

The Contact Center in 2015

Innovations and Trends

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What Is a Contact Center?

Before diving into the actual trends for 2015, it is important to highlight the importance of contact centers with the following statistics from *Harris Interactive*:

- Even if the economy is experiencing a slump, **60% of buyers** prefer to pay more for better customer service and issue resolution.
- **86% of consumers** are likely to quit doing business with a brand because of poor customer service experience. This number has almost doubled over the last 5 years and this trend will not slow down or change in the near future.
- **89% of buyers** actually migrate to a competitor after experiencing poor customer interaction with the original brand.

Numbers do not lie and these statistics demonstrate the importance of sterling customer service and engagement. And that is where a contact center steps in. It is defined as the centralized point of contact of a business or an enterprise, responsible for managing all direct interactions with prospects and buyers to provide exceptional:

- Technical assistance
- Product Information
- Product purchase assistance
- Cross sell and upsell advice
- Brand loyalty compensation
- And a plethora of other services to strengthen the bond between buyers and companies!

A contact center is often confused with a call-center. The main difference between the two lies in the scope of the services rendered:

- A contact center is an essential part of the overall customer relationship management (CRM) efforts and is defined as a **unified communication system** encompassing e-mail newsletters, postal mail catalogs, website enquiries, call center expertise, web chats and the collection of information from customers during in-store purchases.
- A call center, on the other hand, focuses solely on the voice call interactions between the business and its prospects (or clients). A contact center can boast multiple call centers if the enterprise in question is large enough.

Changes over the Years

Contact centers have evolved and grown both in terms of technologies employed and focus. The reason behind the latter is the rise of the empowered buyer. Prospects these days no longer rely on companies to provide the information they need to diagnose their problems and ascertain solutions. Everything from product specifications to reviews is freely available on the internet from reliable sources.

Individuals now demand “instant gratification” and maintain high expectations from brands. **A recent survey has shown that of the 81% of people who get in touch with a call center, only 8% profess to have a fruitful and satisfactory interaction.**

Thus the challenge businesses are facing is clear. They need to define new metrics to measure performance and they must optimize their contact centers to ensure “first point of contact resolution” defined as resolution of the client issue over the first call, web chat or email.

A decade ago, when a buyer experienced unsatisfactory service, he on an average spoke about it to 7 of his contacts. That number has now grown to 100s thanks to social media.

(*www.icmi.com)

In order to understand and leverage the trends that will rule the market in 2015, the first step is a paradigm shift. Instead of tracking the number of calls fielded and the queries answered, contact centers must monitor the actual value delivered to the prospect or the client through the interaction. As discussed in the subsequent sections, all emerging trends will ultimately allow businesses to embrace this shift easily and competently.

According to *Aberdeen*, the most iterated goals from investment in contact centers are:

- Improved customer retention (**42%**)
- Improved customer satisfaction (**33%**)
- Increased cross sell and up sell with a view to add value to purchases (**32%**)

Major Contact Center Trends for 2015

Some of the trends which will hold the market in sway came into prominence way back in 2013. The promise of their dominance will be realized in 2015 together with some interesting new introductions which will slowly gain momentum and completely change the way contact centers interact with their targets.

In-Cloud Contact Centers

Frost and Sullivan has predicted that the cloud based contact center market in North America will increase in terms of market revenue to \$2.1 billion in 2015. In-cloud call centers were perceived as an affordable alternative to the on-premises installations when the recession hit in 2008. Over the years though the cloud alternative has become more attractive and is now the first choice of many small and medium businesses. Large establishments with legacy systems are cautiously trying out hybrid models before committing fully to cloud contact centers.

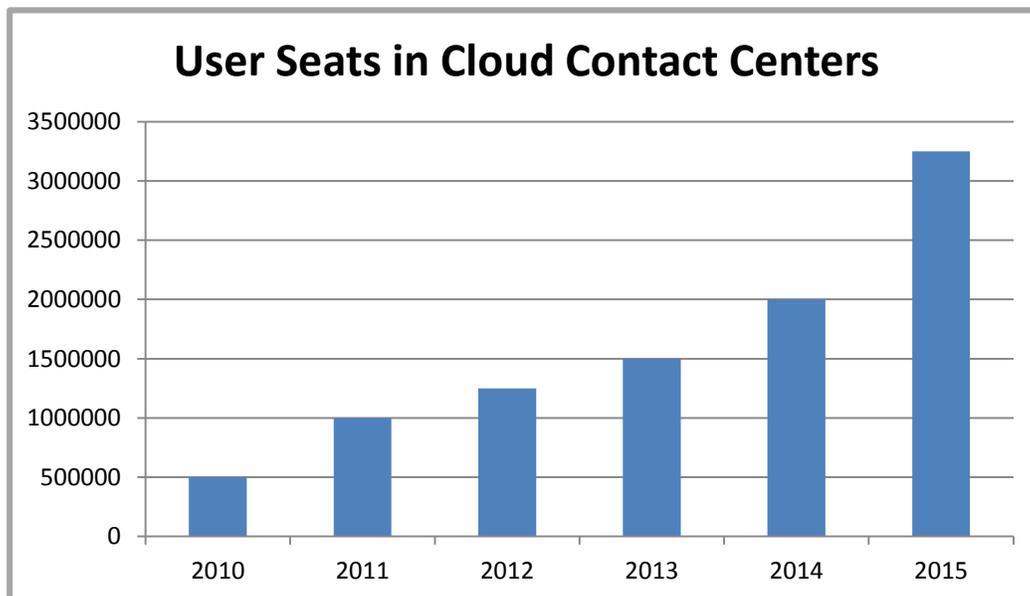
Operating from the cloud has its advantages:

- Scalability
- Easier and cheaper deployment of the system
- Cost-effective introduction of new applications without intensive IT interference
- Ease of management of remote agents

According to Frost and Sullivan, hosted contact centers are expected to grow by 12.1% in terms of market share every year.

In short cloud-based contact centers allow businesses to extend exceptional and reliable service at a fraction of the cost of premise-based installations. Moreover almost all the features a legacy system can extend are now available in cloud-based alternatives with additional bells and whistles, like better center activity reporting and agent performance feedback. This is very much in line with businesses' agenda to deliver value with each interaction.

The following graph supplied by Fonolo illustrates how the total number of user seats in cloud-based contact centers has grown on a global scale.



In 2015, 18% of contact center seats will be delivered by cloud-based systems and by 2016, 50% of Global 1000 companies will be leveraging the power of the cloud. This will usher in more advancements and better features to gain competitive advantage.

More Focus on Mobile Apps and Processes

This doesn't really come as a surprise since the total number of smart phone devices has reached the 1 billion mark.

The mobile migration trajectory of most businesses has been typical. The first concession was a responsive website, followed by functional mobile applications, which were mostly transactional in nature.

However, Forrester claims 68% of decision makers have reported that customer service integration to mobile applications is a top priority for the year 2015. Also a staggering 4 out of every 5 customers use some form of service engagement feature on their favorite brands' apps. It is also natural that these applications provide a more seamless and smooth experience to the users, along with an array of more advanced features like direct access to web chat and call-back, to keep pace with the growing popularity of mobile and smart devices.

Forrester states that \$900 million was spent on mobile processes in 2013. This number almost tripled in 2014 and will grow even more come 2015.

With better customer service and contact center features packaged in applications, companies must also invest more money in perfecting mobile processes and the underlying infrastructure to support this emerging trend without technical glitches and other shortcomings.

Some mobile customer service products are **Mobile Call-Back** by Fonolo, **Mobile Reach** by NICE and **Mobile Engagement** by Genesys.

Big Data Will Get Bigger

Big Data has been on the horizon of contact centers since 2012, but the trend has not matured as fast as expected.

Many experts are predicting 2015 as the year of the Big Data transformation. The **International Customer Management Institute (ICMI)** has found that currently 48% of contact centers concentrate on post-call performance data which is virtually useless to on-call agents who are expected to perform better and be more agile without on the call.

Thus in 2015, businesses will invest in big data analysis in order to equip contact center personnel with insights like caller context and sentiment, updated buyer engagement history and other actionable information to favorably influence their performance on the call itself.

This may mean integration of CRM and social channels with the contact centers in order to achieve a 360° view of prospect and customer activities.

For example, the site **onholdwith.com** publishes tweets of people on hold and allows companies a glimpse into the mind-set of customers who are left waiting so that the experience can be improved.

Speech analytics is another innovation which is a part of the “on-call” big data efforts. It can recognize the frustration level of the caller from the speech and escalate the issue to someone with greater authority if needed.

The Rise of Self-Service

According to the renowned brand Zendesk, in 2013, 72% of buyers searched a company’s website to find answers, so called self-service, but only 52% were successful. This is however still a big improvement over the mere 8% satisfaction rate of clients and prospects using call centers services.

There is wisdom in this statistic and the take-away is simple:

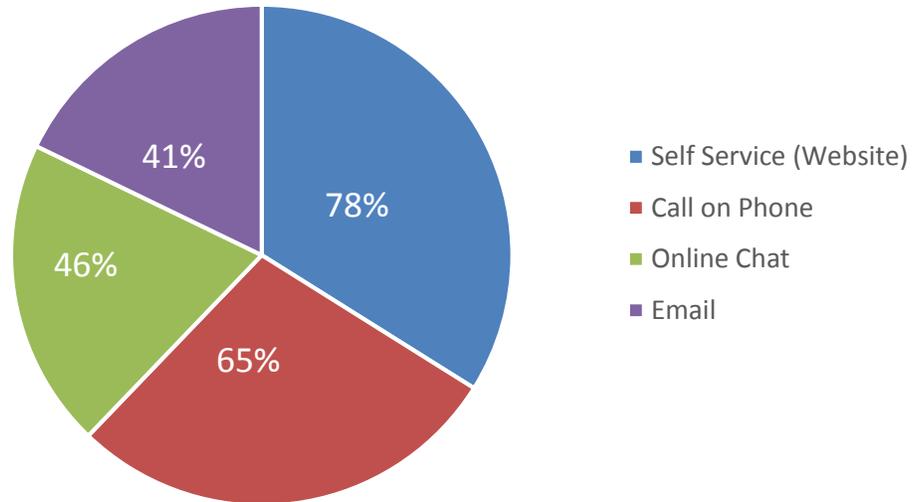
“In 2015, more and more companies will include self-service as an option for internet browsers and will invest in getting the infrastructure in place.”

Experts suggest simple navigation and a high-quality library of helpful content as the keys to success. Some even advocate sharing self-service tools on social channels to improve social integration. Self-service can drastically reduce call volume to live agents who are always an option even if the browsers opt to search for a resolution to their issues on their own.

The following pie chart is based on the data by **Contact Center Satisfaction Index (CCSI)** and illustrates the first-contact resolution success rate of different contact center channels.

Big Data Analysis investment in 2014 was at a whopping \$16.1 billion dollars and 2015 will further reaffirm the need of this investment.
(*IDC)

First-Contact Resolution Success Rate by Channel



Clearly self-service emerges victorious. Advanced self-service tactics like **Intelligent Virtual Assistants** will also define 2015.

Voice Pattern Recognition or Bio-Metrics

According to the **Global Economic Crime Survey** by PWC, economic crimes such as identity theft, IP infringement and accounting fraud, on average, have a financial impact of anywhere between a million and 100 million dollars per instance.

Add to that the loss of reputation and negative publicity that a company has to face and the need for stringent protection becomes very evident. Voice pattern recognition and voice bio-metrics have emerged as possible solutions.

Especially call centers in banking, healthcare and other sensitive industries are pushing for the development of reliable voice bio-metrics identification applications.

The advantages are twofold:

- Voice is a better identification than information like passwords and account data. It is a human attribute, specific to an individual and thus quite hard to tamper with and replicate. Moreover

Voice Delta International provides easy voice pattern recognition and bio-metrics for call centers. It creates custom voice prints of individual callers and enables auto identification.

voice bio-metrics doesn't simply rely on the voice quality, it relies on subtle nuances like the voice patterns which are extremely difficult to isolate and thus manipulate.

- Voice pattern recognition can not only cut down the average time of a call by 20 seconds, it can also save contact centers billions of dollars otherwise spent in identifying callers.

Intelligent Virtual Assistants (IVA)

IVAs take the concept of **IVR (Interactive Voice Response)** to the next level. The importance of self-service has already been discussed in earlier sections. The IVAs apply to companies which have already mastered traditional self-service and are looking to offer more exciting and engaging options to prospects and clients.

An Intelligent Virtual Assistant is a speech or text driven application that has a distinct persona and the ability to carry on conversations. It requires quite a sophisticated interface that is a good balance of pre-programmed responses and the ability to search content repositories to identify the right literature to resolve a particular issue.

SIRI by Apple is the vanguard intelligent personal assistant and the IVAs users can expect from contact centers will be very similar in function to it.

IVAs improve the self-service experience tremendously and by 2015, 50% of all customer self-service activities will be powered by them. (*Gartner)

ICMI Research has found that 68% of contact centers feel that by 2015, IVAs should be deployed globally in order to improve first contact resolution.

Video Assistance

Vimeo has conducted intensive research and has found that when people are exposed to content for 12 hours, they retain 10% of text, 65% of images and 95% of video. Thus, troubleshooting and other user experience instructions delivered in video format are easier to assimilate and then execute.

Video can be leveraged by contact centers in a number of ways:

- Mobile applications encouraging video chats with contact center agents can lend depth and emotional sensitivity to the interaction and also lead to faster issue resolution.

In 2012, 18% of managers planned on introducing video assistance in their contact center mix over the next two years. That intent has been realized.

- Video content as discussed above is more engaging and likely to further improve both self-service and agent guided user experiences.
- Lastly, clients can also shoot videos describing their problems and upload it to company websites instead of composing emails or stammering on call. In response they can receive recorded solutions from experts complete with screenshots for vivid explanations. This will be especially convenient for the IT industry.

IKEA, Verizon and **iRobot** have already started using video assistance and the results are very encouraging.

Omni Channel Users & Right Channeling

When a user or prospect comes in contact with a brand, he or she can engage with it via the following recognized channels:

- Website
- Interactive chat
- Phone call
- Email
- Social channels
- In person visits (in case of retail stores)

25% of consumers utilize one to two channels when seeking customer service and 52% of consumers utilize three or four channels (*Ovum)

Each channel has its own upsides and flip sides. Buyers and prospects switch between channels depending on their need and convenience.



Until now companies have been able to concentrate on a few channel and still extend reasonable customer service. However in 2015 and beyond, the omni-channel users will render this approach ineffective. Empowered users will demand that brands engage with them and solve their problems across all possible channels and even maintain consistent performance of agents and content.

Without right channeling or the ability to choose the channel of their choice, buyers and prospects will not be satisfied.

This is a very tall order and Gartner says that **80% of omni-channel implementations fail** thus negating the possibility of right channeling as well.

2015 is definitely a pivotal year for companies looking to offer assistance in several formats and on multiple platforms.

Gamification

Gamification refers to the incorporation of gaming elements in mundane business processes in order to improve client and employee engagement and promote reinforcement of positive behavior with the help of progress bars, points and levels of accomplishment.

The first industry to adopt gamification was e-learning where it introduced an element of fun to the proceedings by visualizing student progress and by rewarding efforts.

According to Gartner 70% of Global 2000 companies will have at least one gamified application in use by end of 2014.

Stalwarts like Arcaris and Desk.com are pushing for contact center gamification to:

- Make the job easier for employees who are easily stressed out and thus change jobs frequently contributing to high churn rates
- Engage clients better so that contacting assistance is no longer a burden

Gamification calls for more user friendly interfaces, custom notifications with appreciation and calls to action when users complete certain tasks and even the option to “unlock” bonuses and special features by accumulating sufficient points.

The following are two examples of how gamification may be leveraged on the employee and client side respectively.

Congratulations!

You have successfully hit the following targets for the month of July

-  **Attended 200 plus calls**
-  **Resolved 75 plus issues on first call**
-  **Up-sold products worth more than \$30,000**
-   **Your Profile has been tweeted as "Employee of the Month"**

Employee-side gamification

Congratulations!

You have successfully completed the following tasks:

-  **Submitted video of query**
-  **Watched Suggested content by IVA**
-  **Rated your experience using our mobile app**
-  **Your bonus features for this app have been unlocked!**

Client-side gamification

Conclusion

Contact centers will keep facing the pressure to perform better over 2015 and this will force innovations. But the major underlying themes of these innovations will be the trends discussed in this paper.

Agile response from both brands and agents is necessary to maintain market share and serve customers better.

Continuing to stress on the lessons learned in 2014, companies will stop viewing contact centers as data bins and a reluctant necessity, and will fashion them into profit centers with all the needed trappings of customer care excellence. After all it takes **12 positive experiences to make up for one negative experience** and this renders the contact center stakes too high!

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