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The Most Important Contact Center Trends You Need to Know in 2020

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To thrive in 2020, contact centers must set their sights on strategic differentiation when it comes to customer experience, not simply firefighting. No longer is it sufficient to react in the moment and call it good enough. The smartest (and most successful) contact center leaders realize they need to keep looking forward at all times to identify the important customer experience trends shaping the industry.

For this e-book, we interviewed industry analysts and Serenova customers and prospects to identify the six most critical contact center trends that will emerge in 2020 and deserve attention now. Understanding these issues will help you effectively prioritize resources, including time, budget and workforce, to ensure your contact center operates at its full potential.

TREND 1
The Cloud Is Here to Stay.

Cloud-based contact center-as-a-service (CCaaS) platforms are now the default choice for contact centers seeking to free themselves from the shackles of outdated, hard-to-scale and overall less effective on-premises solutions. In fact, cloud infrastructure deployments have grown 36%, while implementations of on-premises systems fell.[1]
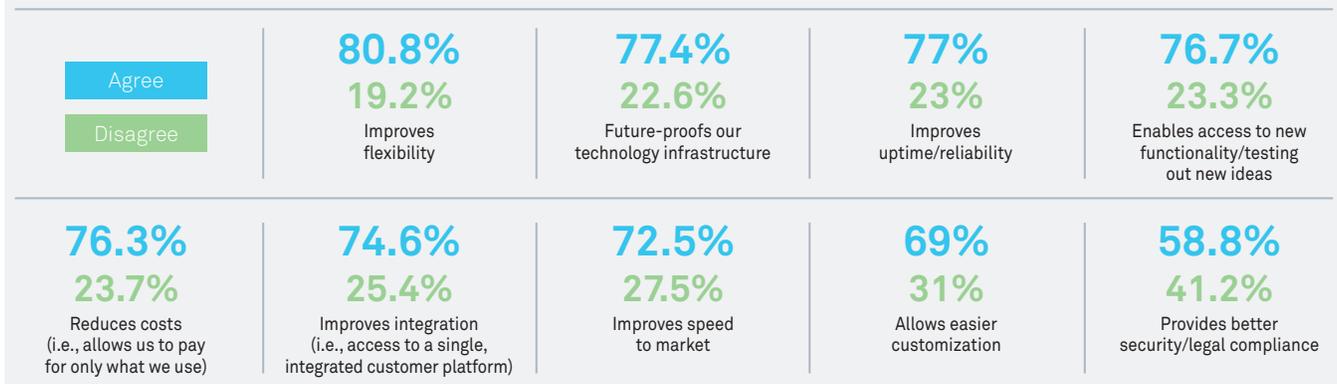
Cobbling together disparate, non-integrated systems prevents your contact center from getting a full, omnichannel view of customer interactions and negatively affects service delivery levels. Similarly, patching together a platform that is a hybrid of on-premises and cloud technologies won't offer the same advantages as an architecture that is "true cloud," or entirely cloud-based.

Research backs up the assertion that the cloud enables positive business outcomes. According to Dimension Data, 81% of contact centers say their cloud solutions offer improved flexibility, while 76% say the cloud helps cut costs.[2] The cloud impacts business agility, speeds deployments and offers the capability to quickly react to capacity fluctuations. These benefits help contact centers deliver on the promise of an exceptional customer experience.

Cloud Becomes a Source of Flexibility for Contact Centers

80.8% say cloud solutions provide improved flexibility; 76.3% say the cloud helped them cut costs

Based on the results achieved from existing users, the case for cloud is compelling.

Agree / Disagree	**80.8%** 19.2% Improves flexibility	**77.4%** 22.6% Future-proofs our technology infrastructure	**77%** 23% Improves uptime/reliability	**76.7%** 23.3% Enables access to new functionality/testing out new ideas
76.3% 23.7% Reduces costs (i.e., allows us to pay for only what we use)	**74.6%** 25.4% Improves integration (i.e., access to a single, integrated customer platform)	**72.5%** 27.5% Improves speed to market	**69%** 31% Allows easier customization	**58.8%** 41.2% Provides better security/legal compliance

Source: 2019 Global Customer Experience Benchmarking Report, Dimension Data

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Deep Integration Benefits

Contact centers that moved to the cloud to leverage an integrated contact center solution reap additional rewards, including improved flexibility and reliability. In fact, 78% of contact centers already using a cloud solution agree that an integrated solution makes it easier to run pilot tests and experiment with new functionality.[3]

As Forrester points out, "The move by contact centers to both a cloud and integrated suite of contact center solutions allows the flexibility to test and, ultimately, implement solutions that deliver an exceptional customer experience."[4] That means, if you want to test a few agents working from home, you can easily roll out on a limited scale and expand gradually as your contact center is ready. It's tougher to run tests with on-premises systems due to time-consuming hardware updates and because it is often more expensive to access new functionality.

Also fueling the move to the cloud is the high—and growing—percentage of companies using cloud-based CRMs. With a cloud contact center platform, organizations can more easily integrate with their cloud CRM and gain productivity benefits such as screen pops that instantly pull in key customer information from the CRM and display it on agents' screens so calls can be personalized.

As the benefits evolve, contact centers continue to find the cloud to be an undeniably long-term answer to optimizing operations and customer experience.

TREND 2

Adapting to Generational Workforces Is Critical.

Most contact centers struggle with maintaining high employee satisfaction and retention. Looking ahead, this becomes more challenging considering the unique needs of Generation Z (Gen Z) and Millennial employees—a large (and growing) percentage of the total current and future contact center workforce.

Both generations have unique characteristics contact center leaders must understand and navigate. Millennials are almost 70% of the contact center workforce.[5] They're also the generation least happy with their jobs and most likely to quit. In fact, 45% of Millennials and Gen Z say they plan to resign from their current contact center positions.[6]

So, what drives Gen Z and Millennial agents' restlessness?

83% want to move up in their organization, yet only 58% say their employer provides the opportunity to do so.

91% want to feel like a valued team member, but only 58% work in a collaborative environment.

80% say using up-to-date customer service software is critical, but only 35% say this type of technology is available to them.

93% say it's important to be working in an environment where they feel respected, the highest ranked of the 14 factors in the research study.

Source: Why Young Call Centre Agents Are Most Likely to Leave–and What to Do about It, MyCustomer.com, July 2018

(3) 2019 Global Customer Experience Benchmarking Report, Dimension Data
(4) How to Design Your Contact Center to Be Customer-Centric and Deliver Exceptional Customer Experiences, Serenova blog, August 7, 2019.
(5) Growing Millennial Workforce? Time to Implement an Omnichannel Contact Center Platform, Smart Customer Service, April 4, 2018.
(6) Why Young Call Centre Agents Are Most Likely to Leave–and What to Do about It, MyCustomer, July 5, 2018.

Don't Lump Millennials and Gen Z Together

Although it's tempting to lump these two groups together, it's important to understand they aren't identical, which necessitates unique methods to manage and motivate them. For example, Millennials are idealistic, value authenticity and want engaging jobs so they can connect emotionally and behaviorally to their tasks. They also want to work for companies that value work/life balance. They have a strong desire to make a difference in the world.[7]

Gen Zs also want to shape their professional destinies, but it's tempered with a larger dose of realism. Many Gen Zs consider themselves entrepreneurs at heart, an important trait for managers to understand and nurture. Gen Z employees are also less influenced by money and, instead, value the opportunity to build, change, develop and influence. They're highly technical, highly practical and hyper-connected.[8]

Managing the Gen Z Workforce

It's important for contact center leaders to understand how to manage Gen Z agents to foster greater job satisfaction and reduce attrition. For instance, once they've mastered a task, Gen Zs want to move on. The solution? Show them how what they're learning is a wise investment in their future. Since they often have their eye on the next job, this can help them understand how learning new skills will satisfy long-term career goals.

Engaging Gen Z agents is key to minimizing attrition. One way to do this is by using tools and processes, such as gamification, so they understand how they're performing against themselves and their peers. This helps them become highly skilled agents while increasing motivation and engagement.

Embracing the Gig Economy

One of the important shifts in modern employment is the advent of the gig economy, in which freelance and part-time positions are commonplace. In 2020, 43% of Americans will work freelance or part-time,[9] and some prefer it to traditional full-time work because it supports greater flexibility, freedom and personal fulfillment. For instance, Gen Zs often want the ability to take on side gigs to realize personal ambitions such as fulfilling artistic endeavors. Working shorter shifts that are two to three hours long, rather than eight, better supports their broader life, personal goals and interests.

How do managers respond to these desires and still uphold service levels? One answer is an integrated, cloud-based workforce management (WFM) solution that supports the flexibility this new workforce seeks, such as the ability to manage their own schedules, trade shifts and view performance in real time. An integrated cloud contact solution lets agents work from any location and more easily set their hours, while managers can still keep an eye on performance.

Getting to Know Your Fastest-Growing Group of Agents

Gen Z Traits

- **Phigital:** Their real and virtual worlds naturally overlap.

- **Hyper-Custom:** They expect to be able to customize everything about their lives.

- **Realistic:** Since they were born in the post 9/11 world and have experienced a recession and terrorism, they're very pragmatic.

- **FOMO:** Gen Z has an intense fear of missing out on anything.

- **"Weconomies:"** They've only known a world with a shared economy.

- **DIY:** Since YouTube is a key resource for them, they have no issue doing things themselves.

- **Driven:** They're ready and hungry to roll up their sleeves.

Source: Gen Z @ Work

(7) What Millennials Want from Work and Life, Gallup, May 10, 2016.
(8) What Are the Key Differences between Millennial and Gen Z Employees? The Namely Blog, August 5, 2019.
(9) The Gig Economy: 2020 Freelance Workforce Predicted to Rise to 43%, Nasdaq.com, June 14, 2017.

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Native Workforce Optimization Solutions Deliver Best Results.

TREND 3

In Trend 1, we discussed how, together, the cloud and a unified contact center platform powerfully help contact centers deliver an outstanding customer experience. Similarly, industry analysts say workforce optimization (WFO) solutions that are native, or built in, to a larger contact center platform are now an important requirement for success.

Gartner predicts "new technology platforms will be cloud-native, mobile-native and real-time data driven, and they will constantly be updated with new, innovative functionality, and can easily extend and integrate with other systems."[10]

Forrester underscores the importance of native WFO, in particular, as contact centers enter the age of artificial intelligence (AI).[11] Natively integrated WFO technologies, such as WFM, quality monitoring, call recording, performance management, and text and speech analytics, offer immediate benefits. By contrast, vendors that take a partnership approach to WFO, which isn't in line with the future cloud contact center market that Forrester envisions,[12] won't fulfill contact centers' increasingly complex requirements.

Benefits of Native WFO

Why use native WFO? A key benefit of native WFO includes eliminating the need for agents to learn multiple systems and interfaces. Native WFO makes it easier for all contact center employees to use the entire platform and quickly gain efficiencies.

An additional benefit to native WFO is that it drives better business decisions. Sharing data between a WFO application and your broader contact center platform is a non-issue with a native WFO solution. Shared data results in consolidated operational analytics, agent evaluations and schedules that can, according to Forrester, "provide the foundation for AI applications to further boost a contact center's efficiency and effectiveness."[13]

Natively integrated WFO solutions support flexible workforces, including employees and contingent workers (which can be important for Gen Z agents). If supervisors and agents aren't in the same location, a cloud-based, native workforce management solution can still support them in conducting quality management reviews regardless of where the supervisor or employee works.

(10) Prepare Yourself for the Future of Workforce Management, Gartner, Published Feb. 23 2018, Refreshed July 2, 2019.
(11) The Forrester Wave™: Cloud Contact Centers, Q3 2018, Forrester Research, Sept. 25, 2018.
(12) The Forrester Wave™: Cloud Contact Centers, Q3 2018, Forrester Research, Sept. 25, 2018.
(13) The Forrester Wave™: Cloud Contact Centers, Q3 2018, Forrester Research, Sept. 25, 2018.

TREND 4

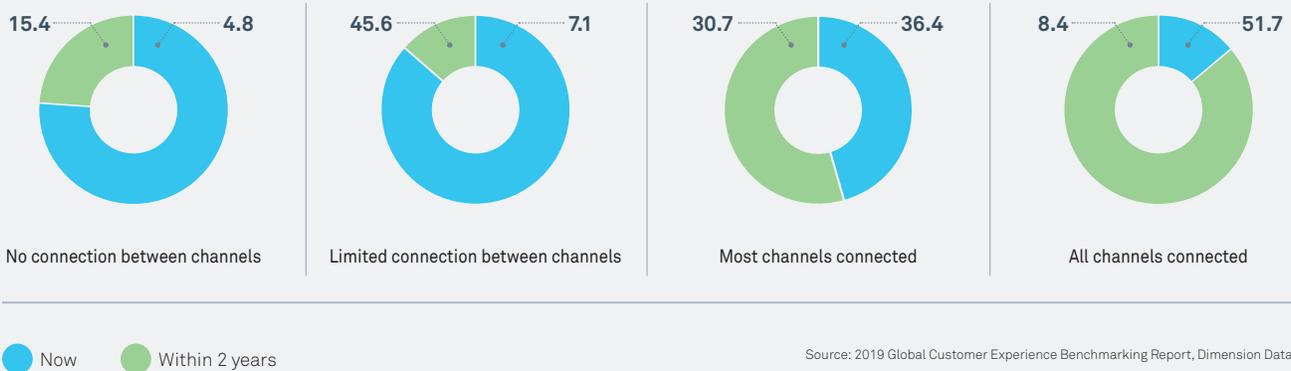# Goodbye Channel Divide, Hello Channel Unification.

Many contact centers still have a separate strategy for each channel, including using different vendors for phone, email and chat. Unfortunately, this also means most companies are a tangle of disparate communications. Dimension Data found that 15% of contact centers have no connection between channels; 45% have limited connection and only 8.5% have connected all channels.[14] This lack of unification causes significant issues for both agents and customers. Ultimately, it's a major drag on customer experience.

Separate Channels Create a Poor Customer Experience

If your agents struggle with multiple systems that don't connect, your customers will be frustrated when they're forced to repeat their issue and personal details. This translates to an inconsistent experience with your company, which can lead to higher customer service costs and lower customer satisfaction.[15] Agents must have a unified view in order to service customers well and improve the overall customer experience.

A channel divide also creates a poor understanding of customers' journeys as they interact with your organization. If channels are separate and data can't be shared between them, you'll struggle to pinpoint where customer service issues occur. Many organizations wrestle with this issue; just 35% of organizations can track interactions across multiple channels, 76% can't locate process blockages and 64% can't identify key decision points.[16]

Most Businesses Are a Mess of Silos

15.4	4.8	45.6	7.1	30.7	36.4	8.4	51.7

No connection between channels | Limited connection between channels | Most channels connected | All channels connected

● Now   ● Within 2 years

Source: 2019 Global Customer Experience Benchmarking Report, Dimension Data
n=884

(14) The Forrester Wave™: Cloud Contact Centers, Q3 2018, Forrester Research, Sept. 25, 2018.
(15) Transform The Contact Center for Customer Service Excellence, Forrester Research, March 19, 2019.
(16) 2019 Global Customer Experience Benchmarking Report, Dimension Data

Evolving to a Channel-less Contact Center

As contact centers become more sophisticated in integrating channels, they follow a natural evolution from using multichannel technology to omnichannel and, finally, to channel-less. According to Forrester, "channel-less" means companies are channel-agnostic and can easily add a new channel without creating separate business logic. With channel-less, it won't matter which touchpoint a customer uses to contact your organization. You'll be able to respond in a consistent and seamless manner.

Another way to think about this is that agents' skills will be based on the customer relationship, not the channel or device. Forrester predicts that channel-less contact centers will be widespread by 2028, allowing for a common way to define rules, policy, contextual data and responsive user experience tuned to the touchpoint. This will help weave together an outstanding customer experience.

	Multichannel	Omnichannel (basic)	Omnichannel (advanced)	Channel-less
Customer (engagement, content, design)	Transactional No context Functional	Conversational Context exists Transactional	Predictive Intent-focused Holistic	Transformational Personal assistant Organic
Technology (touchpoints, platform, analytics, action)	Sliced channels Structured data Team-based; fragmented; minimal insight Business rules engine	Paired channels Bi-channel data Shared info for two channels; group-level insights Business rules and decisioning engine	Orchestrated channels Journey and unstructured data Shared insight across company Decisioning engine and business rules	Federated channels Big data Shared info and insight beyond company AI-driven decisioning
Business (strategy, structure, journey mapping, metric)	Satisfaction Team-focused channel optimization Single channel CSAT	Retention Shared info for two channels; group-level insights Define journey; bi-channel NPS	Loyalty One CX governance team Define journey; multichannel; device, data integration	Advocacy Teams built around outside-in view Define journey; lifecycle integration

How to Design Your Contact Center to be Customer-Centric, Forrester Research.

TREND 5

A New Era of Metrics Focuses on Customer Experience, Not Just Agent Behavior.

The historical focus for contact center metrics has been on improving agent behavior, with the intention that it would positively influence customer service outcomes. However, it's possible to achieve high-quality performance scores while still delivering a terrible customer experience.

Incentivizing agents to achieve low average handle time (AHT), for instance, is widely used. But it can have unintended consequences, such as driving agents to quickly end interactions before customers' issues are resolved to their satisfaction. A high AHT can also mean agents are struggling to access the right tools and information to answer customers' questions. Forrester found that AHT used to be a key metric for many contact centers, but as organizations understand the implication of focusing on AHT, it is used less frequently as a key performance metric.[17]

In 2020, contact centers will adopt customer experience metrics that drive loyalty and service and focus less on agents' behavior. Well-designed customer metrics are those that focus on customer effort, customer satisfaction, revenue (sales and collections), agent effectiveness and engagement and agent productivity.

TREND 6

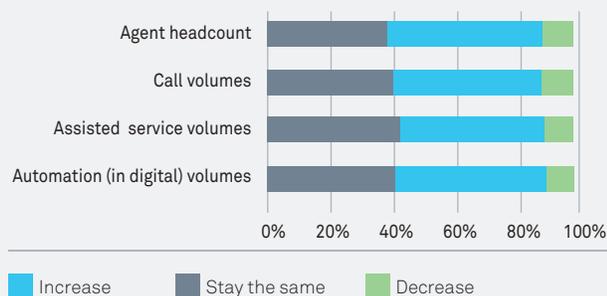# Re-Imagined Customer Experience: AI Will Augment Agents, Not Replace Them.

Few trends have been as hyped as AI in the contact center. Expectations range from using AI to dramatically slash agent workforces to eliminating the vast majority of interactions as customers use AI-enhanced self-service options.

The reality is AI holds great promise for the contact center. Industry expert Shelia McGee-Smith believes AI will enable contact centers to deliver the experiences customers expect, but currently rarely receive.[18]

One of the much-touted benefits of automation is reducing agent headcount. However, according to Forrester, 90% of contact centers do not anticipate AI reducing their headcount or interaction volumes. In fact, they estimate that agent headcount will increase by nearly 11% with AI.[19]

The Impact of Digital and Automation Not Yet Felt

How will digital transform your contact center operations in the next two years?

Agent headcount	
Call volumes	
Assisted service volumes	
Automation (in digital) volumes	

0% 20% 40% 60% 80% 100%

90%
Are not reducing headcount nor see decreases in interaction volumes through 2020

10.99%
Average increase in AHT

■ Increase   ■ Stay the same   ■ Decrease

Source: Forrester's Global Business Technographics Networks & Telecommunications Survey, 2018.

(17) How to Design Your Contact Center to be Customer-Centric, Forrester Research for Serenova.
(18) Designing Customer Experience for Scalability and Agility, McGee-Smith Analytics for Serenova.
(19) How to Design Your Contact Center to Be Customer-Centric, Forrester Research for Serenova.

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How can AHT possibly increase with all the touted benefits of automation? Simpler interactions will be handled by AI so agents can service more complex, time-consuming issues. The value of AI, therefore, is two-fold: it automates and simplifies the increasing complexity of interactions and augments agents by freeing them up to service issues that can only be handled by a human.

AI Supports Agents' Effectiveness

According to Forrester, one of the key issues stifling customer service is that most contact center solutions overload agents with too much information rather than "providing crisp, clear advice that agents need to quickly and effectively start a productive conversation with a customer."[20] AI can solve this by giving agents content and context so they have relevant information about a customer's history at hand in order to provide personalized service.

AI can also help managers by automating lower-level tasks, including quality assurance, forecasting and scheduling. AI will free up managers to focus on strategy and differentiated customer experience rather than spending time on menial tasks.[21]

As simpler transactions are automated, contact center leaders must empower and train their agents to handle complex interactions intelligently. Forrester predicts automation will cause agent wages to rise in order to reward their higher skill levels and retain solid performers. Unfortunately, this is unwelcomed news for contact center leaders expecting a direct correlation between increased automation and lower labor costs.[22]

The Rise of the Cognitive Contact Center

Forrester predicts the establishment of "cognitive contact centers," or "next-generation contact centers that blend data, machine learning, conversational interfaces, omnichannel and processes that accelerate the evolution of self-service optimization and workforce augmentation. They incorporate AI to personalize matching agents to customers, enhance agent interaction abilities and offload management tasks."[23] Cognitive contact centers will also eliminate channel touchpoint silos by becoming channel-less (See Trend 4 for more information on channel-less).

According to Forrester, cognitive contact centers will use AI to enhance:

- **Agent selection:** AI will match customer requests to the right agent by understanding the customer's intent and history. Using this information, AI will route them to an agent who has specific skills and a particular personality profile.

- **Agent assistant:** AI gives agents the right amount of information for a customer, which, in turn, helps them delight the customer. In the healthcare industry, for example, this has increased customer satisfaction 23% and first contact resolution by 3%.

- **Quality evaluations:** Quality Assurance (QA) teams typically review a small percentage of calls, but the downside is that important feedback can be missed. AI can automate the evaluation process so more interactions are reviewed and feedback is given to agents quickly. One AI-powered option is to use real-time speech analytics, which can advise agents, in real time, of areas to improve or change. AI can also proactively identify hot spots where there's lack of customer satisfaction or completion, including sentiment detection.

- **Channel blending:** Customers often hop across channels such as from text to a phone call. AI lets contact centers redirect them to a more appropriate channel when necessary. For example, if a customer calls on a smart phone with an issue, AI can display intelligent visual IVR options/questions on the customer's phone rather than forcing them to listen to spoken IVR menu options. Most customers find this an improvement over listening to a long list of IVR choices, many of which are often not relevant.[24]

(20) How to Design Your Contact Center to Be Customer-Centric, Forrester Research for Serenova.
(21) Future-Proof Your Customer Service: Build An AI-Infused Cognitive Contact Center, Forrester Research, Feb. 23, 2018.
(22) Future-Proof Your Customer Service: Build An AI-Infused Cognitive Contact Center, Forrester Research, Feb. 23, 2018.
(23) Future-Proof Your Customer Service: Build An AI-Infused Cognitive Contact Center, Forrester Research, Feb. 23, 2018.
(24) Future-Proof Your Customer Service: Build An AI-Infused Cognitive Contact Center, Forrester Research, Feb. 23, 2018.

Conclusion

As contact centers evolve and customers' expectations increase, it's important to keep pace with the trends that will determine contact center success. In 2020, these six trends will play a key role in delivering outstanding customer experiences. Contact centers that study these trends and identify the ones that will have the most impact on their organizations will be well-prepared to harness them to their full advantage, long-term.

About Serenova

Serenova has transformed the customer experience. Over a decade ago, the company realized technology didn't exist that could deliver immediate, consistent and exceptional service. So, it created a true cloud contact center solution that could. The result is the ability to unify everything from customer engagement to quality management to analytics. This single source of truth provides global brands insights about customer information and experiences as they pivot between channels such as SMS, voice or Facebook messenger.

Whether it's technology, healthcare or retail, brands from all industries come to Serenova for its global coverage and deep integrations into the business systems used every day. Why is this important? It creates the opportunity to keep pace with customers by quickly scaling up across the enterprise or out geographically. Recognized by leading analyst firms, Serenova is committed to building on an 18-year legacy leading the way in cloud-based contact center innovations.

To learn more, visit **www.serenova.com**. For live updates, follow **@SerenovaShine**.

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