

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades, creating a sense of height and architectural scale. The sky is visible at the top, and the buildings converge towards the center of the frame.

Three Trends That Will Make You Want to Look Again at Your Contact Centre Infrastructure

CCaaS | Emerging Technologies | Artificial Intelligence

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Contact centre infrastructure and CRM functionalities are increasingly integrating, and sometimes competing, to deliver customer engagement capabilities.

The contact centre infrastructure market has evolved from telephony-based call centres to the routing of digital channels such as email, web chat, SMS, video and text messaging. Recently, it has also incorporated chatbot self-service (chat bots and conversational AI) while including customer journey analytics that enhance reporting capability.

Today is a great time for contact centre leaders that have the remit to match investment planning with operational and business goals.

This white paper aims to demystify the options available by drawing upon important emerging trends in this market, provide a look at the Contact Centre Infrastructure (CCI) and how this mature market is enabling call centres to provide customers with a unified and seamless experience.

Summary

Today is a great time for contact centre leaders that have the remit to match investment planning with operational and business goals.

This white paper aims to demystify the options available by drawing upon important emerging trends in this market, provide a look at the Contact Centre Infrastructure (CCI) and how this mature market is enabling call centres to provide customers with a Today is a great time to be a contact centre leader. Hardware, software and telecommunications networks are working better than ever before and with advancements in cloud computing and the emergence of artificial intelligence, it's easier than ever to match budgets with business and operational goals.

There are three key trends emerging as a result of this maturity in CCI:

- There is increased demand from customers to move seamlessly between web self service, voice and digital channels during customer service interactions and to automatically bring their context with them.
- There is a growing preference for cloud-based services, including contact centre as a service (CCaaS) and hosted contact centre services.
- There's a growing co-opetition with CRM customer engagement centre vendors, which compliment contact centres by adding CRM functionality, yet also compete for digital channels and analytics

These three trends combine to enable call centre leaders responsible for contact centre planning to evolve their contact centres from a collection of multichannel, yet siloed solutions into more tightly integrated and customer-context-aware omnichannel environments and in doing so, alleviate capital expenditure on technology and IT head count allowing contact centres to re-invest in improving the customer experience.

Introduction to CCaaS

Before we look at Call Centre as a Service (CCaaS), we should explain what Hosted Contact Centre's are and how they differ to CCaaS.

Hosted contact centre services are provisioned whereby the contact centre infrastructure is owned and managed by a third party on servers in third-party data centres, yet is dedicated to an individual client's use. This differs from contact centre as a service (CCaaS), in that CCaaS solutions will have multiple tenants being supported on shared infrastructure.

CCaaS set ups allow call centre leaders to explore alternatives to the traditional capital expenditure model, which has a high initial acquisition and installation cost.

Historically call centres with more than 500 agents would have normally opt for Hosted contact centres over CCaaS; this is starting to shift due to the flexibility, uptime reliability and the increase speed to market CCaaS enables. In fact, Gartner has seen CCaaS solutions being deployed in enterprises with more than 300 agents — and in some cases into the thousands of agents. This is a sign that the market is becoming more comfortable with the CCaaS delivery model.

The number of CCaaS providers that offer a service-level framework agreement is something that has to increase with many CCaaS providers offering limited or no service-level guarantees as a generic service offering. So finding a provider that does offer service level guarantees would be important.

Market Readiness

Cloud services are fast becoming the norm in the Business to Consumer world and this has led to the development of extremely reliable cloud-based server technology with good redundancy management.

Another trend in business, is the adoption of agile working. With the digital landscape, speed is a must have rather than a competitive advantage and with many businesses incubating new product offerings and so requiring considerable growth, CCaaS provides a fast turn key solution.

Companies that have a strong seasonality to their business, that require scaling agent counts up and down throughout the year, also find these solutions desirable.

All these trends lead to an increased readiness for solutions to meet the needs of the modern call centre.

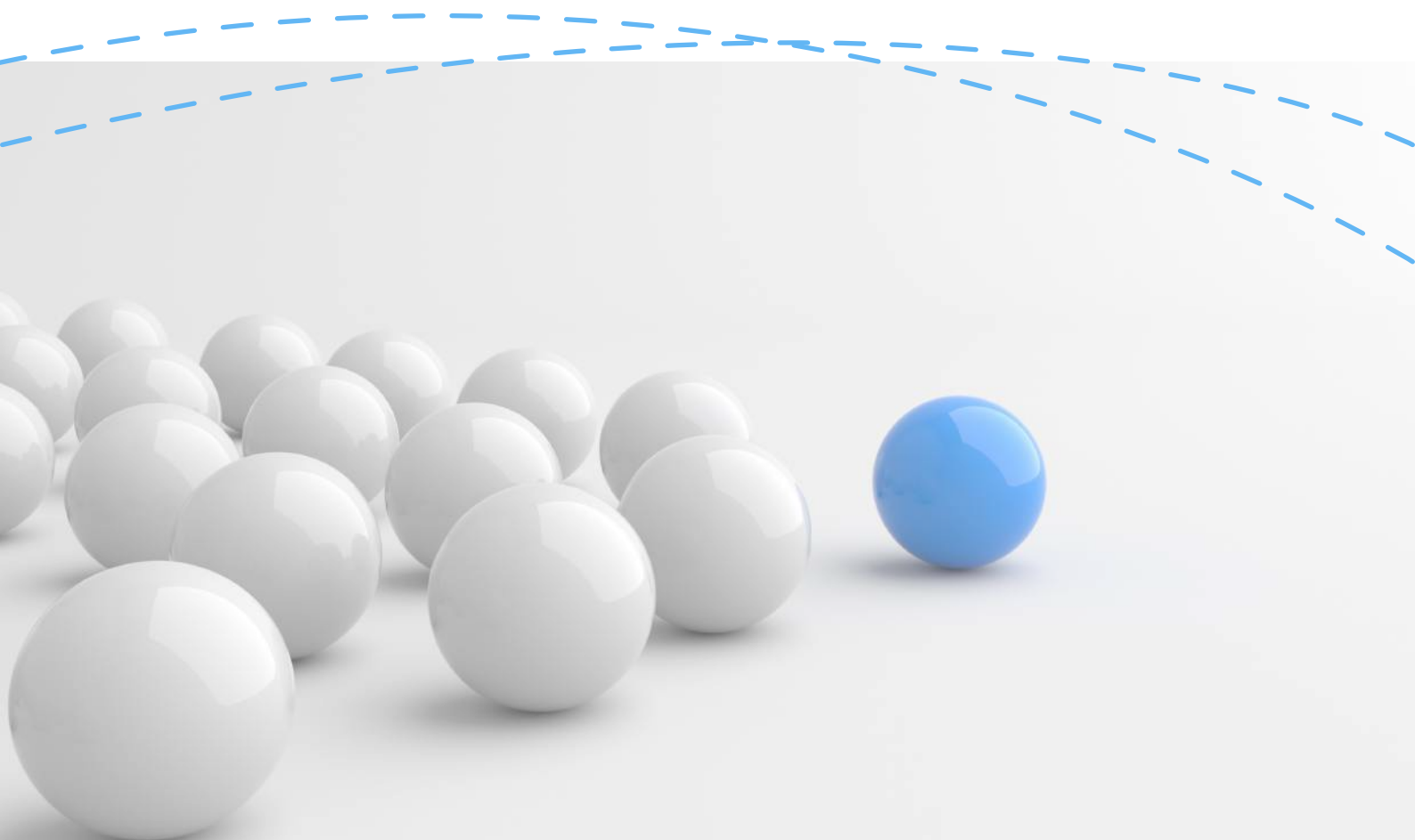
Advice on Business Impact

CCaaS provides an alternative business model for addressing an organisations' contact centre requirements.

- Useful for rapid growth requirements of staff size fluctuation in response to seasonal demands
- Great for call centre leaders that are seeking periodic operational expense payment or subscription model, rather than the capital expenditure purchase model
- Good for companies that do not want to dedicate IT staff to support infrastructure that is not core to their primary product or service

The CCaaS landscape is competitive, so it's good practise to look providers with efficient pricing structures. For example, pricing on a concurrent user basis is more efficient than per user licenses. Whilst it's also good to consider the total cost of ownership vs a CCaaS licencing model, it's really important to factor in the costs of downtime, maintenance and maintenance staffing costs associated with transitional alternatives.

Gartner Benefits Rating Moderate



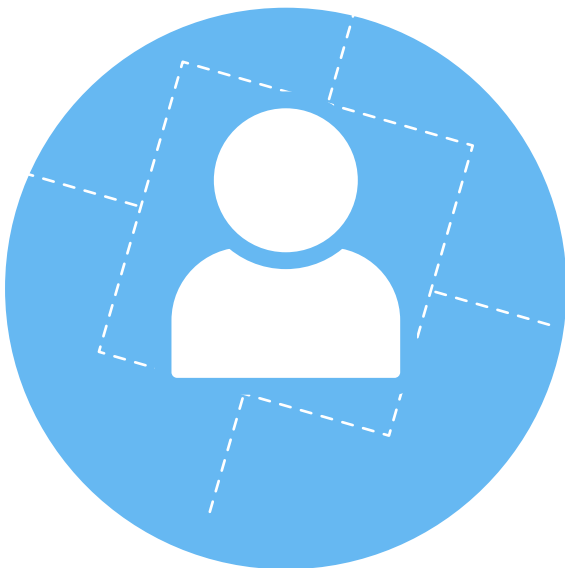
Introduction to Omnichannel

Being competitive requires organisations to adapt more quickly to the experience of customers. Because of this, most organisations are striving to achieve a unified omnichannel customer engagement strategy enabled by technology.

For contact centres, this means providing an experience that allows customers to interact through a blend of channels in a seamless way.

However, it's important to distinguish the differences between omnichannel and multichannel. Multichannel supports multiple communication channels that connect to an organisation – but provides inconsistent experiences across each channel due to the siloed teams that manage those channels. Omnichannel supports multiple channels in a unified way that allows for consistent customer relationships and messages across all channels. This is achieved by bringing together multiple communication channels into a single view, ensuring all conversations move with the customer across channels, allowing agents to be better informed, provide consistency and manage the customer experience throughout their journey.

So why can't a multichannel approach have the same effect? Often, it's quicker to make a purchase online than it is over the phone – or it's faster to resolve an issue over the phone rather than online. These are typical symptoms of multichannel experiences. With a unified omnichannel platform, the experience is a closer match across all channels and the ability to switch channels to suit the customer's needs is seamless.



This is achieved because the omnichannel platform enables the bridging of **four key areas** across the organisations, often siloed, customer facing teams:

- **Data:** Often the greatest benefit; Unifying data across all channels to ensure consistent information in a single place.
- **Knowledge:** Knowledge becomes accessible to all regardless of team or service level.
- **Process:** Each team becomes part of the process of which is led by the customer's journey
- **Experience:** The customer chooses the journey which enables a personalised experience.

Omnichannel platforms provide a better experience to both customers and contact centres and enable the management of the customer experience.

Market Readiness

Technology is the driving factor in market readiness. Technological innovation was once driven by investments in the military and government, and by big business. This has changed dramatically over the last 20 years to focus first and foremost on consumers. So, people now find themselves with a more powerful UX when at home than when they are at work. They also take the consumer experiences they receive from leading tech companies, such as Apple, Google, Facebook and Amazon, and form expectations for every brand in every industry.

This expectation alone may not be sufficient enough to suggest market readiness for omnichannel, however, here are a few compelling cases for market readiness:

- The next generation of people (those born between 1995 and 2010 who account for 27% of the world population) is entering the workforce and has spending power. They expect to be heard and involved and are quick to switch preferences.
- Consumer technologies and information has become more accessible, empowering everyone in their relationship with their suppliers.
- The rise of social media; close to half the world's population (3.03 billion) are on some type of social media.
- Many governments define a mobile phone is an 'essential' item on par with housing and education.
- Smartphones are personal omnichannel communication devices, and usership is predicted to increase from 2.1 billion users in 2016 to around 2.5 billion users by 2019.

Advice on Business Impact

This expectation alone may not be sufficient enough to suggest market readiness for omnichannel, however, here are a few compelling cases for market readiness:

Unified omnichannel platforms provide an opportunity to

- Bridge the organisations' functional silo's through the sharing of data, knowledge, process and experience.
- Enable better management of the customer experience
- Contact centres become the facilitators of brand loyalty as customers choose to stay with brands that provide great service interactions.

Unified omnichannel platforms allow organisations to provide their customers with the level of personalisation that has become expected. Internally, they become an enabler of internal change providing bridges across siloed functional departments and teams. Finally, Omnichannel platforms are designed to support today's and tomorrow's channels, so provide a secure and scalable solutions for your organisations growth.

Gartner Benefits Rating High



A conversational Artificial Intelligence (AI) is often referred to as a chatbot. However, there is a considerable difference.

A chat bot is a computer program that acts on behalf of an organisation to simulate an engagement to deliver information and/or take action on behalf of a customer to perform transactions.

A chat bot will typically comprise of four parts: **1.** A user interface that receives the request and delivers the response; **2.** A natural-language processing and generation engine; **3.** The search engine that can traverse data repositories of knowledge and content and **4.** The context engine to analyse and handle the intent.

Conversational AI incorporates the same four parts with an additional but a very important 5th part: Artificial Intelligence. This bringing together of conversational platforms (e.g. chat bots) with artificial intelligence, leads to the undifferentiated ability to capture customer intent accurately and handle unexpected inputs elegantly with a continuity of learning that ensures a continued high-level customer experience.

Having the ability to 'learn' also enables conversational AI deployment – depending on your web platform processes - in as little as 30 minutes. This is because resource does not have to be invested in 'teaching' by specialist programmers. Conversational AI will 'learn' from the moment it's live on your web platform and will continue to learn and improve.

Market Readiness

Conversational AI to support customer service and enhance the customer experience is the most sought-after use case in the world.

The increased interest in this technology is based on heavily improved natural-language processing technologies, the increase of chat-centric mobile channels to engage with customers and customer acceptance of robotic technology. These are the main drivers behind this rise in interest.

Underway now is the transition from reactive human-programmed virtual assistants that respond to questions with answers found in structured and unstructured content libraries, to proactive, conversational AI that look at the characteristics of individuals and act on their behalf – for example Cirrus' AI.

Today, with advancements in AI, the leading conversational AI that Cirrus deploys has the ability to deploy quickly and incorporate domain-specific content models that enable the capture of customer intent accurately and handling of unexpected inputs elegantly.

In summary, conversational AI requires more infrastructure – often offset by software vendors - have memory and form a relationship with customers. Chatbots, on the other hand, are often narrow entities that perform a single task.



Advice on Business Impact

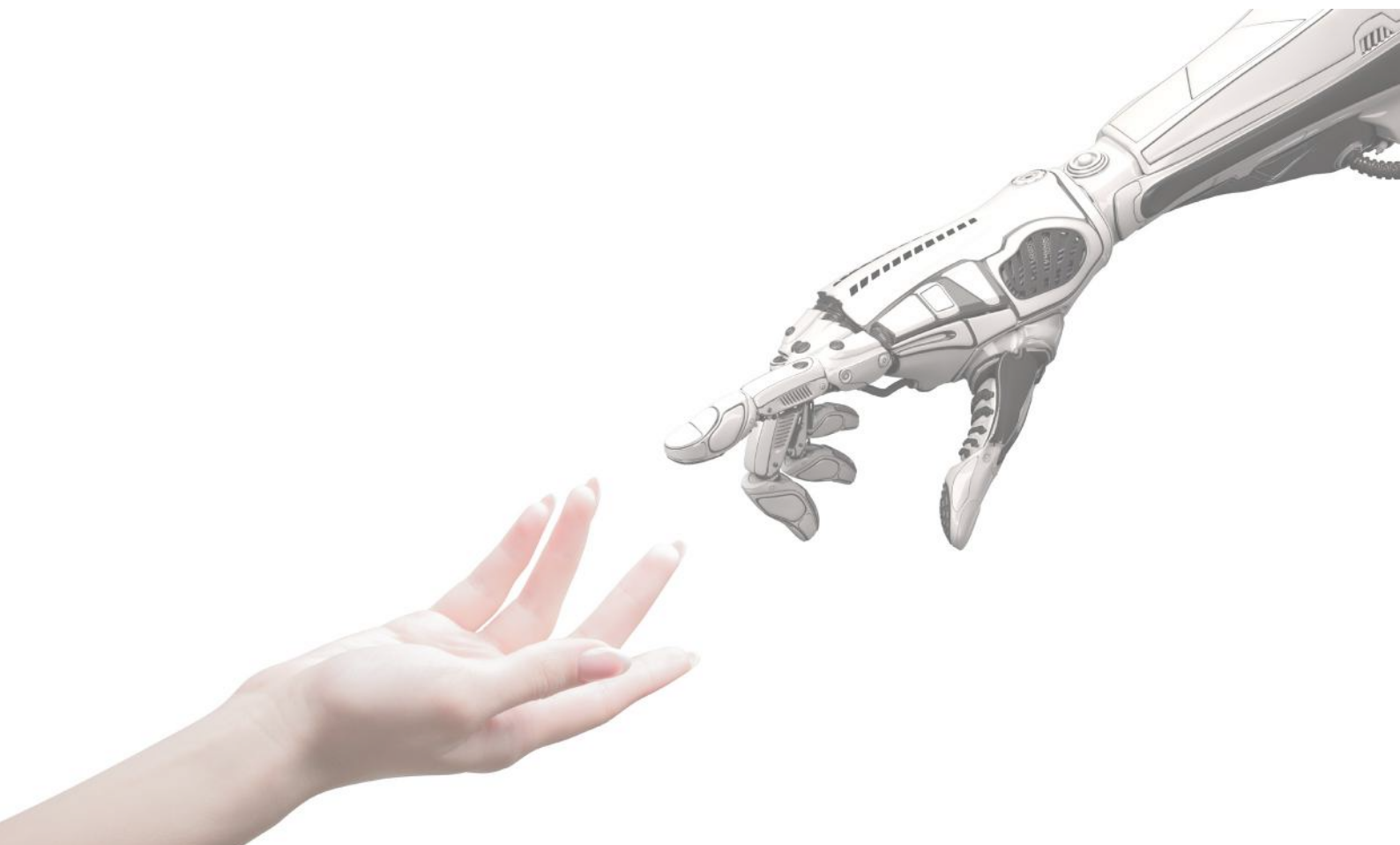
Conversational AI will be the starting point to support multiple engagement channels.

They address the need to:

- Meet customers' expectation for customer support on web and mobile channels – a higher frequency of interactions, 24/7 and instant chat availability
- Move engagements to less-expensive, customer self-service channels with faster time to resolution and reduce cost to serve
- Provide proactive advice and engagement, building loyalty and customer satisfaction.

The effective use of a conversational AI will allow organisations to scale the numbers of engagements they can handle, especially in the contact centre and can help create an interesting interaction for non-traditional audiences.

Gartner Benefits Rating Transformational



Advice to Businesses

We shouldn't underestimate the change that's required to shift from traditional contact centre models to new cloud, omni and AI models. Because of this, here are some common stakeholder inhibitors to change. You should ensure you discuss these inhibitors with potential suppliers:

Total Cost of Ownership (TCO)

Some contact centre decision makers presume that although the initial acquisition costs of CCaaS, Omni and AI solutions will be lower than for on-premises solutions, in the long term these solutions will prove more expensive as monthly recurring charges add up. Although this will be true in some situations, it will not always be the case — such as in environments with significant seasonality in their staffing requirements, or environments where IT head count can be significantly reduced by shifting responsibilities to the provider's staff.

Customisation

Some contact centre decision makers believe that these offerings are inherently standardised and cannot be customised to the extent implemented in the on-premises systems that they typically replace. But the ability to customise functionality in order to meet a specific enterprise's needs varies by provider; some can provide highly customised solutions.

Scalability

Some contact centre decision makers may presume that these solutions cannot scale to meet the demands of large contact centres. However, we are now seeing CCaaS and Omni deployments that support several thousand agents. Conversation AI is still very new, but we predict a very fast adoption rate as the market becomes more acceptant of non-human interactions.

Security

Some contact centre decision makers presume that the providers cannot support the stringent levels of security required for the handling of sensitive customer data. However, Gartner has found that CCaaS, Omni and AI providers support more rigorous security practices than enterprise IT organisations.

Operational Disruption

Enterprises can often minimise disruption to their operations by upgrading existing on-premises systems, rather than replacing them with other vendors' systems (whether on-premises or CCaaS-based). In large deployments, this can be a compelling argument for staying with an existing vendor. However, this benefit must be evaluated in the context of other drivers and inhibitors, because this approach may impede a contact centre's ability to adapt to changing customer and enterprise requirements in the long term. In some cases, an enterprise can minimise disruption by staying with its existing vendor but moving from its on-premises solution to its CCaaS solution.



By 2019 more than 50% of global enterprises will rely on a least one public cloud platform to drive digital transformation and the total global public cloud market will increase from \$146B to \$178B and will continue to grow at a 22% compound annual growth rate (CAGR). By 2020, we believe that more than 40% of all data analytics projects will relate to an aspect of CX, that AI will account for 10% of B2C first-level engagement requests up from less than 1% today.

Technology is advancing, and consumers are leading the demand cycle. This pushes an expectation on the services contact centres provide. Combine that with the pressures of being the custodians of Brand, it's more important than ever that contact centres are actively looking to 'meet their customers where they are'.

With the increase of CCaaS availability, Unified Omnichannel platforms and conversational AI, today is a great time to be a contact centre leader. It's easier more than ever to match budgets with these business and operational goals.

These three trends combine to enable call centre leaders responsible for contact centre planning to evolve their contact centres from a collection of multichannel, yet siloed solutions into more tightly integrated and customer-context-aware omnichannel environments and in doing so, alleviate capital expenditure on technology and IT head count allowing contact centres to re-invest in improving the customer experience.

By 2020, we believe that more than 40% of all data analytics projects will relate to an aspect of CX, that AI will account for 10% of B2C first-level engagement requests up from less than 1% today.



Gartner Benefits Rating Explained

As part of Gartner's industry analysis, they have rated technologies and solutions using the following structure:

- **Transformational**: Enables new ways of doing business across industries that will result in major shifts in industry dynamics.
- **High**: Enables new ways of performing horizontal or vertical processes that will result in significantly increased revenue or cost savings for an enterprise.
- **Medium**: Provides incremental improvements to established processes that will result in increased revenue or cost savings for an enterprise.
- **Low**: Slightly improves processes (for example, improved user experience) that will be difficult to translate into increased revenue or cost savings.

Glossary

CCaaS or Contact Centre as a Service is a cloud based service that typically combines the four pillars of service required by modern call centres: Voice, Chat, Social and Email

CCI or Contact Centre Infrastructure refers to the set of hardware, software and telecommunication network components required for contact centre operations

Omnichannel engagement is the persistent seamless contextual transition between engagement channels. For example, to be able to move from webchat to voice and carry the conversation and context throughout.

Open APIs or Application programming interfaces, enable systems to work together and share information. Open API's allow clients to freely integrate with software vendors.

WebRTC allows web browsers and mobile applications to provide real-time communications. This includes communications mediums such as text, audio and video.

Chatbots are computer programs designed to simulate conversations with customers by pre-programming or defining data in which the chat bot can return in response to a customer interaction.

Conversational AI or Artificial Intelligence is similar to a chatbot. However, the key difference is an AI chatbot 'self learns' – it perceives its environment and takes actions that maximise its chances of successfully achieving its goal. Those goals are most likely to be service or sales orientated.

VCA or Virtual Customer Assistants are machine-based robots, typically used as a starting point to support multiple engagement channels.

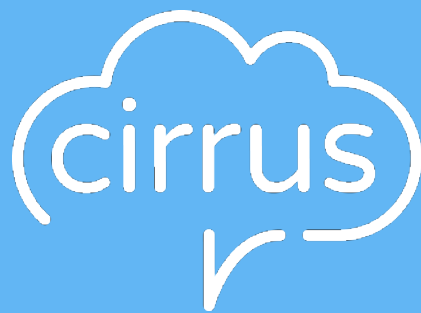
Unified Omnichannel is the term used when multiple communication channels are unified in one platform enabling the transportation of customer context across channels.

Multichannel is the term used to describe various communication channels that connect to an organisation.

CAGR or Compound Annual Growth Rate is a measure of growth over multiple time periods. It can be thought of as growth rate that gets you from the initial investment value to the ending investment value.

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