

AI IN THE CONTACT CENTER: SERVICE LEADERS ACROSS THE FORTUNE 1000 ARE PAYING ATTENTION

October 2018

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This Knowledge Brief outlines how service leaders across the Fortune 1000 educate themselves on how AI can help transform their activities. It also illustrates a brief overview of the business impact of AI in the contact center.

Service Leaders Across the Fortune 1000 Want to Learn More About AI

Artificial intelligence (AI) has become one of the most widely discussed technology topics. In fact, many of my conversations at Dreamforce in September 2018 revolved around, or at the very least, included AI (see related [article](#)). Despite a wealth of conversations, events, and research on the topic, buyers and even some technology providers are still confused by what AI really means.

Some use it interchangeably with analytics; some use it to refer to automation; others define it as machine / artificial intelligence that can make independent decisions. This brief isn't meant to provide an academic definition of the term, but for the purposes of customer experience research at Aberdeen, we define AI as a set of technology capabilities allowing software to learn on its own (detecting trends and root causes), providing recommendations to achieve certain goals, and taking action designed to also achieve predefined objectives.

When we hear AI in most technology conversations, the most common capability referred to is machine learning — where a software program is designed to process vast volumes of data, typically through some human supervision to ensure the program “learns” correctly. If adjustments need to be made, data scientists overseeing the machine learning process can do so. Companies can combine these insights with predictive analytics to make predictions about the likelihood of certain events happening (e.g., customer retention). This information can then be used to prescribe employees (e.g., contact center agents) with guidance on specific activities to accomplish certain goals (e.g., prevent churn) — again, by analyzing past data to determine the most common action that's associated with minimizing churn risk in a given context.

Some tools also provide the ability for the AI system to take action (e.g., schedule employees, or send a gift card). Such use cases where AI handles certain activities must be closely monitored by humans to ensure the software works as it should. When determining anomalies, humans can intervene to

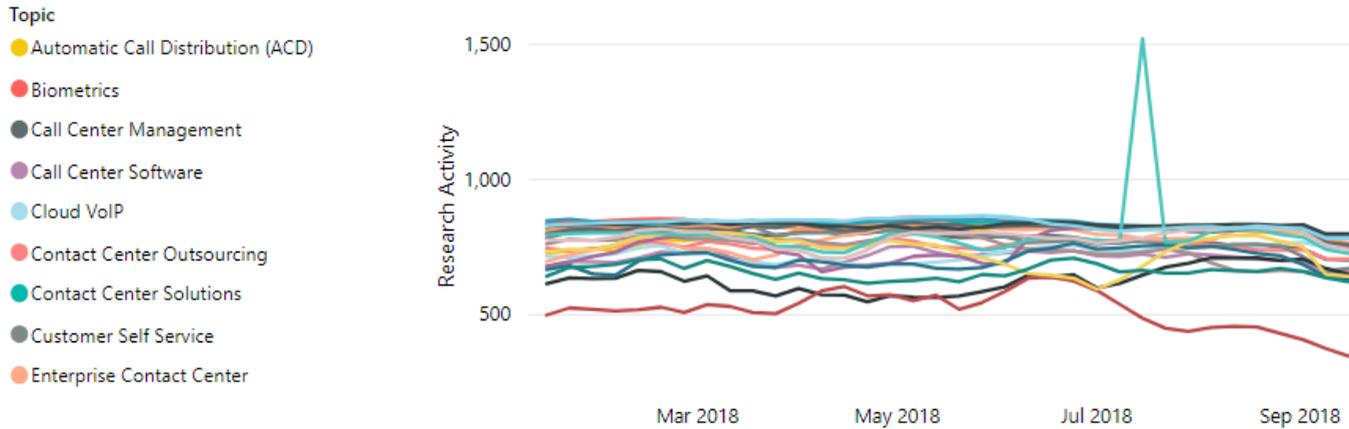
Service leaders regularly discuss AI and related capabilities to make sure they're not missing out on best practices their competitors may be adopting to improve their results.

Savvy contact centers avoid the hype. They analyze vast volumes of data through supervision by data scientists and help generate more accurate insights. These insights help improve self-service experiences by making the process more seamless. They also help agents become more productive by making it easier to do their jobs.

make adjustments. As such, AI enables companies to automate certain tasks, but automation isn't synonymous with AI.

Through our market intelligence platform, Aberdeen monitors the top topics specific companies research to make educated technology purchases and renewal decisions. One of the many sectors we closely monitor is the contact center. Recently we analyzed the top contact center topics that Fortune 1000 organizations researched between March and September 2018 (Figure 1).

Figure 1: Research Activity Over Time



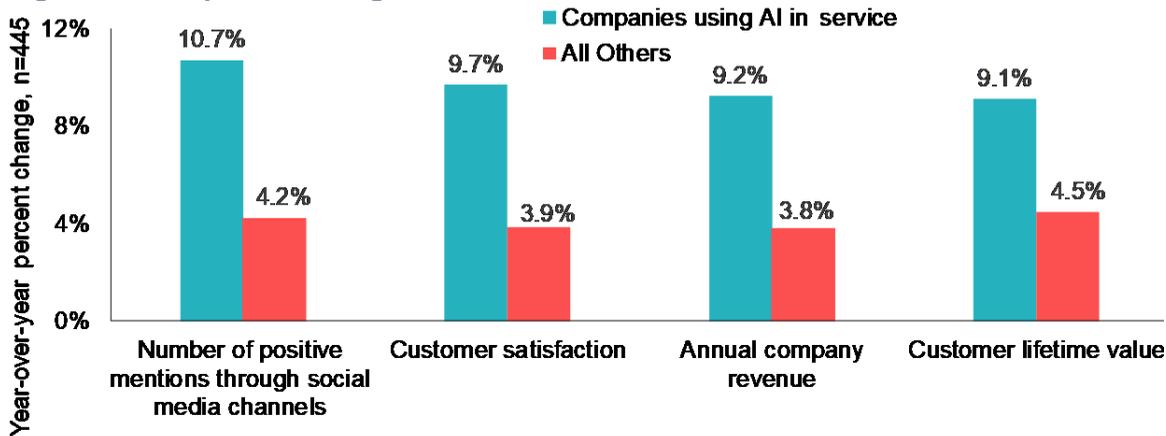
As depicted in the figure above, research activity by the Fortune 1000 has been consistent across almost all topics. There are two notable exceptions. First, in late July 2018, we saw a sudden surge across Fortune 1000 firms researching contact center solutions. While every company may have specific reasons that pushed them to research this topic, a quick news search provides the answer. In July 2018, Google announced its AI capabilities for the contact center, which is largely a virtual assistant that can interact with customers for rather simple issues such as scheduling an appointment or checking account balance. The announcement was widely covered in the technology and contact center circles and drew so much attention within the sector that it caused the sudden spike illustrated in Figure 1.

The second interesting finding from Figure 1 is the decrease in research activity related to private branch exchange (PBX). The label for PBX isn't seen in the list in Figure 1, however, it's reflected through the dark red line that's particularly trending downwards between July and September 2018. PBX has already become a key ingredient in business communications. As such, Fortune 1000 firms are not as active in researching best practices and trends in use of PBX. Rather, they focus on emerging and key technologies that will help them differentiate their customer experiences.

The ROI of AI in the Contact Center

There is a lot of hype around AI, particularly that it allows contact centers to reduce their agent headcount in the near term and completely eliminate agents in the not-so-distant future by replacing them with virtual assistants such as the one Google illustrated through its aforementioned demo. The good news is that, besides the hype, savvy users of AI are more opportunistic in incorporating its capabilities to enrich self-service experiences. They also automate simple tasks that require minimal human decision making (e.g., copy-pasting content, or creating a sales opportunity). Companies who are taking advantage of AI capabilities have already started reaping its rewards. In fact, Aberdeen's research shows that companies using AI in their customer service outperform non-users across a variety of key customer experience measures (Figure 2).

Figure 2: Companies Using AI Maximize Customer Satisfaction Rates



Source: Aberdeen, May 2018

Customer satisfaction is top-priority for almost all service organizations. Those that succeed in creating happy clients also enjoy the loyalty of their clientele, along with growth in their spend — reflected through improvements in customer lifetime value and revenue growth. Figure 2 shows that companies using AI in their service activities enjoy 2.5 times greater annual increase in customer satisfaction rate (9.7% vs. 3.9%), 2.5 times greater annual revenue growth (9.2% vs. 3.8%) and twice greater annual increase in customer lifetime value (9.1% vs. 4.5%), compared to those that don't.

Such results are enabled by contact centers' ability to use machine learning to uncover hidden trends and insights — allowing them to have a better understanding of evolving customer needs. Additionally, Best-in-Class companies achieve such results via the ability to determine the knowledge base articles that help maximize the likelihood of addressing a customer issue, then recommending these articles in an automated way through the agent desktop by

AI determining the context from analyzing data collected through the interactive voice response (IVR) or speech analytics.

As noted earlier, savvy contact centers don't see AI as an opportunity to replace their agent workforce, but rather augment the performance of their employees with tools and insights to do their jobs better. As a result, contact centers using AI within their activities report 68% greater annual improvement in agent productivity (10.1% vs. 6.0%) (Figure 3). They also report that they decrease the time spent by supervisors assisting contact center agents by 4.0% year-over-year, compared to a 2.0% increase by those without AI. This improvement is a result of agents receiving contextual guidance through the AI system.

Figure 3: AI Users Drive Greater Efficiency in Service Delivery

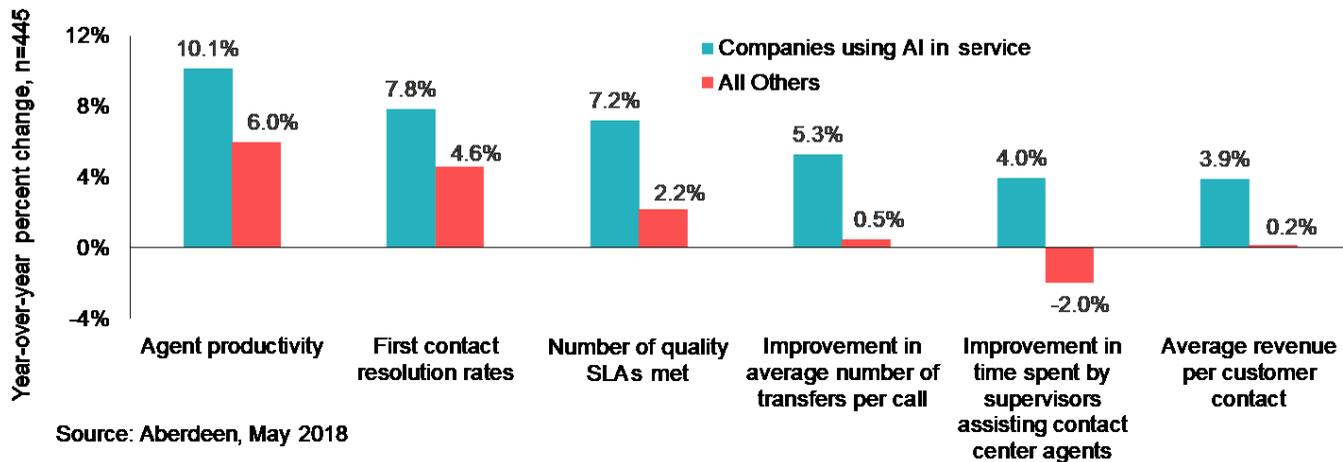


Figure 3 shows that efficiency gains enjoyed through incorporating AI in contact center activities help service organizations also improve their first contact resolution rates and service-level agreement (SLA) attainment year-over-year. This means that in addition to helping agents become more productive, use of AI offers them more accurate insights to address customer issues more effectively. As such, it's not surprising that AI users enjoy greater improvement in customer satisfaction rates.

Key Takeaways

Earlier, we saw that service leaders across the Fortune 1000 were interested in AI following Google's announcement of its AI-enabled virtual assistant capability. This isn't an anomaly; many service leaders regularly discuss AI and related capabilities to make sure they're not missing out on best practices their competitors are adopting. Unfortunately, this process also creates a lot of hype around what AI can do for contact centers today.

Savvy contact centers avoid the hype that claims AI can help them fully automate all their activities, and that all customer needs can be handled solely by a software that learns on its own. AI capabilities today are more limited in their functionality. They enable contact centers to analyze vast volumes of data through supervision by data scientists and help generate more accurate insights. These insights help improve self-service experiences by making the process more seamless. They also help agents become more productive by making it easier to do their jobs.

If you're not considering how AI may help augment your contact center agents' activities, we highly recommend that you examine how these capabilities may support your business. If you have already started using AI capabilities, then we highly recommend that you monitor your performance closely to determine how AI influences KPIs. As a result of this monitoring, if you find that it helps improve certain KPIs, continue with these activities. If you find that your performance worsens across other certain KPIs, do a root-cause analysis to find out how you can better utilize AI to achieve desired goals.

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