FROST & SULLIVAN

Customer Experience Insights

A Strategic Partnership Report by
Frost & Sullivan & **Humach**

Empowering Future-Ready Customer Experiences through Cutting-Edge Insights

Humach

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EXECUTIVE SUMMARY

SUMMARY OF KEY FINDINGS AND STRATEGIC IMPLICATIONS

Key Findings		Strategic Implication
1	All industry sectors expect the use of live agents to decrease somewhat over the next two to three years to be replaced by bots.	There is an opportunity to support the expected increase of calls by assisting with technology adoption to replace or supplement live agents with bots or virtual assistants.
2	Yet, the majority of companies expect the number of inbound calls to increase in the next one to two years.	
3	Most companies exhibit a strong solution and outcome orientation. Technology or other investments that impact performance.	There are universal challenges impacting all industries and specific challenges affecting each. Tailoring solutions requires understanding the unique needs of each industry.
4	Utilities and healthcare in particular exhibit strong solution and outcome bias.	
5	Hospitality and utilities are prioritizing AI solution deployment and investments.	AI solutions are part of a technology investment mix that are focused on specific capability enhancements.

SUMMARY OF KEY FINDINGS AND STRATEGIC IMPLICATIONS

Key Findings

6	About two in five say they are likely to adopt a CCaaS solution in future.
7	This figure is particularly strong amongst hospitality and larger organizations.
8	Companies that have deployed AI solutions successfully are almost nine times more likely to be a target for CCaaS.

Strategic Implication

Current technology and notably AI deployments are key determinants of the likelihood to adopt a CCaaS solution. These should be prioritized markets for Humach.

RESEARCH METHODOLOGY AND SAMPLE

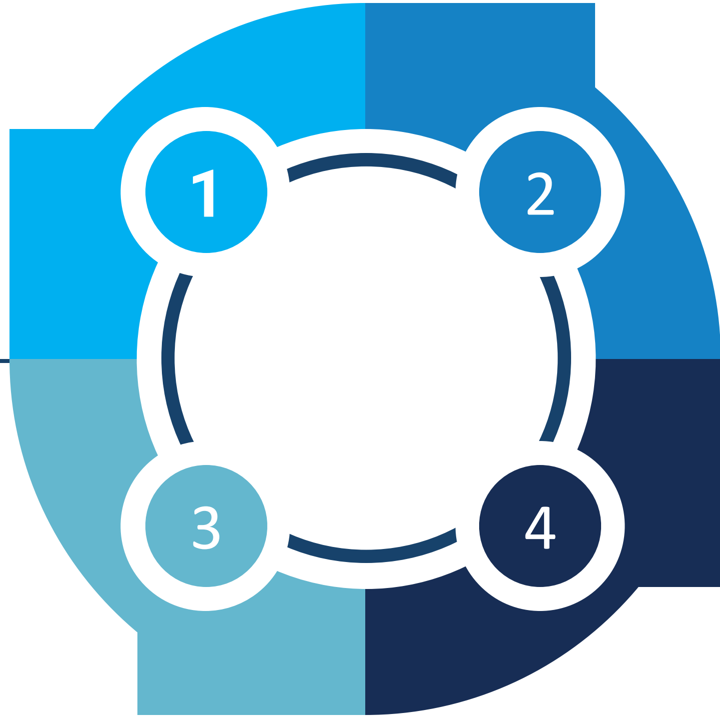
RESEARCH METHODOLOGY

Methodology

The survey was conducted online using web-based panels.

Respondent Profile

- Managerial to C-level
- The company must operate contact centers either in-house, outsourced, or both.



Sample

- Total sample n=400
- Quotas:
  - Industry
  - Number of seats
  - Revenue

Fieldwork

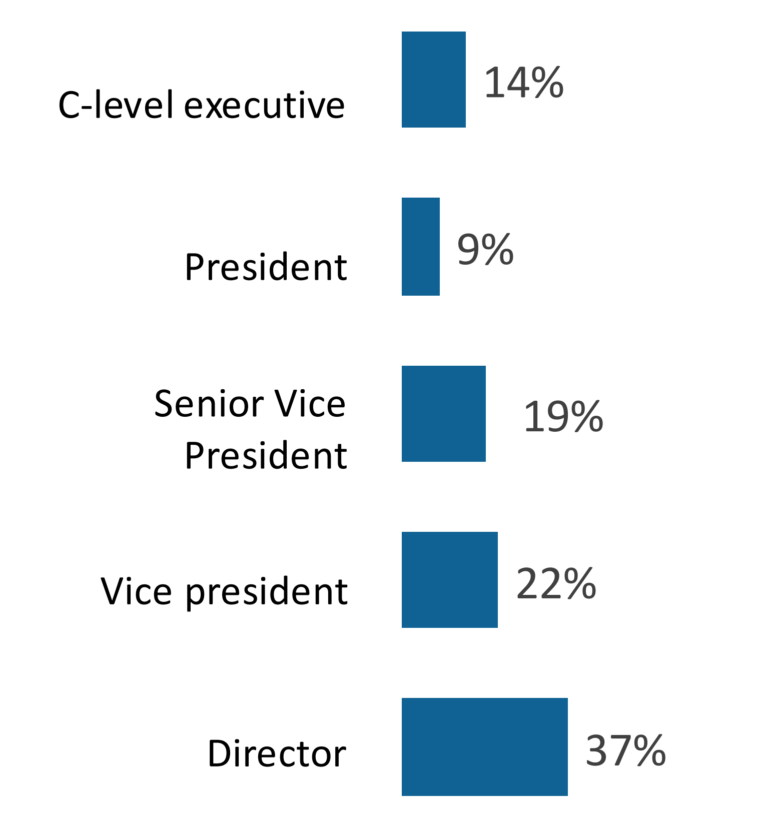
- Completed in May 2024

RESPONDENT AND COMPANY PROFILES

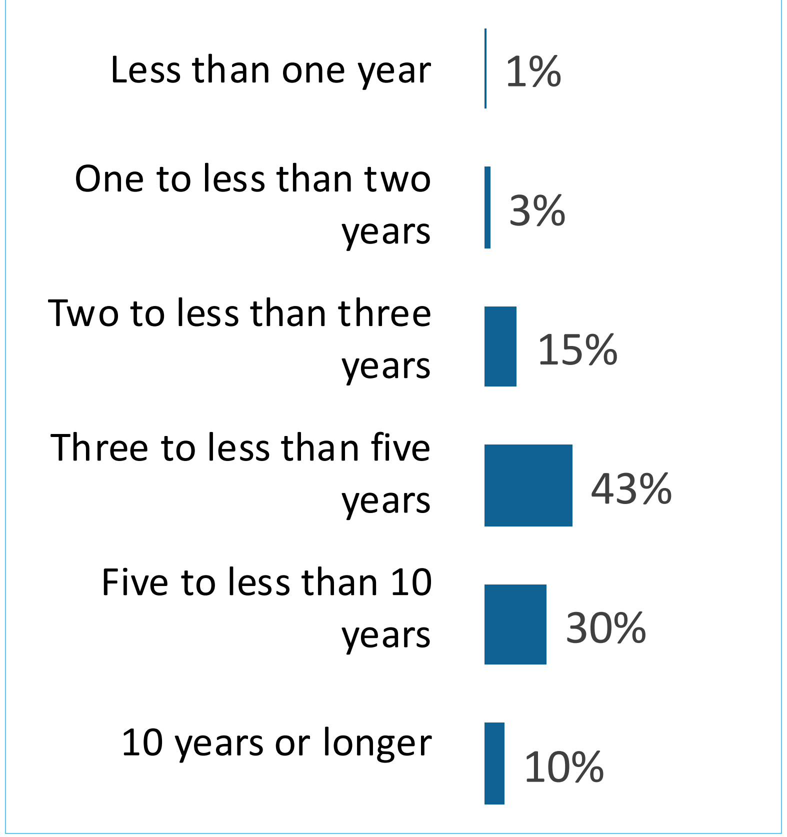
RESPONDENT PROFILE

The distribution of titles and tenure skews to senior level positions and long tenured employees.

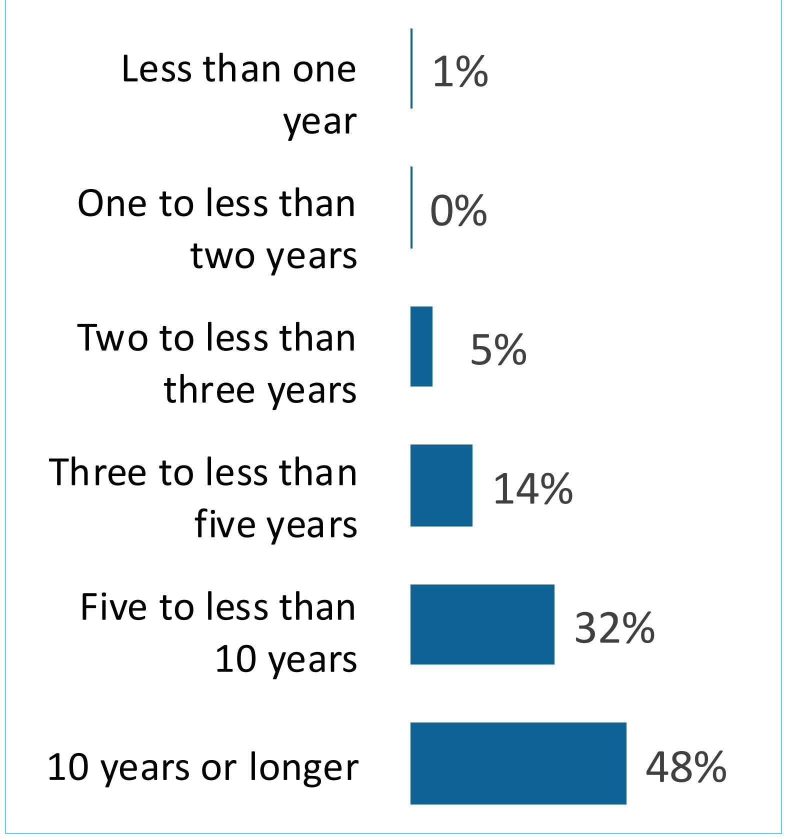
Position in Company



Years in Company



Years in Field

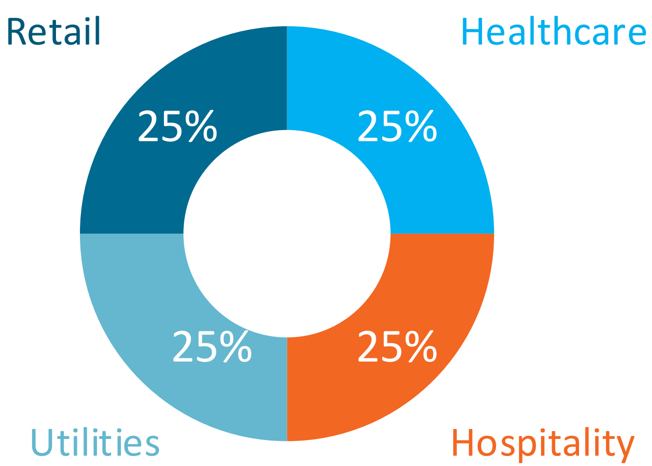


Base: All respondents (n=400)

ORGANIZATION PROFILE

Equally distributed among industries by quotas.

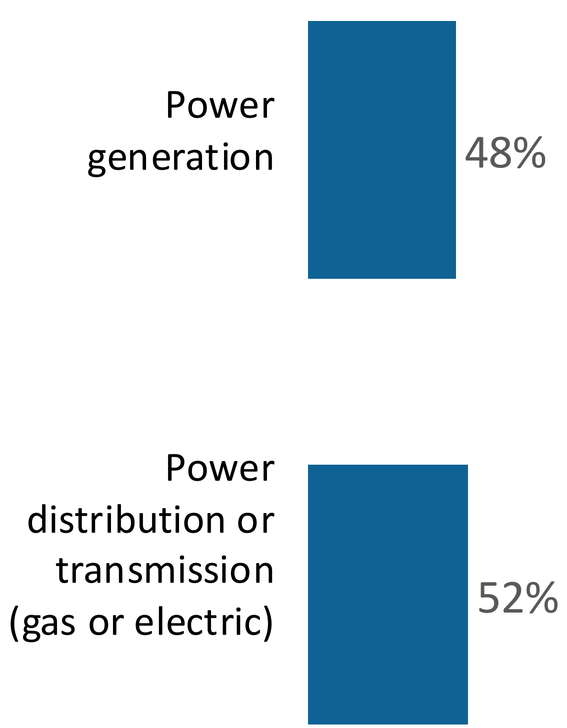
Industry



- 100% **healthcare** industry are healthcare insurance
- 100% **hospitality** industry are large and/or chain hotels, inns, or motels including extended stay

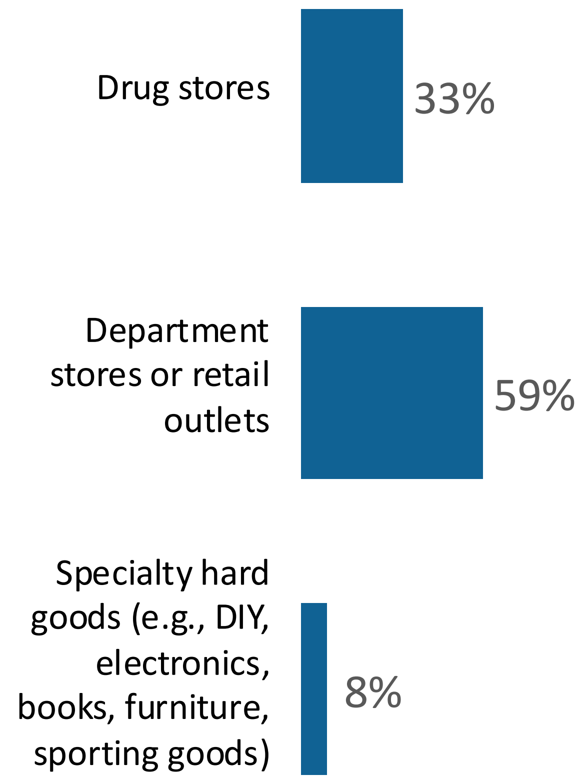
Base: All respondents (n=400)

Utilities Industry



n=100

Retail Industry



n=100

ORGANIZATION PROFILE

Two-thirds of companies have revenue less than $1 billion per year.

		Industry			
Revenue	**Total** n=400	**Healthcare** n=100	**Hospitality** n=100	**Utilities** n=100	**Retail** n=100
Less than $1 billion	75%	75%	75%	75%	73%
$1 billion and more	26%	25%	25%	25%	27%
Business activities					
Finance	23%	17%	23%	20%	33%
IT infrastructure or support	37%	42%	33%	36%	36%
Customer contact or care	58%	54%	51%	65%	60%
Customer experience	63%	64%	56%	72%	60%
AI for CX	30%	32%	31%	29%	29%
Digital or social customer care (separate from the call center)	28%	34%	28%	18%	32%

Base: All respondents (n=400)

ORGANIZATION PROFILE

Companies mostly have a combination of in-house and outsourced contact centers.

		Industry			
In-house or outsourced contact center	**Total** n=400	**Healthcare** n=100	**Hospitality** n=100	**Utilities** n=100	**Retail** n=100
We only operate customer contact centers in-house	17%	24%	18%	5%	19%
We outsource all our contact center operations	23%	12%	29%	26%	26%
We have both outsourced and in-house contact centers	60%	64%	53%	69%	55%
Proportion of outsourced contact center					
1% to 49%	32%	33%	51%	10%	40%
50% to 69%	30%	23%	36%	32%	29%
70% to 100%	38%	44%	13%	58%	31%

Base: All respondents (n=400)

CONTACT CENTER PROFILE

ORGANIZATION PROFILE

By design of quotas the sample is split at 250 seats.

Number of seats in the organization	Total n=400	Industry: Healthcare n=100	Hospitality n=100	Utilities n=100	Retail n=100
25 to 50 seats	4%	3%	3%	3%	7%
51 to 100 seats	13%	10%	21%	12%	9%
101 to 250 seats	33%	37%	27%	35%	34%
251 to 500 seats	24%	29%	21%	26%	21%
501 to 750 seats	16%	10%	17%	17%	20%
751 to 1,000 seats	6%	2%	7%	7%	7%
More than 1,000 seats	4%	9%	4%	-	2%

Base: All respondents (n=400)

OBJECTIVES OF COMPANY CALL CENTERS

Customer care or CX is driven by utilities who indicate this as their primary objective. Technical support plays a notably larger role in healthcare.

		Industry				Number of Seats		Revenue	
	Total n=400	Healthcare n=100	Hospitality n=100	Utilities n=100	Retail n=100	≤250 n=201	>250 n=199	<$1b n=298	≥$1b n=102
Customer care or CX	70%	63%	64%	87%	64%	58%	81%	66%	80%
Technical support	69%	81%	60%	71%	65%	67%	72%	67%	76%
Upselling or cross-selling products or services	57%	66%	53%	52%	57%	56%	58%	56%	59%
New customer acquisition	55%	55%	53%	57%	53%	50%	59%	54%	57%

Base: All respondents (n=400)
Q1 What are the objectives of the call centers operated at or outsourced by your company? Please select all that apply.

KEY FINDING 1

All industry sectors expect the use of live agents to decrease somewhat over the next two to three years to be replaced by bots.

CURRENT AND FUTURE CUSTOMER CONTACT HANDLING PROPORTIONS

Future adoption is seen to increase for automated virtual assistant and chatbots.

		Industry				Number of Seats		Revenue	
Mean percentages - Current	**Total** n=400	**Healthcare** n=100	**Hospitality** n=100	**Utilities** n=100	**Retail** n=100	**≤250** n=201	**>250** n=199	**<$1b** n=298	**≥$1b** n=102
Live agents	40%	32%	38%	56%	34%	37%	43%	39%	43%
Phone-based virtual assistants, IVR	27%	30%	24%	19%	36%	26%	28%	27%	28%
Automated virtual assistants, chatbot	33%	38%	38%	25%	30%	37%	28%	34%	29%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%

		Industry				Number of Seats		Revenue	
Mean percentages – Next 2 to 3 years	**Total** n=400	**Healthcare** n=100	**Hospitality** n=100	**Utilities** n=100	**Retail** n=100	**≤250** n=201	**>250** n=199	**<$1b** n=298	**≥$1b** n=102
Live agents	33%	26%	31%	46%	28%	31%	35%	32%	36%
Phone-based virtual assistants, IVR	25%	24%	22%	20%	35%	22%	28%	25%	26%
Automated virtual assistants, chatbot	42%	50%	47%	34%	37%	47%	37%	44%	37%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%

Base: All respondents (n=400)
Q2.(a) On average, what proportion of customer contacts are handled by the following? (b) In the next two to three years, approximately what proportion of customer contacts will be handled by the following?

DAILY LIVE INTERACTIONS PER CALL CENTER AGENT

Two fifths of organizations surveyed say that their call center agents handle an average of 26 to 50 interactions per day.

		Industry				Number of Seats		Revenue	
	Total n=400	**Healthcare** n=100	**Hospitality** n=100	**Utilities** n=100	**Retail** n=100	**≤250** n=201	**>250** n=199	**<$1b** n=298	**≥$1b** n=102
Less than 10 interactions a day	1%	0%	0%	1%	1%	1%	0%	1%	0%
10 to 25 interactions	26%	26%	12%	52%	15%	22%	31%	25%	30%
26 to 50 interactions	41%	47%	32%	34%	50%	49%	32%	46%	25%
51 to 75 interactions	18%	19%	25%	4%	24%	13%	23%	16%	24%
76 to 100 interactions	8%	4%	20%	2%	7%	10%	7%	6%	16%
More than 100 interactions a day	6%	4%	11%	7%	3%	4%	8%	6%	6%

Base: All respondents (n=400)
Q3.How many live interactions does each agent in your call centers handle in an average day?

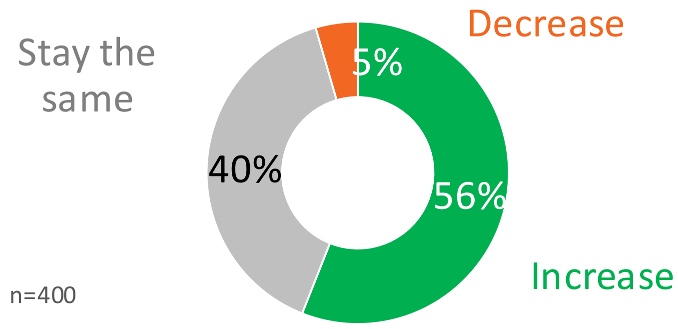
KEY FINDING 2

Yet, the majority of companies expect the number of inbound calls to increase in the next one to two years.

NUMBER OF INBOUND CALLS IN THEIR CALL CENTER

Half report that the number of inbound calls have increased over the past one to two years. Two thirds of companies say they have sufficient investment to accommodate the expected future increase in inbound calls.

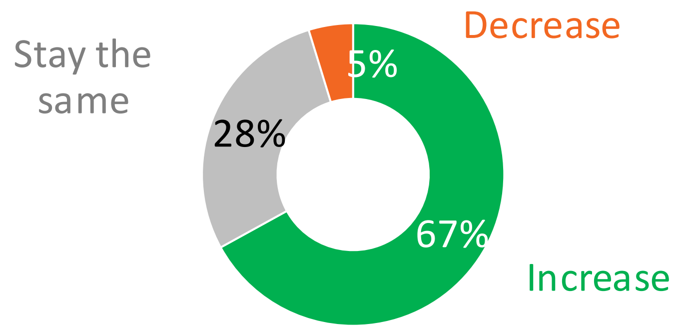
Past 1 to 2 years



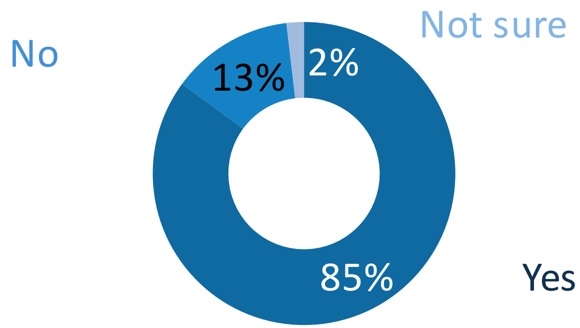
Reasons for Decline in Inbound Call Centers

For those who mentioned decrease, n=18

Next 1 to 2 years



Investment Sufficiency in Call Centers



For those who mentioned increase, n=268

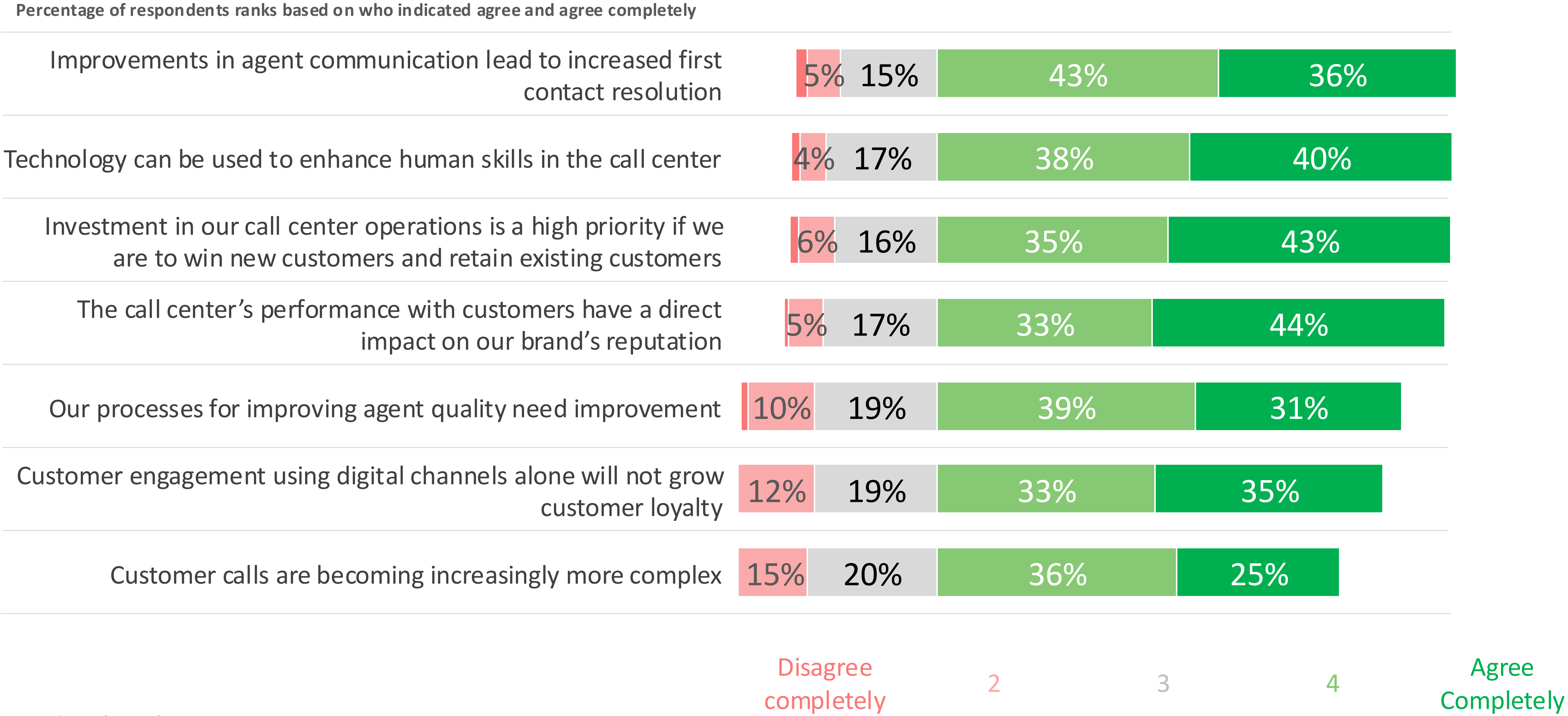
Base: All respondents (n=400)

Q4.Have the average number of inbound calls to your call centers increased, decreased, or remained about the same over the past one to two years? Q6.Do you expect the number of inbound calls to your call centers to increase, decrease, or remain about the same over the next past one to two years? Q5. [DECLINED] What are the reasons for the decline in inbound calls to your call centers? Q7. [IF INCREASE IN NEXT 2 YEARS] Do you believe that your organization has invested enough in your call centers to manage the expected increase in calls

BUSINESS ISSUES

CALL CENTER ISSUES

While there are industry-specific nuances, the overarching goal is consistent: to provide exceptional customer service, drive customer loyalty, and adapt to evolving customer needs through strategic investments, technological innovation, and continuous improvement in agent quality and communication.



Base: All respondents (n=400)
Q8.How much do you agree or disagree with each of the following call center issues?

CALL CENTER ISSUES

Healthcare places a significant emphasis on technical support and agent communication due to the complexity of customer calls. Utilities prioritize investment in call center operations and efficient issue resolution, given the direct impact on customer satisfaction and retention.

The percentage of respondents ranks based on who indicated agree and agree completely	Total n=400	Industry: Health-care n=100	Hospital ity n=100	Utilities n=100	Retail n=100	Number of Seats: ≤250 n=201	>250 n=199	Revenue: <$1b n=298	≥$1b n=102
Improvements in agent communication lead to increased first contact resolution	79%	81%	73%	94%	66%	74%	83%	80%	74%
Technology can be used to enhance human skills in the call center	78%	82%	65%	86%	79%	74%	82%	78%	77%
Investment in our call center operations is a high priority if we are to win new customers and retain existing customers	78%	81%	74%	90%	66%	75%	81%	77%	80%
The call center's performance with customers have a direct impact on our brand's reputation	77%	80%	72%	92%	63%	74%	80%	76%	80%
Our processes for improving agent quality need improvement	70%	74%	65%	81%	61%	63%	77%	71%	69%
Customer engagement using digital channels alone will not grow customer loyalty	68%	71%	57%	85%	57%	67%	68%	67%	68%
Customer calls are becoming increasingly more complex	61%	65%	61%	68%	50%	63%	59%	62%	58%

Base: All respondents (n=400)
Q8.How much do you agree or disagree with each of the following call center issues?

KEY FINDING 3

Most companies exhibit a strong solution and outcome orientation.
Technology or other investments that impact performance.

DERIVED THEMES FOR ISSUES

The issues assessed group into two themes.

Solution and Outcome Orientation	Issue and Challenge Recognition
• Investment in our call center operations is a high priority if we are to win new customers and retain existing customers • The call center’s performance with customers have a direct impact on our brand’s reputation • Improvements in agent communication lead to increased first contact resolution • Technology can be used to enhance human skills in the call center	• Customer calls are becoming increasingly more complex • Customer engagement using digital channels alone will not grow customer loyalty • Our processes for improving agent quality need improvement

Note: Themes or groupings were statistically derived using factor analysis.

BELIEFS AND BUSINESS ORIENTATION

COMPANY'S BELIEFS AND PRACTICE

There's interest in leveraging AI to support live agents and enhance customer service.

Percentage of respondents ranks based on who indicated agree and strongly agree	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Investments in AI-enabled solutions for our contact center is or will likely be a priority in our organization within		11%	20%	35%	33%
We measure the quality of customer experience across all channels		10%	20%	40%	30%
Our automated (IVRs, chatbots, etc.) contact systems are able to seamlessly hand-over a conversation to a live agent		8%	21%	43%	27%
The ability of our live agents to satisfy our customers is better than most of our competitors		12%	20%	43%	25%
Our live agents have the tools to handle customer interactions efficiently (fast enough and accurately)		8%	24%	40%	28%
Self-service and the automation of customer engagement is on the rise		10%	20%	36%	31%
Artificial intelligence (AI) has the potential to better support live agents with best practices learned from the best		9%	24%	35%	31%
Self-service and automation are not the solution for everything. Live agents are still relevant and needed.		11%	22%	36%	29%
Our live agents can handle customer interactions efficiently		10%	24%	40%	25%
Our live agents are highly motivated		9%	29%	33%	28%
Our contact center agent turnover is high		12%	26%	39%	22%

Base: All respondents (n=400)
Q9.To what extent would you agree or disagree that each of the following statements is descriptive of your company's beliefs or practices?

COMPANY'S BELIEFS AND PRACTICE

Hospitality and utilities sectors express a particularly high level of interest in investing in AI-enabled solutions.

	Total n=400	Industry: Healthcare n=100	Industry: Hospitality n=100	Industry: Utilities n=100	Industry: Retail n=100
Investments in AI-enabled solutions for our contact center is or will likely be a priority in our organization within	69%	65%	71%	84%	57%
We measure the quality of customer experience across all channels	69%	68%	62%	85%	61%
Our automated (IVRs, chatbots, etc.) contact systems are able to seamlessly hand-over a conversation to a live agent	69%	68%	62%	81%	63%
The ability of our live agents to satisfy our customers is better than most of our competitors	69%	73%	72%	77%	52%
Our live agents have the tools to handle customer interactions efficiently (fast enough and accurately)	68%	63%	64%	76%	68%
Self-service and the automation of customer engagement is on the rise	67%	72%	59%	79%	59%
Artificial intelligence (AI) has the potential to better support live agents with best practices learned from the best	67%	58%	58%	80%	70%
Self-service and automation are not the solution for everything. Live agents are still relevant and needed.	65%	56%	67%	80%	57%
Our live agents can handle customer interactions efficiently	64%	64%	70%	63%	59%
Our live agents are highly motivated	61%	64%	57%	61%	61%
Our contact center agent turnover is high	61%	64%	62%	61%	55%

Base: All respondents (n=400)
Q9.To what extent would you agree or disagree that each of the following statements is descriptive of your company's beliefs or practices?

CURRENT CAPABILITIES

DEPLOYMENT STAGE OF AI TOOLS IN CONTACT CENTERS

48% of utility organizations have deployed and gained the benefits of AI tools. However, 51% of healthcare insurance organizations are still in the process of deploying AI tools.

		Industry				Number of Seats		Revenue	
	Total n=400	Healthcare n=100	Hospitality n=100	Utilities n=100	Retail n=100	≤250 n=201	>250 n=199	<$1b n=298	≥$1b n=102
We have deployed AI tools to support our contact center agents and are realizing its benefits	34%	23%	32%	48%	31%	29%	38%	30%	44%
We have deployed AI tools but have yet to realize its benefits	30%	17%	42%	33%	29%	28%	32%	34%	21%
We are in the process of purchasing or deploying AI tools	28%	51%	24%	10%	25%	31%	24%	28%	27%
We intend to purchase or deploy AI tools in the next one to two years	8%	7%	2%	9%	13%	10%	6%	8%	7%
We have no plans to purchase or deploy AI tools in the next one to two years	1%	2%	0%	0%	2%	2%	0%	1%	1%

Base: All respondents (n=400)
Q10.Which of the following best describe where you are in terms of deploying and utilizing artificial intelligence (AI) enabled tools to support your contact center agents?

OBJECTIVES OF CALL CENTERS

While improving customer experience, productivity, and sales are key objectives across industries, utilities see call centers as important in reducing operational costs.

		Industry				Number of Seats		Revenue	
	Total n=396	Healthcare n=98	Hospitality n=100	Utilities n=100	Retail n=98	≤250 n=197	>250 n=199	<$1b n=295	≥$1b n=101
Improve customer experience	58%	61%	50%	72%	48%	55%	60%	59%	55%
Improve productivity	56%	60%	49%	65%	50%	52%	60%	58%	51%
Improve sales effectiveness	51%	62%	41%	48%	53%	48%	54%	51%	51%
Reduce operational costs	51%	48%	37%	73%	44%	53%	48%	50%	52%
Improve digital presence	48%	61%	44%	45%	42%	40%	56%	47%	51%
Become more agile and responsive	42%	46%	36%	49%	36%	37%	46%	40%	47%
Accelerate decision making	40%	39%	37%	47%	39%	41%	40%	41%	39%
Attract and retain workforce	36%	37%	44%	27%	37%	35%	38%	34%	43%

Base: respondents who deployed or in the process of deploying (n=396)
[DEPLOYED OR IN PROCESS] Q11.What are the objectives of the call centers operated at or outsourced by your company?

KEY FINDING 4

Hospitality and utilities are prioritizing AI solution deployment and investments.

DERIVED THEMES FOR MAXDIFF CX CENTER CAPABILITIES

The 10 capabilities assessed group into two themes.

Specific Capability Enhancements	General Business Outcomes
• Create a more efficient work environment with real-time insights and ability to proactively manage the workforce • Gain greater visibility, reach, and awareness of active and past engagements to provide better service throughout the customer lifecycle • Handle a growing number of incoming conversations without increasing contact center cost and head count • Achieve higher agent satisfaction and reduced agent turnover • Achieve high customer satisfaction when dealing with inbound calls, chats, emails, or other digital engagements • Improve customer experience by intelligently combining automation and live assistance • Create an intelligent workplace that leverages smart tools	• Improving overall customer experience • Improve business results (sales, revenue, profitability, etc.) • Improving customer loyalty (less churn)

Note: Themes or groupings were statistically derived using factor analysis.

IMPORTANCE OF CAPABILITIES

PRIORITIZING KEY CAPABILITIES TO MEET CONTACT CENTER OBJECTIVES

There is a need to improve customer experience and business results to meet contact center objectives.

		Industry				Number of Seats		Revenue	
	Total n=400	Healthcare n=100	Hospitality n=100	Utilities n=100	Retail n=100	≤250 n=201	>250 n=199	<$1b n=298	≥$1b n=102
Improving overall customer experience	73%	74%	65%	87%	67%	73%	73%	73%	74%
Improve business results (sales, revenue, profitability, etc.)	71%	60%	65%	91%	68%	70%	72%	70%	73%
Ensure high customer satisfaction across calls, chats, emails, and other digital interactions	65%	54%	65%	78%	64%	59%	71%	66%	63%
Improve customer experience by intelligently combining automation and live assistance	63%	54%	62%	79%	58%	59%	68%	62%	68%
Increase visibility and awareness of all engagements to improve customer service	58%	51%	56%	68%	57%	51%	65%	57%	60%
Improving customer loyalty (less churn)	54%	39%	50%	70%	55%	51%	56%	52%	57%

Base: All respondents (n=400)

Q12 Considering only the following capabilities, which of these is MOST important to meeting your contact center and customer experience objectives? Which is the LEAST important?

PRIORITIZING KEY CAPABILITIES FOR CONTACT CENTER OBJECTIVES

About half of utilities prioritize efficient and intelligent work environments.

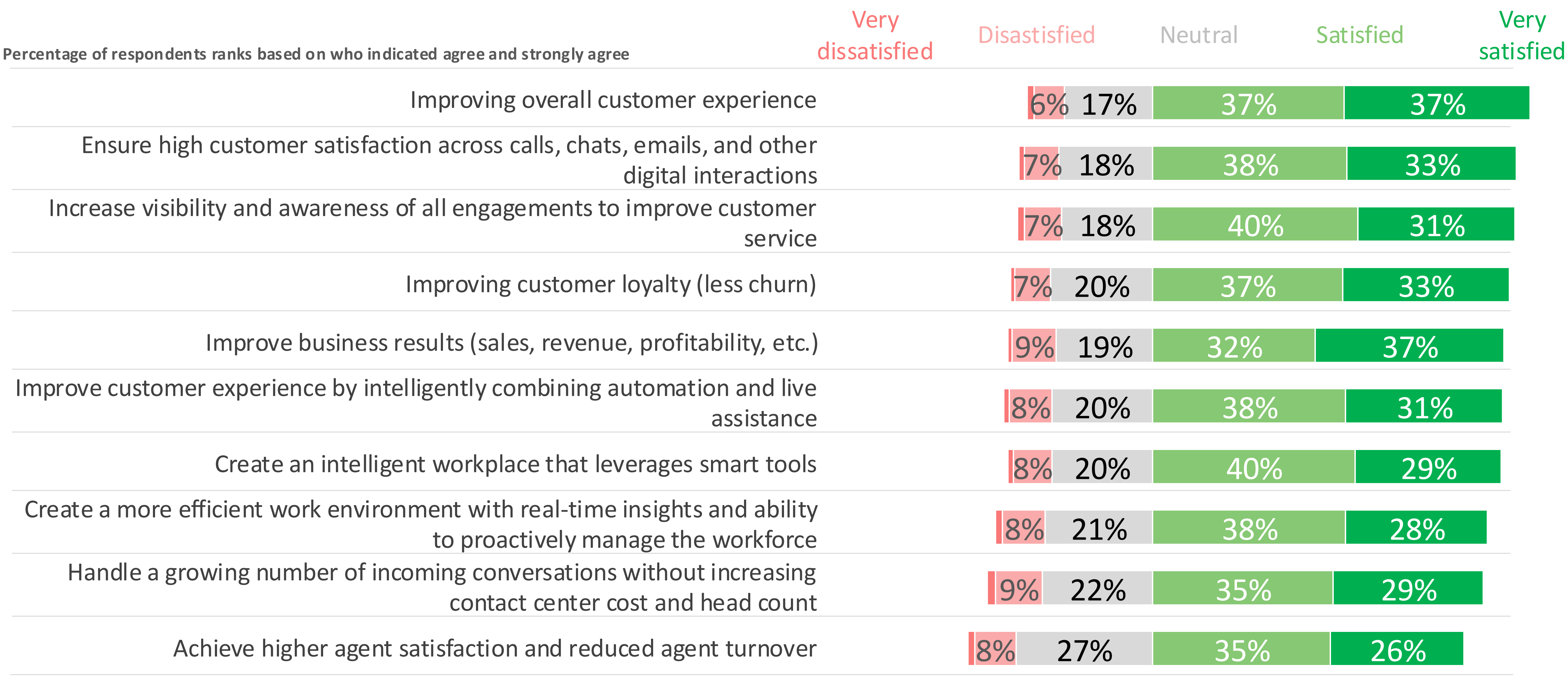
Continued...	Total n=400	Industry: Healthcare n=100	Industry: Hospitality n=100	Industry: Utilities n=100	Industry: Retail n=100	Number of Seats: ≤250 n=201	Number of Seats: >250 n=199	Revenue: <$1b n=298	Revenue: ≥$1b n=102
Create a more efficient work environment with real-time insights and ability to proactively manage the workforce	41%	31%	45%	48%	40%	39%	43%	40%	43%
Create an intelligent workplace that leverages smart tools	35	28%	34%	50%	29%	32%	38%	33%	41%
Handle a growing number of incoming conversations without increasing contact center cost and head count	32	34%	39%	23%	30%	25%	38%	31%	32%
Achieve higher agent satisfaction and reduced agent turnover	23	21%	24%	23%	22%	23%	22%	23%	21%

Base: All respondents (n=400)

Q12 Considering only the following capabilities, which of these is MOST important to meeting your contact center and customer experience objectives? Which is the LEAST important?

SATISFACTION WITH DEVELOPMENT OF CONTACT CENTER CAPABILITIES

Organizations are mostly satisfied with their current progress in improving customer experience.



Note: The remaining is don't know

Base: All respondents (n=400)

Q13. How satisfied are you with your company's current progress in developing each of the following capabilities to support your contact center and customer experience objectives?

SATISFACTION WITH DEVELOPMENT OF CONTACT CENTER CAPABILITIES

Satisfaction with current progress is high among utilities.

		Industry				Number of Seats		Revenue	
Percentage of respondents ranks based on who indicated agree and strongly agree	Total n=400	Healthcare n=100	Hospitality n=100	Utilities n=100	Retail n=100	≤250 n=201	>250 n=199	<$1b n=298	≥$1b n=102
Improving overall customer experience	74%	74%	67%	83%	71%	68%	79%	74%	73%
Ensure high customer satisfaction across calls, chats, emails, and other digital interactions	71%	76%	65%	80%	63%	63%	79%	70%	75%
Increase visibility and awareness of all engagements to improve customer service	71%	69%	60%	87%	67%	64%	78%	69%	76%
Improving customer loyalty (less churn)	70%	77%	60%	77%	64%	63%	76%	69%	72%
Improve business results (sales, revenue, profitability, etc.)	69%	68%	63%	83%	60%	62%	75%	64%	80%

Base: All respondents (n=400)
Q13. How satisfied are you with your company's current progress in developing each of the following capabilities to support your contact center and customer experience objectives?

SATISFACTION WITH DEVELOPMENT OF CONTACT CENTER CAPABILITIES

Satisfaction with current progress is high among utilities.

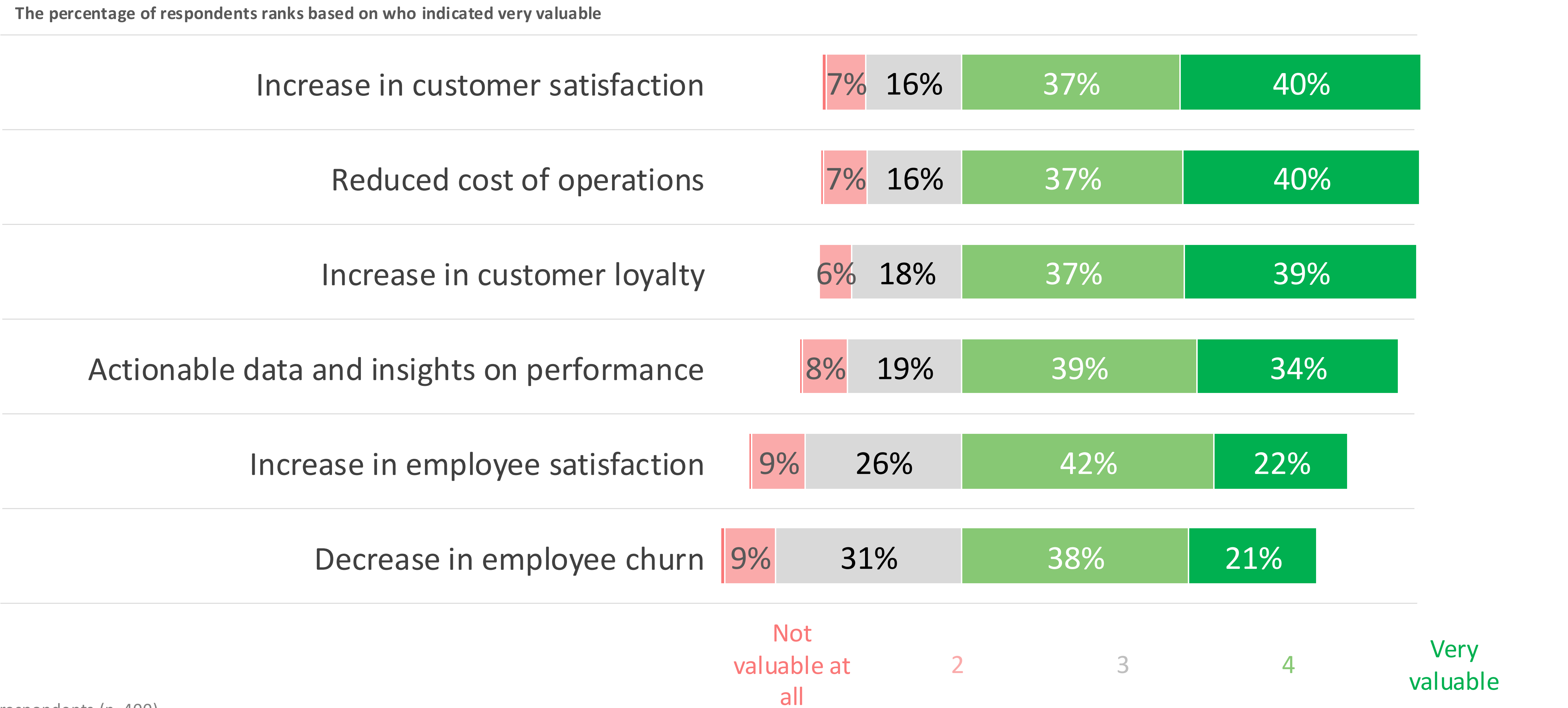
		Industry				Number of Seats		Revenue	
Continued…	Total n=400	Healthcare n=100	Hospitality n=100	Utilities n=100	Retail n=100	≤250 n=201	>250 n=199	<$1b n=298	≥$1b n=102
Improve customer experience by intelligently combining automation and live assistance	68%	61%	70%	80%	62%	67%	70%	68%	68%
Create an intelligent workplace that leverages smart tools	68%	62%	72%	79%	59%	65%	71%	66%	73%
Create a more efficient work environment with real-time insights and ability to proactively manage the workforce	65%	59%	59%	75%	68%	61%	70%	64%	70%
Handle a growing number of incoming conversations without increasing contact center cost and head count	65%	70%	57%	74%	57%	61%	68%	62%	72%
Achieve higher agent satisfaction and reduced agent turnover	61%	65%	57%	64%	57%	57%	64%	59%	67%

Base: All respondents (n=400)

Q13. How satisfied are you with your company's current progress in developing each of the following capabilities to support your contact center and customer experience objectives?

KEY BENEFITS OF CALL CENTER TECHNOLOGY INVESTMENT

Investing in call center technologies provides value to the organization, largely by increasing customer satisfaction, reducing operating costs, increasing customer loyalty, and providing actionable data.



Base: All respondents (n=400)

Q14.If you were to invest in a call center technology solution, what benefits would bring the most value to your business?

KEY BENEFITS OF CALL CENTER TECHNOLOGY INVESTMENT

Most utilities objectives and benefits gained from investment for contact centers are the ability to reduce operational costs.

		Industry				Number of Seats		Revenue	
The percentage of respondents based on who indicated very valuable	Total n=400	Healthcare n=100	Hospitality n=100	Utilities n=100	Retail n=100	≤250 n=201	>250 n=199	<$1b n=298	≥$1b n=102
Increase in customer satisfaction	40%	44%	40%	47%	30%	41%	39%	41%	39%
Reduced cost of operations	40%	38%	30%	59%	31%	34%	45%	38%	43%
Increase in customer loyalty	39%	38%	43%	41%	33%	36%	42%	37%	43%
Actionable data and insights on performance	34	28%	33%	44%	30%	32%	35%	33%	37%
Increase in employee satisfaction	22	26%	24%	22%	17%	15%	29%	22%	24%
Decrease in employee churn	21	24%	24%	24%	13%	24%	19%	20%	25%

Base: All respondents (n=400)
Q14.If you were to invest in a call center technology solution, what benefits would bring the most value to your business?

INTEREST IN CCAAS

CCAAS CONCEPT DESCRIPTION

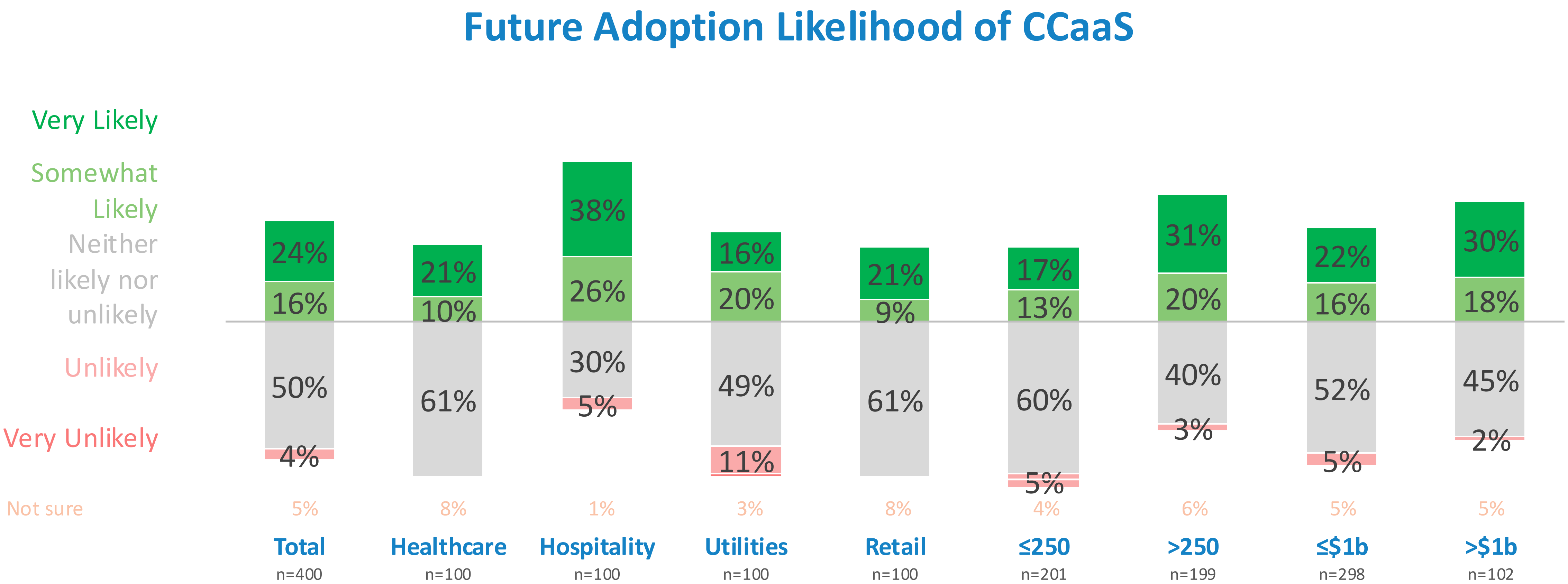
Respondents were shown a brief description of the CCaaS solution as follows:

About Call Center as a Service (CCaaS)

Many companies in the contact center market are migrating from on-premises to cloud-based CCaaS solutions, including those with many thousands of agents and advanced digital and self-service requirements. Contact center as a service (CCaaS) solutions are not just about technology; they are about empowering customer service departments. These SaaS-based applications enable the holistic management of multichannel customer interactions, ensuring a seamless customer experience and a productive employee-experience.

FUTURE ADOPTION LIKELIHOOD OF CALL CENTER SOLUTION

High future adoption of call center solutions is expected from hospitality.



Base: All respondents (n=400)
Q15.How likely are you to consider adopting this solution for your own call center operations in the next one to two years?

ADOPTING CCAAS SOLUTION

Respondents described their reasons for adoption for CCaaS. These summaries are developed from content analysis of respondent verbatim descriptions.

Interest in Adopting CCaaS Solution

1. **Enhanced Customer Service**: It offers advanced tools to improve customer service and experience, keeping it competitive.
2. **Operational Efficiency**: Innovative technologies like AI-powered chatbots and omnichannel support can make call centers more efficient.
3. **Cost Savings**: A cloud-based solution reduces costs related to hardware, software, maintenance, and staffing.
4. **Scalability**: The solution easily scales to meet fluctuating demands, which is beneficial during peak times or growth phases.
5. **Employee Productivity**: Better tools and support can relieve employee stress and improve efficiency and satisfaction.
6. **Innovation**: Continuous updates to ensure stay ahead with the latest technology.
7. **Data Management and Security**: Enhanced security features help manage customer information effectively.
8. **Business Agility**: Quickly adapt to market changes and customer needs with customizable features.
9. **Disaster Recovery**: Built-in disaster recovery ensures uninterrupted customer service.
10. **Overall Business Impact**: Increases productivity, reduces costs, and enhances satisfaction, aligning with our growth and profitability goals.

Not Interested in Adopting CCaaS Solution

1. **Current Strategy:** No plans to implement CCaaS now; preference for in-house or on-premises agents.
2. **Complexity:** A complex or unintuitive interface could hinder productivity and user adoption.
3. **Customization:** Lack of customization options might limit the ability to tailor the solution to specific needs.
4. **Customer Support:** Concerns about poor customer support or reliability issues.

Base: All respondents (n=400)

Q16.Why are you [LIKELY/ UNLIKELY] to adopt the CCaaS solution described? (Open response)

KEY FINDING 6

Companies that have deployed AI solutions successfully are almost nine times more likely to be a target for CCaaS.

THE IDEAL TARGET FOR CALL CENTER AS A SERVICE

The ideal target organizations for a CCaaS solution are those who are ahead in deploying CX enhancing AI solutions, whose live agents are efficient, and who are prioritizing investments in AI-enabled solutions. Hospitality organizations are an ideal target.

- **Have fully deployed AI solutions and are benefiting from it**
  8.6x MORE Likely
- **Hospitality organizations**
  3.2x MORE Likely
- **Prioritize investments in AI-enabled solutions for their contact center**
  47% MORE Likely

Ideal Target

24% are very likely to consider **the CCaaS solution**

- **Live agents can handle customer interactions efficiently**
  46% MORE Likely
- **Measure CX quality across all channels**
  40% MORE Likely
- **Live agents have tools to handle customer interactions efficiently**
  36% MORE Likely

- **Utility organizations**
  65% LESS Likely

Note: Predictors and the odds-ratios were statistically derived using Logistic Regression.

THE BROADER TARGET FOR CALL CENTER AS A SERVICE

The broader target organizations for a CCaaS solution include those who have deployed AI but are not yet fully benefiting from it, those who believe that live agents are still relevant and needed, and those who are experiencing high agent turnover.

Broader Target

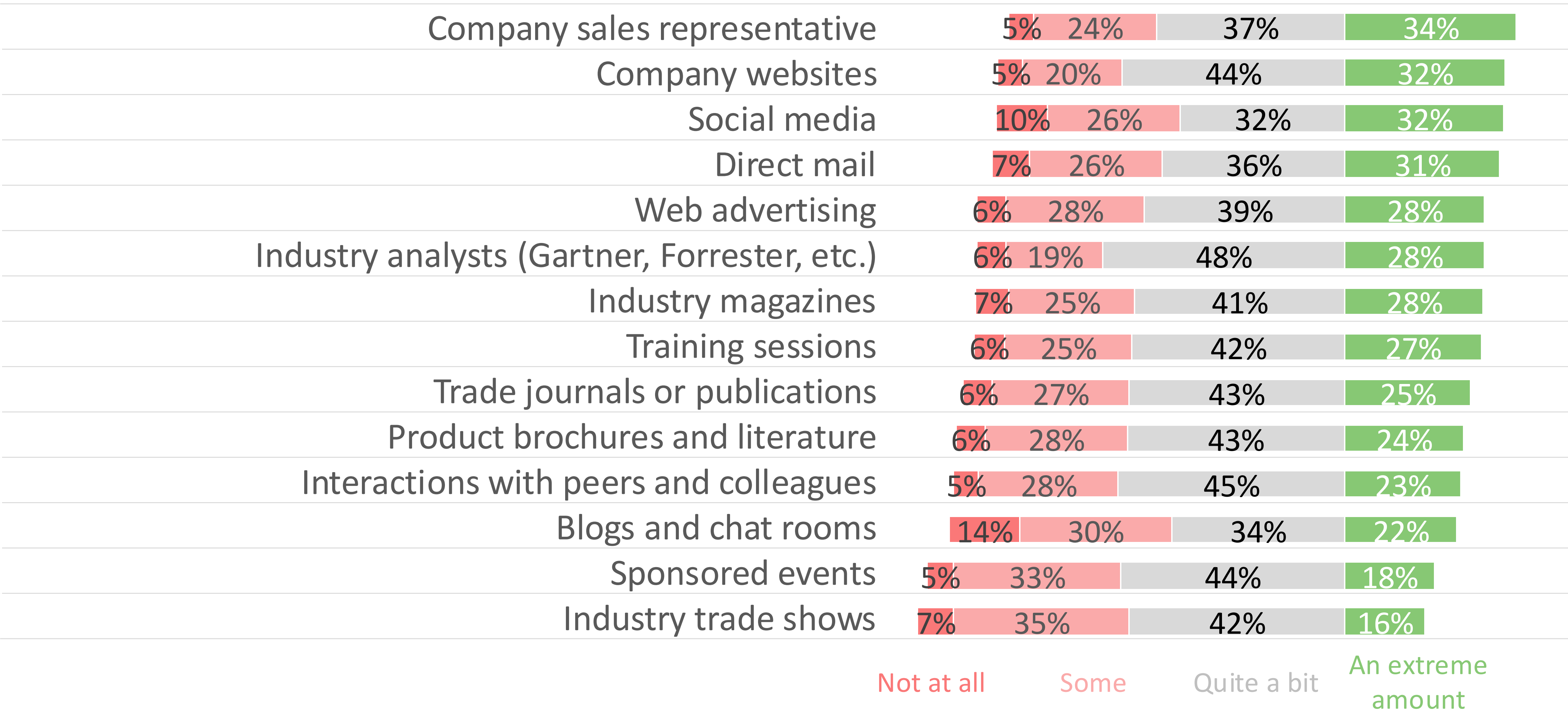
40% are somewhat to very likely to consider **the CCaaS solution**

- **Have fully deployed AI solutions and are benefiting from it**
  7.6x MORE Likely
- **Hospitality organizations**
  5.8x MORE Likely
- **Have fully deployed AI solutions but are NOT yet fully benefiting from it**
  2x MORE Likely
- **Have a high contact center agent turnover**
  26% MORE Likely
- **Measure CX quality across all channels**
  52% MORE Likely
- **Consider their live agents' ability to satisfy customer better than most competitors**
  35% MORE Likely
- **Believe that live agents are still relevant and needed**
  32% MORE Likely

Note: Predictors and the odds-ratios were statistically derived using Logistic Regression.

INFLUENCES ON CALL CENTER SOLUTIONS PURCHASES

Sales representatives play a key role. In addition to websites, social media, and direct email.



Base: All respondents (n=400)
Q17.To what degree do the following sources of information have an influence on your company's purchase of call center and self-service solutions?

TECHNICAL APPENDIX

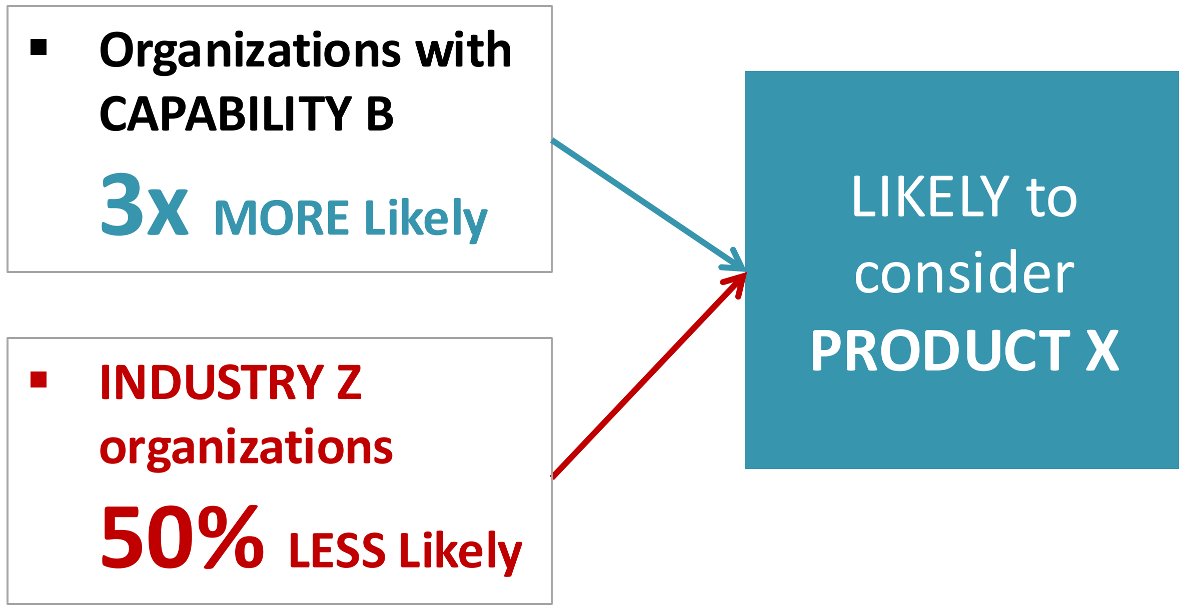
TECHNICAL NOTE ON LOGISTIC REGRESSION AND ODDS-RATIOS

Background and Definition

- **Logistic Regression** identifies significant predictors of binary outcomes (yes or no, success or failure, bad credit or good credit, etc.). It is one of the more preferred and more accurate tools for predictive modeling even for groups with small sample sizes and doesn't require a normal distribution (non-parametric). For the significant predictors, it calculates the Odds-Ratio (other tools like Probit, do not provide such a ratio).
- In the context of most of our market research work, the **Odds-Ratio** refers to the relative likelihood of customers with a specific ATTRIBUTE meeting the SUCCESS or CLASSIFICATION criteria (e.g. likely to consider the product) vs. the likelihood of customers without that ATTRIBUTE meeting the same criteria.
- As a machine learning tool, logistic regression or Logit is referred to as a "**single-layer neural network**" where a single set or layer of predictors are derived (as opposed to deep learning neural networks with multiple layers).

Sample Interpretation of Odds-Ratios

- This means that **the chances** of organizations with CAPABILITY B considering PRODUCT X is **3x bigger** than the chances of organizations **without** CAPABILITY B considering PRODUCT X. **Alternatively**, the 3x factor or ratio can be expressed as **200% more likely** (3:1 ratio = (3-1) x 100% = 200% more.
- This means that **the chances** of organizations from INDUSTRY Z considering PRODUCT X is **50% smaller** than the chances of organizations in other industries considering PRODUCT X.



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