Transforming from Contact Center to Digital Engagement

How Customer Engagement Must Evolve in the Digital Age

In an increasingly digital world, business success comes not just from optimizing contact center interactions, but also from cultivating high-quality customer engagement across all touch points. Customer engagement leaders must invest in approaches that support expanding methods of integration, and the flexibility to enable rapid change.

Compass Direction Points:

- **Digital transformation is here:** Nearly 70% of companies have a DT initiative, 50% of initiatives are customer facing
- **Evolve your contact center:** DT success requires supporting new interaction channels, applying analytics, and measuring results. Embrace the cloud for rapid change
- **AI and Bots are coming:** Evaluate new ways of improving outcomes
- **Lines are blurring between contact center and back office:** Use APIs to optimize agent experiences, improve collaboration, and interactions

By Irwin Lazar
Vice President and Service Director, Nemertes Research

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Executive Summary

Customer engagement is changing rapidly, as organizations leverage digital technologies to increase interactions across a range of interfaces. Nearly 70% of companies already have launched digital transformation initiatives designed to deliver new services and / or optimize existing ones. The most successful of these companies are focusing on leveraging flexible cloud-based services to improve agility and more quickly deliver new services, and are investing in analytics to both enable customers to optimize their experience by tailoring engagement to customer need.

Successful customer engagement requires shifting away from a contact-center focus to one that holistically considers all brand touch-points, across a variety of digital and human channels. The new focus should invest in improved analytics, tie investments back to measurable gain, and embrace new technologies such as machine learning, voice assist, and bots. Further supporting these trends is a shift to approach customer engagement and collaboration services as extensible technologies, able to be embedded into business applications and integrated with business processes via APIs.

IT and business leaders should:

- Plan for a growing range of customer interaction methods as part of digital transformation initiatives. This includes greater reliance on mobile applications and ever-increasing connected devices
- Evaluate the ability of existing contact center platforms to evolve to support new and emerging channels including social media, text chat, messaging, and more
- Consider cloud-based options as a means to rapidly add new capabilities while minimizing capital outlays
- Address analytics and performance management to evaluate the entire customer engagement and journey and to identify issues that negatively impact customer outcomes
- Plan to extend and integrate contact-center platforms into back-office applications to enable greater agent visibility into customer journeys, as well as improved internal collaboration to speed problem or opportunity resolution

The Issue

Digital transformation is reshaping customer engagement as organizations seek to proactively interact with customers and prospects across an ever-increasing range of methods. Gone are the days when the only direct interaction happened via phone calls to the contact center. Now, interaction happens across social media channels, mobile apps, web sites, and more. To survive in this new digital age organizations must:

- Broaden their engagement perspective beyond the contact center to encompass new and emerging channels
- Ensure they are delivering consistent messaging and user experiences across a range of interactions
- Invest in analytics and micro segmentation approaches that let customers utilize their preferred means of interaction
- Enable the agility required to rapidly leverage new interaction channels as they arise, typically via cloud-based services that provide faster upgrade cycles and deliver new features far more easily than on-premises solutions
- Integrate customer interaction into business process applications to improve responsiveness and deliver new services
- Go beyond contact-center performance metrics to analyze customer engagement performance across all methods of interaction

The Digital Transformation Imperative

Digital transformation has many meanings. Nemertes defines it as *"the innovative application of technology to improve processes and product experience to drive value."* Figure 1 shows the interrelation of each component of digital transformation, along with examples at each stage: Innovative application of technology enables improvements in process and product and experience, driving increased value.
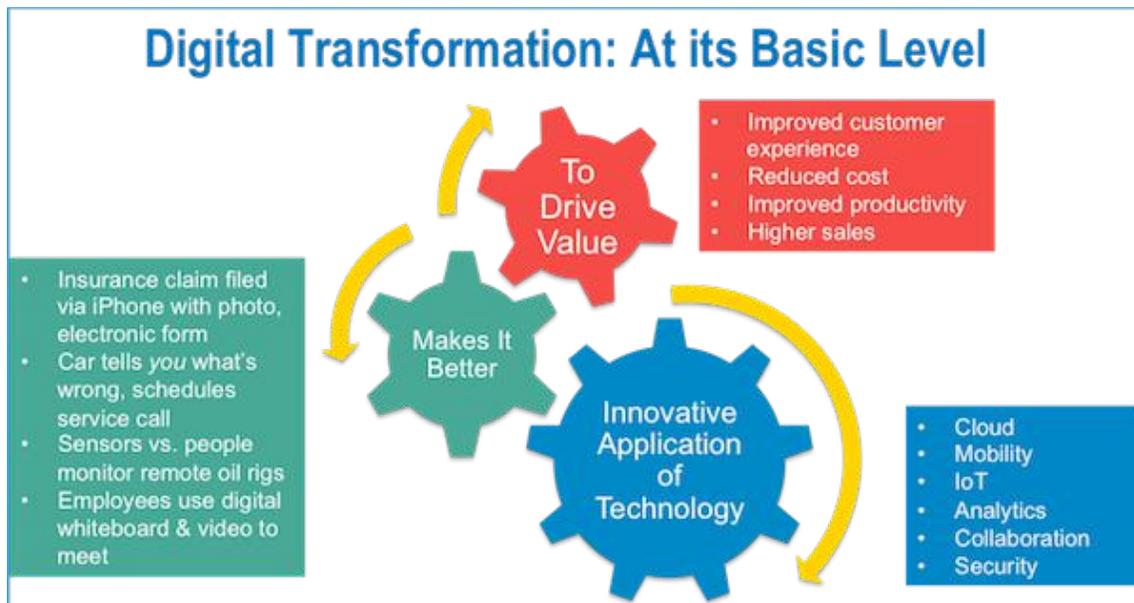
Figure 1: Digital Transformation Defined

Digital transformation touches many areas of an organization. Lines of business may drive digital transformation initiatives to improve internal workflows, deliver new services, or create new ways of interacting with customers. Marketing and sales teams often view digital transformation as a way to increase sales, either by identifying new opportunities, or providing enhanced means to upsell to existing customers. All of these initiatives have one thing in common: They change the way organizations interact with customers—whether internal employees (as customers of IT), or external customers.

IT and business leaders are embracing the opportunities afforded by digital transformation. Nemertes 2016-17 study on enterprise digital transformation found that almost 70% of participants had a digital transformation initiative with customer-centric initiatives making up the bulk of these efforts (Please see Figure 2.)
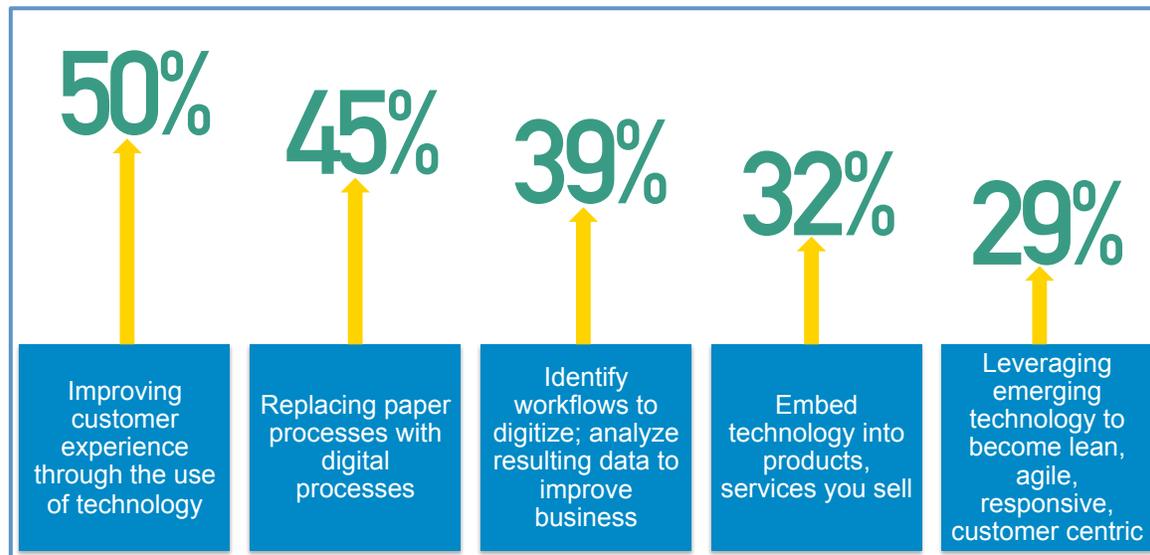
Figure 2: Digital Transformation Areas of Focus

Furthermore, 40% will increase the number of IT staff members handling customer experience by 2018, by an average of 18%. Primary areas of investment for improving customer engagement investment include mobile applications, video collaboration, and analytics, as well as network infrastructure and security to ensure successful rollouts. Underlying all of these technology focus areas is an increasing reliance on cloud-based services to speed deployment, minimize capital costs, and enable rapid delivery of new features.

The Evolution of the Contact Center

As digital transformation initiatives increase customer interaction channels, and seek to optimize engagements, contact centers must appropriately evolve. For most organizations, this translates into omnichannel adoption—equipping contact centers (and agents) to handle multiple forms of engagement including not just traditional channels like voice, email, and web chat, but also social media (e.g. Twitter and Facebook), text messaging (e.g. SMS, Facebook Messenger and WhatsApp), web-based voice and video, remote desktop control, and more.

Those who start transformation initiatives with contact centers focused on incoming phone calls and emails will quickly find they lack the ability to holistically manage the customer engagement experience. Despite the clear need to broaden customer engagement, most companies still support only traditional contact center channels (voice and email). Fewer than half support web chat, 28.6% enable customer engagement via websites, and 21.4% via mobile apps. Just 17.9% support social media-based interactions. (Please see Figure 3.)
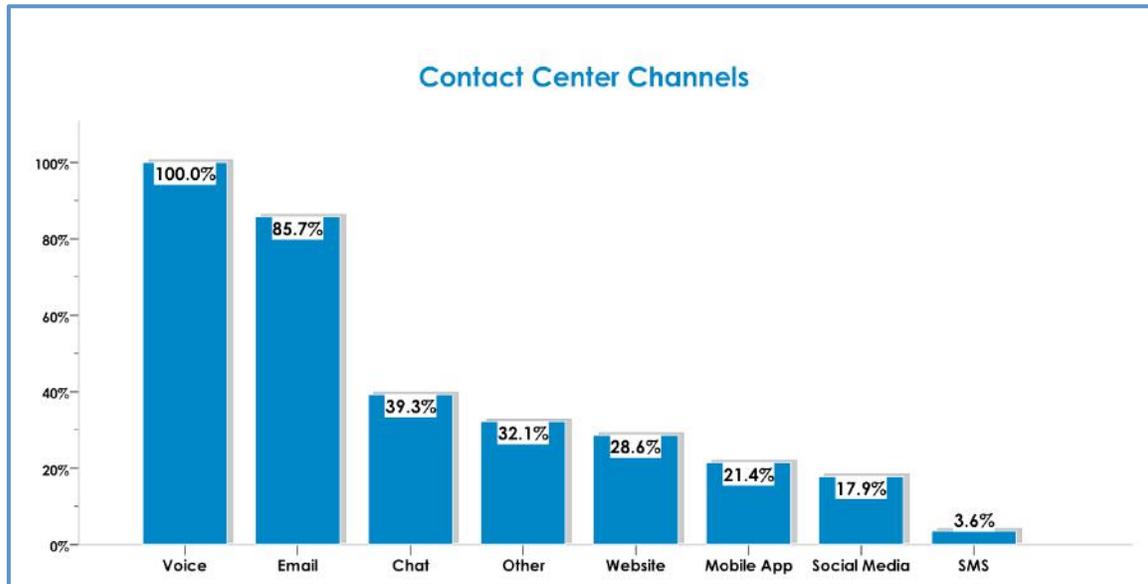
Contact Center Channels

Figure 3: Contact Center Channels

One of the primary constraints on improving customer experience is the investment required to upgrade on-premises contact-center platforms. The need to embrace new channels—and quickly—is driving increase in cloud contact center adoption (Please see Figure 4.) Cloud platforms let organizations rapidly add channel support without complex, and often expensive upgrades to internal systems. They also provide analytics that enable reporting on engagement performance across all channels. Advanced analytics help organizations evaluate the entire customer journey; one that may start on social media, shift to text, and end up with a voice or video call with agents using remotely controlling a customer's web browser to guide customers to problem resolution.
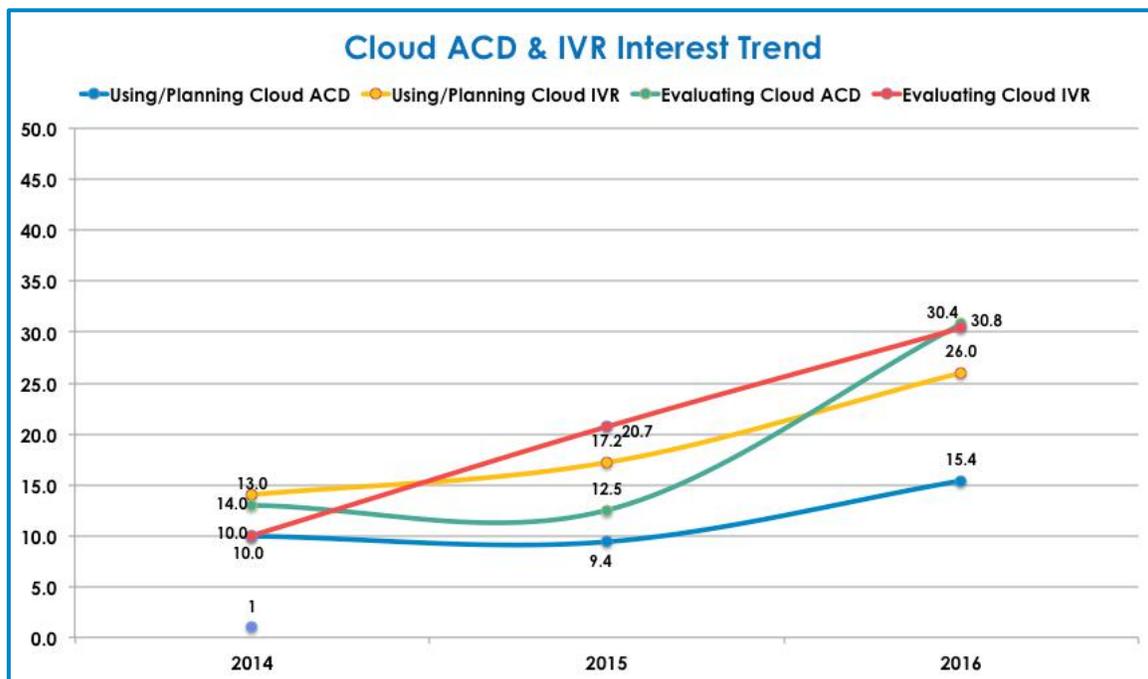
Figure 4: Cloud ACD and IVR Trends

The Next Frontier: AI, Voice, and Bots

Enabling omnichannel support and analytics is only the first step in a rapidly evolving customer engagement domain. CRM and contact-center vendors are investing in artificial intelligence capabilities to provide predictive analytics based on past interactions, enabling organizations to understand how customers prefer to engage, what channels are most effective for different types of engagements, and what patterns can indicate potential performance issues.

Bots are often part of AI initiatives, enabling improved automated response to address customer needs quickly, and often using natural voice. In advanced applications, bots can learn from past engagements, speeding up future interactions. Already more than 30% of organizations are using or evaluating bots as part of their contact-center strategy, a number that we expect to rapidly increase in coming years.

Tearing Down Walls via APIs

Nemertes digital transformation research shows that integrating emerging technologies with back office applications correlates highly with digital transformation success. Those with the most successful digital transformation strategies are 28% more likely to use APIs to connect communications platforms with business process applications than others. They are more likely to embrace technologies like WebRTC, platform as a service, and analytics as well. What this

signals is that walls around CRM, unified communications and collaboration, and contact center are rapidly coming down as organizations try to deliver integrated back office experiences to support improved customer service, while also delivering a greater ability for customers to access their own information via self-service. For example, an organization may use contact center APIs and technologies such as WebRTC to enable customer service representatives to answer calls from within their CRM apps, while they use embedded internal chat to create a persistent chat room for discussion of the customer case with back office personal to speed resolution. In this scenario, the agent has the customer's complete history available via the CRM, while they can chat with others as necessary to deliver a positive outcome to the customer.

Conclusion and Recommendations

Digital transformation is rapidly reshaping customer engagement, creating new methods of interaction, new demands for intelligence, and new requirements for contact centers to quickly evolve to optimize customer experiences. IT and business leaders should:

- Plan for a growing range of customer interaction methods as part of digital transformation initiatives. This includes greater reliance on mobile applications and ever-increasing connected devices
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