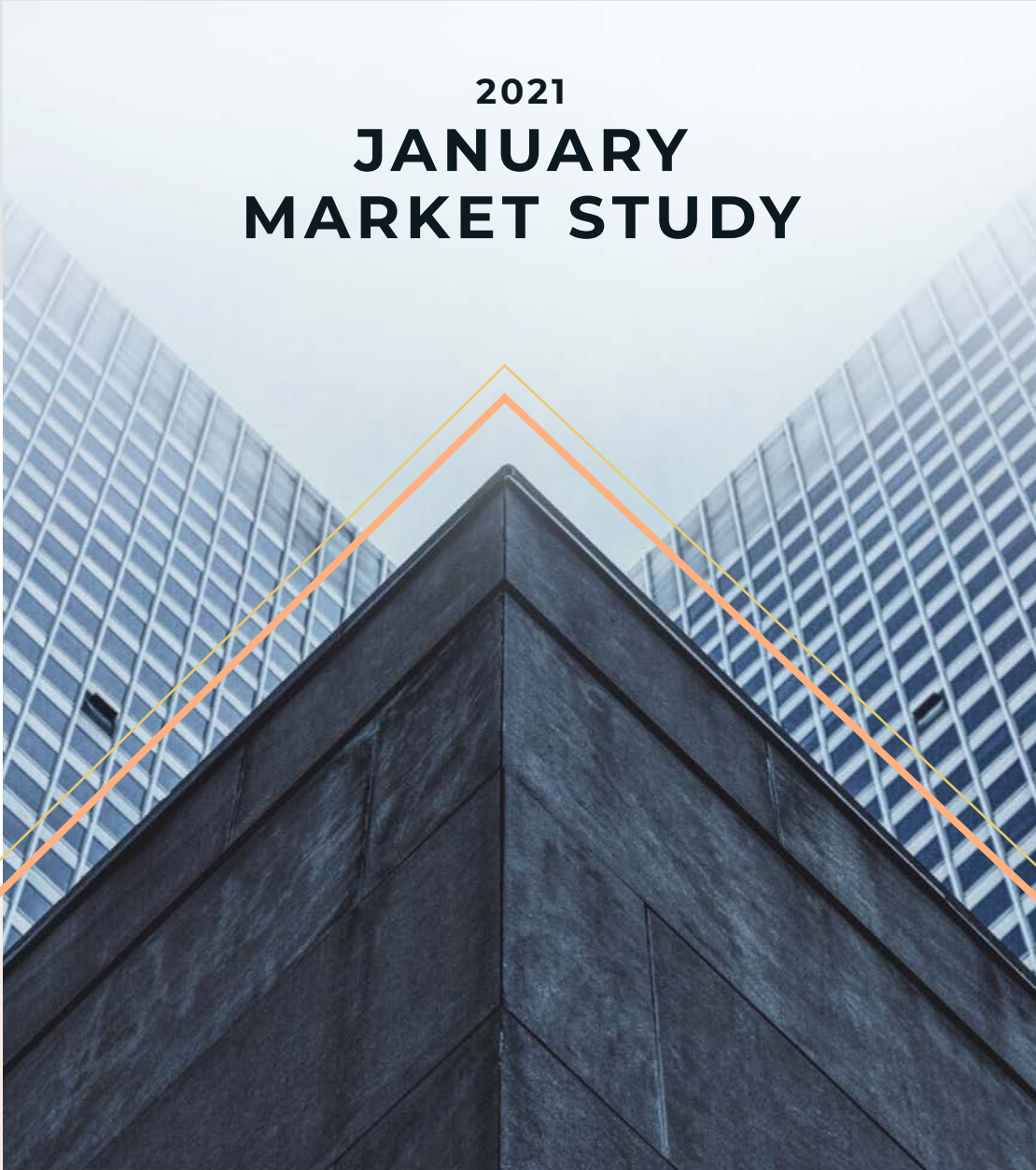


2021
**JANUARY
MARKET STUDY**



**STATE OF CONTACT CENTER
TECHNOLOGY**

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CCW DIGITAL MARKET STUDY: STATE OF CONTACT CENTER TECHNOLOGY

Can it mitigate the impact of change? Can it drive unlock new efficiencies? Can it generate unprecedented value?

Always relevant when evaluating contact center technology, these three questions took center stage amid the events of 2020. The best technology would have helped companies smoothly transition to remote work and digital-first communication. It also would have helped companies elevate their experiences — and reduce agent and customer effort — even in the face of such uncertainty.

Not all companies reaped these rewards. Their ineffective technology exacerbated the difficulty of adapting to the new contact center normal. It added friction to customer and agent experiences, while ultimately thwarting companies' ability to achieve business continuity.

With customer and agent standards set to rise in 2021, technology that proved underwhelming last year will prove immensely debilitating moving forward.

It is time to right the technological ship. It is time to turn contact center solutions into a source of strength rather than weakness. This Market Study will provide the necessary guidance.

Guided by exclusive research, the study begins by exploring how companies responded to the events of 2020. It subsequently uncovers the biggest contact center technology mistakes and challenges, before providing insight into how companies plan to reprioritize their investments moving forward.

Not simply a collection of statistics, the Market Study also includes a “Practicality Guide” rich with proven steps for achieving unprecedented customer centricity and operational efficiency.

METHODOLOGY & DEMOGRAPHICS

To gather data for the State of Contact Center Technology Market Study, CCW Digital conducted a survey in December 2020. Geared toward leaders responsible for contact center, information technology, customer experience, marketing, operations, and/or greater business strategy, the survey explored companies' biggest technology challenges and priorities.

Example respondent job titles included managing director of customer experience, vice president of research and development, head of customer care procurement, vice president of international sales, head of customer support, senior human resources manager, director of service delivery, director of sales and marketing, vice president of care management, vice president of customer service and experience, contact center training manager, director of global customer care, chief revenue officer, chief information officer, and chief executive officer.

Respondent organizations spanned all major industries and 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 Companies were, by and large, content with how they handled the rise of remote work and collaboration in 2020.
- 2 They were decidedly less satisfied, however, with their success in managing changes to their customer bases, increases in self-service, changes in their workforce, and increases in mobile engagement.
- 3 Fragmentation, the greatest thorn in the corporate side, rears its ugly head when it comes to contact center technology. Companies identify a disconnect between the information technology and contact center teams as their biggest strategic error involving technology.
- 4 Other common mistakes include focusing exclusively on short-term challenges, prioritizing price over eventual cost, and neglecting to consider the impact on agent or customer experiences.
- 5 A disconnect between channels ranks as the greatest technology challenge facing contact centers. As a result, a mere 18% say they are capable of consistently delivering omnichannel experiences.
- 6 Other noteworthy challenges include unsuccessful automation investments, high levels of agent effort, and a misalignment between IT and contact center goals.
- 7 Companies, indeed, paint a very sobering portrait regarding automation. Only 9% say they are very successfully using automation to improve the agent experience, and the numbers are similarly poor for customer engagement, contact center analytics, operations, and workforce management.
- 8 Elevating digital experiences ranks as the #1 technology priority for the coming year.
- 9 Companies also hope to improve self-service, leverage artificial intelligence to augment agents, improve the day-to-day agent experience, and predict customer intent, sentiment, and behavior.



REVIEWING THE RESPONSE

No one would ever call complacency an *admirable* quality. It took the disruptive events of 2020, however, to reveal just how costly inactivity could be.

The COVID-19 pandemic spurred global health and financial concerns, mandatory social distancing policies, and surging interaction volume. It transformed work-from-home from an auxiliary “perk” into the default model for most contact centers. It transformed digital engagement from an aspiration into a cornerstone of the customer journey. It transformed agility from a hollow cliché into a key barometer of survival.

By the middle of 2020, it was no longer sufficient to recognize the *theoretical value* of these concepts. It was utterly essential to bring them to fruition. It was unequivocally pivotal to adapt.

Companies responded to some changes better than others. Many, for instance, proved capable of adapting to the rise of remote work. On a scale of 0-5, **companies rate their response to the rise of work-from-home at a 4.07**. A whopping 50% specifically trumpet their response as *very successful*.

Companies are also fairly proud of their **response to the rise of remote collaboration tools, collectively rating their success at 3.86/5**. A healthy 38% feel their adaptation has been *very successful*.

Companies are comparatively less content with how they handled **increases or changes in their customer bases (2.60/5), increases in self-service (2.75/5), changes in workforce (2.87/5), and increases in mobile engagement (2.90/5)**.

Responses to other phenomena, such as planning for a hybrid contact center, rising digital engagement, and cloud migration, generally fall in the “decent” range.

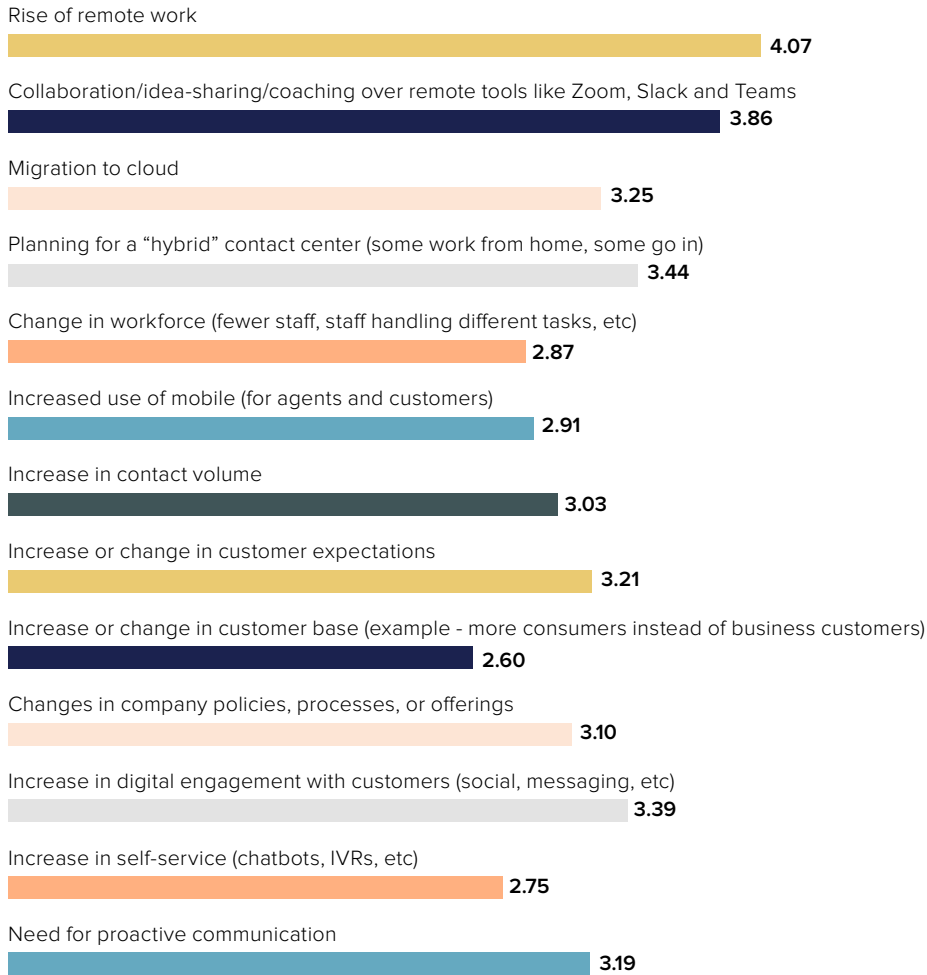
Companies that successfully responded to some or all of the recent disruption did not simply mitigate the impact of 2020. They positioned themselves for sufficient long-term value. They can use 2021 — and their impending technology investments — to get ahead.

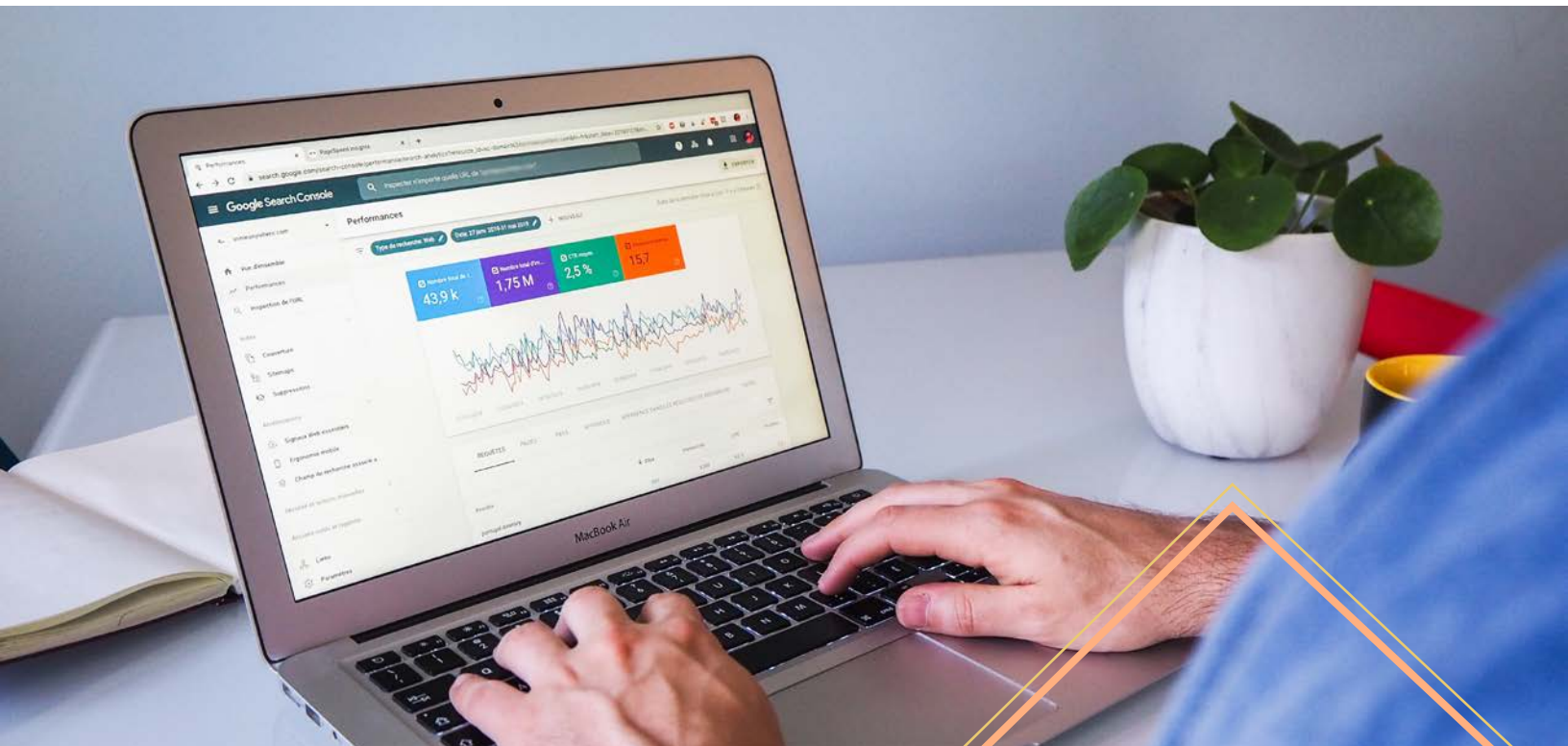
Companies that struggled to adapt, on the other hand, will find themselves playing catch-up in 2021.

Whether they are planting seeds for the future or overcoming the constraints of the past, all contact centers will nonetheless require powerful technology.

As they source, implement, and optimize technology, they will need to avoid common mistakes, account for lingering challenges, and pursue crucial objectives.

Rate your success at handling the following contact center trends/developments (weighted calculation: 0 = very unsuccessful, 5 = very successful).





MONITORING THE MISTAKES

In theory, technology should be elevating the contact center function. It should be empowering companies to understand customer needs, improve agent performance, and deliver exceptional interactions and journeys.

In reality, technology rarely lives up to this potential; it does not always elevate customer and agent experiences. In many cases, technology investments actually exacerbate operational challenges. They create more friction and frustration at every phase of the customer experience journey.

Why do these solutions so often become the problem? Why does promising innovation so rarely ignite customer centricity?

Although some solutions are inherently ineffective, the issue does not always lie with the technology itself. Rather, it is the product of misguided sourcing and implementation strategies. By succumbing to certain pitfalls, companies can undermine the efficacy of even the most powerful technology products.

Suffered by 34% of companies, a disconnect between the information technology and customer contact teams represents the most common mistake.

This rift can prove immensely costly for the customer contact function. When the team responsible for technology strategy (often including purchasing) is not closely collaborating with the team that actually uses the technology, the prospect of success evaporates.

Other common mistakes involve **focusing exclusively on short-term challenges (31%), prioritizing price over long-term cost (27%), inadequately considering the customer and agent experiences (26%), only selecting technology that can integrate with existing systems (26%), and failing to prioritize data and reporting capabilities (26%).**

It is hard to blame companies for succumbing to short-term thinking. Contact centers consistently encounter new challenges and problems. They, moreover, *always* have agents to empower and customers to serve. It is natural to focus intently on solving these immediate problems; technology products are routinely called “solutions,” after all.

It is easy, however, to see why this mentality creates problems. By fixating on imminent issues, companies forget about the big picture. They exclusively pursue solutions that can solve *today's challenges* without assessing their ability to create value — and ensure agility — in the long run. When the landscape changes and new challenges emerge, these solutions prove obsolete.

Short-sighted thinking also explains the price vs. cost mistake. Facing infamously tight budgets and an urgent pressure to perform, contact centers strive to achieve the most immediate “bang for their buck.” This mindset drives them toward solutions that may become difficult to maintain or outright obsolete in the future, thus imposing a far greater “net cost” on the business.

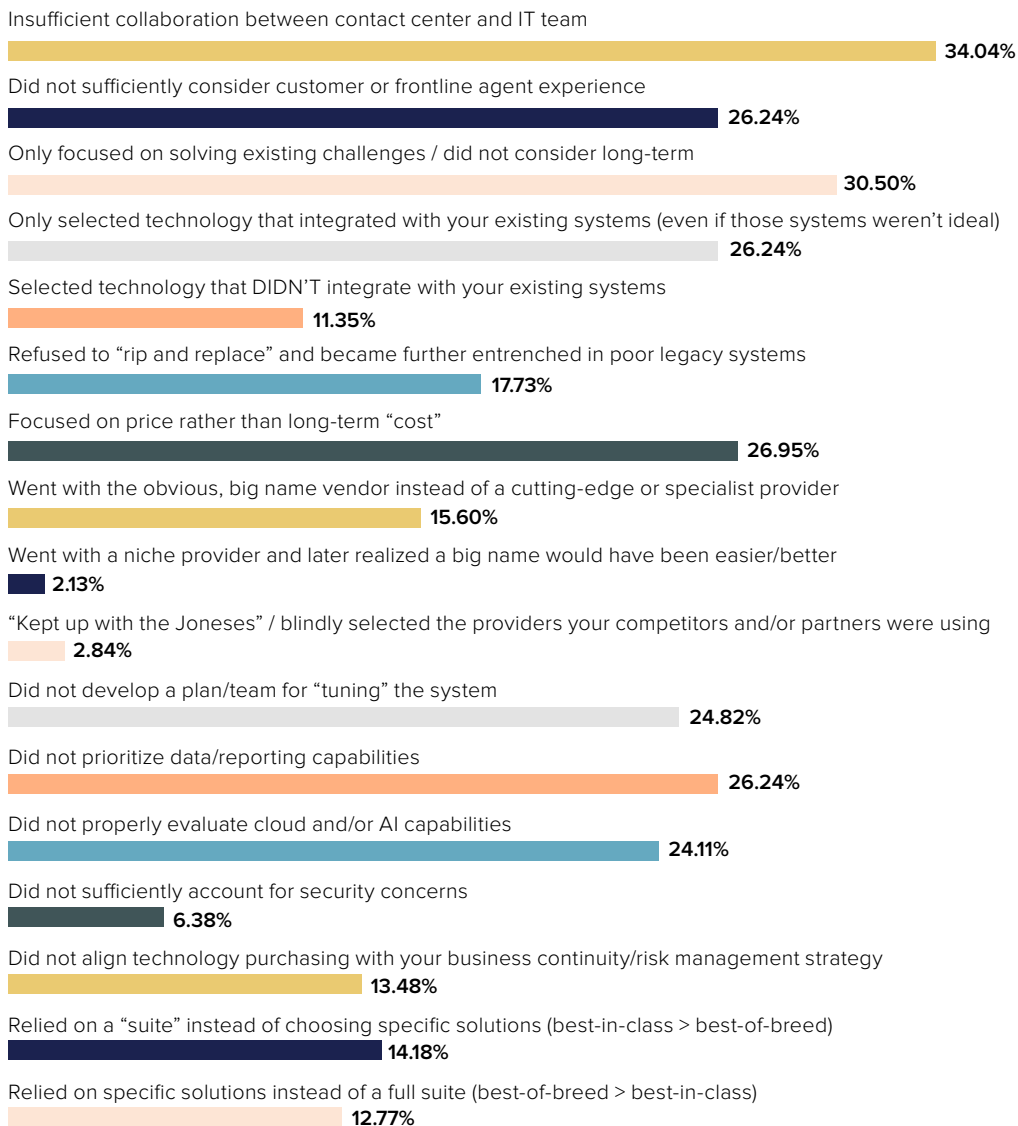
Thanks to a combination of short-term and price-conscious thinking, many companies prioritize solutions that integrate with their existing stack. Beyond forcing companies to occasionally select subpar solutions, this mindset also further entrenches companies in their existing systems. Switching to new platforms becomes even costlier and

more challenging, thwarting the company’s ability to ever make meaningful improvements.

Distracted by these concerns and the mirage of cool technology “features,” some contact centers forget *why* they are investing in solutions in the first place: improving customer and agent experiences.

As they lose sight of this core objective, they skew their sourcing process. They begin to focus on trivial capabilities, while overlooking crucial ones like data and reporting. As a result, they neither immediately improve experiences nor gain the insights needed to make positive changes.

Which mistakes have you made when sourcing contact center technology?





CONQUERING THE CHALLENGES

By making strategic mistakes, companies rob themselves of necessary technological capabilities. These shortcomings trickle down to agents and customers in the form of inefficient journeys, impersonal interactions, and undue friction.

For today's contact centers, the most widespread challenge involves disharmony between channels. A whopping 45% of companies say their channels are disconnected, which categorically prevents them from developing 360-degree views of their customer journeys. It also categorically prevents them from delivering an omnichannel experience.

Surely attributable to short-term, piecemeal technology purchasing, disunity between channels ensures dissatisfying experiences. If companies cannot empower customers to seamlessly move between channels, let alone allow agents to seamlessly support and recognize them when they do, they have no chance of delivering the coveted FP3 (frictionless, personalized, predictive, and proactive) experience. They have no chance of either maximizing satisfaction or minimizing costs, let alone doing both at once.

Other noteworthy challenges involve **insufficient or unsuccessful use of automation (35%), high levels of agent effort (33%), misalignment between IT and contact center goals (32%), and insufficient data about customer and agent behavior and sentiment (32%).**

Automation has spent the past several years as one of the hottest topics in customer contact, and with good reason. The idea of using technology to simplify tasks and processes so that employees can handle more volume *and* perform more complex work is universally appealing. It promises more efficient customer experiences, stronger agent output, and greater satisfaction across the board.

Because contact centers have neglected the long-term, struggled to unify their new tools, married themselves to dated legacy solutions, ignored the agent experience, and insufficiently collaborated with IT, it is easy to see why many have proven unsuccessful at leveraging automation. Because it is so firmly on the radar for most companies, it is also easy to see why those struggling with automation are at a significant competitive disadvantage.

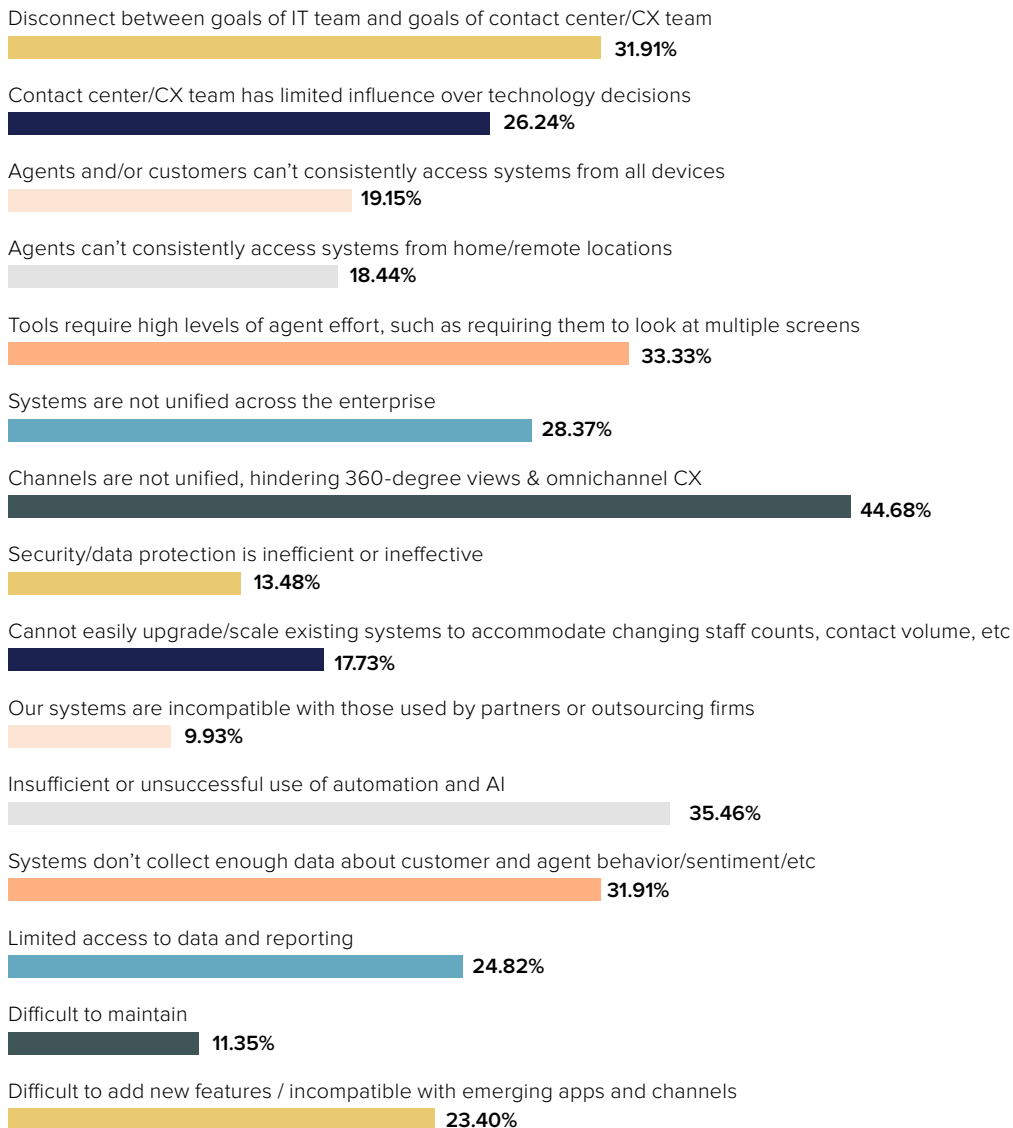
Lacking cutting-edge tools, integrated channels, and effective automation solutions, companies are unsurprisingly creating more effort for their agents. As these agents struggle to jump between tools, look across channels, or access relevant insights from CRM and knowledge systems, they are unable to deliver efficient, satisfying experiences for customers. They also endure their own frustration, leading to churn.

By adding workflow complexity and removing the possibility of in-person support, remote work compounds the impact of this agent effort. Difficult systems and processes will have even greater consequences for the customer experience process.

Since many companies acknowledge insufficient collaboration between the IT and customer contact teams, it should come as no surprise that their goals are misaligned. How can they find common ground when they do not collaboratively develop and refine their goals?

Customer centricity hinges on powerful customer intelligence. Despite that reality, many companies neglect to consider data reporting capabilities when sourcing technology. Fragments between channels and a lack of automation further hinder analytics capabilities, preventing companies from uncovering vital customer intelligence.

Which of the following contact center technology challenges are you currently facing / do you imminently expect to face?





OPPORTUNITY FOR OMNICHANNEL

Scoring their response at 3.39/5, companies are certainly not *upset* with how they handled the surge of digital engagement in 2020. Consumers share in their general content; 82% are more comfortable than ever receiving support in digital channels.

Companies are nonetheless certain they could have done better. And they know they must do better moving forward. They identify disharmony between digital channels as their #1 technology challenge

Most companies, moreover, know they cannot support an omnichannel experience.

As of December 2020, a mere 18% of companies believe they can support a seamless experience in and across most or all channels. “Omnichannel” may be an unavoidable buzzword, but it remains elusive in practice.

Fifty-one percent (51%) of companies rate their existing experiences as multi-channel. They can support customers in numerous channels, but they are not making it easy for customers or their data to move between these touch points.

Given that slow interactions, difficulty switching between channels, and repetitive questions are among the top customer pain points, these brands are delivering inherently weak experiences. Whatever goodwill they generate from *offering* more channels disappears the second customers attempt to move between channels.

Granted, at least they are meeting customers in different environments. A non-trivial amount of companies remain channel-limited.

About 15% of companies are channel-limited but hope to become multi- or omnichannel in the future. The other 16% have no ambition of reaching such thresholds; they are content operating within select channels.

A channel-limited mindset may be acceptable for some companies in the status quo, but it will doubtfully remain viable in the future. Consumers of all demographics are already showing a thirst for omnichannel engagement. Older consumers are communicating via digital media; they

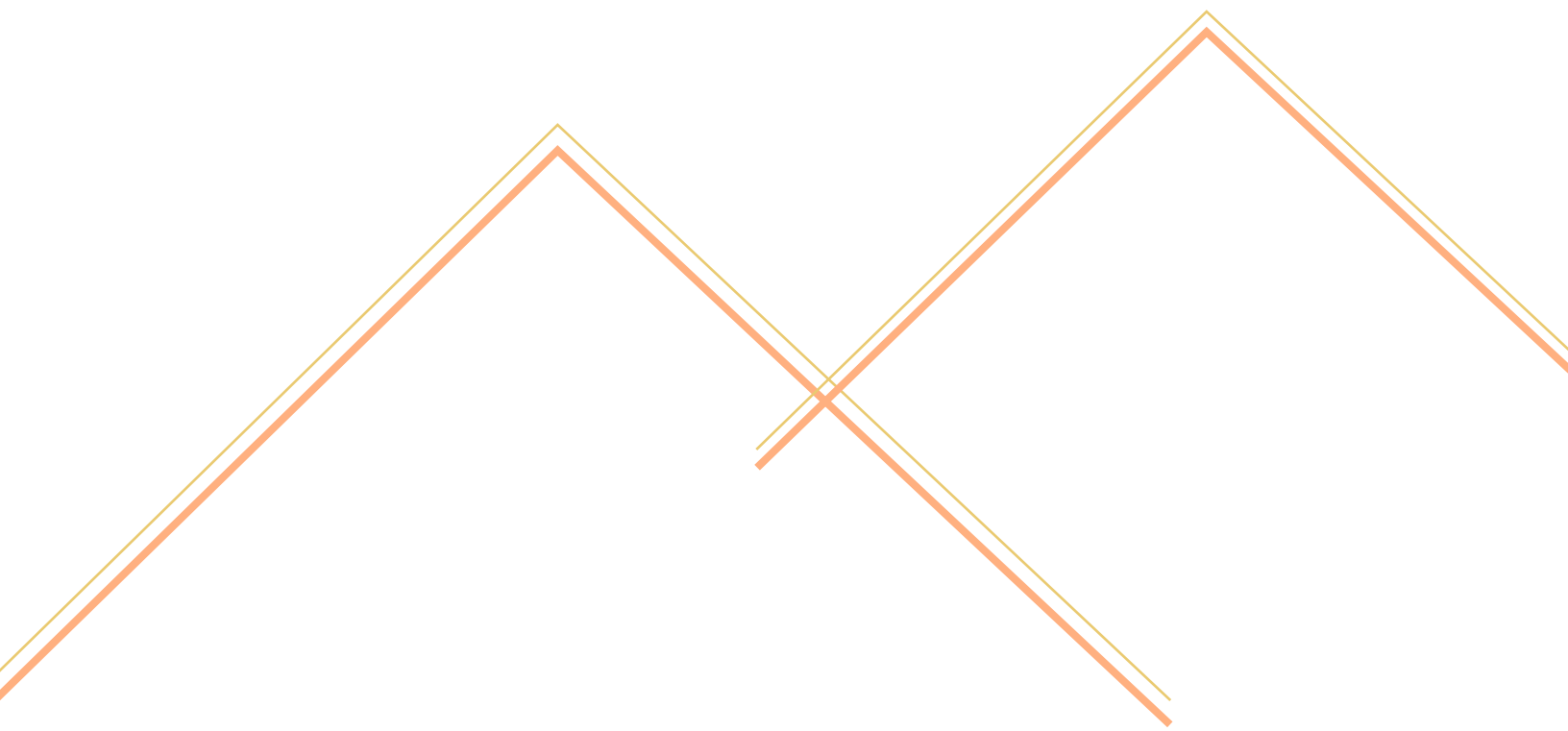
are no longer exclusive to the phone. Younger consumers, on the other hand, opt to call for certain issues even though they would *never* use voice communication in their everyday lives.

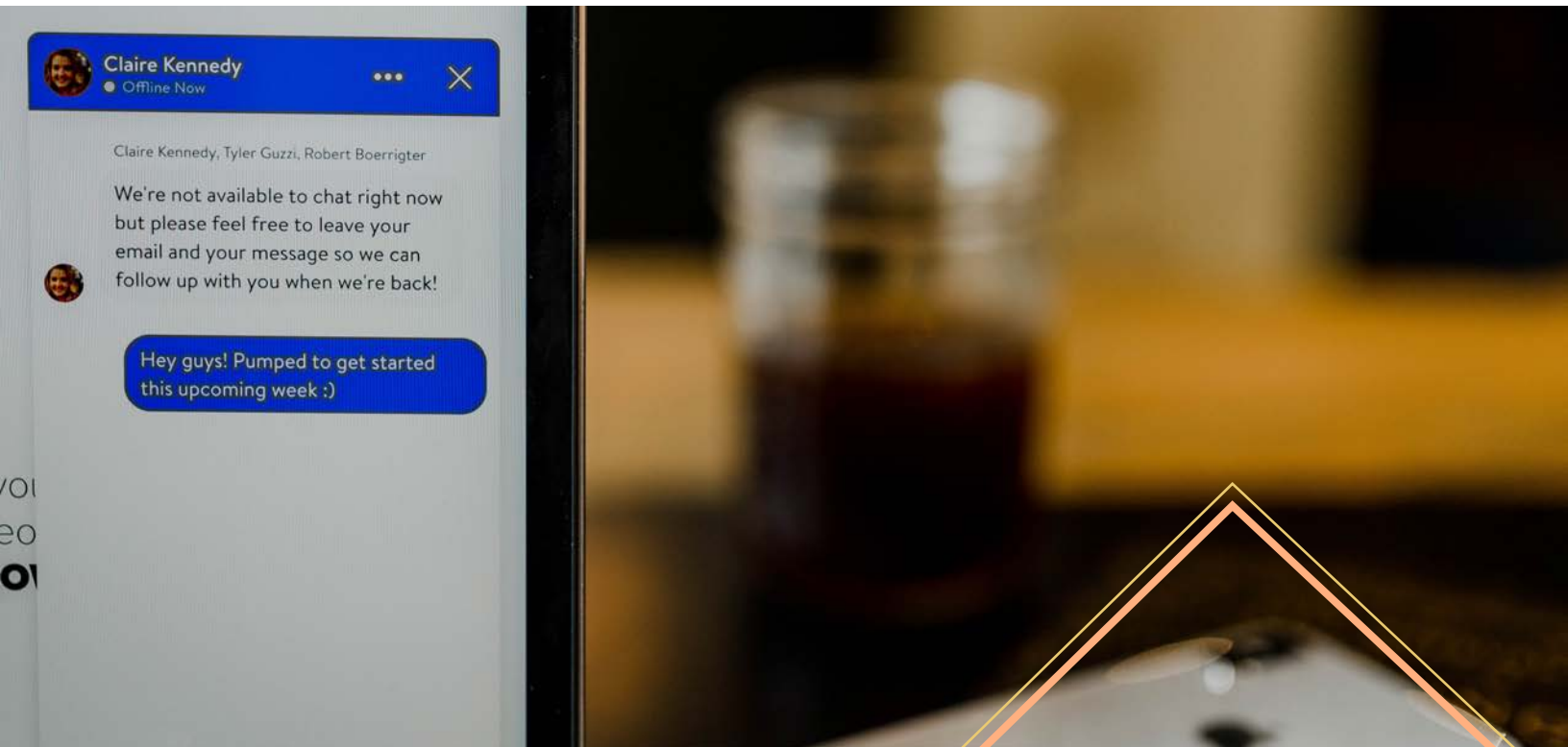
It is hard, therefore, to imagine many businesses that can ignore certain channels without consequence. As a result, technology that improves omnichannel communication surely warrants prime consideration.

Which best describes your channel engagement capabilities as of December 2020?



- **17.73%**
 We are fully "omnichannel" - can provide a seamless experience in and across most or all channels
- **51.06%**
 We are "multichannel" - can support most channels but it's not always easy for customers and data to move between them
- **16.31%**
 We are channel-limited by choice - we only value select channels and have no interest in going multichannel or omnichannel
- **14.89%**
 We are channel-limited but are working toward becoming multichannel or omnichannel





ASSESSING AUTOMATION

Any contact center that doubted the power of automation prior to 2020 is surely a believer following the transformative year. Every major development was essentially an argument for making an automation investment.

- 1 Surging, omnichannel contact volume demonstrated the need for chatbots and intelligent routing solutions.
- 2 Soaring workloads and new operational challenges underscored the importance of process and back-office automation.
- 3 Changes in work environment and capacity highlighted the value of workforce optimization solutions.
- 4 Evolutions of employee responsibilities and performances standards illuminated the relevance of agent augmentation and training tools.
- 5 New customer demands and behaviors heightened the impact of robust analytics platforms.

As they gained appreciation for the value of automation, companies recognized the inadequacy of their existing solutions. They identify “insufficient or unsuccessful use of automation” as their #2 technology challenge.

They, moreover, acknowledge only limited success in any of the five core automation categories: customer engagement, contact center operations, workforce management, agent experience, and analytics.

They are least content with customer engagement automation, rating their success at a mere 2.54/5. They are most proud of their workforce management automation, but the score of 3.17 is not necessarily cause for celebration.

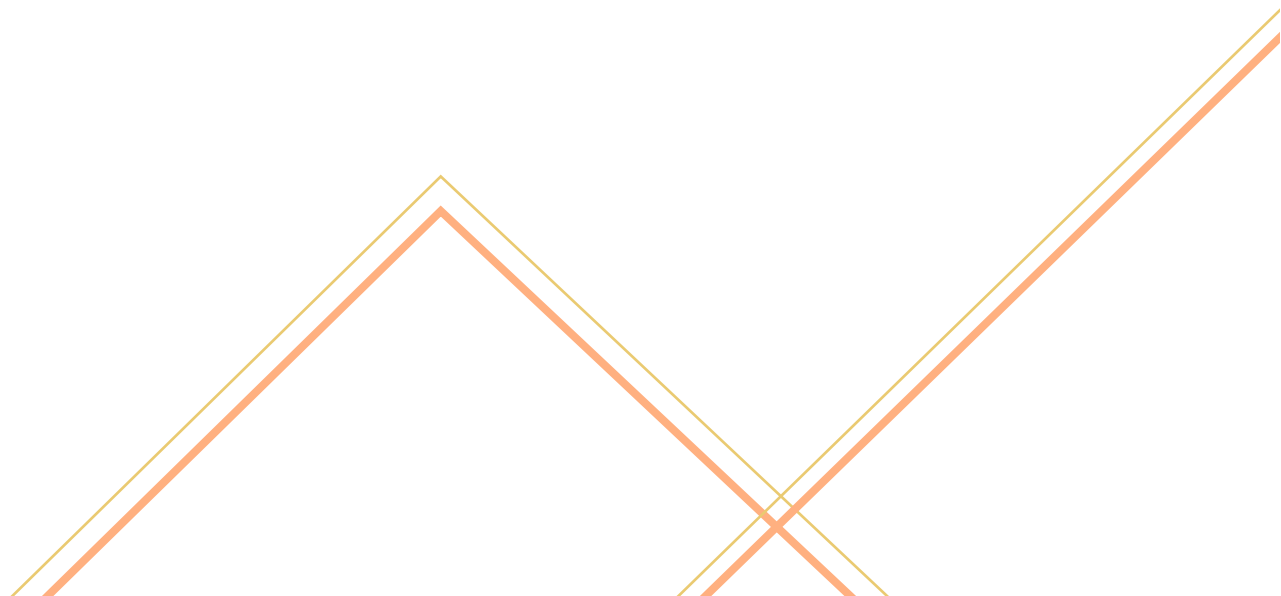
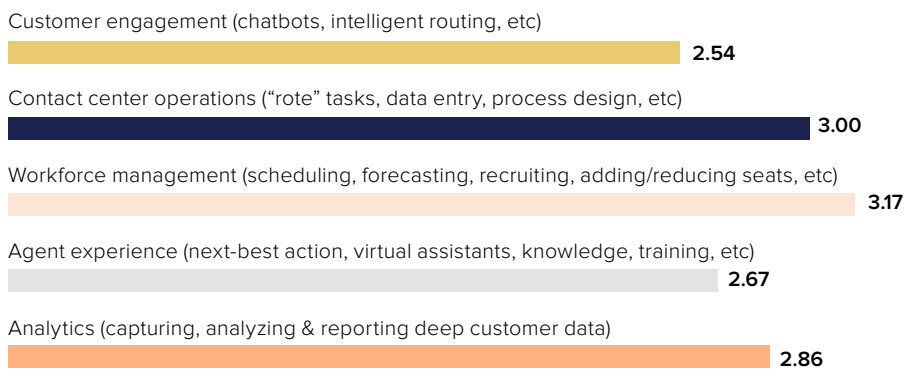
Indeed, most companies recognize ample opportunities for improving automation. Only 18% feel they are very successful at automating workforce management. That number falls to 14% for contact center operations and analytics, 13% for customer engagement, and a paltry 9% for agent experience.

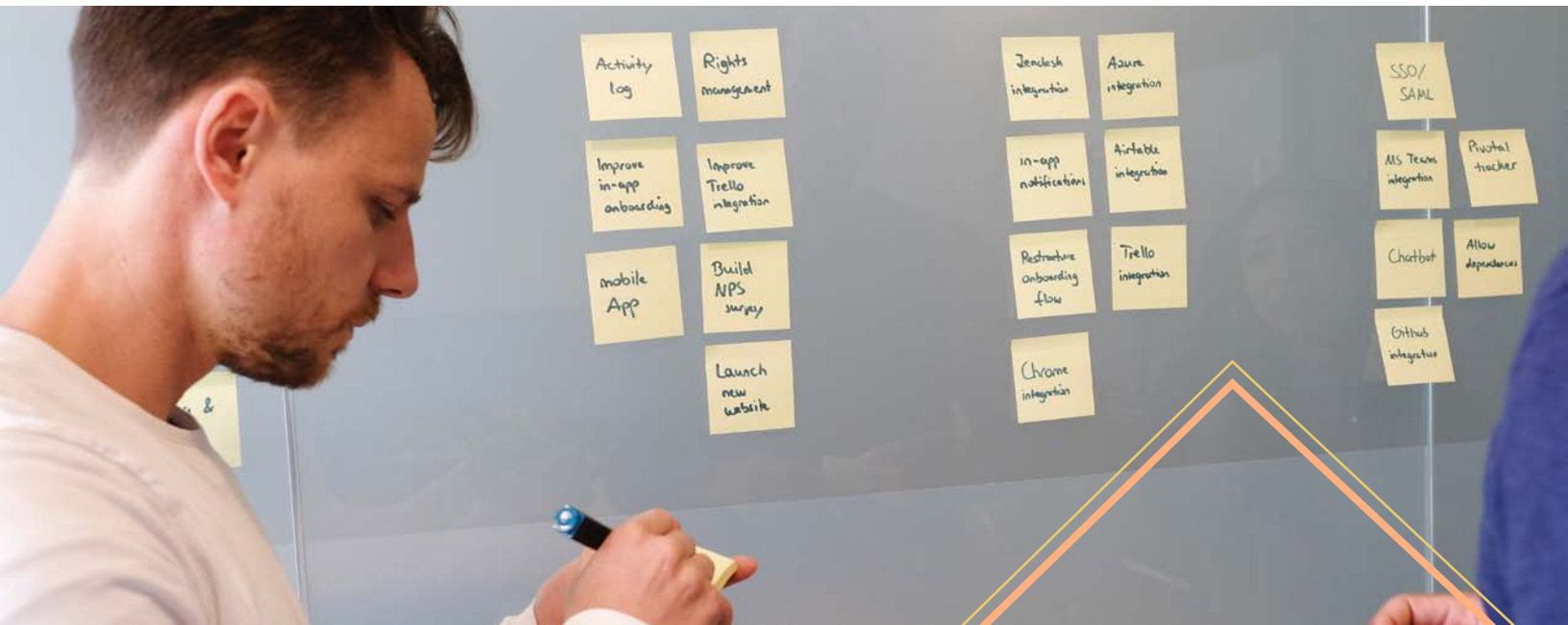
By helping contact centers to handle more work and perform better, automation solutions epitomize the idea of empowerment. They underscore the potential impact of contact center technology.

Mindful of that reality, customer-centric brands will not allow these results to stand in 2021. They will evaluate their entire customer contact operations, identify the best possible use cases for automation, and successfully implement valuable technologies.

While making these investments, they will avoid the short-term thinking that has plagued their prior technology initiatives. They will use automation as a springboard to a more agile, more customer-centric, more successful contact center in 2021 and beyond.

How successfully are you automating the following as of December 2020 (weighted calculation: 0 = very unsuccessful, 5 = very successful)?





FOCUSING ON THE FUTURE

On the one hand, companies cannot allow existing technology challenges to linger. They cannot allow solutions to continue complicating customer journeys and thwarting agent performance.

On the other hand, they cannot fixate exclusively on past mistakes and issues. They also have to look to the future, ensuring their investments contribute to long-term objectives. Each solution should bring them one step (if not many steps) closer to an agile, customer-centric operation.

Upon balancing these mindsets, companies will establish a set of priorities for their contact center investments. These priorities become the key criteria for measuring the impact of their technology.

For today's contact centers, the #1 focus is the digital customer experience. **More than 45% of companies call improving digital experiences a top priority for their investments.**

Digital engagement was already a focal point of the customer contact conversation, and it became pivotally important in 2020. For many companies and customers, it was the only way to deal with soaring call volume.

As they witness its growing importance, companies are also aware of their inadequate performance. They identify channel silos as their #1 technology challenge. Improving digital, therefore, strikes the perfect balance between solving an existing challenge and creating future value.

Other top priorities include **offering more effective self-service (42%), using AI to augment agent performance (41%), improving the day-to-day agent experience (40%), and predicting customer behavior, intent, and sentiment (39%).**

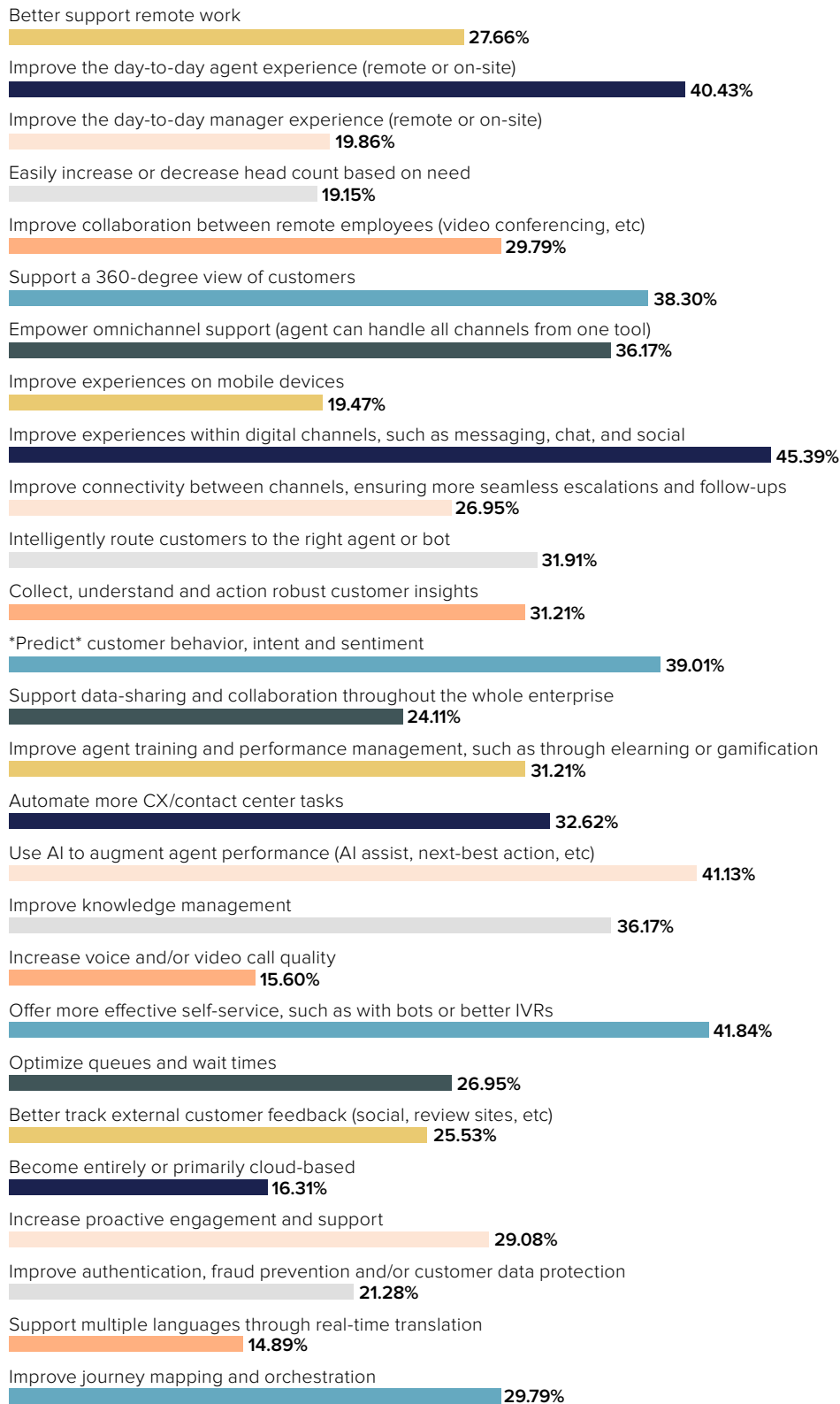
As with digital engagement, each of these priorities *also* strikes the perfect balance between addressing a challenge and improving performance.

By using AI technology to improve agent and customer experiences, companies address one of their most glaring weaknesses while markedly elevating their operations. Customers will be able to more conveniently solve problems in their channels of choice, and agents will be able to deliver more efficient and personalized experiences in a changing landscape.

Companies know that their existing systems impose undue effort on agents. By streamlining the agent experience, they will boost performance and *satisfaction* at a time when agents are already dealing with ample uncertainty and stress. Elevating the agent experience also helps agents retain talent in a more competitive job market (remote agents can look across the country, if not the world, to find their dream job).

By specifically professing a desire to *predict* customer behavior, sentiment, and intent, companies are not simply pledging to get more data. They are seeking *actionable analytics*, and will therefore prioritize technology that can turn customer insights into business results.

Which of the following are priorities for your contact center investments?



APPENDIX



Drive Value in Customer Service with the Right Tools and Tech

To understand online shoppers' experiences, Radial teamed with CFI Group to survey 500 e-shoppers to assess where customer service is now and where it is headed.



Get to Know Your Customers Day: Hallmarks of a Successful Customer Care Program

We've compiled a list of 5 things you can do to provide exceptional customer service and create a positive customer experience, each and every day.

2021 EDITORIAL CALENDAR

JANUARY

State Of Contact Center Technology



APRIL

New Benchmarks For Customer Contact Performance

TBD

JUNE

Customer Contact Industry Review

TBD

AUGUST

Customer Experience Trends, Challenges & Innovations

TBD

NOVEMBER

Future Of The Contact Center: A Forecast

TBD

FEBRUARY

Strategic Planning For CX Operations

February 9-11, 2021

APRIL

State Of Contact Center Technology

April 6-8, 2021

MAY

New Standards For Customer Contact Performance

May 25-27, 2021

JULY

Modernizing Service Experiences With AI & Digital

July 20-22, 2021

SEPTEMBER

Customer Experience Trends, Challenges And Innovations

September 14-16, 2021

OCTOBER

Business Continuity 2.0

October 26-28, 2021

DECEMBER

Future Of The Contact Center: A Forecast

December 14-16, 2021

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