FROST & SULLIVAN



Global Research

Midsized Call Centers take a Digital-first Approach

Cloud solutions to power customer service in 2019

In Collaboration with

GENESYS™

An independent research study by Frost & Sullivan



Executive **Summary**

The Internet has brought unprecedented choices, information, and convenience to customers. In turn, this has prompted businesses to evolve their customer engagement strategies. One of the most significant changes has been the ever-expanding range of channels through which customers choose to interact with organizations. Customers can now interact with businesses via email, live chat, social media, SMS, and live messaging services. Mobile connectivity is upping the ante further, empowering customers to expect real-time engagement and responses.

Most organizations, no matter how big or small, recognize the tangible benefits of enhancing customer experience (CX) through seamless customer engagement. Technology is an essential lever in enabling even smaller organizations to improve customer and employee engagement, altering the basis of competition with larger, more well-established enterprises.

To understand how midsized call centers are dealing with the changes in customer engagement and the way they impact business outcomes, we surveyed 600 business and IT decision makers globally to uncover their aspirations, priorities, and challenges. For this research, we define midsize organizations as those with 15 to 300 contact center seats. The study explores what CX means to midsized call centers in terms of business impact, priorities, technological maturity, and how they measure related initiatives. Here are eight key takeaways from the research:

1 in 4 midsized call centers identifies customer lifetime value as the most valuable business benefit:

Respondents put customer lifetime value ahead of customer satisfaction and revenue goals. The emphasis on knowing the customer and using that information to determine which customers to prioritize is similar to that of large enterprises.

64% of respondents agree that delivering good CX elevates competitive advantage:

Midsized call centers understand the potential impact of CX on business performance. Most indicated that they are embarking on customer engagement initiatives to gain a better understanding of customer preferences and expectations.

Over 40% believe predicting customer needs is the most important in defining good CX:

What defines a great CX varies across organizations. Majority concurred that the ability to anticipate customer needs and cater to them are the most important, followed by ensuring assistance for customers throughout their buying journey.



More than half of participants are considering the cloud to mitigate business challenges:

Respondents believe a cloud model is the most cost-efficient way to optimize the customer journey. They cited top considerations such as improved business continuity, reduced cost of ownership, flexible scalability, ease of use, access to new capabilities, and fast deployment. They also believe it helps to address issues relating to legacy infrastructure, integration, and cost.

Significant gaps in capability around customer journey despite high recognition of its importance:

64% of those surveyed indicated customer journey to have the most immediate impact on their business, yet less than 30% expressed confidence about meeting those current and future needs.

Lack of consistency in understanding of CX across departments hinders delivery:

About 52% of respondents do not agree that all departments have the same knowledge of CX and its significance to their business. This is likely a detractor in delivering a consistent omnichannel experience to customers.

Majority of midsized call centers are taking the digital-first approach to serving customers:

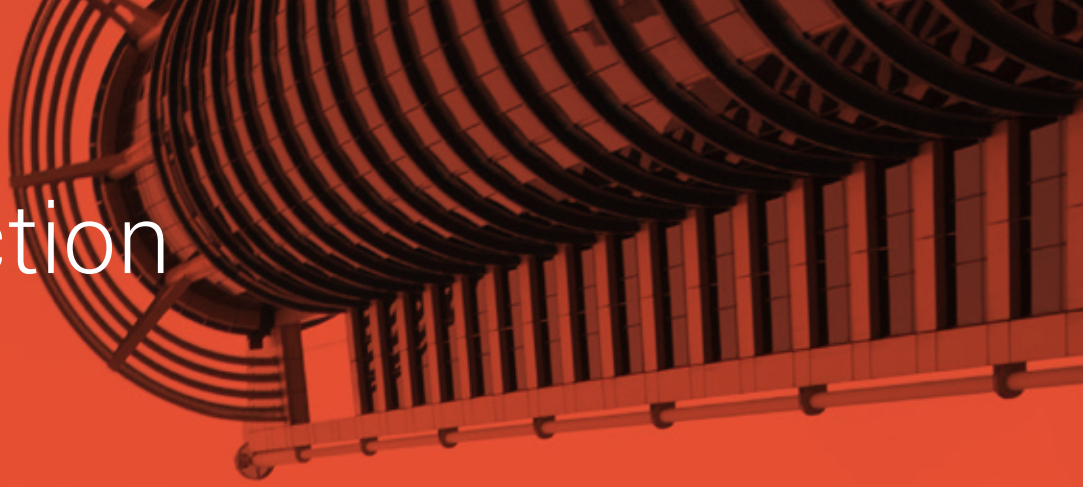
Based on the channels supported today, live agent voice falls well below other digital channels with 60% of respondents indicating they support it, far below email (86%), web (sites, forums, FAQs, web chats – 84%), and social media (70%).

Midsized call centers are accelerating investments in digital channels and emerging technologies:

About 1 in 5 respondents believe new digital channels to be the customer engagement technology priority for the next 12 months. Nearly 64% of respondents expect to apply artificial intelligence to engagement channels, whereas 52% plan to support messaging apps and virtual assistants over the next two years.

In evaluating approaches to customer engagement, technological maturity, and the level of channel integration in midsized call centers, this whitepaper highlights critical areas and technology options for their consideration in improving CX initiatives to maintain customer relevance in the digital era.

Introduction



We are living in a hyper-connected world brimming with choices. Customers have abundant choices in procuring products and services that suit their lifestyles, expected quality, and price points.

They also leverage an array of options in engaging with businesses. This shift in power from businesses to customers has made savvy business leaders realize that the best way to ensure success is to place CX first on the list of strategic priorities.

The Frost & Sullivan 2018 Global Midsized Call Center Customer Service Trend Report explores what CX means to midsized organizations in terms of business impact, priorities, and technological maturity. For the detailed methodology, segment definitions, and a breakdown of survey respondents, please refer to the Appendix.

To cater to the study objectives, we asked 600 business and IT leaders involved in defining and implementing customer service strategies, systems, and processes questions about:

- Primary business benefits derived from improving CX
- Key values and qualities of their customer engagement strategy
- Approach and readiness to deliver expected customer services
- Technology, people, and process priorities in meeting customer engagement aspirations
- Challenges and pain points
- Investment trends and their decision drivers
- Technology trends midsized call centers believe have the most significant impact on their business

Customer Experience
- A Business Imperative

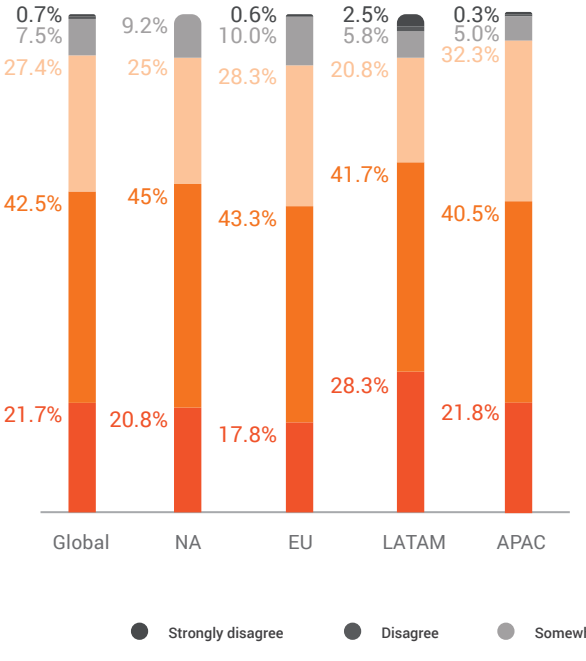
Without a doubt, the customer is an essential part of any business. Businesses today, irrespective of their size and industry, are facing the mammoth task of acquiring and retaining customers in an overly competitive environment.

In pursuit of growth, they are looking for ways to create sustainable differentiation. This may only be possible for organizations successfully forging a unique and positive emotional bond with their customers.

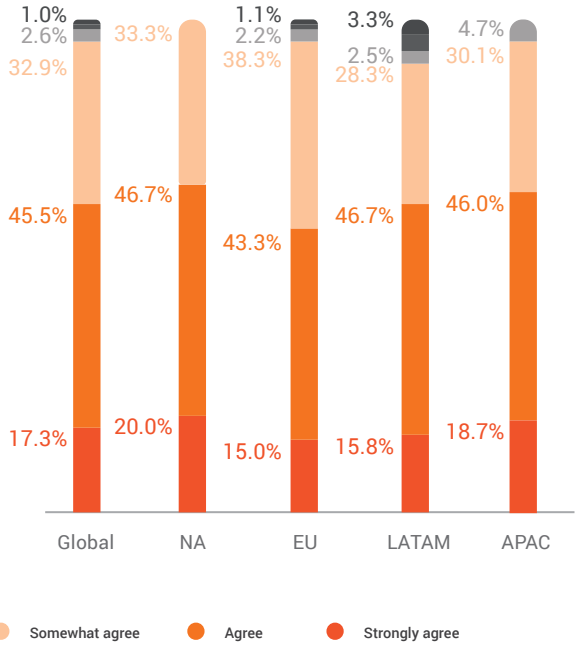
The key to this premise is that the value of CX resides in customers developing a unique emotional relationship to products, services, and the overall brand.

Hence, it is not surprising to note that midsized call centers, too, are recognizing the value of CX in a manner similar to that of large enterprises. Over 64% of respondents either agree or strongly agree that their CX initiatives help them to gain a competitive advantage. Close to 63% of respondents affirmed correlations between customer service/CX and business performance.

Customer Service and Customer Experience help us gain a competitive advantage in the market



We understand correlations of Customer Service/Customer Experience and business performance





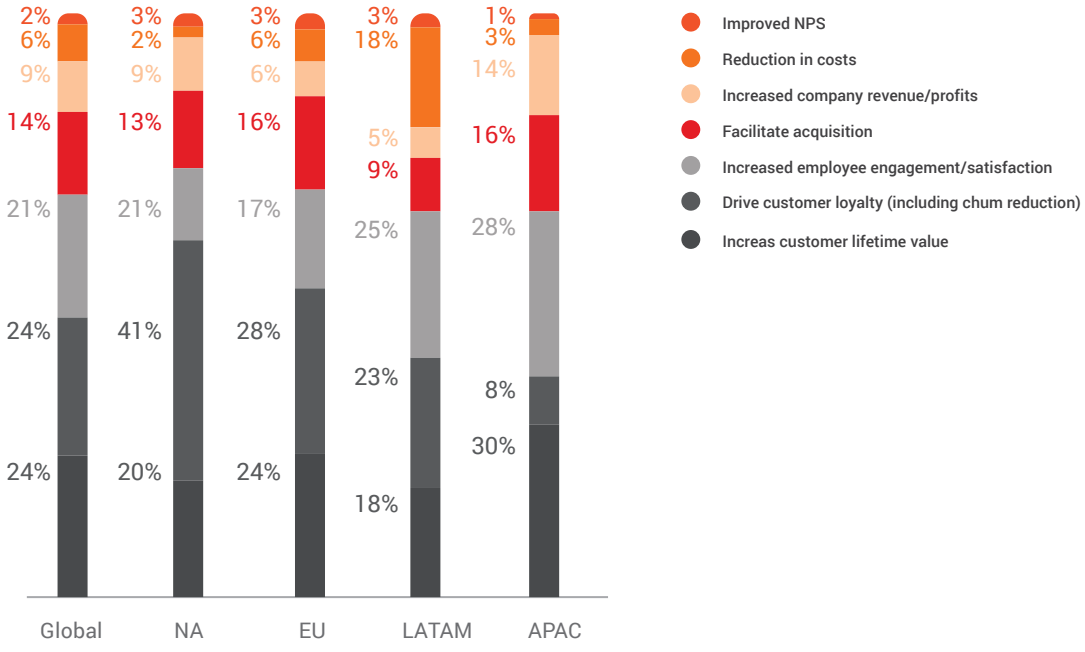
Driving customer lifetime value, customer loyalty:

Aligning well with market demands, midsized call center organizations offered greater clarity about their business goals. About 24% of respondents globally chose increasing customer lifetime value and driving customer loyalty and reducing churn as the most significant business benefits they hope to achieve. This shows increasing maturity from the heavy focus on customer loyalty previously. Companies are also aiming to monetize ongoing relations, generate recurring revenues, and leverage upselling and cross-selling opportunities to increase the lifetime value of customers. Interestingly, there is a notably growing emphasis on increasing employee engagement.

About 1 in 4 respondents from Asia-Pacific and LATAM chose increased employee engagement as the business benefit they intend to achieve. This is indicative of organizations' improved understanding of correlations with other business values.

Customer loyalty and retention as well as employee engagement can radically influence the customer lifetime value and profitability of organizations and relate strongly to CX delivery. However, it is necessary for businesses to establish a sound CX strategy by aligning their resources and gaining a deep understanding of consumer needs and expectations to respond accordingly.

What is the primary business benefit that your organization is hoping to achieve?

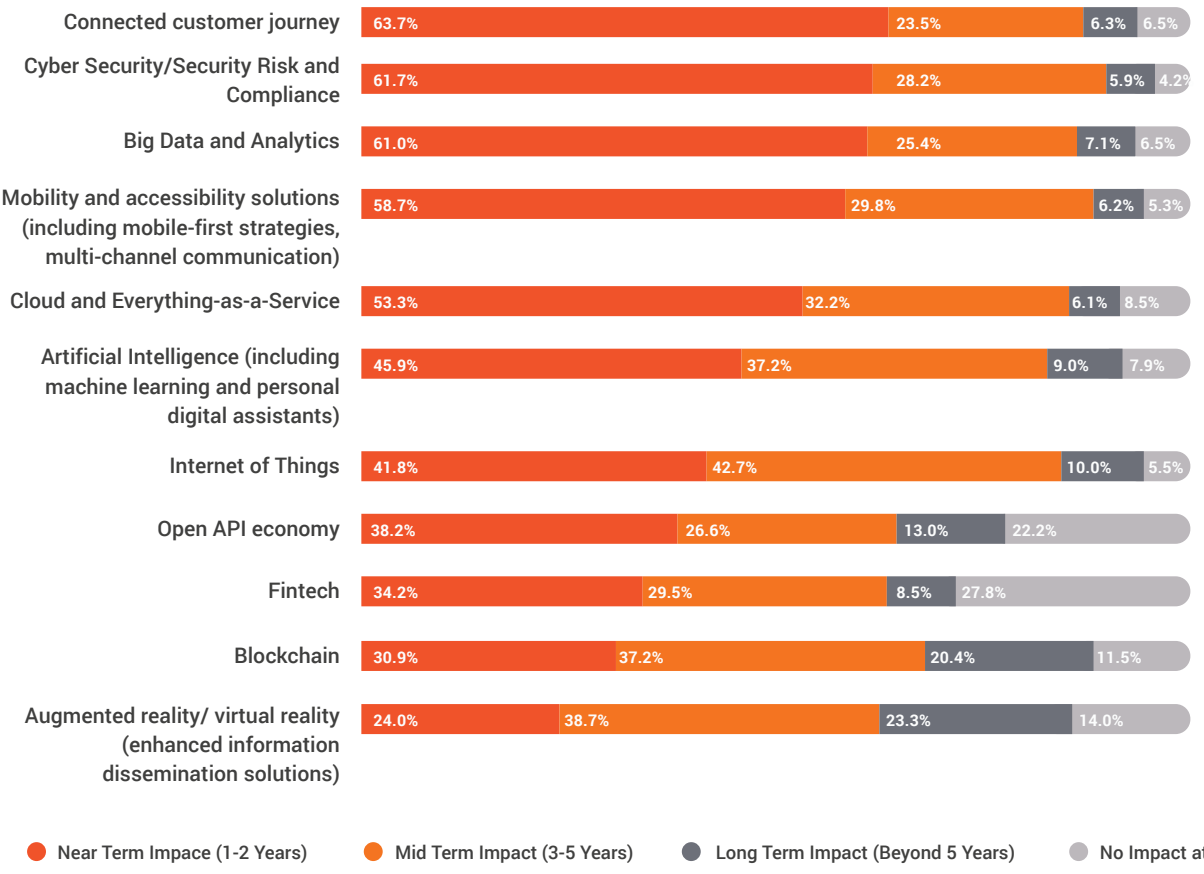


Understanding Digital's Impact on Customer Experience

The key to developing unique positive bias among customers would be by meeting and exceeding their expectations at every interaction across the lifecycle, from initial engagement with a prospect to customer support and renewals. Customer expectations have changed rapidly in recent years, and companies must adapt quickly to remain relevant and ahead of the competition.

Today's customers expect organizations to meet them on their channel of choice and deliver a consistent, exceptional experience across all media and platforms. Now, more than ever, customers want personalized CX based on past interactions. Whether customers prefer using an app or SMS on a mobile device, a traditional website, a community of interest or picking up the phone, they expect a data-driven interaction that provides the information as soon as they need it and that seamlessly connects and leverages all their previous contacts with the organization. Most regions globally show similar recognition in this regard, though individual markets exhibit minor differences in market hype, maturity, and technology adoption curve.

When do you see the following trends having the greatest impact on your business? Please select the most applicable time frame for each trend. (SA)



Prominence of connected customer journey:

Midsized call centers are keeping a close watch on emerging technologies and exploring means to leverage them in fulfilling their business aspirations aligned with customer demand. Among many emerging areas/technologies, most respondents (64%) perceive the connected customer journey as having the most immediate impact on their business. Among regions, North American respondents are the most bullish about this (with 88% agreeing), whereas organizations in Asia-Pacific and LATAM show relatively less enthusiasm (only close to 50% choosing this). Respondents also highly recognize the impact of mobility and accessibility solutions including mobile-first strategies and multichannel communications in the near term.

Artificial intelligence (AI) for real impact:

AI is ever-increasingly present in our daily life, and midsized call centers are taking note of its implications. Technologies such as advanced data processing can predict upcoming trends; chatbots can speak and understand any language. The business applications are seemingly limitless. About 46% of respondents believe AI (including machine learning and personal digital assistants) would have an immediate impact on their business. As AI evolves, machine learning is set to enable businesses of any size to facilitate optimal CX without the need for human intervention.

Recognition of big data analytics' impact:

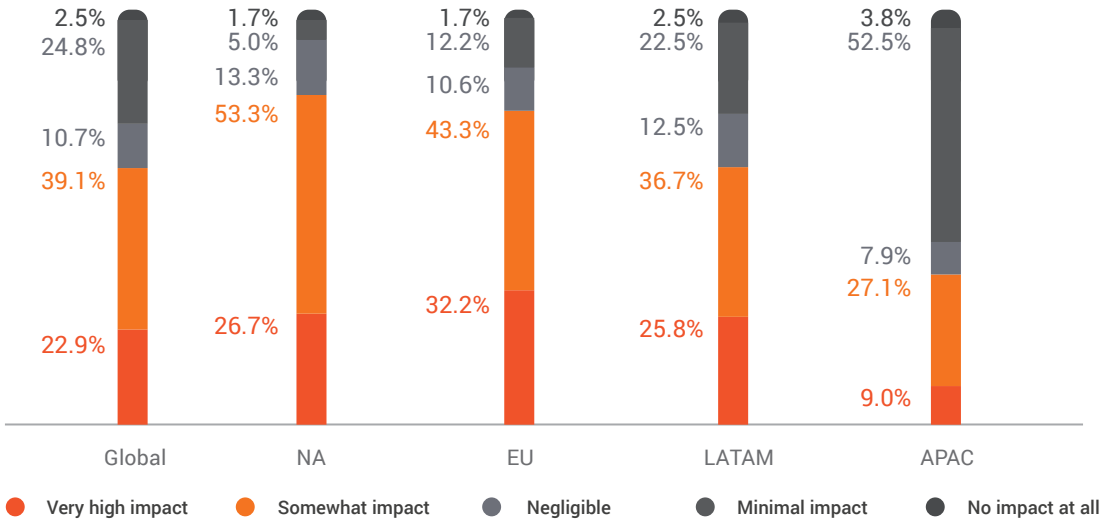
Over 61% of respondents believe big data analytics would have an immediate impact on their business. From analyzing customer interactions, contact center processes to employee training, analytics can play an important role in the future of contact centers. North American midsized call centers (83% of respondents) lead in such recognition and its immediacy, followed by those in Europe (77%), LATAM (49%), and Asia-Pacific (38%).

Everything-as-a-service momentum:

Over 53% of midsized call centers surveyed recognize the impact of cloud and everything-as-a-service on their business in the near term. Such strategic and operational blueprints are likely to topple existing business and operational models. Over 60% of North American and European organization respondents believe in the immediacy of their impact, whereas over 40% of Asia-Pacific and LATAM respondents feel the same.



How do you think digital transformation is impacting your company's customer engagement/service strategy?





Contrasting understanding of digital transformation and its impact:

Leading organizations across the globe embracing the digital opportunity to optimize customer interactions believe in its tremendous potential to successfully transform their brands, attract new customers, and retain existing ones. However, the understanding of how digital transformation impacts midsized call centers' customer engagement/service strategy differs fairly across regions. Although over 75% of respondents in North America and Europe believe the ongoing digital disruptions across industries would significantly impact them, 52.2% of midsized call centers in Asia-Pacific think its impact is minimal. Among respondents, the C-suite represent the highest percentage who believe firmly in the impact of digital transformation, followed by customer service decision makers, and IT decision makers.

In this context, close to 60% of midsized call centers surveyed believe their digital strategy relating to customer engagement/service is already optimized or already delivering results for them. Meanwhile, only about 1 in 3 respondents from Asia-Pacific believe their strategy is already optimized. This reflects the lack of awareness and understanding of the far-reaching benefits of digital transformation in the region. The C-suite, CMOs, and CDOs are the most confident about the capability of their digital strategy on customer engagement.

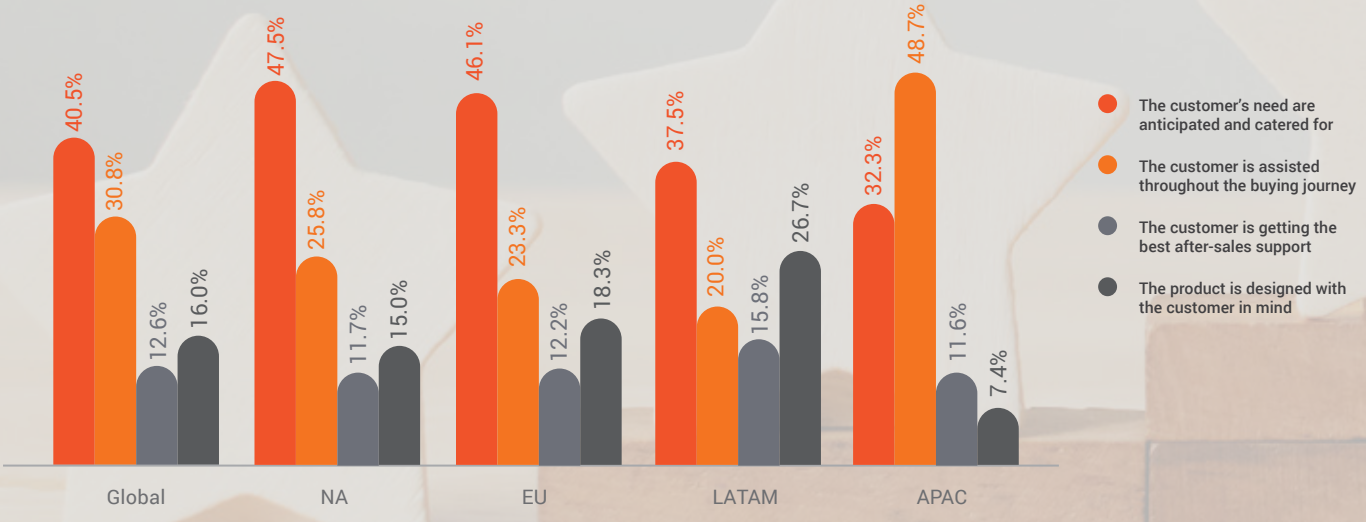
Defining Customer Experience in Their Own Terms

Defined as the sum of interactions a customer has with a brand, from awareness and attraction to purchase, care, retention, and advocacy, CX can be a complex endeavor for most organizations.

The rising number of customer touchpoints and technology proliferation complicate matters further. In this pursuit, organizations require a new approach to customer engagement that goes beyond the traditional contact center and supports an integrated view of all interaction channels. The key starting point for this journey would be to understand the current customer service/CX philosophy.

Also, since most organizations interact with customers at multiple points along their journey – marketing and sales, purchasing, customer service and support – advanced data analytics and complete integration with CRM and other back-end systems are critical to getting a full view of the customer over time.

As a concept, how would your organization define delivering good CX? Good CX is delivered when...



Predicting need is most important in defining good CX:

When asked how their organization would define delivering good CX, a vast majority (40.5%) of respondents believe anticipating customer needs and catering to them accordingly as the single most important aspect. In this regard, the ability to follow the customer journey across multiple channels, analyze data, anticipate, and personalize customer interactions are crucial to success. Switching from a reactive to proactive model, organizations of all sizes can positively impact CX and the bottom line.

Respondents also recognize the significance of assisting customers throughout their journey in delivering good CX. Asia-Pacific, with 48.7% respondents agreeing, is the most enthusiastic in believing it to be the single most important aspect. It is interesting to note the top two choices across regions and their correlation.

CX is not only about after-sales service:

Our research revealed great maturity in organizations' thinking regarding customer service/engagement strategies. Gone are the days when it referred to excelling in after-sales service. It is heartening to see that only about 12% of respondents believe after-sales support to be the most important factor for CX. However, departments lack consistency in their understanding of customer service and CX and their significance to organizations. About 52% of organizations surveyed do not agree that all departments have the same understanding. This situation may be seen as a detractor in delivering a consistent omnichannel experience to customers.

Organizations' CX strategy should eventually allow customers to contact the respective organizations on their terms; enable the delivery of a personalized, integrated, and consistent CX; lower customer effort scores, and apply analytics to the resulting data to shape strategy and product roadmaps, engage proactively with customers, and shorten the time-to-satisfaction; and drive sales.

Midsized Call Center
- CX Transformation Journey

Increasingly, customers want to be able to communicate with the organization they do business with any time and from anywhere, on their smartphones and tablets as well as their landline phones either through voice or digital channels. In aspiring to elevate customer service/engagement, midsized call centers across regions need to build competency aligned with their long-term organizational strategy.



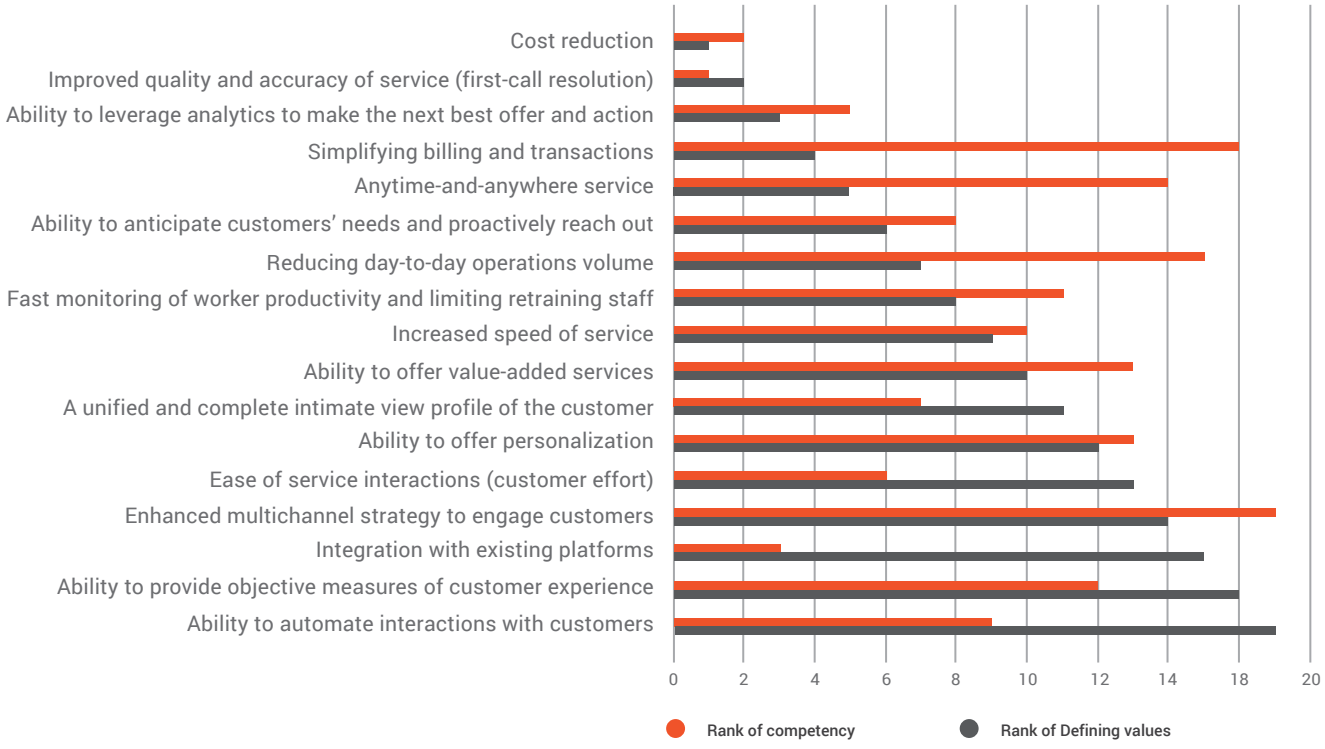
A well-defined customer engagement strategy encompassing processes and implementation tools allow organizations to gain a holistic view of the customer lifecycle. The objective should be to ensure customers can easily interact with the company using both traditional and new channels without having to repeat the same information each time they switch channels.

Gaps between organizations' competency and perceived vital elements of customer strategy

Globally, midsized call centers surveyed recognize cost reduction, first-call resolution, the ability to leverage analytics to make the next-best offer and action, simplifying billing and transactions, and anytime-and-anywhere service as the top five qualities (based on the top two boxes – critical and very important) for their customer service strategy. Among the choices, surveyed midsized call centers in the Americas and Europe rated cost reduction as the most critical for overall customer service strategy, whereas Asia-Pacific respondents chose ease of service interactions in reducing customer effort.

How would you rate the importance of the following key values and qualities you would like to have in your overall customer engagement/service strategy?

How would you rate your company's competency in delivering the following values and qualities to your customers?



However, when asked about their current competency relating to the top five qualities, respondents expressed the highest confidence in first call resolution followed by cost reduction (based on the top two boxes – very strong and strong). Even then, only half of these respondents believe their competency to be strong/very strong. At the same time, the other top five qualities do not feature in the top five list of their competencies but rank toward the bottom. The findings highlight critical gaps between the overall customer service strategy and actual competencies, which could hamper efforts by midsized call centers in creating seamless, real-time engagements with today's "always-connected" customers.

For any organization vying to enhance services delivered, they need to think through their transformation journey. They must set the right priorities for their organizations concerning what defines CX and develop matching capabilities. To ensure technology investments meet the needs of the business is to work closely with business process owners to determine what works and what does not, and where the road to improvement lies.

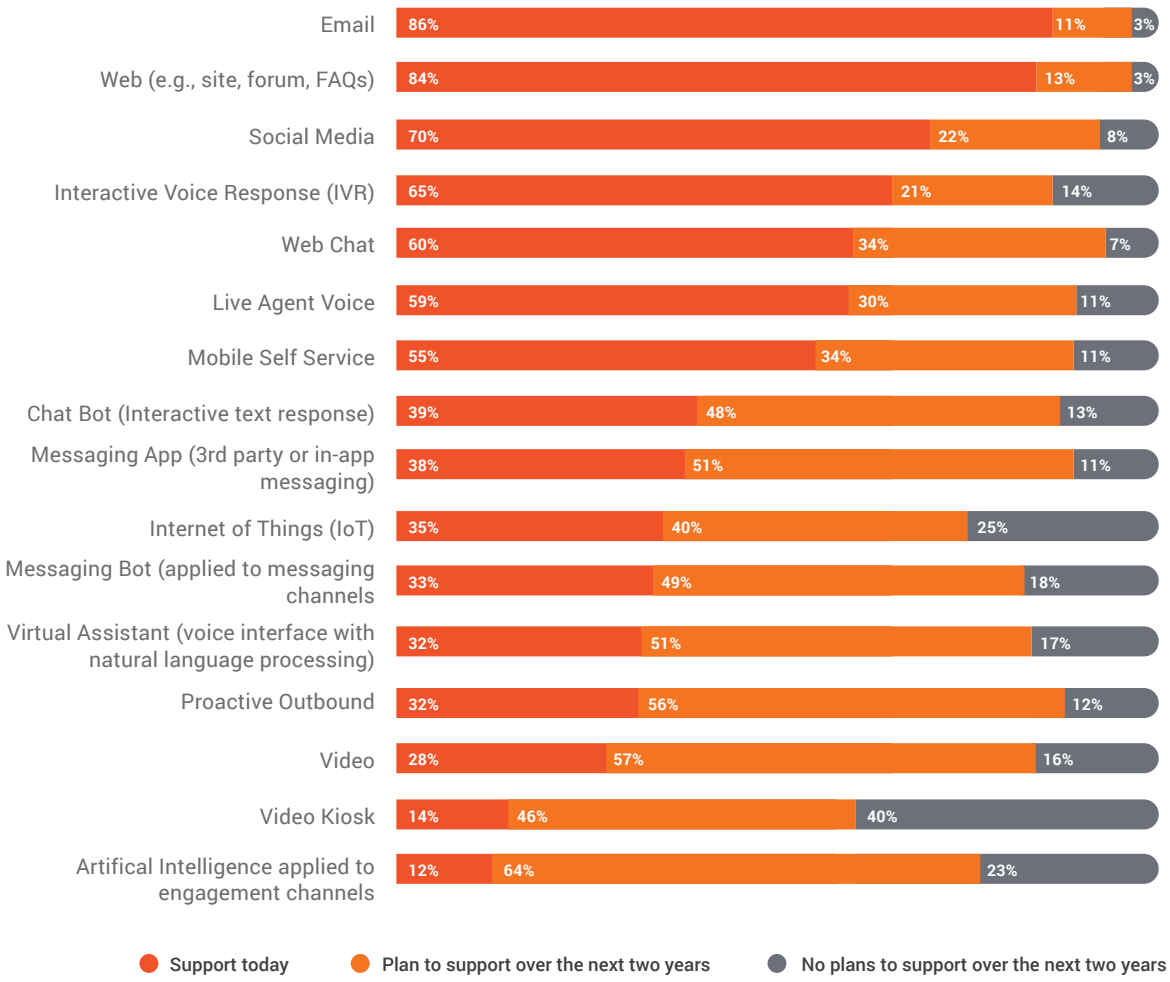
Digital and self-service lead interaction

As more customers today obtain information and services online, they exhibit a higher propensity to use the web or mobile apps before seeking live assistance. Surveyed consumers in the LATAM and Asia-Pacific regions are at the forefront of the shift toward digital engagement channels. This is mostly due to the convenience and little to no waiting time associated with digital self-service coupled with consumer use of digital channels going mainstream.

Although the introduction of digital in the mix of interaction channels presents challenges, it also offers midsized call centers an excellent opportunity to be on a level playing field when competing against much larger organizations.

Our research data shows that midsized organizations across regions embrace the digital-first approach in adopting interaction channels. Based on the channels supported today, live agent voice ranks at the sixth spot with only 60% of respondents backing it, well below email (86%), web (sites, forums, FAQs, web chats – 84%), and social media (70%). Mobile self-service, with the support of 55% of the organizations surveyed, too, has gained prominence in recent years. Many organizations do not feel the need to offer a live agent voice before achieving a certain operational scale, thereby rationalizing customer support costs while providing customers the convenience.

Which of the following interaction channels does your organization support today, plan to support over the next two years or have no plans for?



The adoption of all self-service communication channels, not just web or mobile-self services, is also rising. Although AI, video, proactive outbound, virtual assistants, messaging apps, and bots have relatively low penetration, respondents are planning to support them over the next two years. About 64% of midsized call centers surveyed expect to apply AI to engagement channels, whereas 52% of respondents plan to support messaging apps and virtual assistants over the next two years.

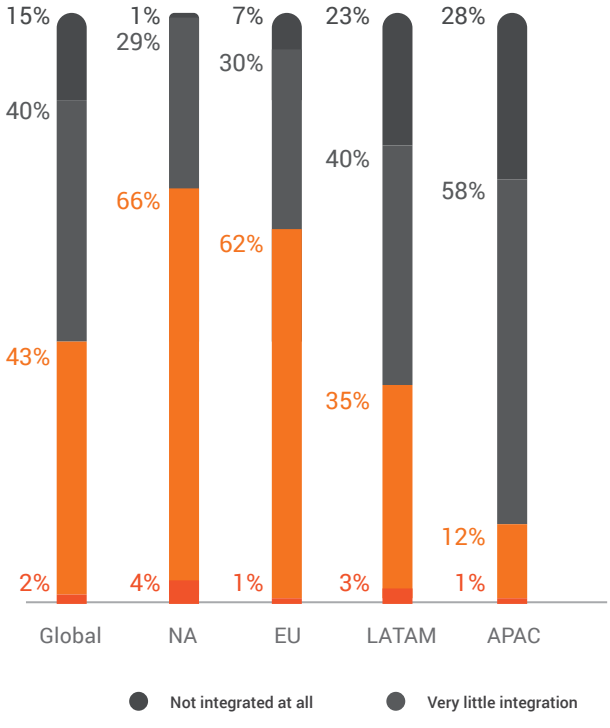
Customers have high expectations for excellent CX, so experiences with digital channels must be seamless, particularly if they need help from a live agent. Hence, organizations need to involve voice along with digital channels in establishing a unified customer journey. Midsized call centers must include self-service and automation to help mitigate costs and streamline CX.

Omnichannel promises broken by existing "silos"

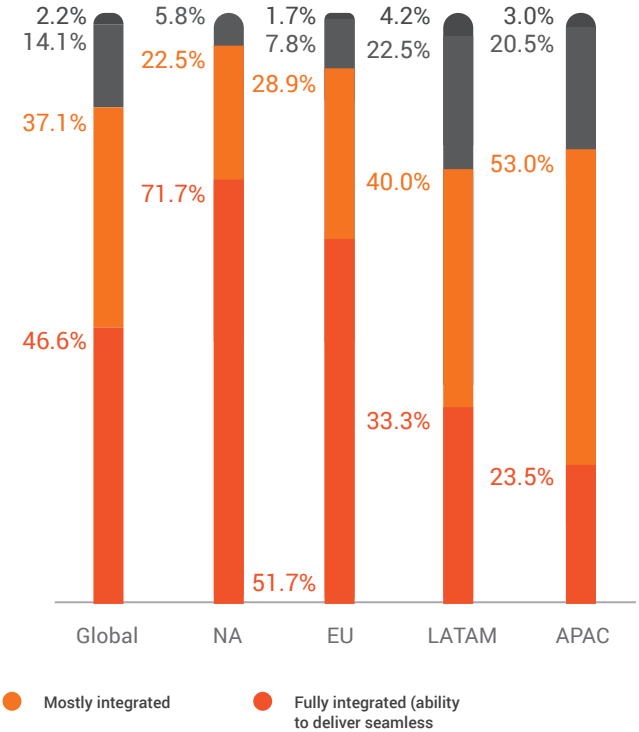
Customers expect a holistic approach from businesses. They interact with companies through more channels than ever, and also switch back and forth based on what suits them best. Customer willingness to use multiple channels, mainly self-service, provides businesses with the opportunity to mold customer interactions into a different experience from before, blocking out the competition.

Hence, it is imperative for customer service organizations to develop new and expanded channel capabilities. All too often, companies add a random patchwork of new channels – referred to as "accidental multichannel approach" – without an overarching strategy to ensure consistent and effortless CX across channels.

Customer Service and Customer Experience help us gain a competitive advantage in the market



How integrated are your engagement channels? - In 2 years



Most midsized call centers surveyed fall into this category, with 55% of respondents admitting to having little to no integration across channels. Although the level of channel integration in North America and Europe is progressing well, the state in Asia-Pacific and LATAM is quite abysmal. However, respondents across regions acknowledge the need for greater integration and indicated plans to pursue this goal aggressively.

In the next two years, at least 46.6% of respondents expect to achieve full integration across multiple channels, while 37.1% aim to be mostly integrated. C-suite and finance director participants are the most optimistic about their respective organizations' current level of integration and future target.

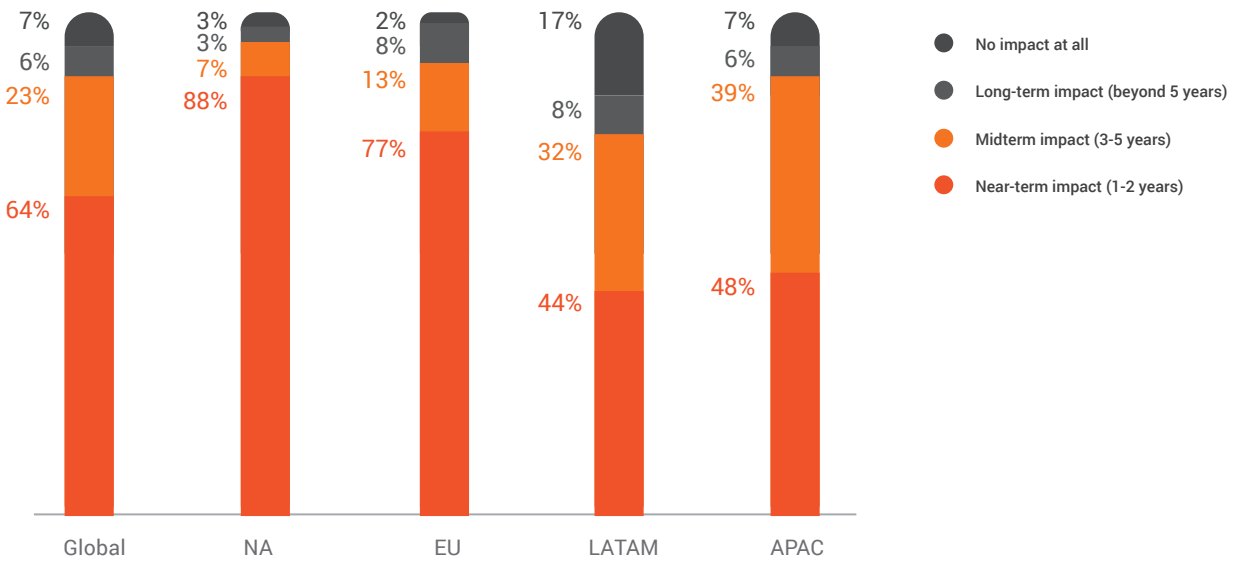
Omnichannel is the foundation of seamless, personalized engagement throughout the customer journey. Integrated channels let customers shift between them without losing the context for low-effort interactions. Organizations can design, deploy, and monitor even the most complex customer journeys using true omnichannel routing and machine learning that automatically deliver interactions to the best available resource. Also, customers have an effortless experience every time they engage.

Ability to map customer journey the cornerstone of omnichannel pursuit

The rise in multichannel touchpoints has radically altered the end-to-end customer journey, especially with the increased use of mobile devices. Customers expect consistent and personalized experiences regardless of the channel they use.

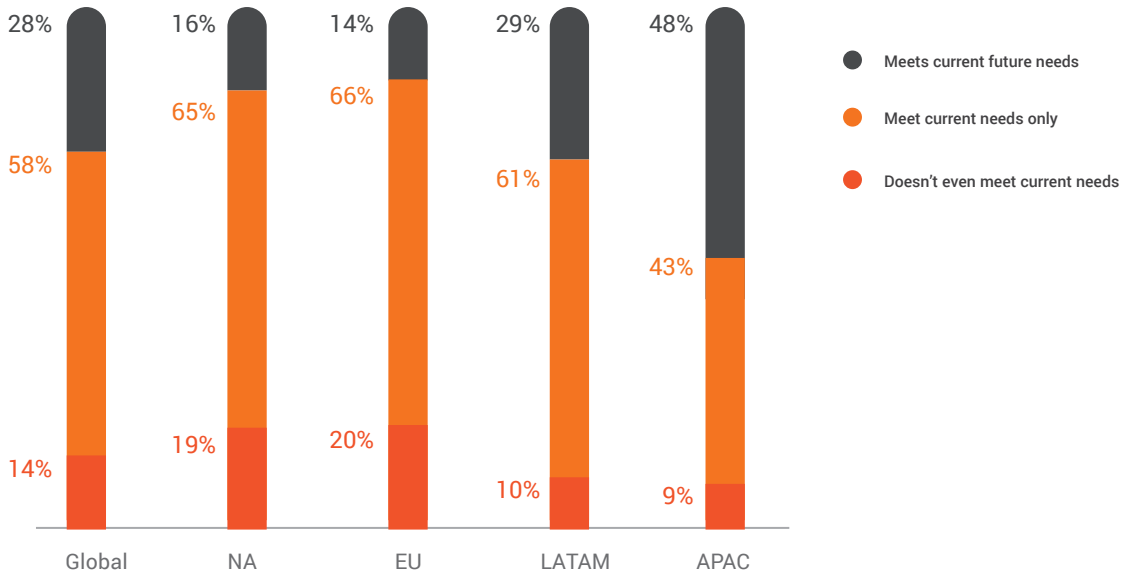
They want business interactions, whether asynchronous (those taking place over time, such as with appointments or callbacks) or in real time, to be intelligently connected as conversations with context across channels.

When do you see the following trends having the greatest impact on your business? Please select the most applicable time frame for each trend. – Connected Customer Journey



Our research shows a decidedly higher interest in omnichannel adoption among organizations, attributed to changing consumer behavior and technical improvements. Nearly 64% of midsized call centers surveyed recognize customer journey as having the most immediate impact on their business. Not surprisingly, the recognition of the importance of connected customer journey is the highest among organizations from North America followed by Europe.

How well do the following technology systems meet your current and future needs for customer engagement? – Customer Journey Managemen/ Mapping Systems



However, a customer service disconnect often occurs as customers move from one digital channel to another before seeking live assistance. To truly affect CX, organizations need to understand customer needs and expectations clearly. However, often, there is no single unified view of the customer to enable automated channels and service agents alike to comprehend their service needs better or to know their position in the journey beyond customer service that may involve multiple departments (e.g., marketing, sales, services, and support).

In our survey, when asked about their technology systems for mapping/managing customer journey, less than 30% of respondents expressed confidence in meeting their current and future needs. Relatively, a high percentage of Asia-Pacific respondents reflect the lack of in-depth understanding of future needs/impact similar to their perception of digital transformation impact. A shortage of unified data platforms is also hampering organizations' ability in this aspect.

Among the surveyed midsized call centers, only about 13% assured having single platforms that fully integrate all channels, while another 38% use multiple platforms with some connected channels for capturing and managing customer interaction data.

It is time to modernize customer service and engage conversationally with customers across the channels they are most comfortable in using day-to-day. This would also require organizations to be data matured, i.e., establish the ability to collect, manage, and leverage data and analytics tools at their disposal. As a building block, organizations must build engagement channels on a single system that shares interaction data and insights and includes access to customer relationship data. Journey analytics and predictive matching can help organizations obtain greater visibility of the intent, engagement, profiles, and next best actions across actual customer journeys.

Harness power of data analytics, infuse intelligence, and automate

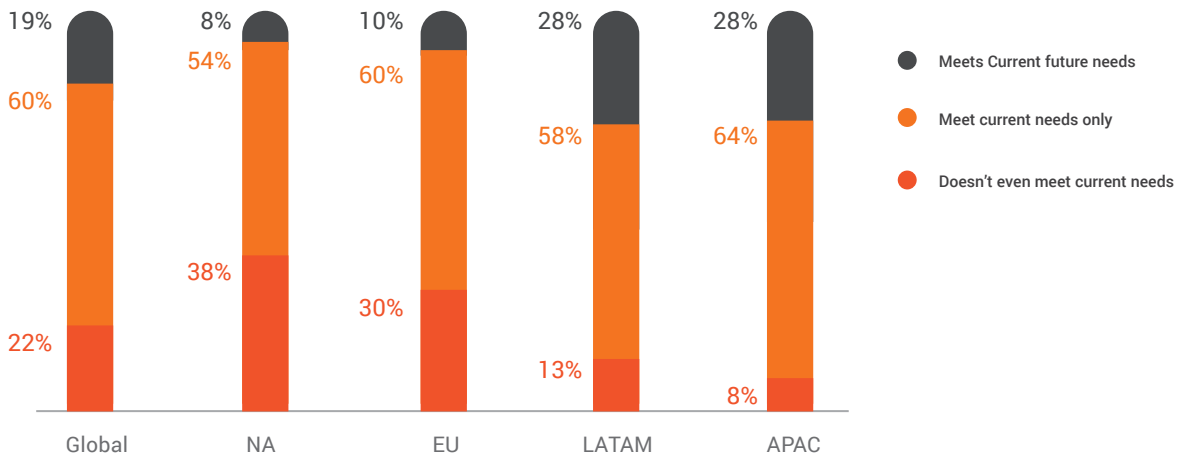
When it comes to the contact center specifically, companies are still focusing on improving CX while aiming to reduce costs. In meeting customer expectations for personalization, organizations are increasingly emphasizing on building customer profile databases using purchase history, previous interactions, user preferences, and other pertinent information through advanced real-time analytics solutions, transforming routine interactions into proactive, customized engagements.

Analytics and reporting deliver information on specific channels or across channels, helping even midsized call centers gain insight into consumer preferences and improve and personalize customer interactions. When applied to multiple channels, analytics delivers valuable information that can significantly improve the bottom line. Likewise, data about the customer journey allows companies to optimize those experiences and proactively engage with customers seemingly in danger of deviating from the optimal path.

The measured infusion of emerging technologies categorized under AI (e.g., natural language speech technologies, machine learning, big data, deep neural networks) is expected to enliven interactions with customers. AI-based technologies can mine the vast pool of customer data generated from every channel, digest it, and create actions and actionable insights, even automate interactions, especially simple and repetitive ones.

Globally, midsized call centers, too, are recognizing the value of these emerging technologies. Over 61% of respondents believe big data analytics would have an immediate impact on their business. Close to 46% of respondents consider AI (including machine learning and personal digital assistants) to have a similar impact. However, less than 20% of respondents expressed confidence in their analytics systems for current and future needs. Similar to other technology areas, surveyed organizations in Asia-Pacific and LATAM seem to over-estimate their capabilities relatively, possibly due to lack of understanding about its future impact.

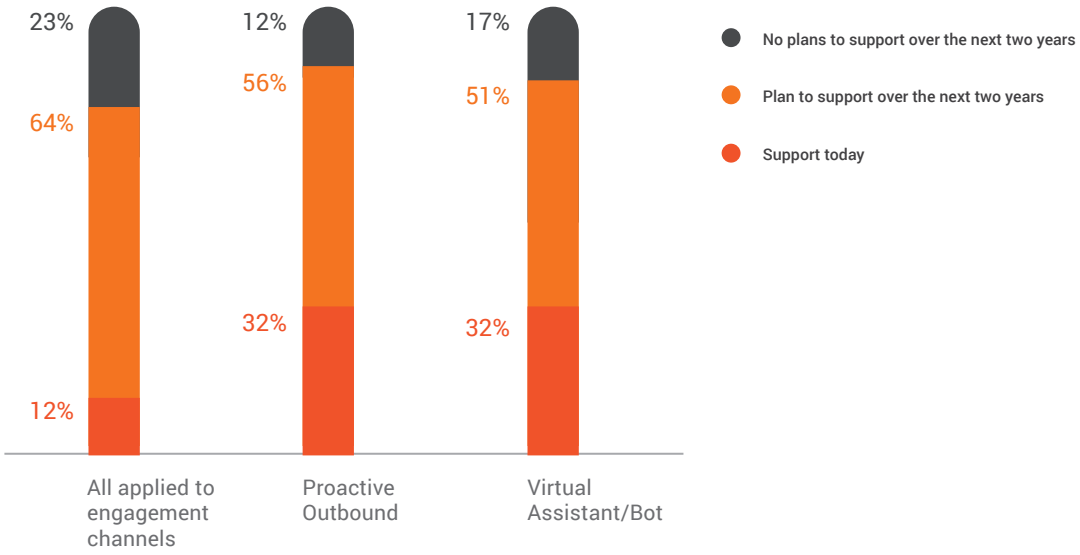
How well do the following technology systems meet your current and future needs for customer engagement? – Analytics Systems



As midsized call centers have a better appreciation of how data can help in delivering truly personalized experiences and reduce the cost of interactions, they are looking to adopt such technologies quickly.

About 64% of respondents plan to support AI applications on engagement channels over the next two years. Interest to support proactive outbound communications and virtual assistants/bots follows.

How well do the following technology systems meet your current and future needs for customer engagement? – Analytics Systems



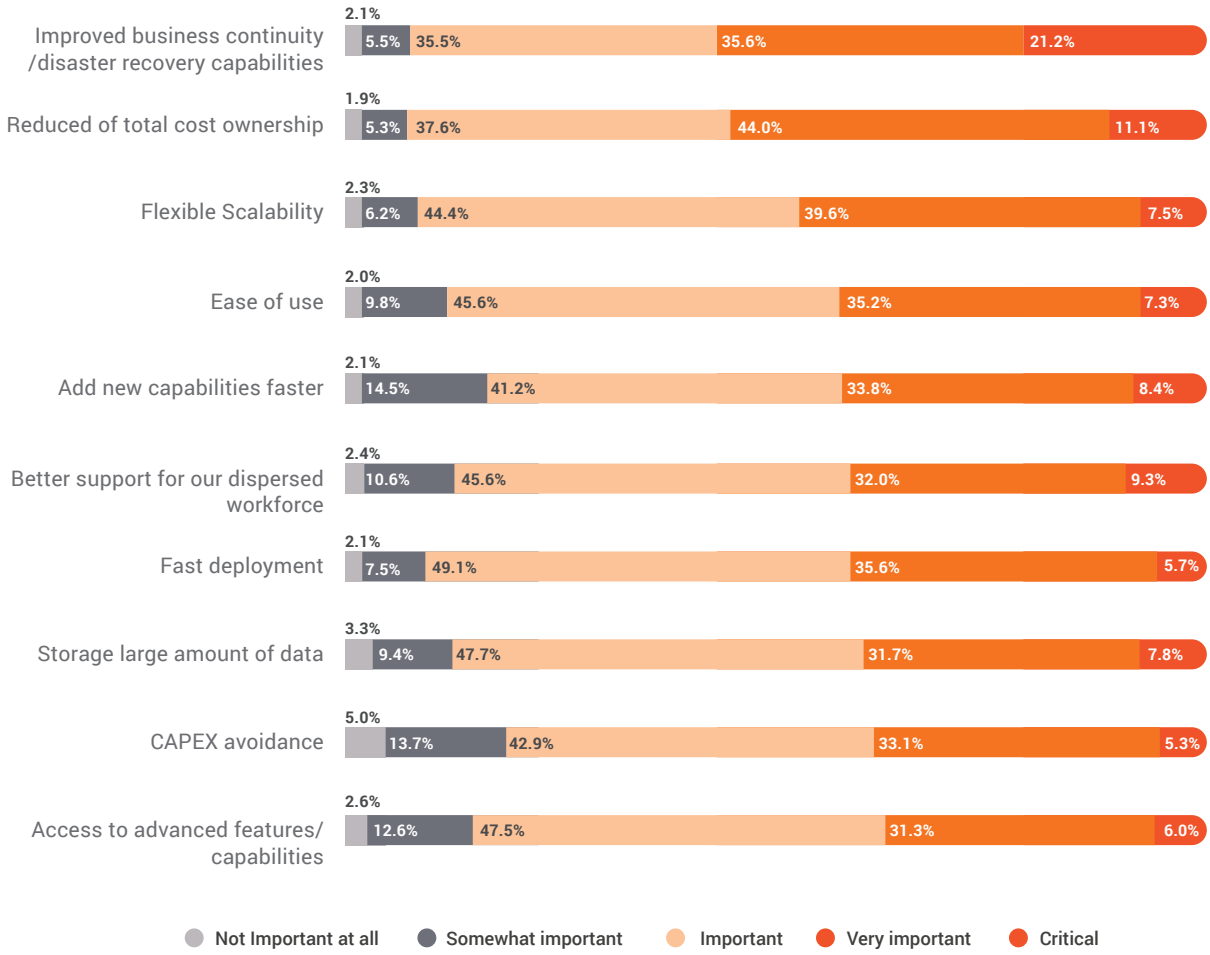
Self-service and automation can reduce costs and streamline experiences if organizations include them in their overall plans. However, it's important to seamlessly blend intelligent automation with the power of human touch. The right technology can help organizations deliver personalized and proactive engagements based on customer context across the customer journey. Organizations need to choose an open, flexible, and scalable platform that enables working with data and native or third-party bots across channels. In improving CX, organizations must ensure seamless integration of self-service and assisted service over digital engagement channels while maintaining customer journey history and context to get the best of both worlds.

Consider the cloud – relieve operational pain, optimize business, move ahead of the competition

Adding new interaction channels customers are migrating toward and enhancing self-service channels featuring the intelligence and features ensuring customers' success in their customer journeys are poised to help differentiate businesses in today's competitive environment. Considering midsized call centers' operational environment, they expectedly look for solutions without additional burden. While sourcing new technology, their top three commercial considerations revolve around reducing the total cost of ownership, the simplicity of integration with other systems, validated returns on investment (ROI) as well as evergreen capability/future-proofing of new technology assets. Close to 70% of respondents chose reductions in the total ownership cost.

In facing such challenges, many midsized call centers recognize the opportunity to optimize their businesses through a cloud-based customer engagement solution, overshadowing their CAPEX considerations. The awareness is in line with the general trend of moving communications and applications to the hosted/cloud environment among contact centers globally, be it full cloud deployment on a public or private cloud platform or customized hybrid deployment models.

On a scale of 1 to 5 (1 being Not Important at All and 5 Critical), how would you rate the importance of the following in your considerations to move to hosted/cloud CX solutions? (SA)



The contact center is considered the lifeline of customer relationships. Hence, it is critical for organizations and their brands to ensure uptime and business-as-usual operations to maintain continuity of information and service delivery. One in 5 midsized call centers surveyed believes improved business continuity to be the most critical consideration for moving to hosted/cloud CX solutions. A real global provider enables regional disaster recovery in case of an outage or other problems isolated within a specific location.

Although most midsized call centers surveyed recognize the value of an omnichannel journey, they face many challenges. Close to 40% of respondents mentioned the cost of implementation for their organization's inability to deliver omnichannel customer engagement. Over 55% of midsized call centers surveyed consider the total cost of ownership as very important/critical for moving to hosted/cloud CX solutions.

Many organizations surveyed also lack internal IT expertise to support new channels. Over 30% of respondents believe systems/applications integration difficulties are holding them back from realizing omnichannel systems. About 40% of respondents agree that ease of use and fast deployment are their key considerations in moving to hosted/cloud CX solutions.



Over the years, legacy contact center systems have become too expensive to maintain, upgrade, and integrate with newer contact channels and high-value applications such as analytics. Close to 40% of respondents recognize this as an issue and believe it prevents them from meeting or exceeding CX goals and objectives. Over 42% of midsized call centers surveyed think adding new capabilities faster is very important/critical in considering moving to the hosted/cloud environment. About 37% of respondents also deem access to advanced features/capabilities as crucial considerations.

In a fast-changing operating environment, organizations also need to support a dispersed workforce, including agents working from home or remote locations and be able to scale staffing as needed to support increases in customer interactions due to seasonal peak or business growth. Over 47% of respondents consider flexible scalability as very important/critical in their cloud adoption. One in 10 respondents thinks the ability to support their dispersed workforce better as a vital consideration in moving to a hosted/cloud solution.

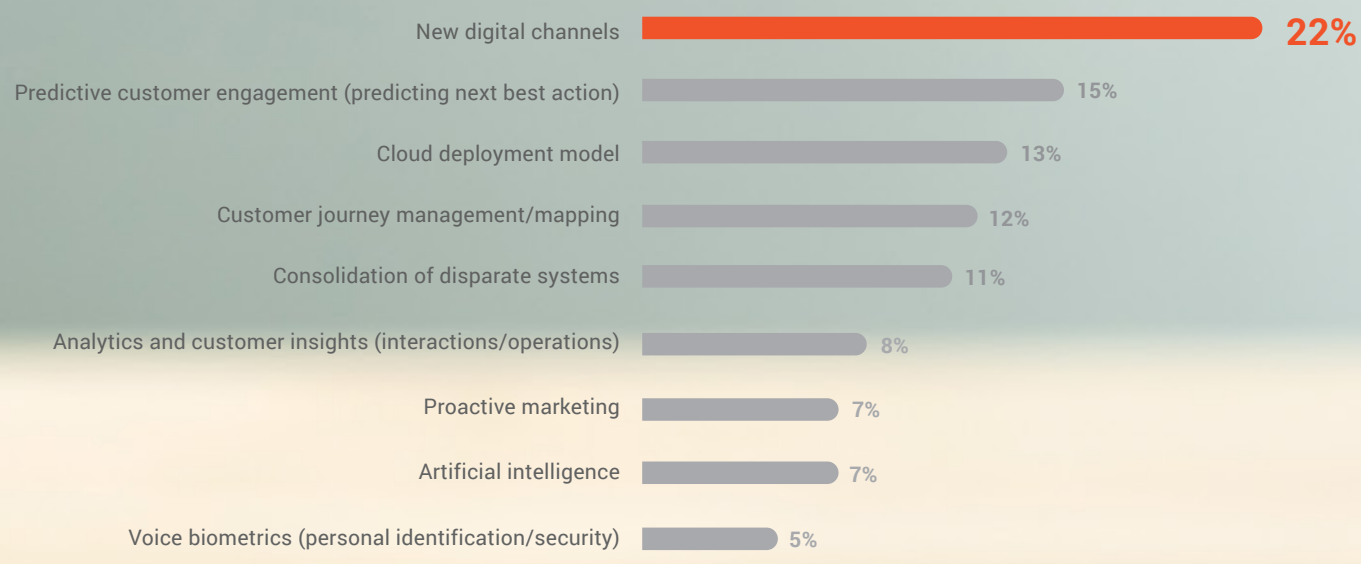
To realize their CX goals, midsized call centers should look to the cloud as the path to modernization and scale at the pace their business needs dictate. A cloud-based, omnichannel contact center can give midsized call centers the benefits of automation, data collection, and analytics (to compete with larger companies) while allowing them to maintain the personal connection with customers that made them successful in the first place.

Customer Engagement Priorities of Midsized Call Centers

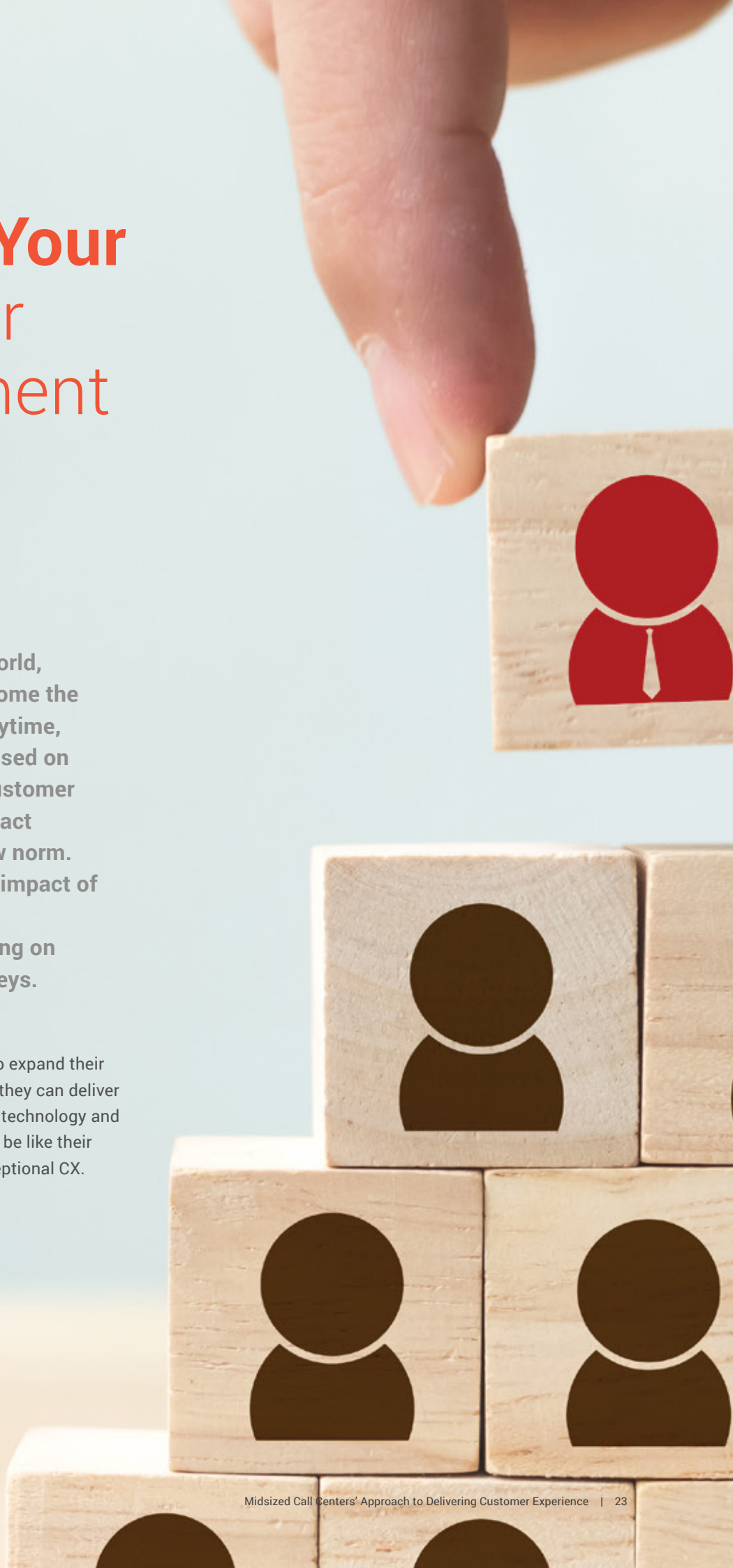
The realm of customer contact is an exciting place to be. No longer a cost center, but the hub of exceptional CX and engagement, the contact center is the modern focal point for competitive differentiation.

- In aligning well with current needs, midsized call centers are accelerating investments in digital channels. About 22% of respondents believe new digital channels to be the customer engagement technology priority for the next 12 months. This complements well with the increasing number of midsized call centers adopting a digital-first approach to customer service.
- True to their belief of what defines excellent CX, predictive customer engagement (predicting the next best action) is anticipated to be next in midsized call centers' technology priorities.
- In achieving this, midsized call centers are looking to the cloud as the path to modernization and scaling to the pace their business needs dictate.
- The emphasis on customer journey management as well as the intention to consolidate disparate systems reaffirm midsized call centers' omnichannel pursuit.

What are your customer engagement technology priorities for the next 12 months? (Ranking)



Thinking through Your Customer Engagement Strategy



In an always-connected world, where immediacy has become the prerequisite alongside "anytime, anywhere, any devices" based on personal preferences in customer service, omnichannel contact centers need to be the new norm. Recognizing the business impact of delivering enhanced CX, organizations are embarking on their transformation journeys.

As organizations grow, they need to expand their contact center capabilities so that they can deliver truly world-class CX. With the right technology and partners, midsized call centers can be like their larger counterparts in offering exceptional CX.

Frost & Sullivan recommends the following considerations for such organizations in driving customer engagement transformation:

1 View initiatives holistically

In recognizing the correlation between CX and their business success, organizations are embarking on CX transformation. However, many often stumble due to lack of organizational alignment, operational silos, and clarity in strategy. Midsized call centers need a clear vision and an actionable plan to enhance engagement or elevate the experience. Chart a CX roadmap to ensure achievement of the desired outcomes at every stage. Start small and gain quick ROIs before scaling up.

2 Meeting customers at their preferred points

Organizations must embrace channels their customers prefer and optimize the experience around each. The emphasis must be on developing an ability to map customer journeys during different stages of the lifecycle and obtain a 360-degree view of customers to differentiate the experience. Today, a cloud-based omnichannel contact center offers midsized call centers such benefits along with automation, data collection, and analytics without the huge upfront investments typically necessary for on-premise systems.

3 Leverage emerging technologies

With an increasing capability to capture and analyze vast amounts of interaction data, organizations can quantify customer behavior and anticipate their intentions better. Leveraging such data, the power of analytics, and AI, organizations today can generate more intimate engagements and even automate them at a reasonable monthly subscription fee.

4 Explore cloud to evade legacy as well as cost issues

Midsized call centers' transformation is often bogged down with legacy infrastructure, integration as well as cost issues. Today, some of the leading solution providers offer single platforms with all the features an organization needs and help in integrating with existing systems. Such platforms in the cloud also provide fast access to new features, speeding time-to-market and eliminating the prerequisites of CAPEX and in-house IT expertise.

5 Success also depends on working with the right solutions partner

Organizations need to partner with solutions vendors able to guide and often hand-hold them in their transformation journeys at a pace suiting them. The partner should have a good track record for innovation and responsiveness to changing requirements along with proven local market capabilities in delivering business outcomes.

No matter how your organization has been engaging with customers till now, there is an immediate opportunity to rethink the engagement strategy suggested above. Now you can disrupt the traditional approach, break away from the legacy to take advantage of tools and technology, align people and process to engage with customers better, and achieve better business outcomes. The ROI from such initiatives can most likely justify the investment and prove to be self-funded.

Methodology

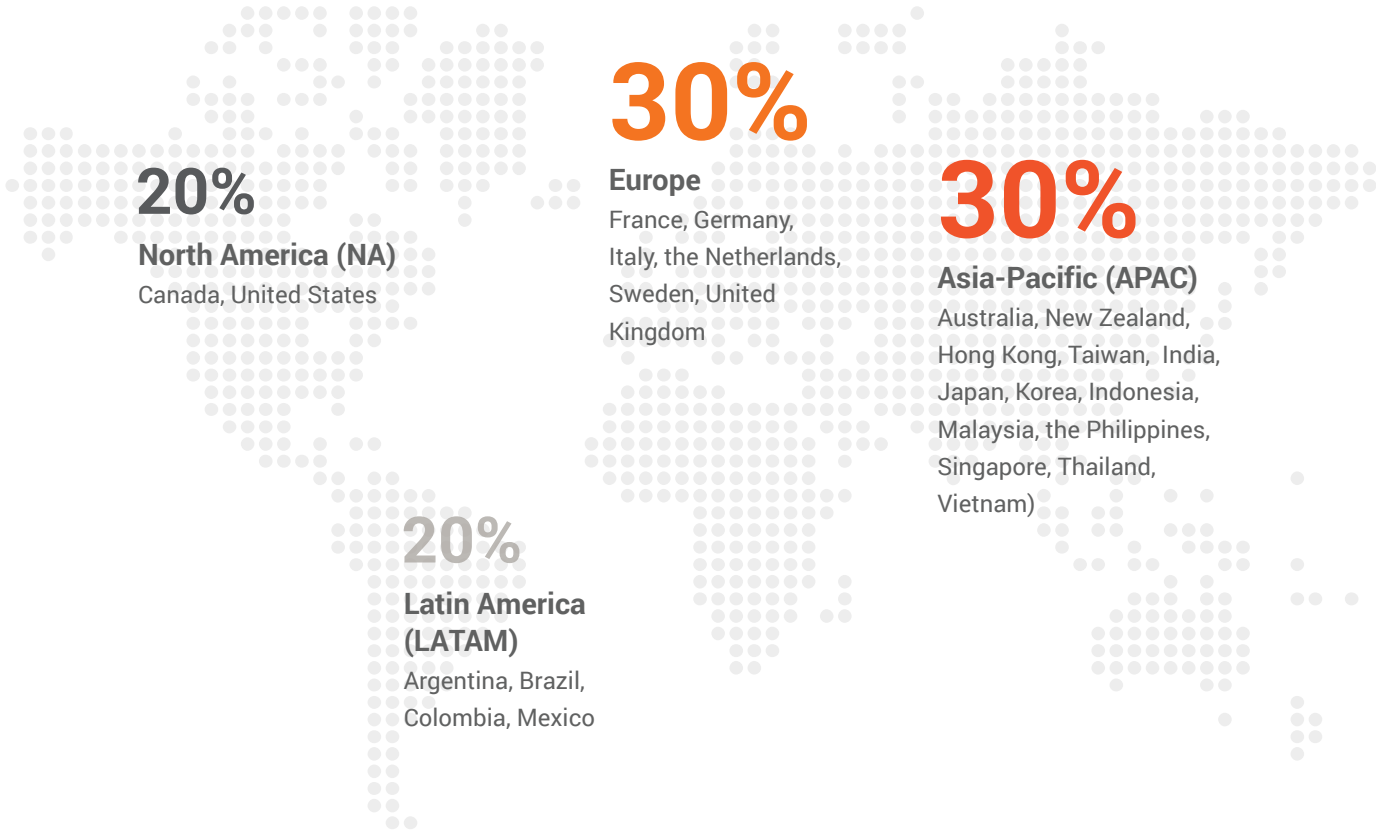
Frost & Sullivan conducted a global survey of nearly 600 senior executives to understand midsized call centers' approach toward delivering excellent customer experience (CX).

The study aimed to uncover insights on the role of CX within businesses, the perception of technology, its adoption and impact as well as an understanding of organizational pain points and challenges in delivering great CX.

To attain localized perspectives across the region, we surveyed executives based in 26 different countries across the Americas, Europe, Latin America, and Asia-Pacific. Respondents detailed their technology investments and how they align with their pursuits.

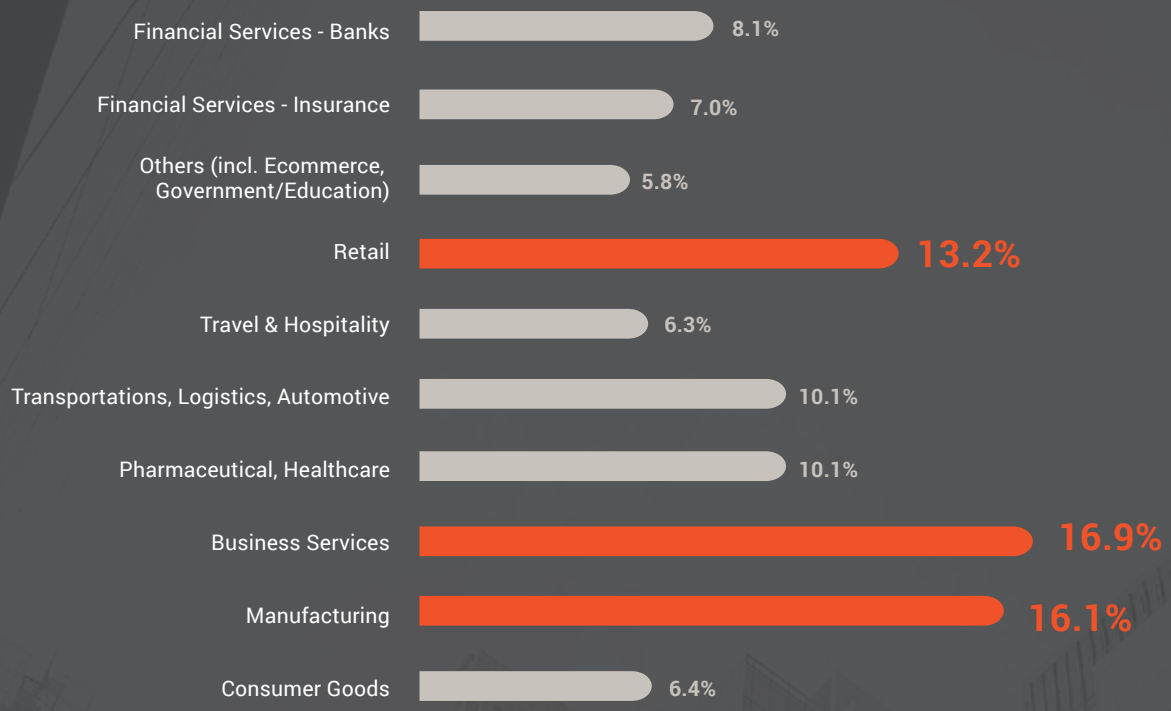
For this study, we defined midsized call centers as having 15 to 300 contact center seats (except for Asia-Pacific, which included centers with fewer than 25 seats, all other regions included only 25 seats and above).

In which country are you based?

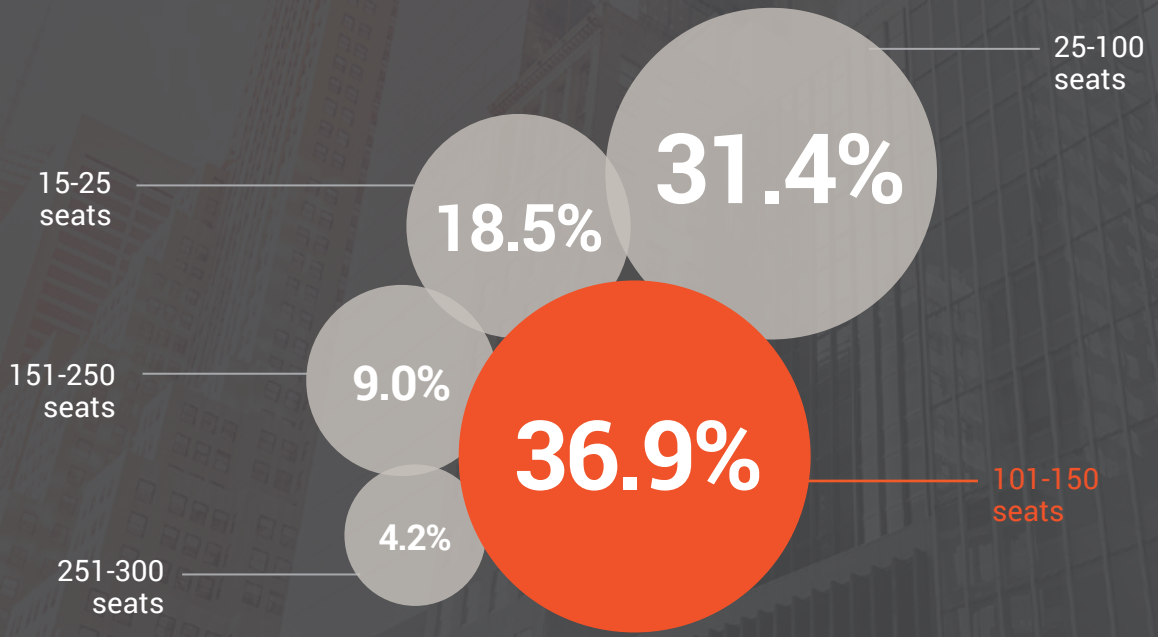


Respondents in this study work in various verticals. However, the majority were from industries shown below:

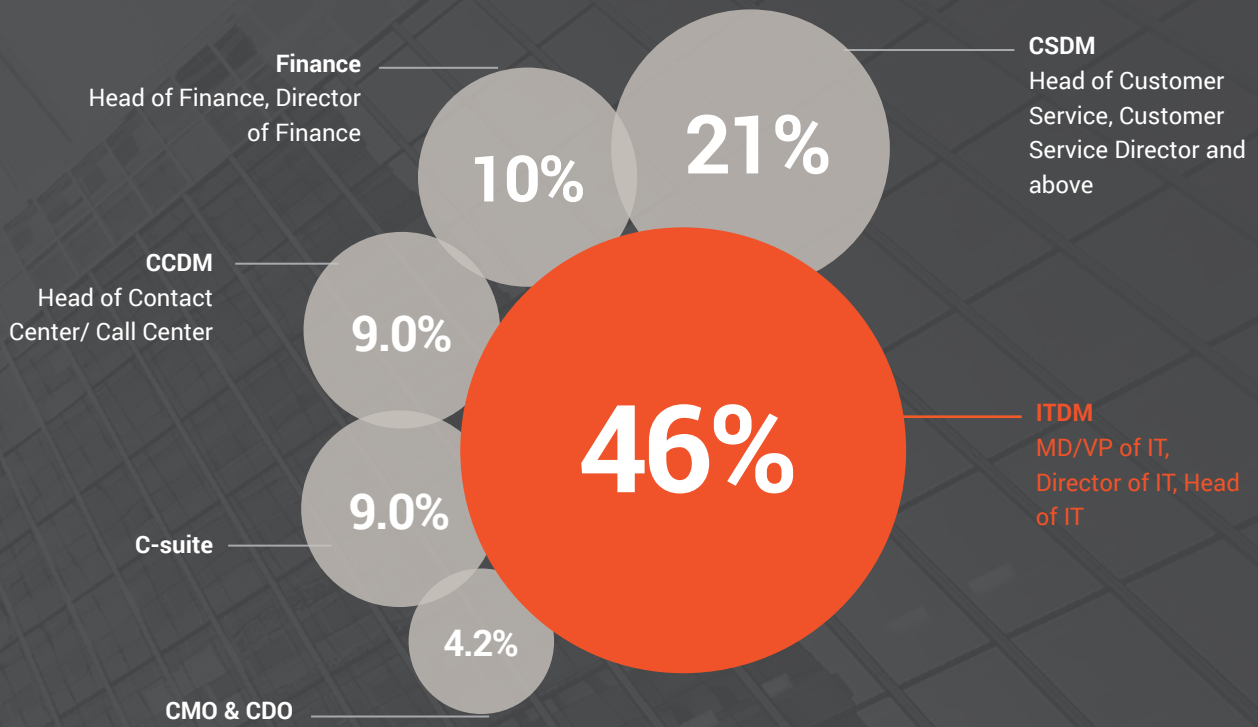
What is your main industry?



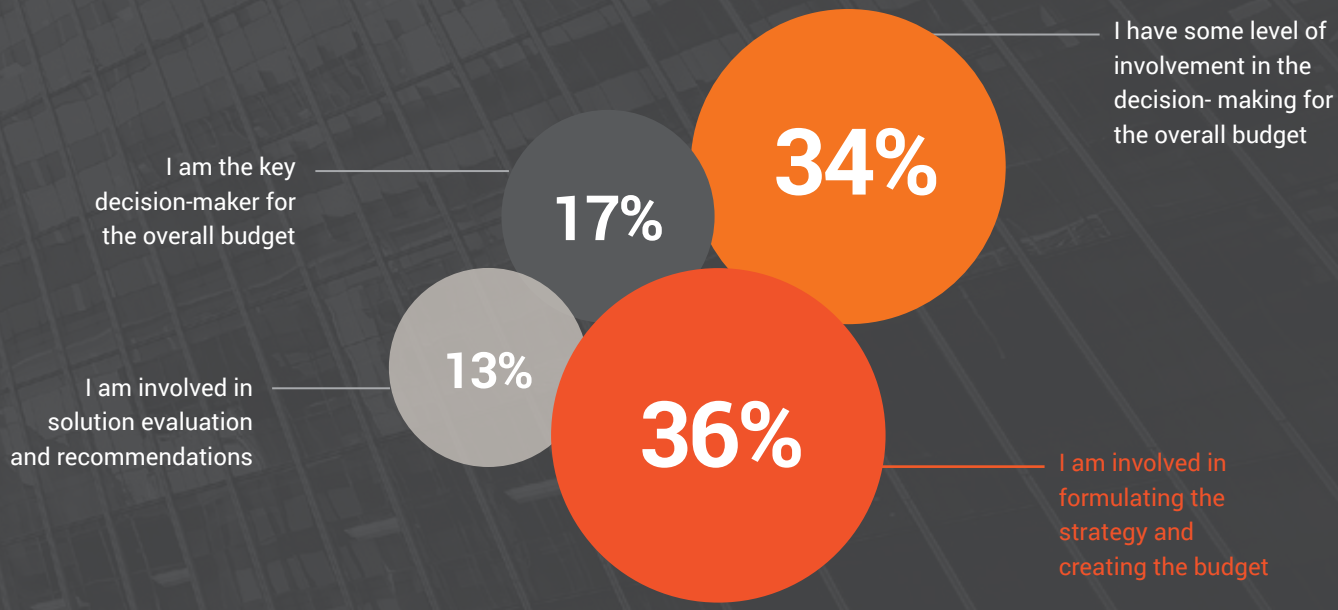
What is the size of your contact center or Customer Service Department?



Which of these titles best describes your role within your organization?



What is your level of involvement with regard to your organization's customer service/CX solutions budget?



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