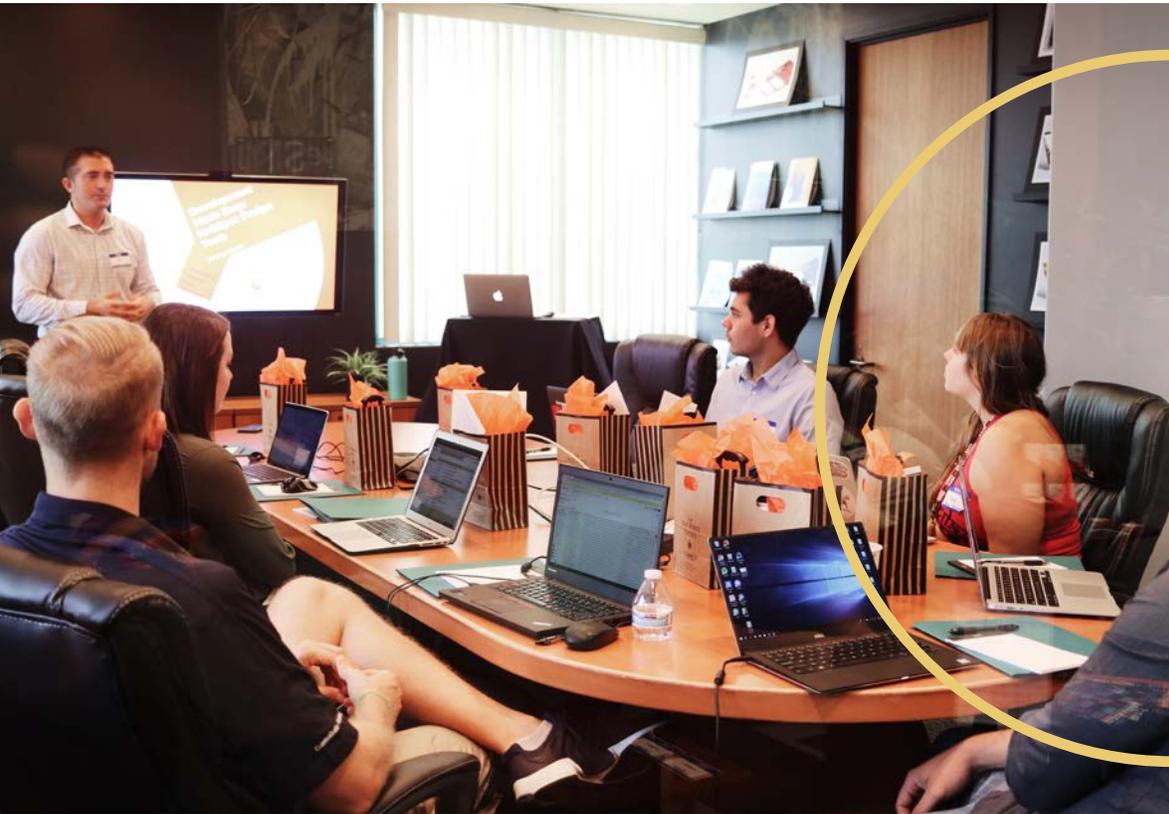
environments that leverage technology to make agents more productive and customer experiences more accessible, convenient, and personalized at all conceivable touch points. Effort will fall, and satisfaction and loyalty will rise.

Analytics and data investments will, moreover, play a vital role in other key objectives. Beyond achieving the on-the-nose goal of collecting more data, more robust insight into the voice of the customer will help companies better achieve satisfaction and loyalty. Deeper insight into customer preference will fuel more effective and strategic use of digital channels, while the insights themselves can help “tune” AI tools to be more effective and efficient.

Granted, there is **one initiative that trumps all when it comes to the future of the contact center: making remote work a permanent option**. Indeed, the future of the contact center will not simply facilitate new types of connections with customers. It will adhere to an entirely new operational structure.

Which of the following initiatives do you believe are **ESSENTIAL** to creating the contact center of the future?





THE NEW NORMAL
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THE NEW NORMAL

WELCOME TO THE “NEW NORMAL”

For about two decades, the customer contact community has debated the term “call center.” The debate has typically focused on the first word, with thought leaders arguing that “call” insufficiently describes the omnichannel nature of today’s customer journeys. Hence, the rise of “contact center” as a more suitable term.

Following the events of 2020, the debate is shifting to the second part of the phrase: “center.”

As confirmed by previous CCW research and sheer observation, the most widespread response to the COVID-19 pandemic was the adoption of remote work. Whether to meet regulatory guidelines, to accommodate for sudden shifts in workflow, and/or to simply protect the health and safety of employees, most companies transitioned to a remote work model. By the end of March 2020, the idea of a singular “center” at which all customer engagement agents congregated went from the industry standard to an utter rarity.

Their transition may have been spurred by the pandemic, but few companies will revert back once the pandemic fully subsides.

Granted, they will not necessarily keep things exactly as they are now. The majority of companies will still incorporate a physical “center” into their customer contact operation. Indeed, a “hybrid” model that leverages on-site and at-home labor will become the new customer contact normal.

For 32% of companies, this “hybrid” model will involve having some employees spend most of their time in the office, and others spend most of their time at home.

Companies are still identifying the criteria for this split, but potential considerations include seniority, function, performance, and at-home capabilities.

Rather than debating over which agents get to work-from-home and which have to come into the office, **30% will adopt a “hybrid for all” model.** These companies plan to have all agents split their time between their homes and the physical contact center.

In the immediate term, this “hybrid for all” model may primarily tie into safety protocol. An organization that has half the office come in on alternate days, for instance, can better achieve social distancing and other cleanliness and disease prevention goals.

As concerns over the pandemic subside, the focus will be on specific tasks and objectives. Companies may, for example, require agents come into the office for coaching sessions, performance reviews, engagement initiatives, or collaboration meetings, while allowing them to perform their typical day-to-day tasks at home.

Granted, a significant portion of companies will largely (if not entirely) wave goodbye to their traditional centers. **Twenty-six percent of companies (26%) say their contact center employees will primarily work from home.**

A mere 7% see themselves restoring a traditional contact center function. It is important, however, to recognize the context of this statistic. It does not necessarily mean that 93% of companies are over-the-moon with their recent remote experiences.

Many certainly are. Some, however, are abandoning the traditional contact center not because they believe it is

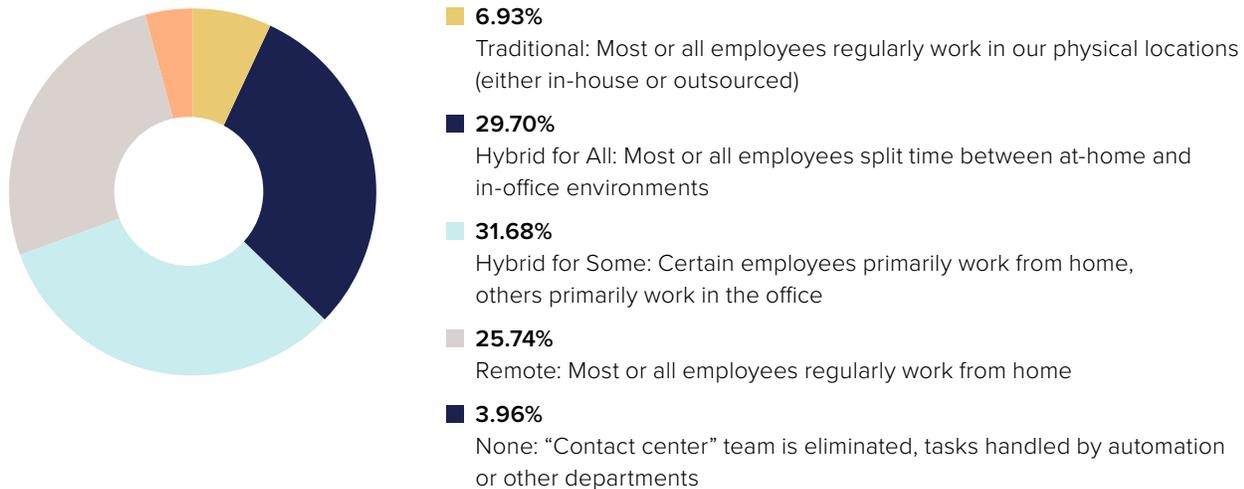
less effective but because they are “reading the room.” They recognize that agents, in the short-term, may still have concerns about leaving their house and working in a centralized office during a global pandemic.

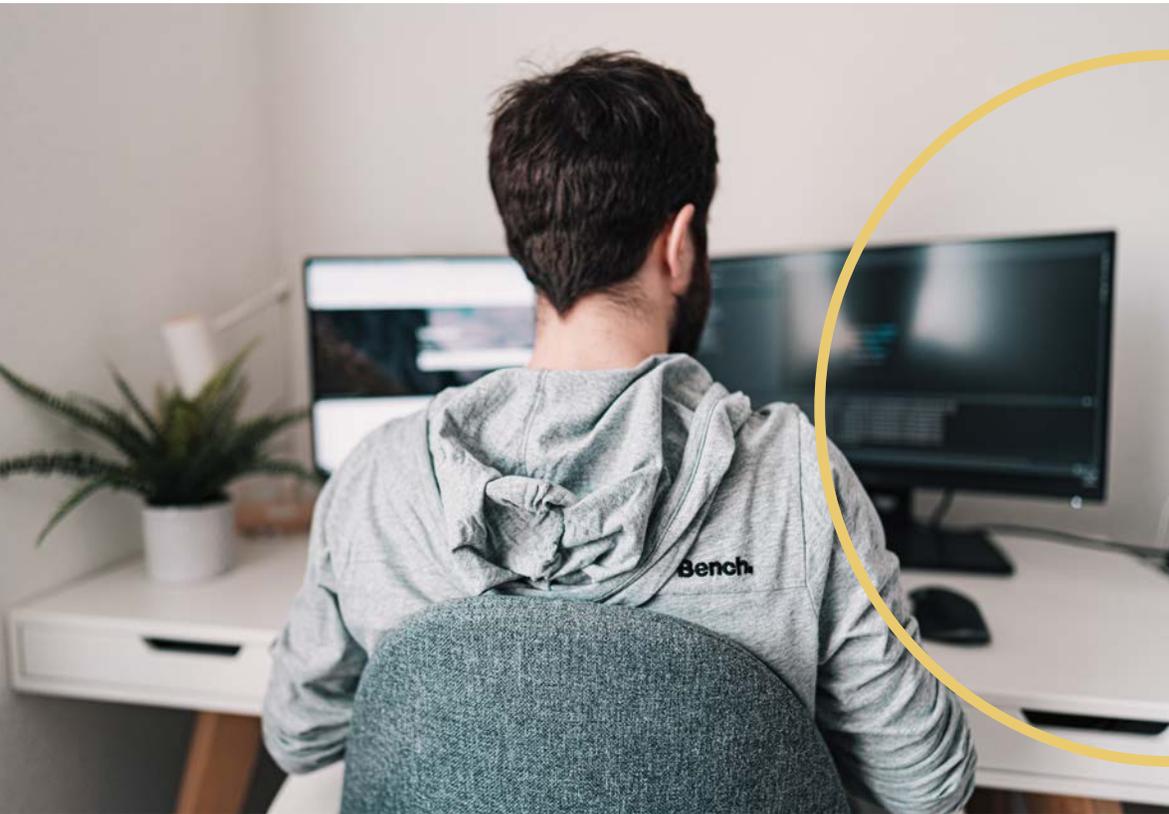
They, more notably, recognize that 2020 has undoubtedly shifted the labor landscape. The year has provided undeniable proof that the work-from-home model can be successful. Agents learned that they can stay motivated and productive out of their home offices. Content with their work situation and performance in 2020, agents will demand the ability to work remotely moving forward. Happy with what they saw in 2020, some companies will be eager to oblige.

Remote work may, therefore, become table stakes in the competition for great talent.

Whether they err toward a traditional, hybrid, or totally remote model, companies do by-and-large have faith that there is a future for a dedicated contact center function. Only 4% believe the contact center team will eventually be “eliminated” in favor of automation and/or work distribution across other departments.

Which describes your most likely contact center environment moving forward?





W O R K - F R O M - H O M E
W O R K - F R O M - H O M E
W O R K - F R O M - H O M E

MAKING WORK-FROM-HOME WORK

If companies were totally dissatisfied with what they saw in 2020, the majority would be racing to return to the traditional contact center model. Clearly, the work-from-home model demonstrated promise. Clearly, it helped contact centers achieve a degree of continuity in such a chaotic, unpredictable year.

There is a difference between *surviving a crisis* and *thriving in a new normal*.

As companies permanently adopt work-from-home, their standard for performance will surely rise. “Getting the job done” will not be enough; remote work will have to help companies improve their performance and achieve their numerous, lofty objectives. It will have to be a source of value and growth—not merely a defense against loss and disruption.

To meet this standard, companies cannot take any challenges or limitations for granted. They cannot accept a significant amount of “sunk cost” associated with their remote work models. Instead, they need to overcome all hurdles and ensure they are empowering agents to successfully connect with customers.

One particularly noteworthy challenge they will have to overcome is connectivity. **More than 66% of companies say they are experiencing (or expect to experience) connection issues as agents work in distributed environments.** Whereas a traditional contact center could generally promise baseline Internet speeds and equipment standards, there is no guarantee all at-home agents will be in an acceptable, let alone a wholly consistent, boat.

Not simply an operational fear, poor connectivity is a major customer experience concern. According to **CCW Digital's 2020 Consumer Preferences Survey**, the majority of customers would view brands negatively if they experienced poor connections or background noise when dealing with at-home agents.

As they work to make work-from-home permanent, companies are also paying close attention to their employees' well-being and motivation. A whopping **61% view mental state as a challenge**, making it the #2 obstacle to a successful work-from-home framework.

Prior to 2020, customer contact leaders largely viewed work-from-home as a "perk" for boosting agent happiness and motivation. They focused purely on the upside of helping them avoid long commutes, work from anywhere in the country (if not world), get more face time with their families, and avoid the disillusioning office environment.

After adopting work-from-home at scale, companies realized that they underestimated the mental challenges. For starters, they mistakenly assumed that home atmospheres are more comfortable than office environments, forgetting that some of the contact center amenities agents take for granted (comfortable chairs, air conditioning, filtered water, coffee machines, space to walk around) are unavailable in the home environment.

They also focused too heavily on the "monotony" of the daily commute to the same office, forgetting that staying at home all day every day can also be discouraging.

Most notably, they underestimated the value of human contact. Along with having an impact on mental health, social interaction provides motivation. Seeing "desk neighbors" answer more calls or sell more products goes a long way in encouraging agents to perform.

None of this is to discount the mental *advantages* of working from home. Many agents feel comfortable and productive

in their remote workspaces; if they all felt isolated and unmotivated, they would be clamoring for a return to the office. It is, however, an important reminder that companies cannot solely focus on workflow and equipment when creating their at-home agent strategies. They need to pay careful attention to mental health and motivation.

Communication will play a role in that process. Granted, companies are facing difficulty identifying the best way to foster productive engagement.

On the one hand, **46% of companies cite agent training and development as a challenge**. A similarly significant **44% identify "ensuring peer communication" as a major work-from-home concern**. Clearly, companies recognize the need to ensure physical distance does not thwart a sense of community and support. They want agents to frequently interact with each other, and they want supervisors and leaders to help agents grow from afar.

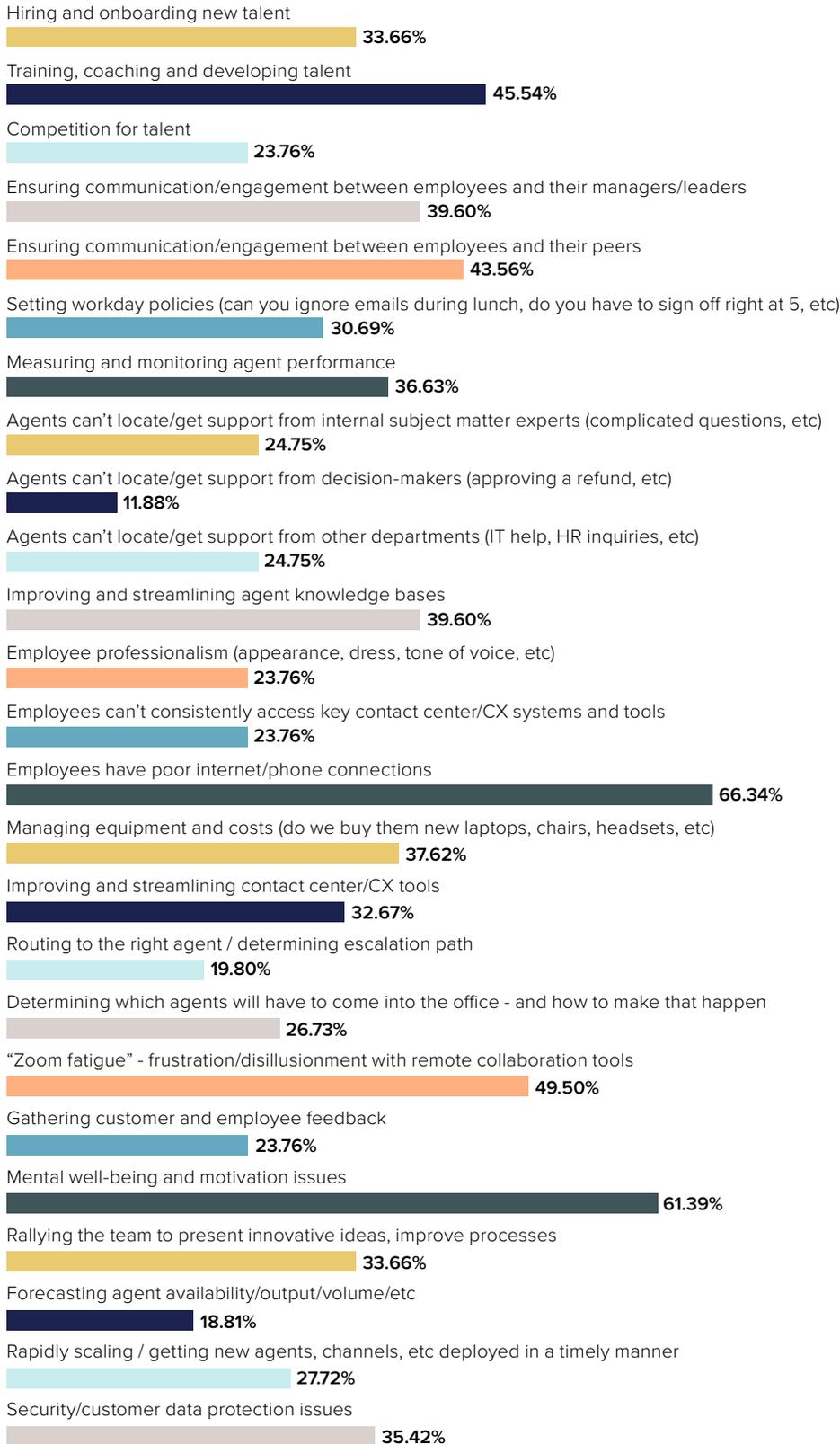
On the other hand, **50% identify "Zoom fatigue" as a major challenge**. Communication may be their goal, but they recognize a potential backlash with the very tools that facilitate real-time communication.

The takeaway here is clear: remote engagement efforts require a clear sense of purpose. Valuable, targeted efforts for building team camaraderie, collecting agent feedback, and providing coaching and performance guidance are important.

Calling superfluous Zoom meetings and overanxiously "checking in" on the team via applications like Slack or Microsoft Teams, on the other hand, may have a detrimental effect on the agent experience. When used incorrectly, remote collaboration tools create all the hassles and inefficiencies of "office meetings" with none of the valuable, in-person social contact. They also create a pressure for agents to be camera-ready and responsive to random messages during breaks or off-hours, which exacerbate at-home experience concerns.



Which of the following challenges have you encountered (or do you expect to encounter) with work-from-home?





A NEW DIRECTION FOR DIGITAL

As they transform contact center work environments, companies are also rethinking how they connect with customers. They are more eager than ever to leverage digital channels.

It is understandable, however, to view this trend through skeptical eyes. Companies have long talked about creating omnichannel experiences only to consistently thwart their digital transformations with insufficient resources and strategic visions. As a result, they have continued positioning phone as the centerpiece of their experience journeys and digital channels as fringe options.

Fighting to handle surging customer volume amid shrinking resources, companies placed significantly more emphasis on digital in 2020. They started to turn digital channels from false promises into legitimate customer engagement options. They finally made the idea of an omnichannel experience seem like a reality.

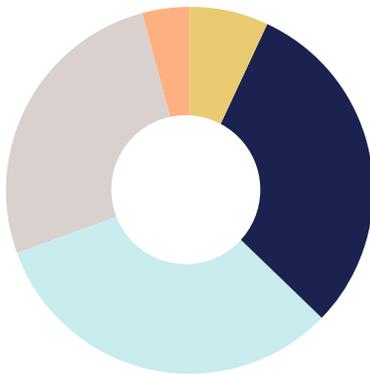
But what happens when the marketplace normalizes? What happens when companies can support customers in their traditional phone channels? Will they give customers a reason to keep using, and keep trusting, their digital platforms?

The answer seems to be a resounding yes. **Although only 11% of companies believe digital will totally replace phone as the primary (let alone only) option for all issues, the majority believe it will still play a significant role in the customer journey.**

Thirty-five percent (35%) believe digital will be the top realm for most issues, while 47% believe it will be a preferred channel for some issues. Only 8% anticipate contact centers reverting to a phone-centric function.

Realizing this goal will, of course, require more than optimistic thinking. CCW Digital research confirms that companies (and customers) have been content with their digital experiences in 2020, but as with work-from-home, there is a difference between *getting the job done* during a year of unpredictability and *adding value* in the future. Customers will develop higher standards for digital channels, which means companies will have to design and resource accordingly. They will have to position digital not merely as an option for customers who do not want to call but as *the* option for customers who want a uniquely valuable experience.

What role do you see digital channels playing in the future of the contact center?



- 10.89%**
Digital channels will be the primary, if not only, option for all customer issues
- 34.65%**
Digital channels will be the preferred channel for most issues, but phone/in-person will remain a relevant secondary option
- 46.53%**
Digital channels will be the preferred channel for certain issues, but phone/in-person will remain the preference for others
- 7.92%**
Digital channels will be a fringe/secondary option, with phone/in-person remaining paramount



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A NEW STANDARD FOR AUTOMATION

Much like remote work and digital engagement, automation demonstrated its promise in 2020. Chatbots proved effective at managing volume and solving some inquiries; customers, accordingly, reported an unprecedented degree of comfort with self-service in CCW Digital's Consumer Preferences Survey.

Automation proved equally important on the backend, helping to ease the burdens of shrinking headcounts, rapidly transforming processes, and dramatically new work environments.

Much like remote work and digital engagement, automation's role in the contact center of the future cannot merely be one of "stop gap" or "last resort." It needs to help a company achieve a caliber of results that would otherwise be impossible. It needs to meet clear standards for performance.

For 62% of contact centers, automation will need to reduce financial costs. Companies are simultaneously dealing with the economic impact of COVID-19 and the demand to transform their contact centers into more valuable, customer-centric operations. If an automation project cannot alleviate this burden by helping the contact center do more with less, it is not worth pursuing.

Doing more with less is, in fact, a top automation objective in its own right. **More than 61% will hold their automation solutions accountable for increasing capacity,** such as by handling more customers at once or bringing automated support into channels the company cannot afford to staff.

Not simply looking to seat bots alongside agents on the frontline, **59% of contact centers hope their AI investments will empower agents to focus on more productive tasks.** The events of 2020 heightened the

importance of empathetic, personalized communication in some situations, and it will take a fully available, focused team of agents to meet that demand.

Granted, companies are not looking to shift workflow purely for efficiency's sake. They also want to use AI-driven tools to add value to the experience. **Fifty-nine percent (59%) seek to deploy automation tools in cases where they are better for the customer than live agent support.**

More than fifty-two percent (52%) of companies are taking the same approach to process automation. Instead of merely looking to take "boring" work off their agents'

hands, these companies want to focus on the tasks that automation tools could do better than a human worker even if time and capacity were non-issues. Analytics is a perfect example; AI-driven solutions can process masses of unstructured data far more quickly and accurately than human business analysts.

Just over 52% of companies will also rely on automation investments to improve scalability. By using AI to streamline certain tasks or handle customer issues, relevant solutions can help an organization maintain consistent service levels (and quality) as it scales.

As you consider AI & automation investments and initiatives, which of these factors are major priorities?



APPENDIX



On-Demand Roundtable: How to Improve the Customer Experience

In a recent roundtable discussion, we joined industry experts to discuss how to create unbreakable customer connections and reveal the latest on what customers expect and how to deliver.



Blog: A Deep Dive into Customer Sentiment and How it Can Help

Through shopping habits, feedback, and general loyalty, customers tell you exactly what they want to experience when they visit your brick-and-mortar stores and browse your website. Learn how to interpret customer sentiment to create a better experience.

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