

Building a Resilient Contact Center

How Leaders Are Preparing for Economic Uncertainty

2023



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Letter from Observe

In 2023, the winners will be those who adapt to change the fastest. Why?

In my conversations with business leaders, I've noticed a common theme: They just can't keep up with the pace of change. There's too much happening.

Leaders aren't able to get the information they need quick enough to benefit their company. By the time they extract and distribute insights, the entire business landscape has changed and it's on to the next crisis.

The pace of change is a problem for every business all the way to the CEO.

Nearly two-thirds of CEOs told KPMG they felt their processes and execution were too slow, while around 50% of contact center leaders said they feel unprepared for the future, according to our own study.

The ability to move fast—with confidence backed by real world data—is a strategic advantage.

How Business Leaders Are Responding

So what are executives doing about it?

According to Deloitte's 2022 CEO Survey, 91% of executives plan to invest in AI because they expect AI to accelerate intelligent insights and improve decision making.

And this is true for contact centers too: Our survey of over 300 contact center leaders revealed that 88% are turning to AI and automation to improve efficiency and help with decision making.

Moreover, 99% of respondents are harvesting insights specifically from customer conversations to inform business decisions that often go beyond the contact center to impact operations, marketing, product, logistics, and more.

Making decisions based on guesswork is no longer going to cut it. It's all about the data. More specifically, it's about data from the front lines. What are customers actually saying? How are customers actually feeling?

For contact center leaders, this is good news, because this is data you already have. You just need to unlock it fast enough to take action.

Keeping Up With The Pace of Change

Speed is critical across the business, but especially for contact centers. Measurable change happens when leaders can synthesize and distribute information back to the front lines quickly.

This is one of the reasons we're seeing strong interest and investment in solutions that provide agent guidance in real time. Despite budget cuts, nearly 40% of contact center leaders plan to invest in real-time AI technology to improve customer retention and sales.

Those already using real-time AI have seen improvements in customer experience, revenue, operational efficiency, and compliance.

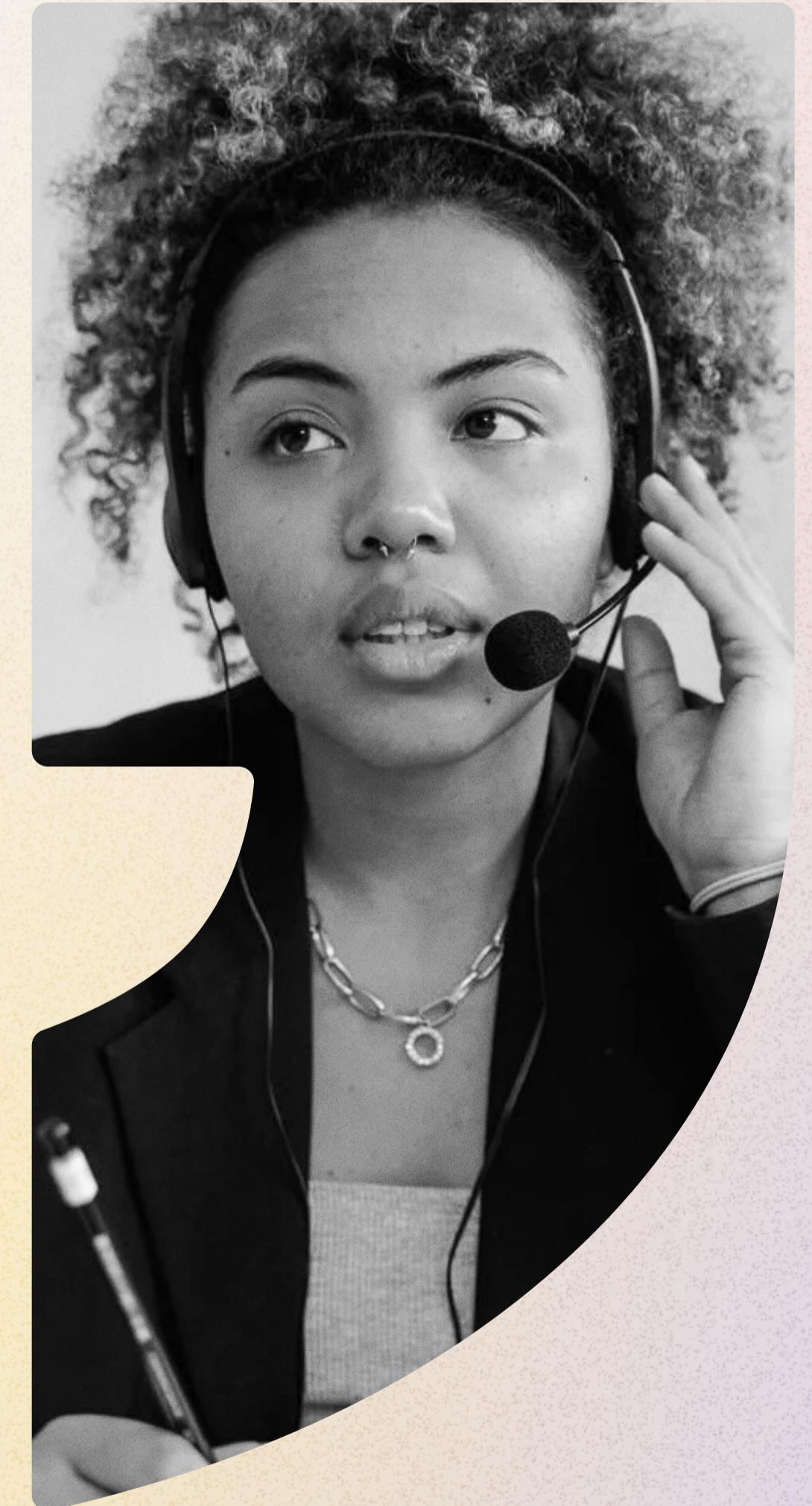
Though investing during uncertainty may seem risky, one thing is clear: There's never been a more important time to know what's happening with your business and be able to take action on it.

Those able to do it the fastest will have the upper hand.

Swapnil Jain
CEO, Observe.AI



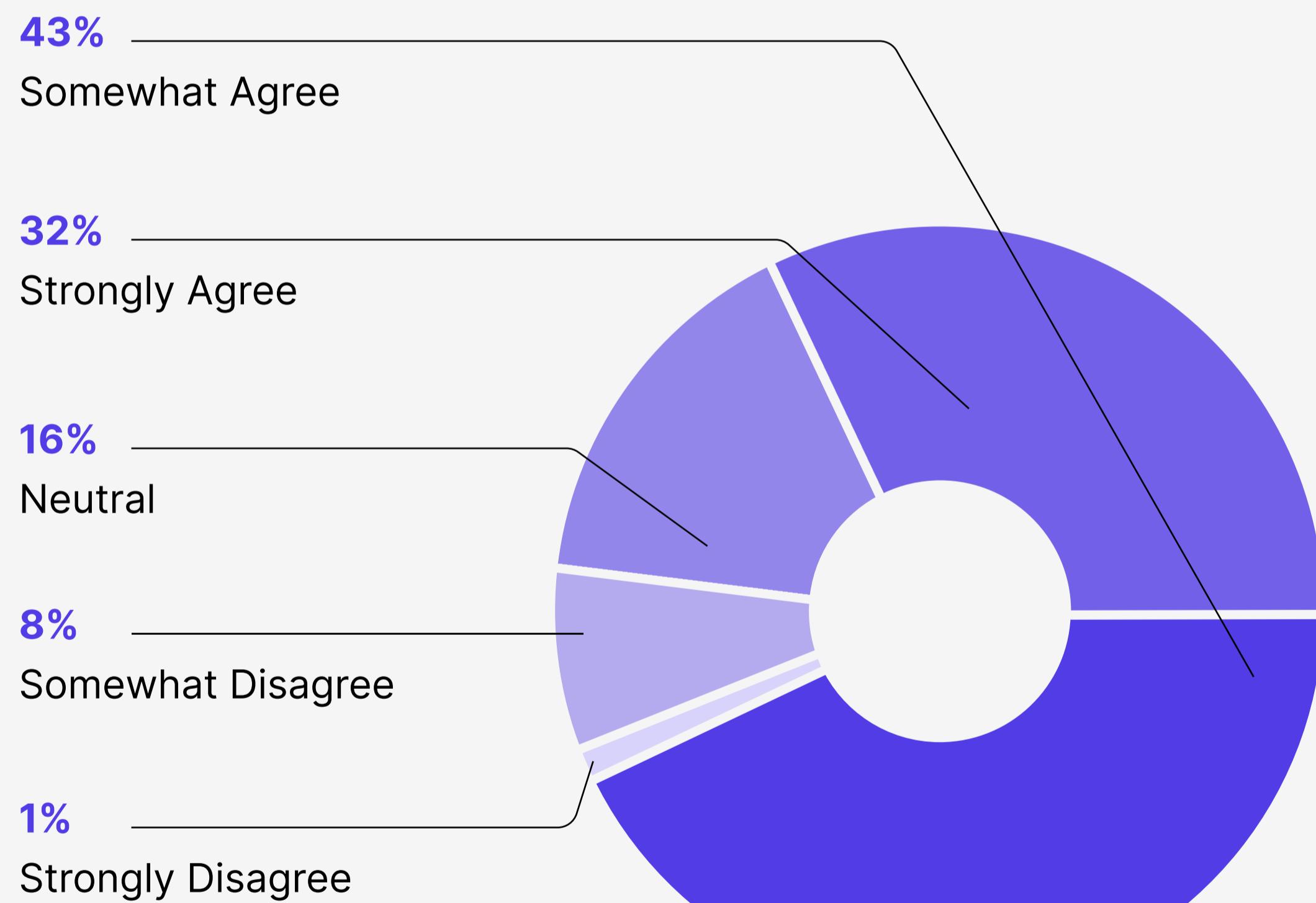
State of the Contact Center



STATE OF THE CONTACT CENTER

Contact Centers Feeling Economic Uncertainty

Nearly every business took a hit during the economic rollercoaster of 2022—and the contact center industry was no different. 75% of respondents agreed that economic instability over the past year had impacted their contact center operations.



AGENT RETENTION

Contact Centers' Top Concern

Contact centers are on the front line of driving revenue and customer satisfaction, but how well you perform depends entirely on your agents.

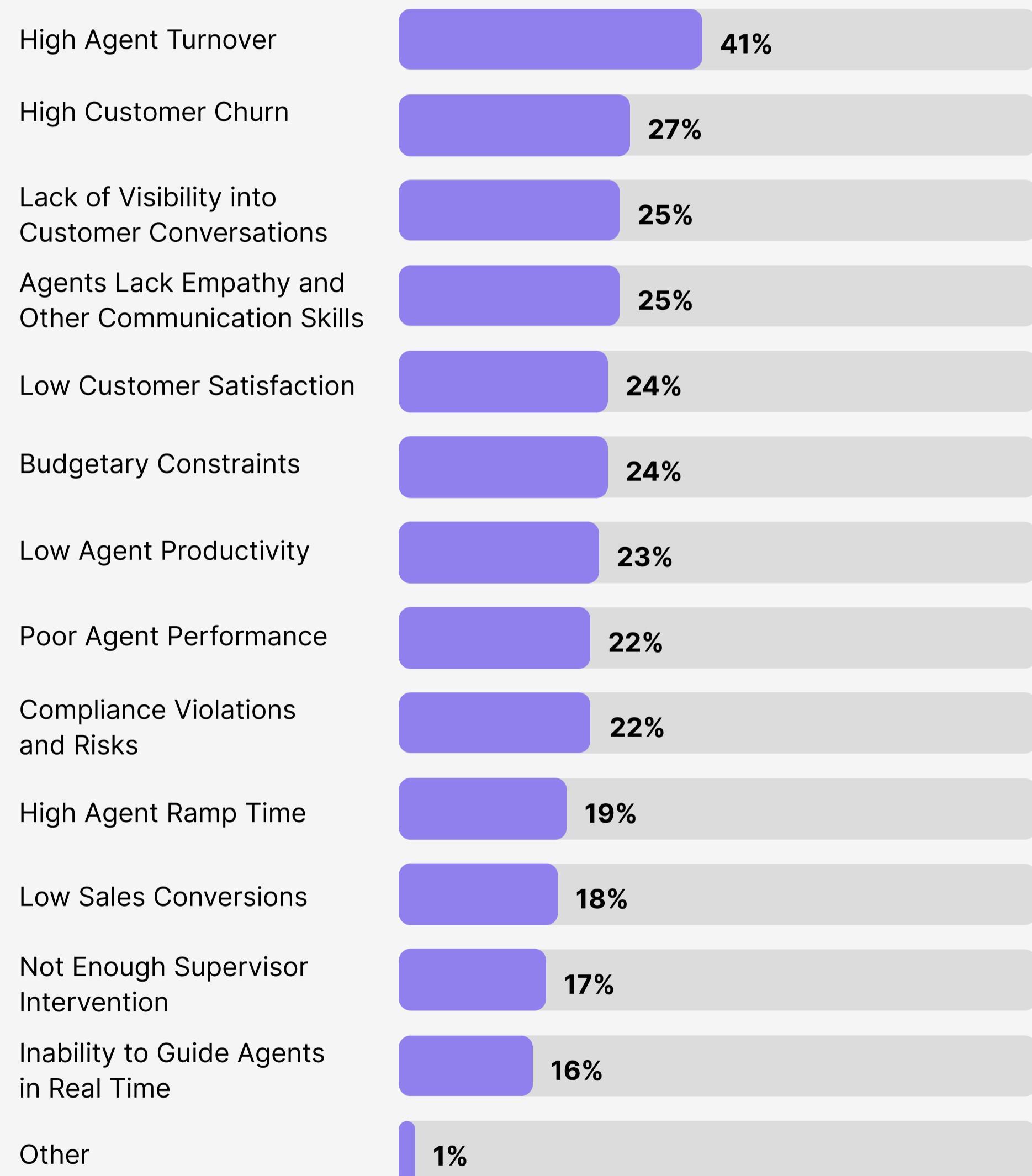
And let's face it: An agent's job is not easy.

In fact, 54% of respondents were not completely satisfied with their agent performance.

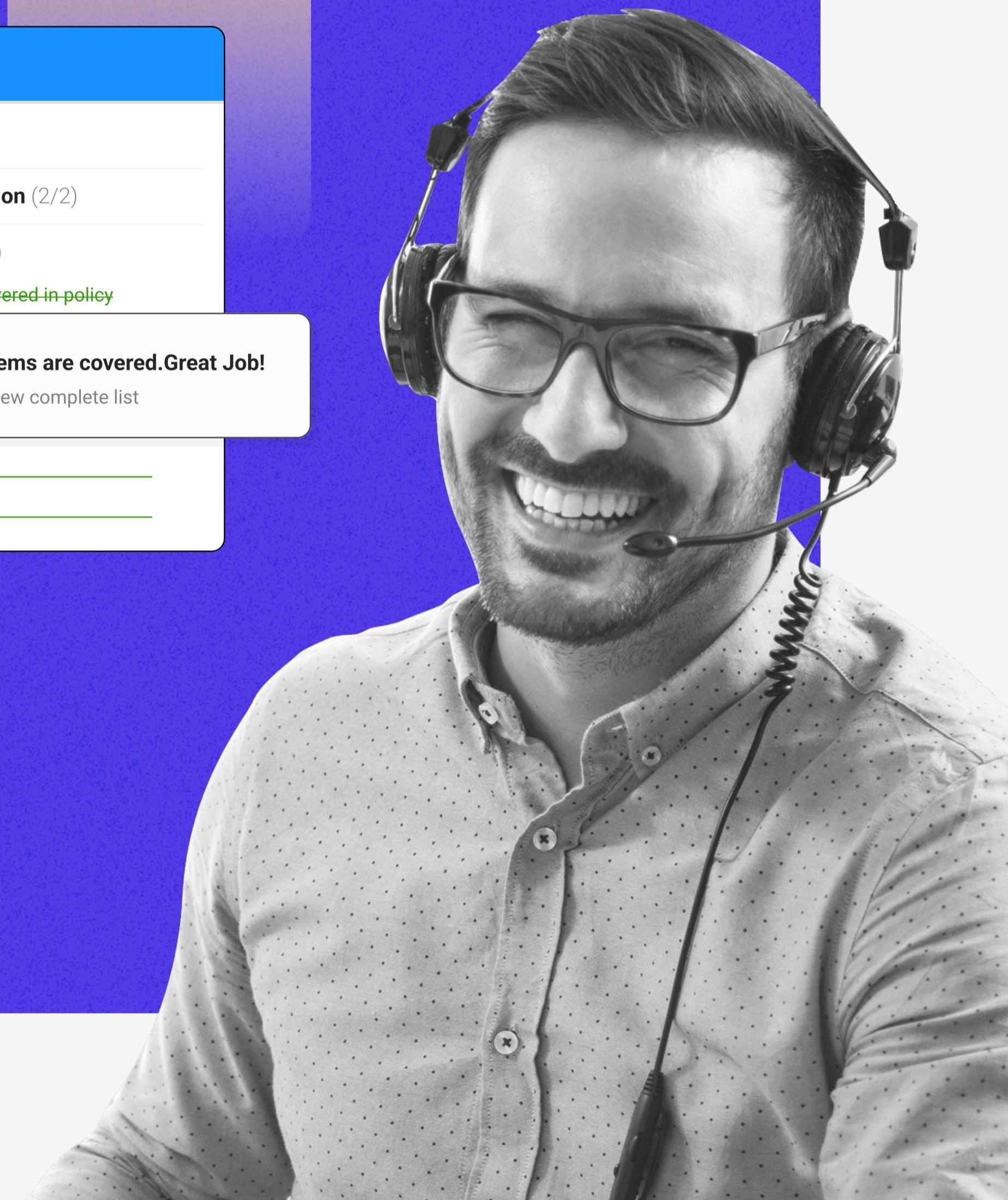
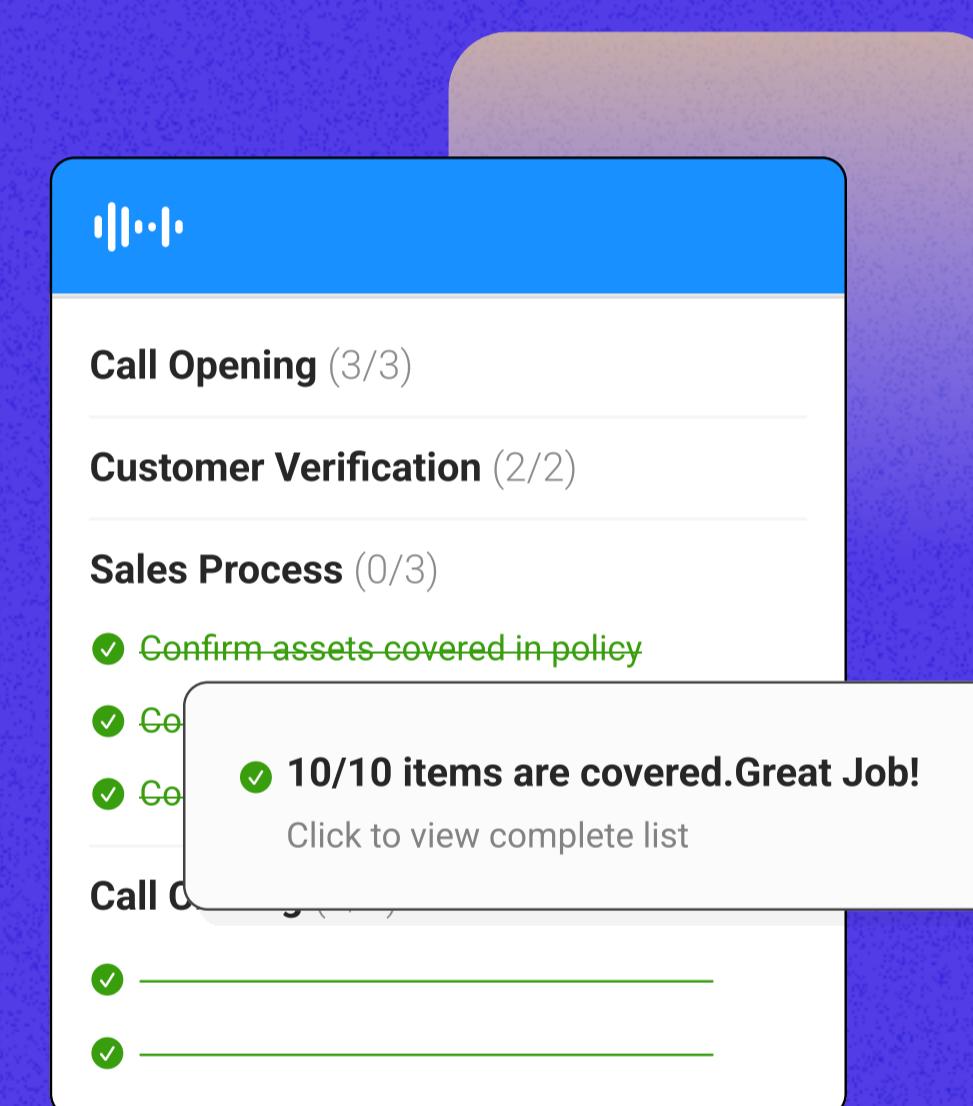
Agents that stick around gain valuable experience and are able to handle more complex conversations to drive better business outcomes.

When agents don't execute calls consistently or handle objections well, it results in missed opportunities. This is why agent retention is so critical and is the top concern for contact centers.

What are your most pressing concerns regarding your organization's current contact center operations?



Overall, 97% of contact center leaders said they are taking new steps to retain their top talent.



STATE OF THE CONTACT CENTER

Demand for Agents Continues to Increase

Concern for agent turnover is coupled with the expectation of increased customer conversation volumes. Nearly 92% of respondents expect volumes to either increase or stay the same in 2023, with 55% expecting a moderate or significant increase in volume.

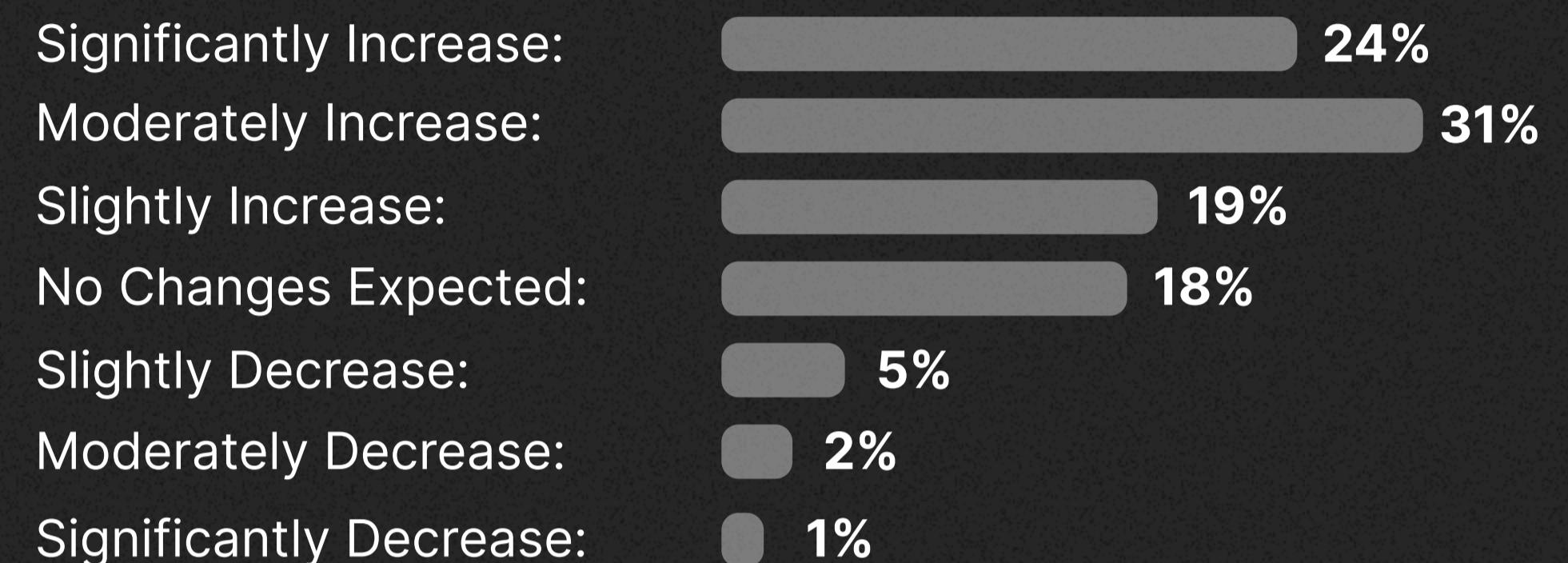
This means two things:

First, the role of the contact center and its agents are becoming ever more critical to business operations as customer demand and expectations grow. Even if the economy slows down, the need for highly skilled and efficient agents won't.

Second, contact centers must invest in tools to cope with the influx of demand—or hire more agents. 64% of leaders expect to increase agent headcount, even while other companies and departments may be seeing layoffs.

Despite economic uncertainty, only 12% of contact center leaders said they expect agent headcount to decrease in 2023.

Over the next 12 months, how do you expect call volumes to change?



Over the next 12 months, how do you expect your organization's agent headcount to change?



STATE OF THE CONTACT CENTER

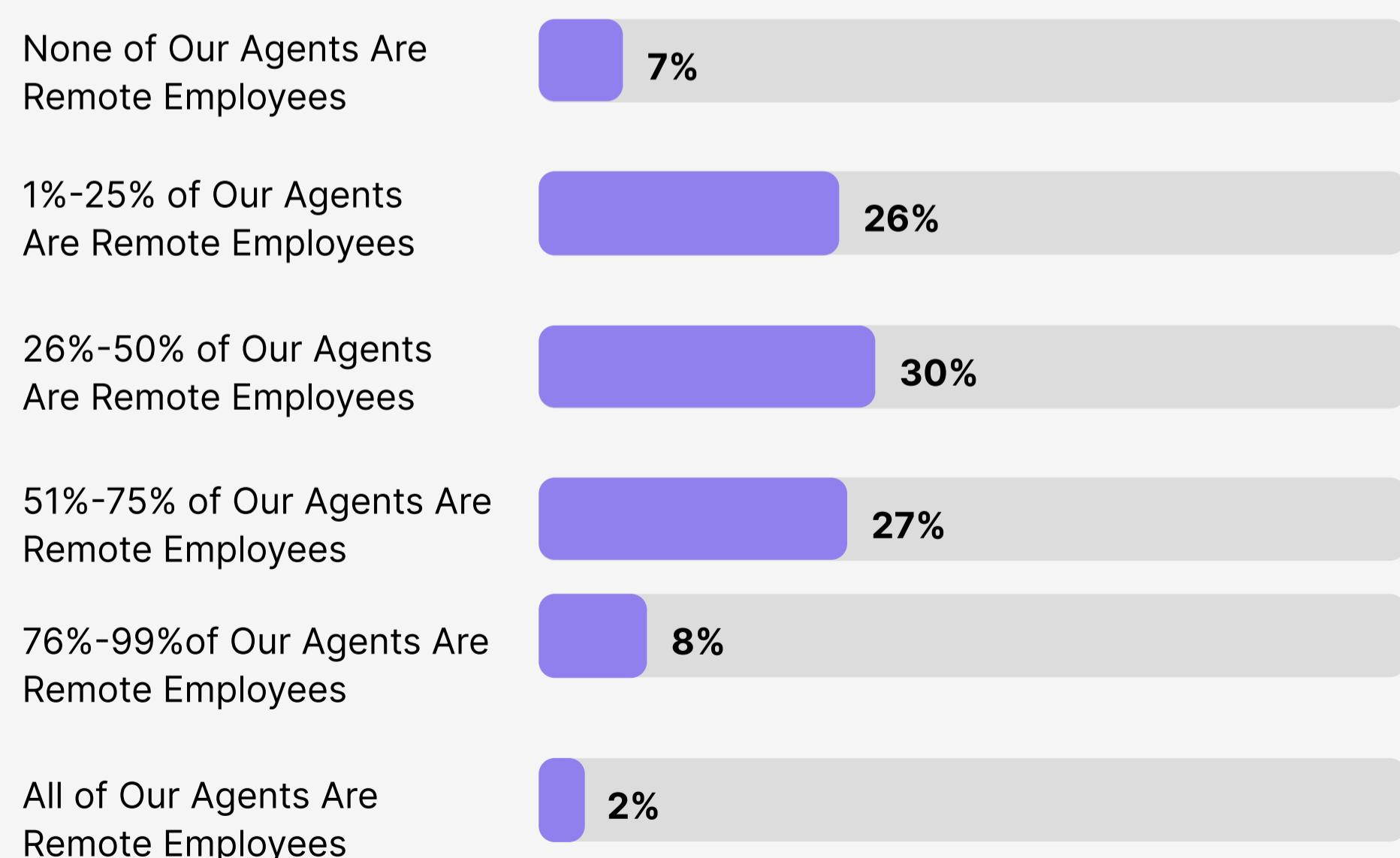
Hybrid Workplaces Are Here to Stay

Working from home is here to stay—at least partially. 81% of contact centers have a hybrid agent workforce, meaning leaders must adopt processes and technologies to properly manage a team no matter where they are.

From training agents to monitoring compliance, contact centers will need to have the right tools in place to adequately coach, guide, and evaluate agent performance whether they're in the office or at home.

As hiring picks up, effective virtual onboarding will also continue to be a priority.

How many of your organization's agents are remote employees?



Hybrid Contact Centers Have Higher Perceived Performance

While managing a hybrid team may be a logistical and operational challenge, it does come with benefits, according to respondents.

Leaders at contact centers where more than 50% of agents worked remotely were more likely to be “very satisfied” with their current agent performance.

They were also more likely to feel more optimistic about 2023 compared to those who worked at organizations where less than 50% of agents were remote.

However, they were also more likely to view insights into agent-customer interactions as “very important,” indicating a rising need for solutions that could provide the type of visibility into agent performance and productivity.

We'll see this theme play out in the following pages.



STATE OF THE CONTACT CENTER

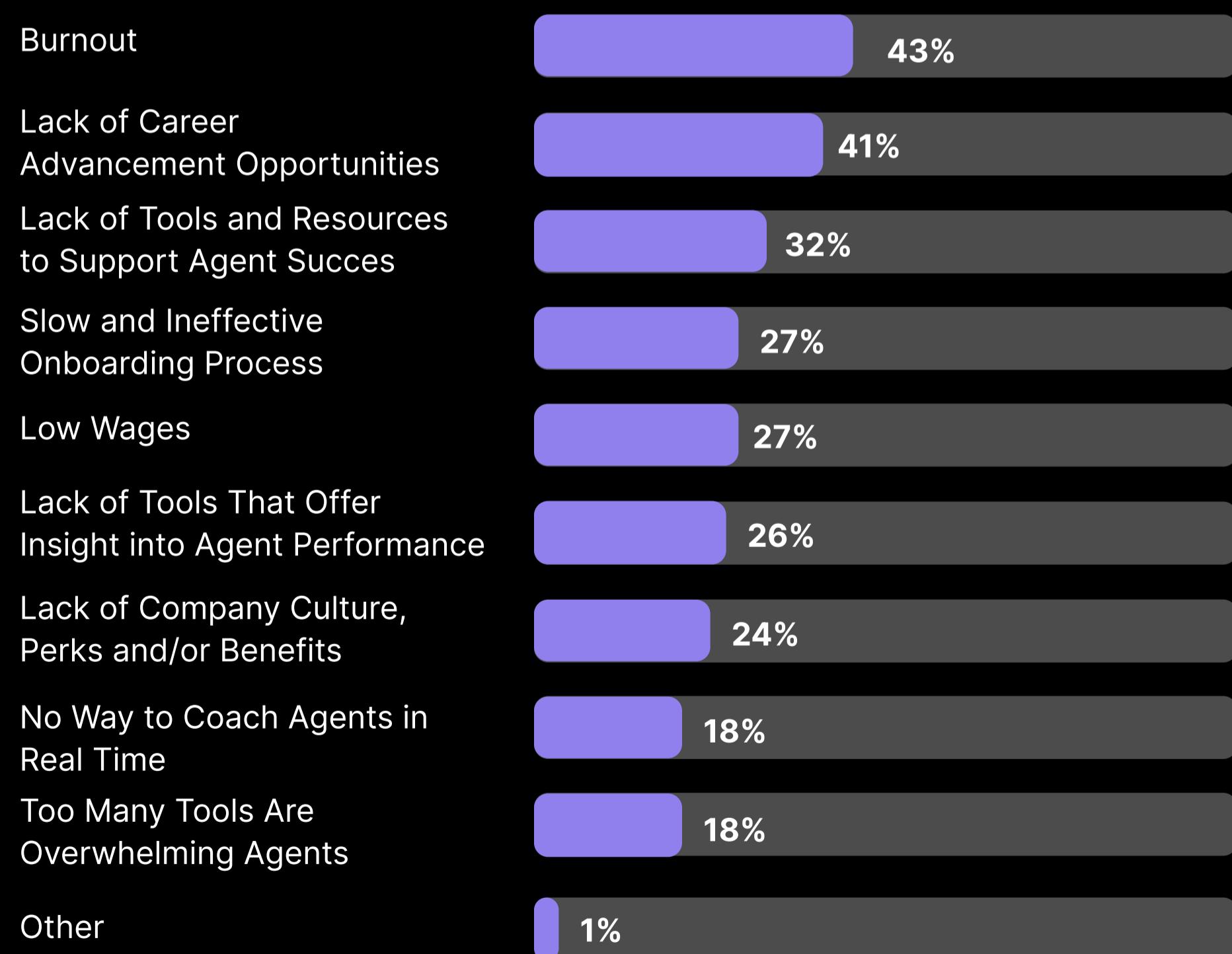
Burnout, Lack of Tools Among Top Reasons for Agent Turnover

The top reasons for agent turnover paint a dire picture: Agents aren't being given enough support, whether it's due to being overworked, or not having resources to support their success.

Likely, there is a link between the two.

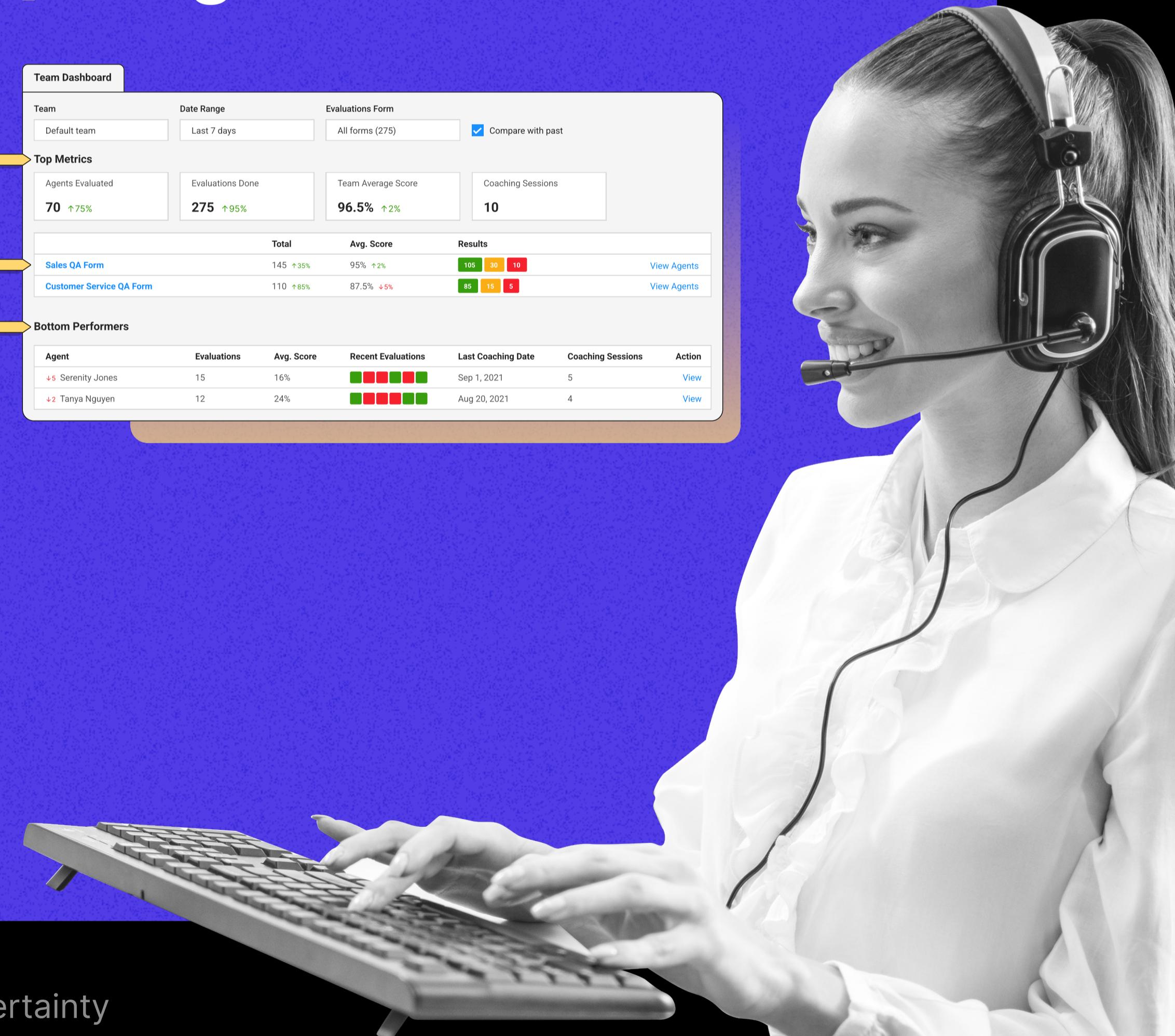
Agents without the proper tools and resources may be more prone to feeling overworked and overwhelmed, leading to turnover.

What are the biggest challenges in retaining agents?



32% believe their lack of tools and resources to adequately support agent success is one of the biggest challenges to agent retention.

A screenshot of a 'Team Dashboard' interface. The dashboard includes sections for 'Top Metrics', 'Bottom Performers', and a 'Sales QA Form' and 'Customer Service QA Form' summary. The 'Top Metrics' section shows 70 Agents Evaluated (up 75%), 275 Evaluations Done (up 95%), a Team Average Score of 96.5% (up 2%), and 10 Coaching Sessions. The 'Bottom Performers' section lists two agents: Serenity Jones (15 evaluations, 16% score) and Tanya Nguyen (12 evaluations, 24% score). The 'Sales QA Form' summary shows 145 evaluations (up 35%) and 95% average score. The 'Customer Service QA Form' summary shows 110 evaluations (up 85%) and 87.5% average score.



STATE OF THE CONTACT CENTER

Better Compensation Package, Real-Time Tools Are Top Agent Retention Initiatives

So how are contact center leaders tackling the agent retention issue?

Two main ways: better compensation packages (perks, benefits, career opportunities, compensation) and new tooling, specifically ones that help agents in real time.

This makes sense.

When supervisors and agents are provided with tools that support them as customer conversations happen, performance improves and agents feel more fulfilled in their jobs. Better performance may also mean performance bonuses and career advancement. All of these things may add up to more agent retention.

What new steps are you planning to take to retain your top talent?

Improve Company Culture, Perks and/or Benefits  47%

Offer More Career Advancement Opportunities  45%

Offer High Compensation  44%

Invest in Tools That Allow for Managers to Provide Guidance in Real Time  40%

Adopt New Systems and Resources to Support Agent Operations  40%

Invest in Tools That Help Agents Perform Better in Real Time  38%

Provide Better Sit-down Coaching or Training  33%

Consolidate Tools to Streamline Contact Center Operations  26%

None of the Above  2%

STATE OF THE CONTACT CENTER

Leaders Tightening Budgets, But AI Investments Still a Priority

Beyond the challenge of agent turnover, leaders are preparing for a potential recession in a number of ways.

The top initiatives fall into two seemingly contradictory buckets: increasing efficiencies and investing in AI and automation to improve business outcomes.

Despite tightening budgets, there is still a significant commitment to purchasing technology.

This is likely because AI and automation is perceived to have a two-fold benefit:

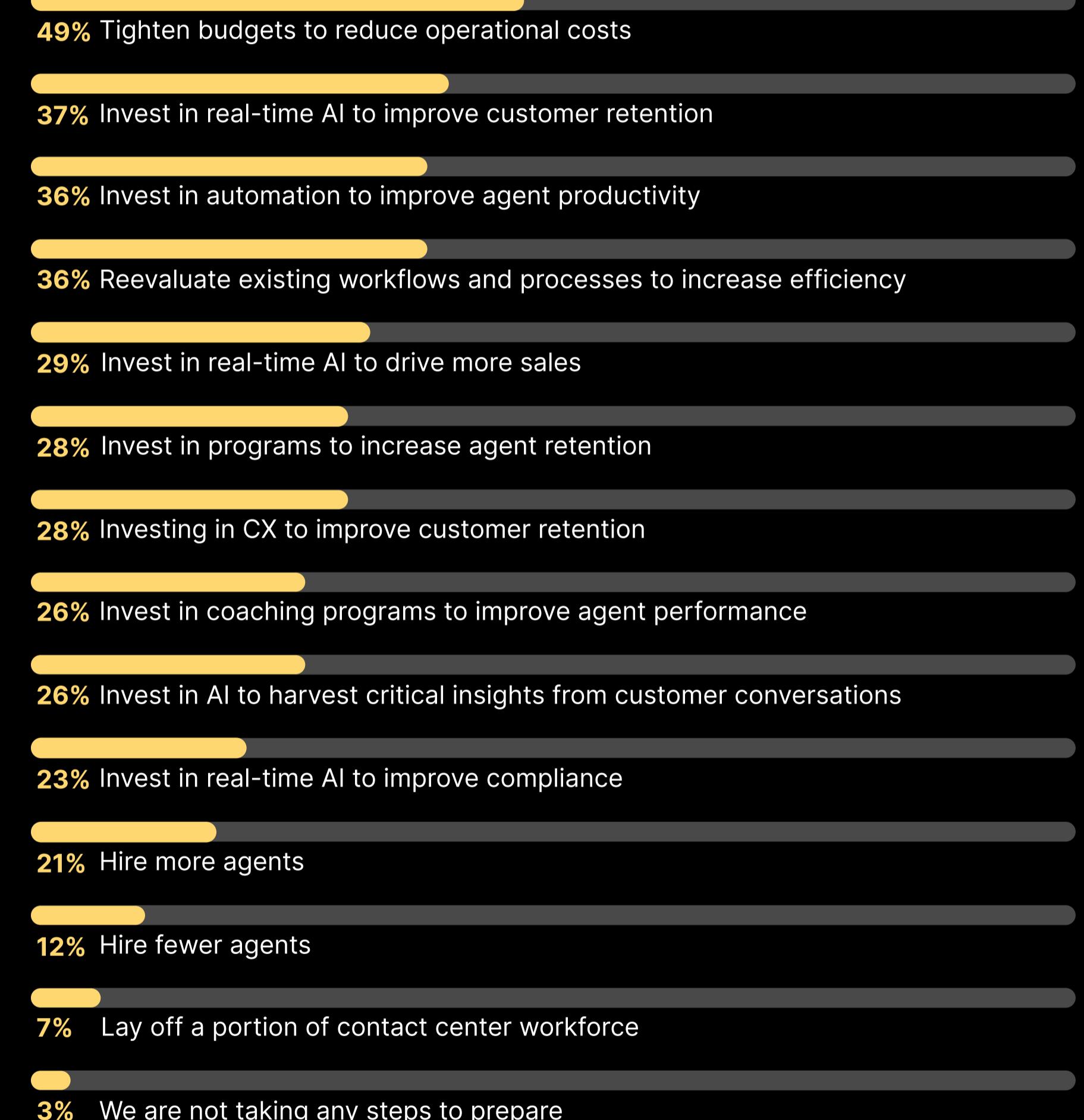
- Improving operational efficiency and workflows by automating manual tasks
- Improving agent performance to boost business outcomes

Real-Time AI Top Investment Priority

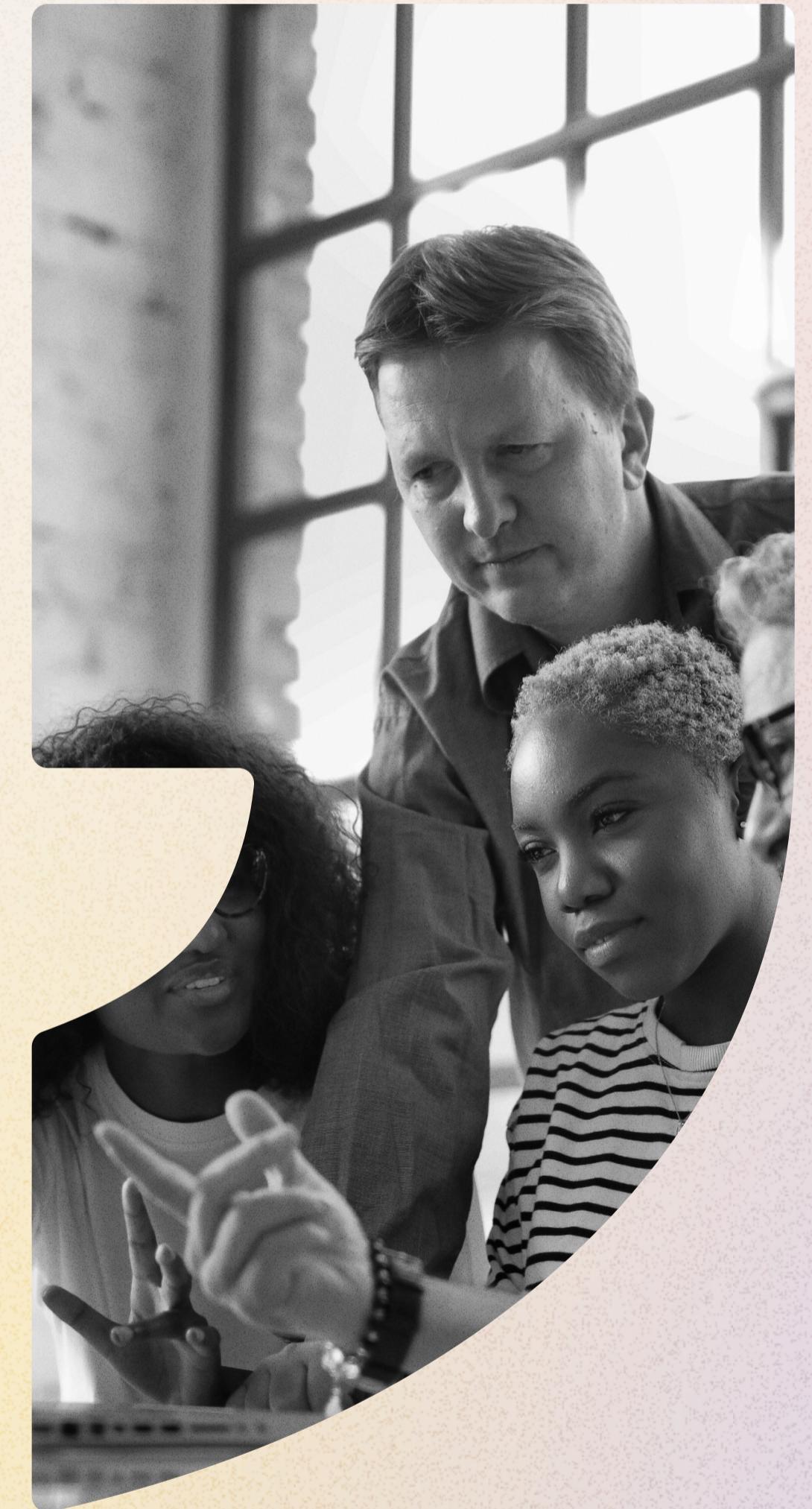
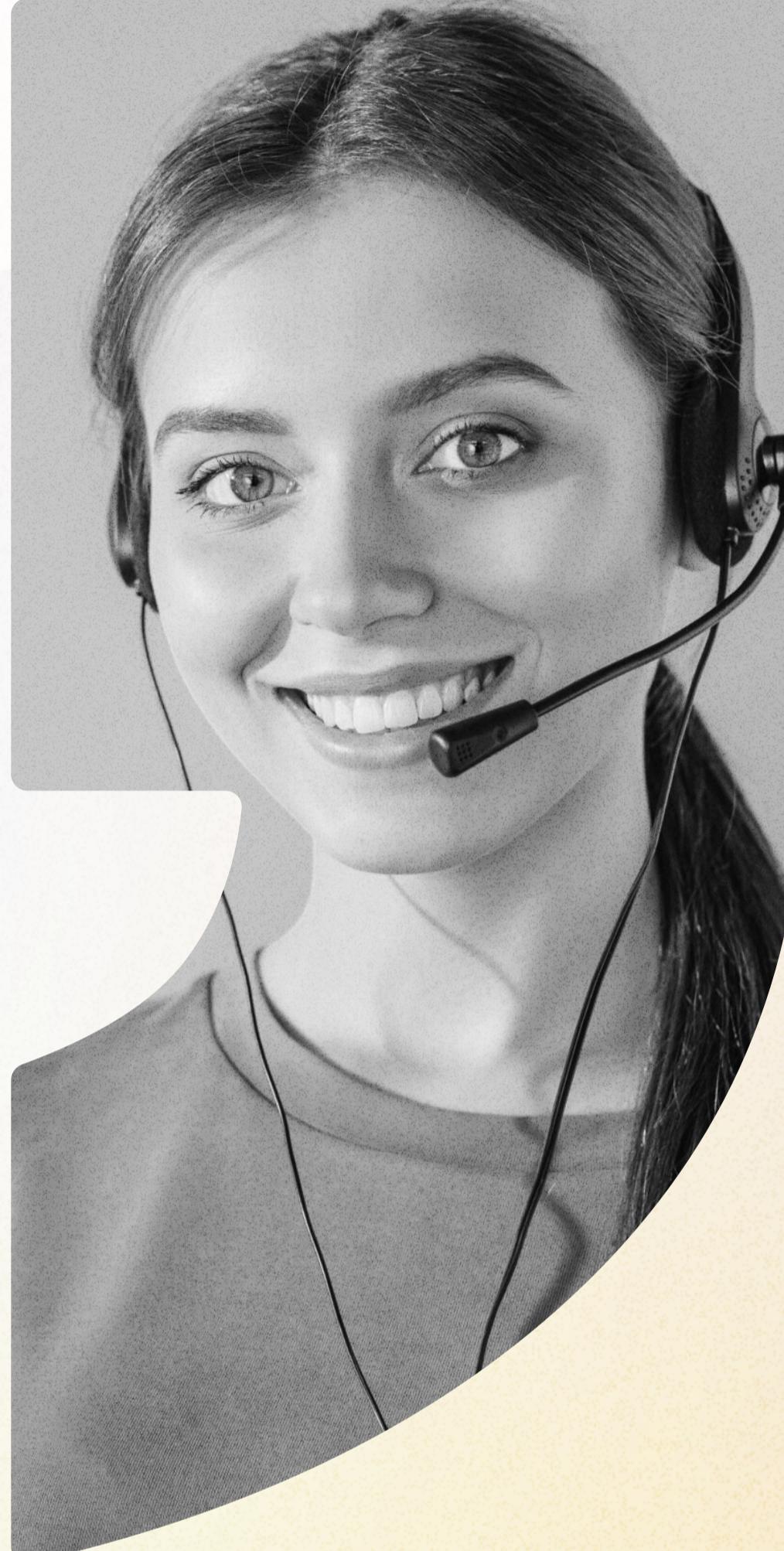
Real-time AI to improve customer retention and sales are among the top investments organizations are making to prepare for a recession. Despite tightening budgets, 37% expect to invest in real-time AI for customer retention and 29% plan to invest in real-time AI for sales.

Read how Observe.AI's Real-Time AI is improving agent performance and productivity in the next section.

Which of the following steps, if any, is your organization taking to prepare for a possible recession?



Real-Time AI Promises Hope Amid Uncertainty

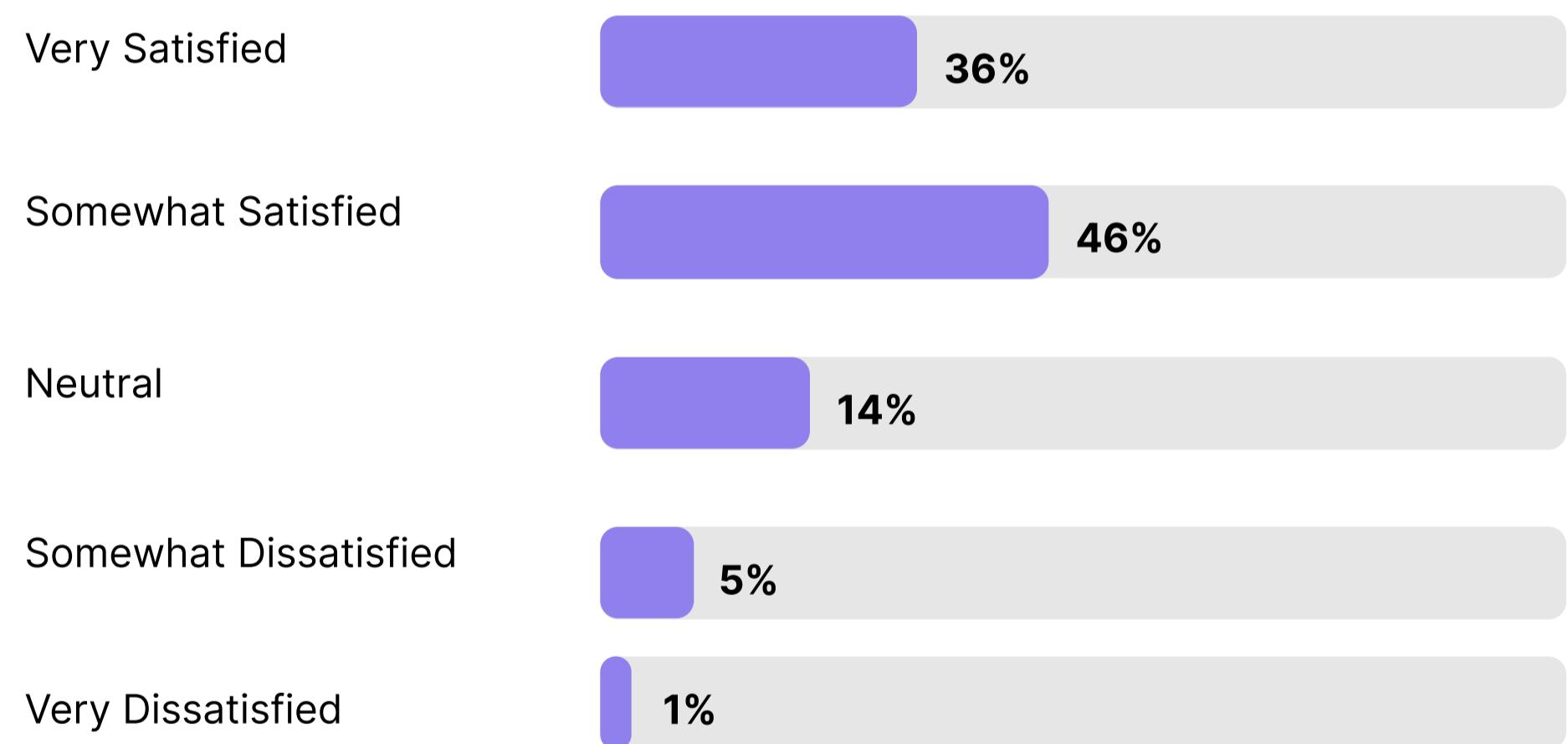


REAL-TIME AI PROMISES HOPE AMID UNCERTAINTY

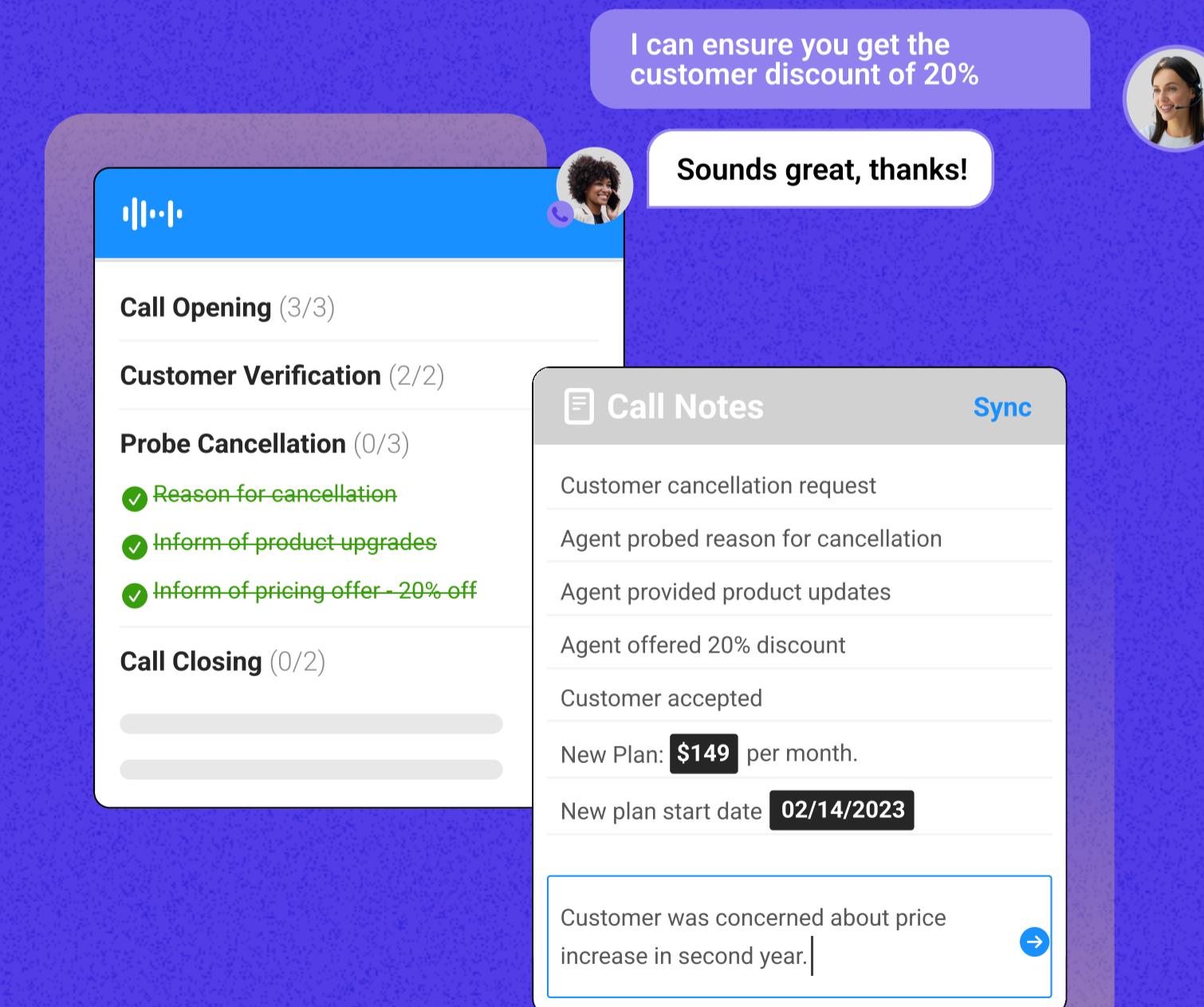
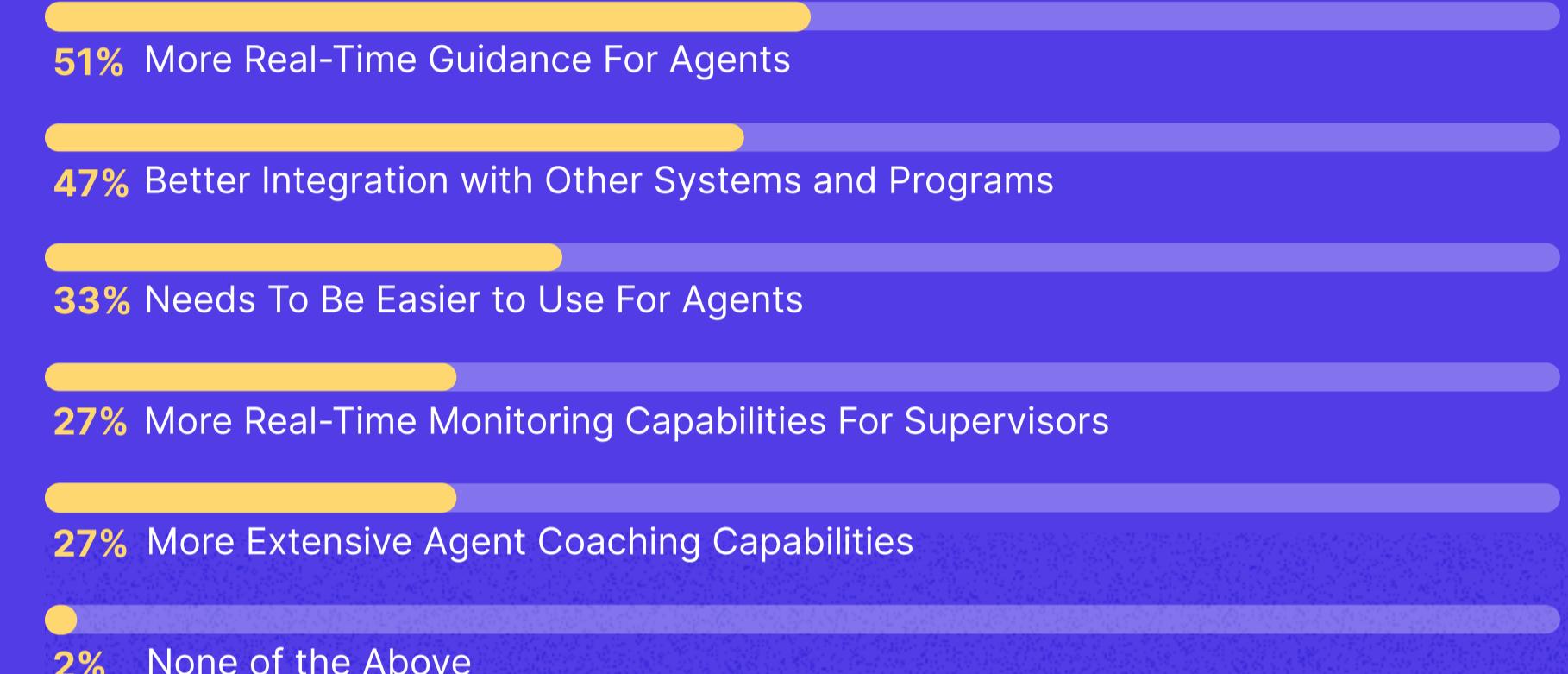
Contact Centers Craving Real-Time Capabilities

Although 88% of contact centers are using AI and automation, the majority are left wanting more. 36% say they are “very satisfied” with their current contact center AI tools, but more than half of respondents wish there was more real-time guidance.

How satisfied are you with your organization's existing set of contact center AI tools?



Which of the following would improve your level of satisfaction with contact center AI tools?



REAL-TIME AI PROMISES HOPE AMID UNCERTAINTY

Better Customer Experience, Retention, Conversions, and Compliance Are Among Real-Time AI Benefits

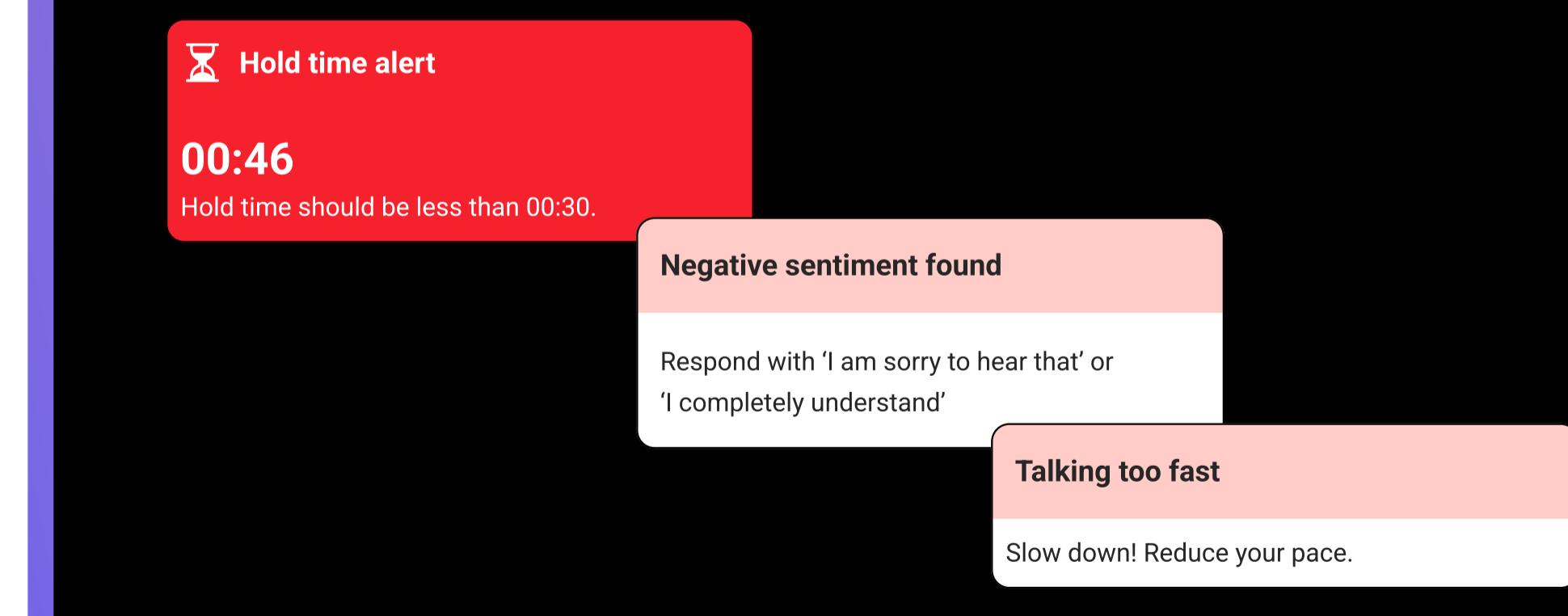
Those already using real-time AI are seeing real improvement in agent performance and business outcomes as calls happen. Benefits range from increased sales conversions to better customer experience to improved productivity.

Others are already catching on. 61% of respondents plan to introduce real-time AI to improve contact center performance in 2023.

61% of respondents plan to introduce real-time AI to improve contact center performance in 2023.

If you currently use real-time AI, which of the following outcomes are you seeing?

- 48% Help Agents Provide a Better Customer Experience
- 36% Help Agents Convert More Sales Calls / Drive More Revenue
- 34% Help Agents Stay Compliant on Calls
- 31% Help Agents Onboard Faster
- 32% Enable Supervisors To Intervene on Difficult Calls
- 30% Enable Supervisors to Monitor Their Team's Real-Time Call Trends
- 27% Help Improve Contact Center Operational Efficiency
- 24% Drive Business Decisions Based on Real-Time Data
- 12% We Don't Use Real-Time AI

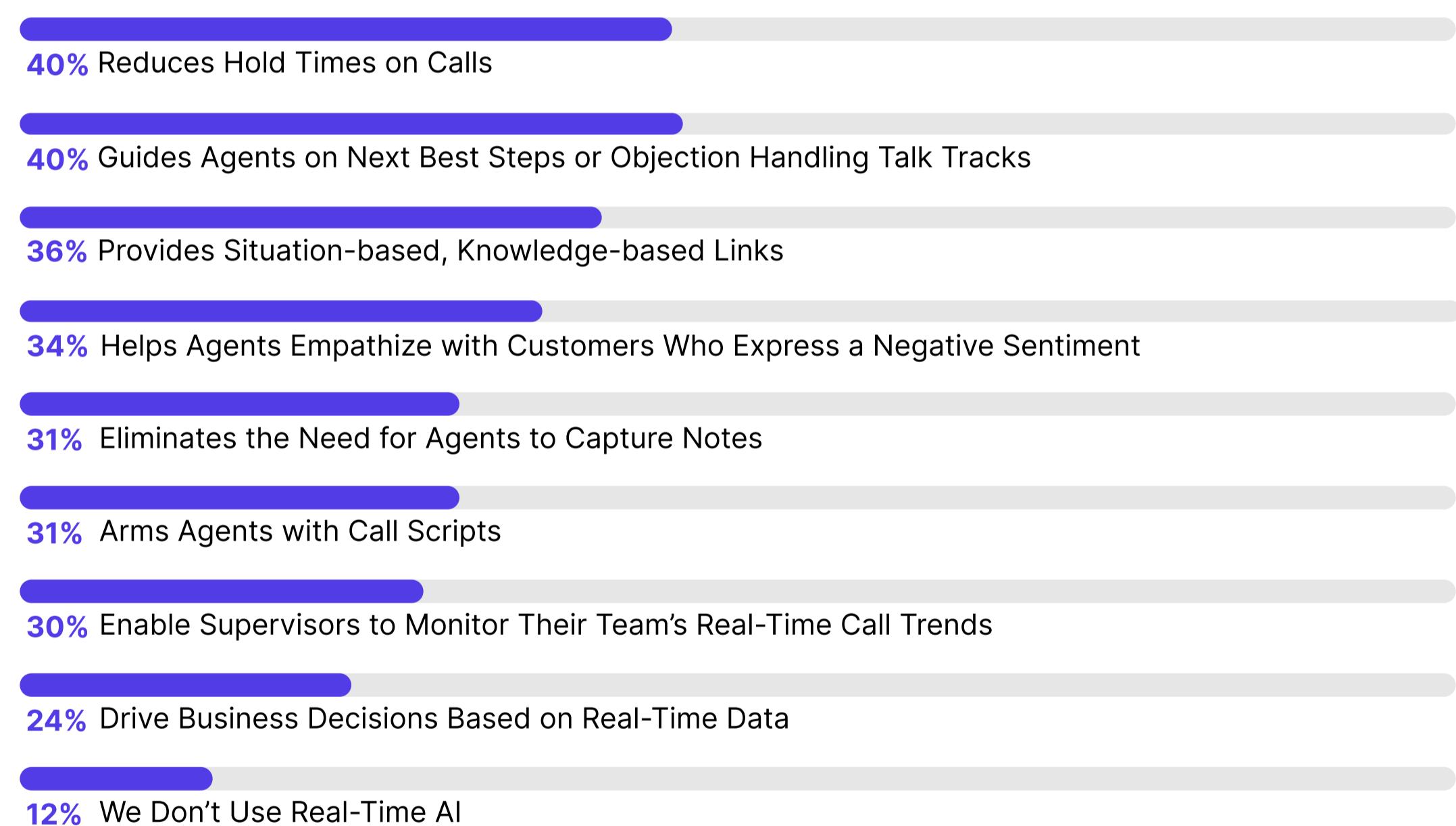


REAL-TIME AI PROMISES HOPE AMID UNCERTAINTY

Real-Time AI Supports Agents and Sales Reps on the Front Line

On a more tactical level, real-time AI is helping agents execute customer conversations better by reducing hold times, providing guidance, and arming agents with the right information when they need it most.

If you currently use real-time AI, which of the following ways does this technology help your contact center?

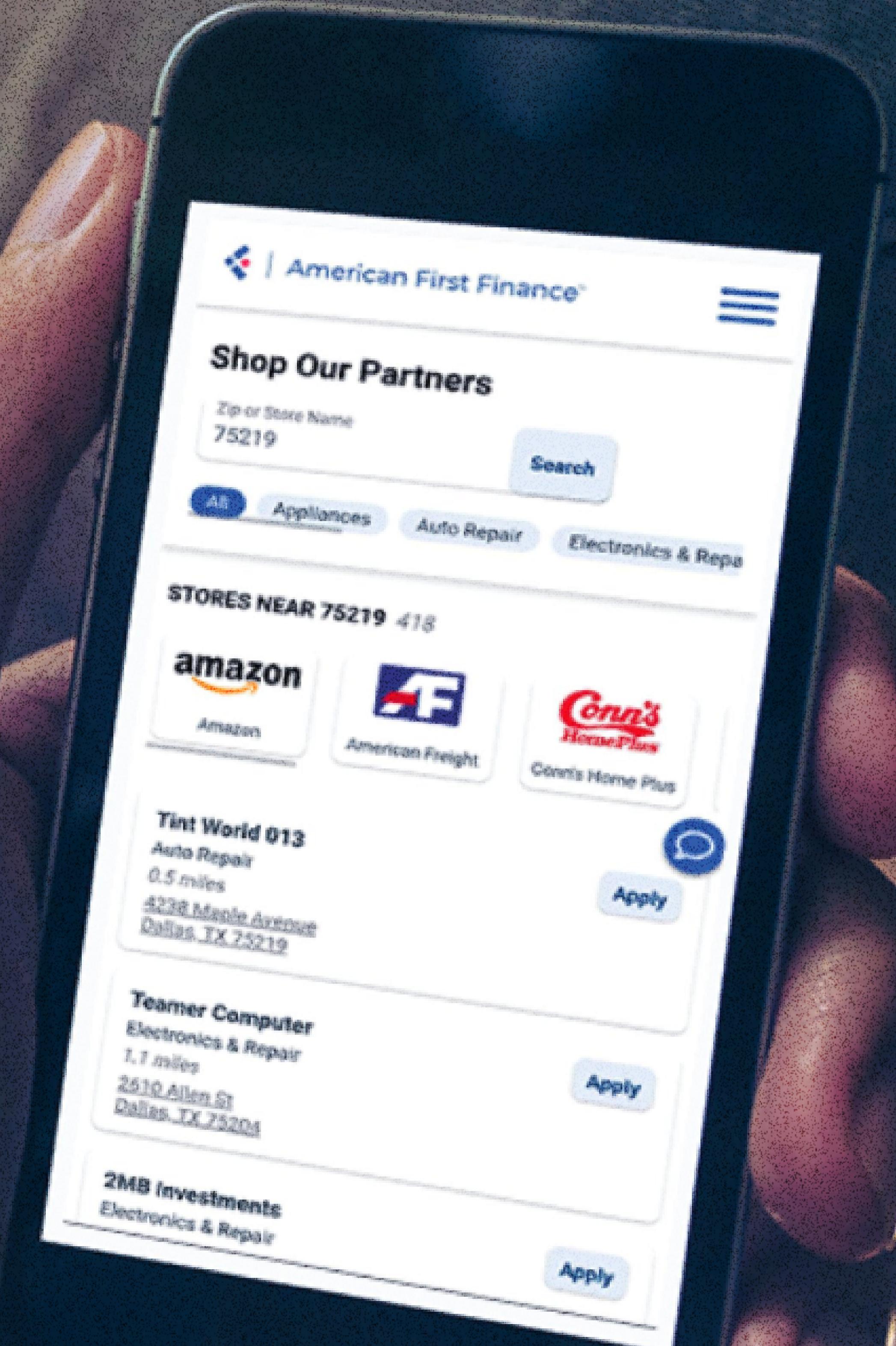


Observe.AI's Real-Time AI improves sales, compliance, and retention by improving agent performance on live calls through scripts, prompts, call notes, and live supervisor monitoring.

See It In Action Here



American First Finance Reduces Hold Time by 60%, Improves AHT by 23% with Real-Time AI



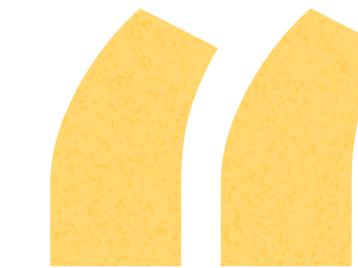
American First Finance Reduces Hold Time by 60%, Improves AHT by 23% with Real-Time AI

American First Finance (AFF) is a leading consumer financial technology company that provides alternatives to traditional retail lending for businesses and consumers that may be financially underserved or overlooked.

When dealing with customers, every moment matters—and waiting to resolve an issue after the customer call is unacceptable and can cost the business revenue, efficiency, or, at the very least, their reputation.

AFF turned to Observe.AI's Real-Time AI to provide guidance to its agents as calls were happening.

Real-Time AI uses AI and automation to detect customer objections, sentiment, and questions, and then surface the most relevant response or knowledge base article to the agent so agents always know what to say and how to handle difficult conversations. AFF has since seen a 60% reduction in hold time violation and has improved their average handle time (AHT) by 23%.



Observe.AI's Real-Time AI brings new levels of personalization to agent coaching. It expands our universe of data and insights that inform real-time guidance, so our agents can focus on what's actually relevant to them rather than be bombarded with irrelevant alerts.

We feel we're better positioned to act quickly and precisely to improve the service we provide to our customers and financial partners."

Tom Nusspickel

Chief Operations Officer of American First Finance

Leaders Unlocking Real ROI with Contact Center AI



LEADERS UNLOCKING REAL ROI WITH CONTACT CENTER AI

AI and Automation Key to Efficiency and Performance

Although real-time AI is quickly becoming a critical part of the contact center toolkit, this is just the tip of the AI and automation iceberg.

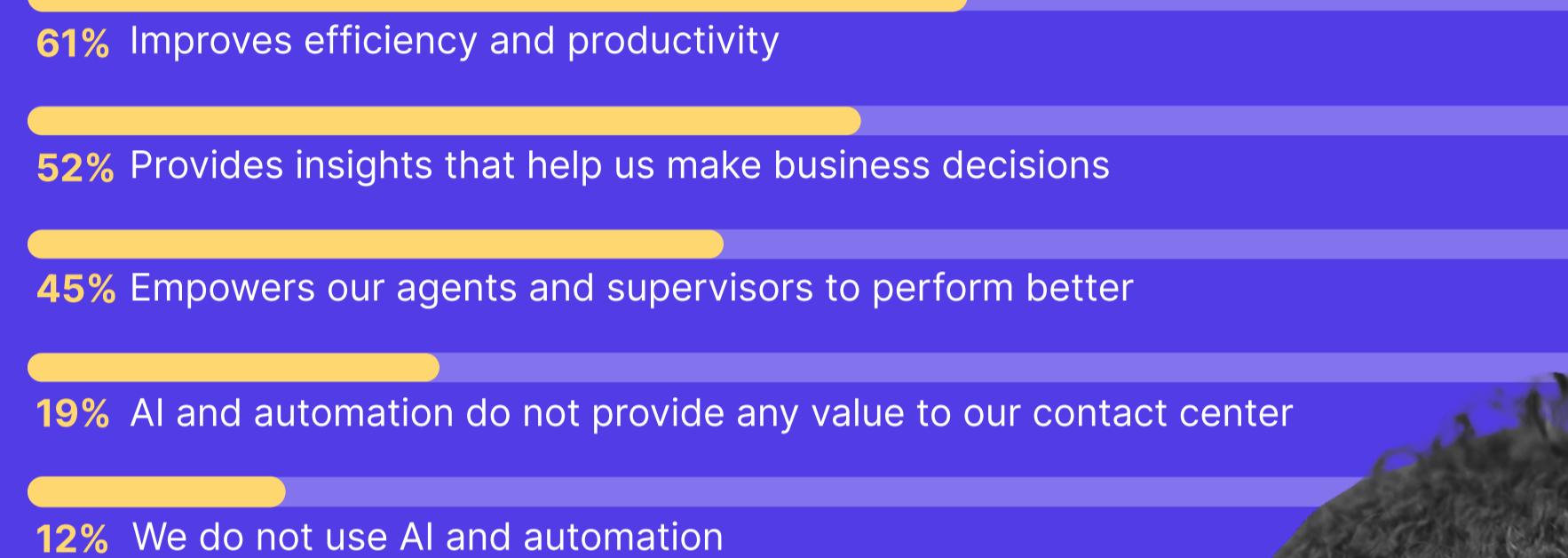
Amid a potential recession, contact center leaders are turning to contact center AI and automation to do more with less.

61% said AI and automation is already improving efficiency and productivity within their contact centers—a key initiative for leaders preparing for a recession.

But more efficiency is not the only benefit.

45% say AI and automation are empowering their agents and supervisors to perform better and 52% say it helps provide insights to make business decisions—a key benefit as leaders look for confidence in uncertain times.

What role does AI and automation currently play in your contact center?



Customer Conversation Insights Critical to Business Decisions

As the pace of change increases, it becomes increasingly difficult to answer critical questions like “Why are sales conversions down?”, “Why is CSAT dropping?” or “How can we reduce refund requests?”.

Luckily, if you have a contact center, it turns out you already have the answers.

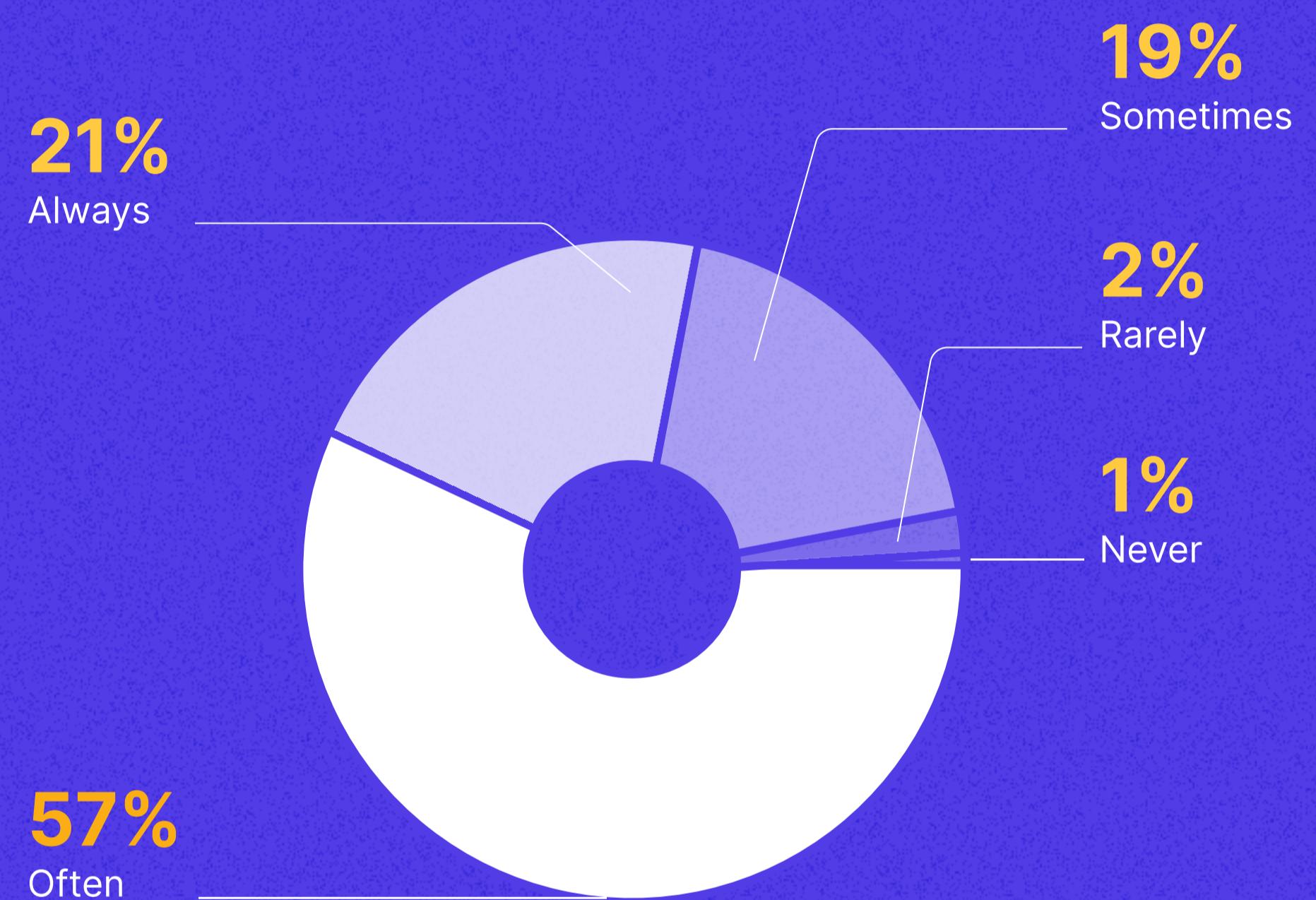
99% of respondents say they use insights from customer conversations to inform business decisions, with 78% using insights “always” or “often”.

Not only that, respondents are using customer conversation data across the entire organization. They’re using insights not only within the contact center, but also to inform marketing, product, and supply chain decisions, as well as for reporting at the executive and board level.

“With **Observe.AI we can excavate deeper insights from our customer interaction data, and apply this intelligence faster and more precisely to drive action across the organization.”**

Dilhara Kaluarachchi
VP Customer Care Center
Public Storage

How often do you use data or insights from agent/customer conversations to inform your business decisions?



According to our [2022 State of Contact Center Conversation Intelligence report](#), 96% of respondents agreed Conversation Intelligence improved transparency and 92% say it helped them make more strategic business decisions.

Unfortunately, Most Don't Have the Insights They Need

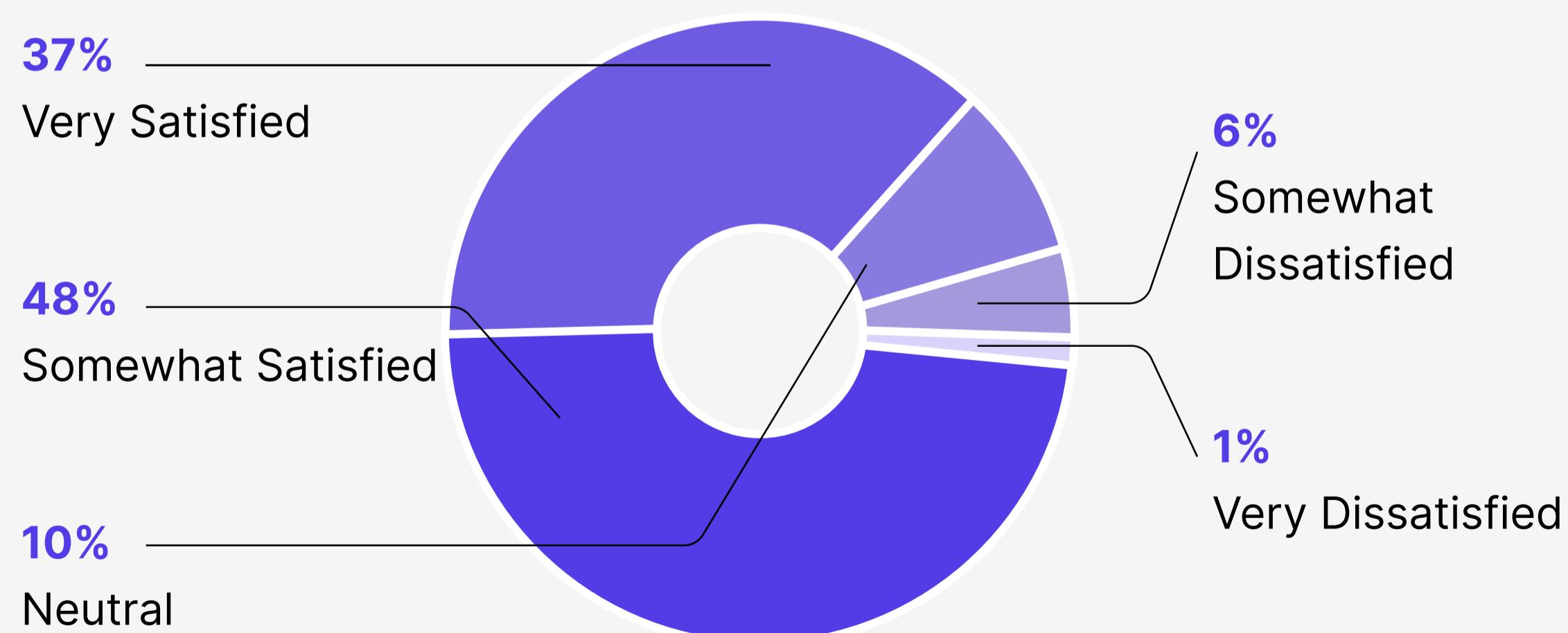
What's really happening in your business lies in the conversations happening between your brand and your customers every day.

The real question is: Are you really hearing them?

Although leaders are using insights from customer conversations to inform business decisions, only 37% are "very satisfied" with their visibility into agent-customer interactions.

This means the vast majority of leaders are making business-altering decisions without being satisfied with the insights at hand.

How satisfied are you with your current visibility into customer conversations handled by your contact center (whether inbound or outbound)?



99% use insights from customer conversations to inform business decisions, but only 37% are "very satisfied" with their visibility.

1 in 4 say lack of visibility into customer conversations is the most pressing concern for their contact center operations.

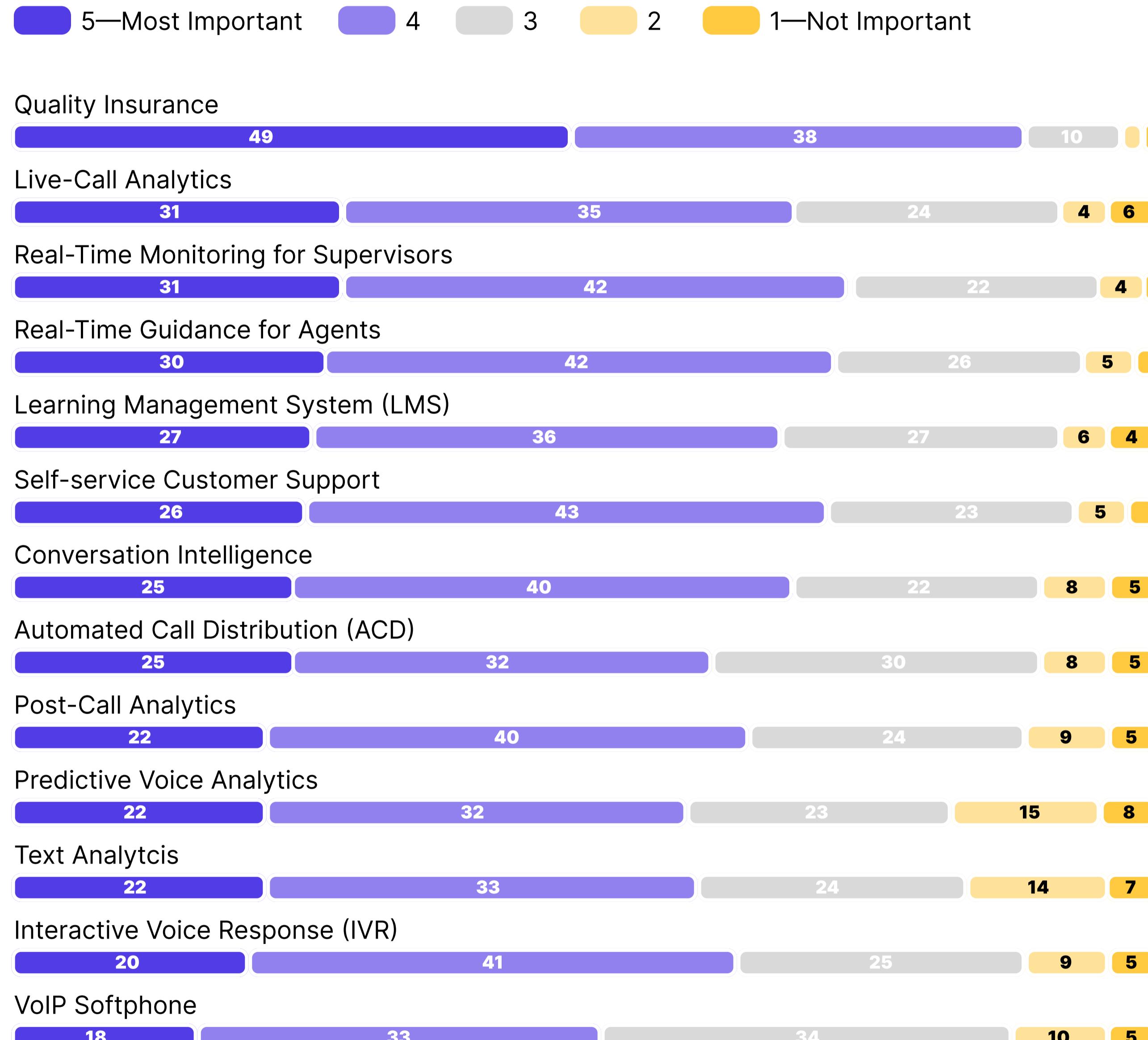
Quality Assurance, Real-Time Capabilities Among Most Important Tools

This need for visibility into customer conversations in order to drive action on the front line may be why quality assurance technology is by far the most important to respondents.

QA solutions are seen as most important, followed by a trio of real-time capabilities, including Live-Call Analytics, Real-Time Monitoring for Supervisors, and Real-Time Guidance for Agents.

This combination of real-time guidance and post-interaction analytics is a powerful suite of tools that gives contact center leaders end-to-end capabilities to drive agent performance, as you will see on the next page.

Which of the following contact center technologies are most important to your organization's contact center operations? (Rate each item by priority on scale of 1 to 5)



LEADERS UNLOCKING REAL ROI WITH CONTACT CENTER AI

Post-Interaction Insights Fuel Real-Time Actions

Knowing what happens in customer conversations fuels agent performance. 76% use these valuable insights to coach agents after a customer conversation, while 67% use insights to guide agents in real-time.

How do you typically use customer conversation insights to improve contact center performance?

I use them to coach agents after a customer conversation	30%
I use them to guide agents in real time during a customer conversation	21%
Both	46%
Neither	3%



How End-to-End Contact Center AI Improves Agent Performance and Business Outcomes

Built on the most accurate AI engine in the industry, Observe.AI uncovers insights from 100% of customer interactions to maximize frontline team performance, and drive outcomes across the business, from more sales to higher retention and better compliance.



How Observe.AI Works

CONVERSATION INTELLIGENCE

Our best-in-class AI engine identifies key moments at scale across 100% of agent and rep conversations, chats, emails, and more.

REAL-TIME AGENT ASSIST

Provide agents with live call guidance and recommendations that help them confidently sell or support customers.

REAL-TIME SUPERVISOR ASSIST

Empower team leaders to monitor live call progress, provide timely coaching to agents, and save calls before they end.

QUALITY ASSURANCE

Identifying key moments at scale allows you to automate your QA process, increasing your evaluation volume exponentially.

AGENT PERFORMANCE & COACHING

More evaluations mean more insight into agent and rep performance—and opportunities to coach and train.

AUTO QA

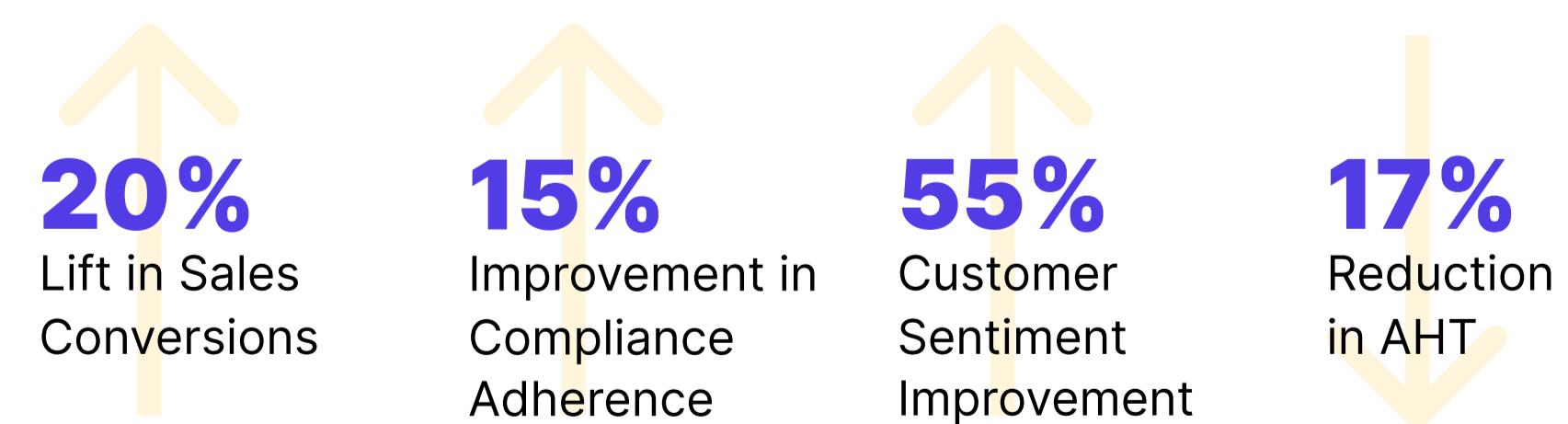
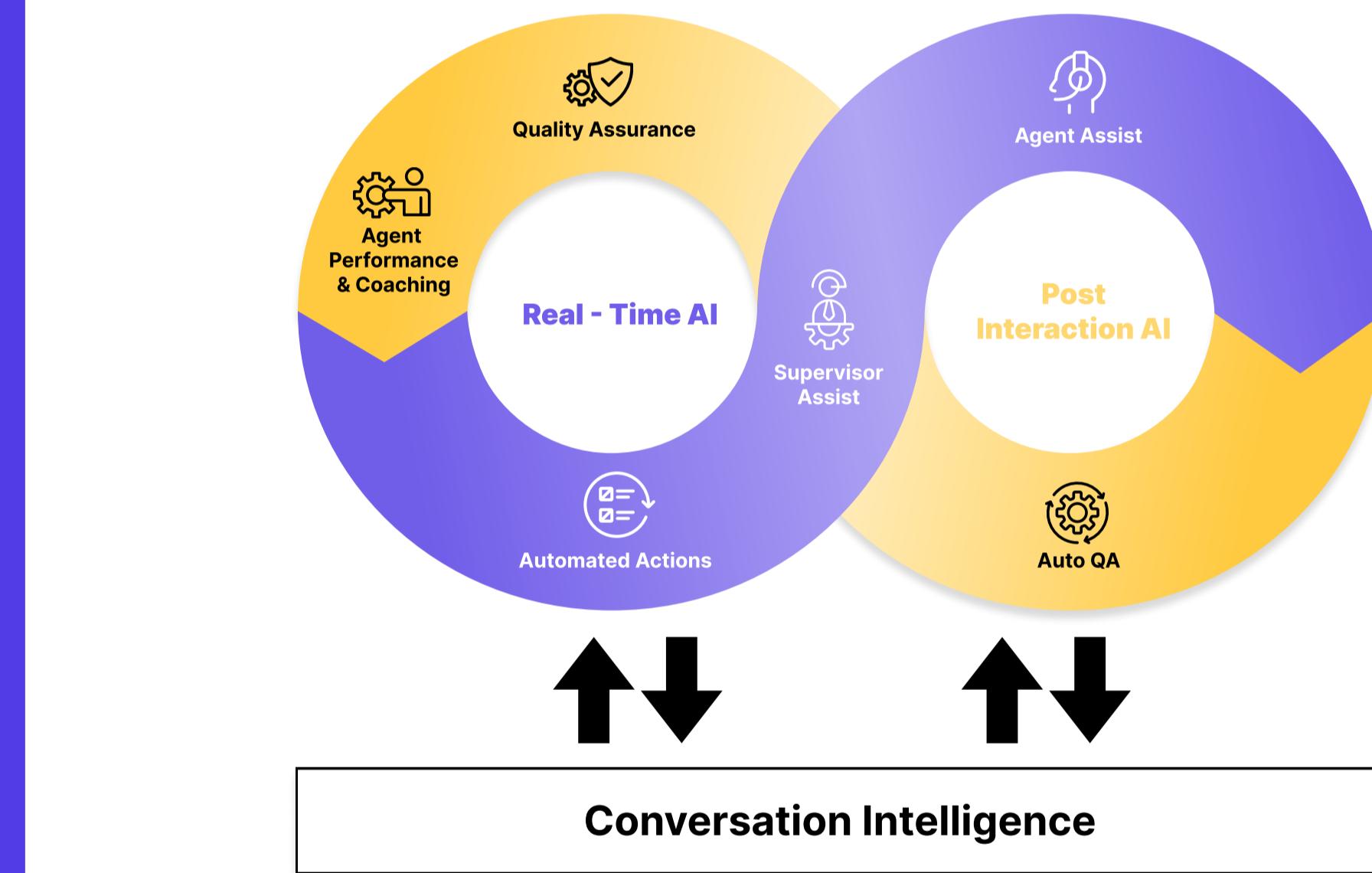
Use automation to score 100% of your interactions so you can coach your agents based on reality.

REPORTING & ANALYTICS

Leverage analytics across your entire organization to create a powerful feedback loop that drives continuous improvement, whether you're focused on customer satisfaction or sales.

The Only End-to-End AI for Contact Centers

Combine in-the-moment AI assistance with post-interaction QA and coaching for a complete line of sight into what's happening in the business and where agents can improve.



What's Next for Contact Centers in 2023



WHAT'S NEXT FOR CONTACT CENTERS IN 2023

Contact Centers Optimistic, Budgets Up in 2023

Despite the challenges ahead, contact center leaders are resilient and mostly optimistic about 2023 with 72% feeling positive about the upcoming year. One reason, perhaps, is the increase in technology budget they're receiving to face these challenges head on. 87% of contact centers expect to have at least the same technology budget they had in 2022, with 67% expecting that budget to increase.

What best describes your outlook heading into 2023?

Very Positive	31%
Slightly Positive	41%
Neutral	16%
Slightly Negative	10%
Very Negative	2%

Over the next 12 months, how do you expect your organization's budget for technology adoption will change?



WHAT'S NEXT FOR CONTACT CENTERS IN 2023

Customer Conversations: The Overlooked Key to Business Acceleration

Although the economy seems tenuous, 2023 looks bright for contact centers. Technology budgets, agent hiring, and overall optimism are heading in a promising direction.

The demand from customers is not fading any time soon, and businesses will need a skilled workforce to navigate those conversations to drive revenue and retention.

More so, leaders are realizing the content of customer conversations is an untapped treasure trove of information that could have major implications on how business decisions are made.

But it's not so easy.

Although 99% of contact center leaders are using conversation insights, only 37% are completely satisfied with their level of visibility into those conversations.

The right AI and automation tooling, like conversation intelligence, can help. Our previous study found 96% of respondents said conversation intelligence improved contact center transparency. In addition, contact center leaders using conversation intelligence were 10X more likely to feel very prepared for the future than those who weren't. In this study, we see real-time AI emerge as one of the key use cases that's top of mind for contact center executives.

It's clear respondents see AI and automation as critical to unlocking the vast amounts of raw data that live within contact center customer conversations in order to make better business decisions.

Those able to do so will have the upper hand in 2023 and beyond.



Demographics and Methodology

Zogby Analytics was commissioned by Observe.AI to conduct an online survey of 302 contact center decision makers and managers.

Using internal and trusted interactive partner resources, thousands of adults were randomly invited to participate in this interactive survey. Each invitation was password coded and secure so that one respondent could only access the survey one time.

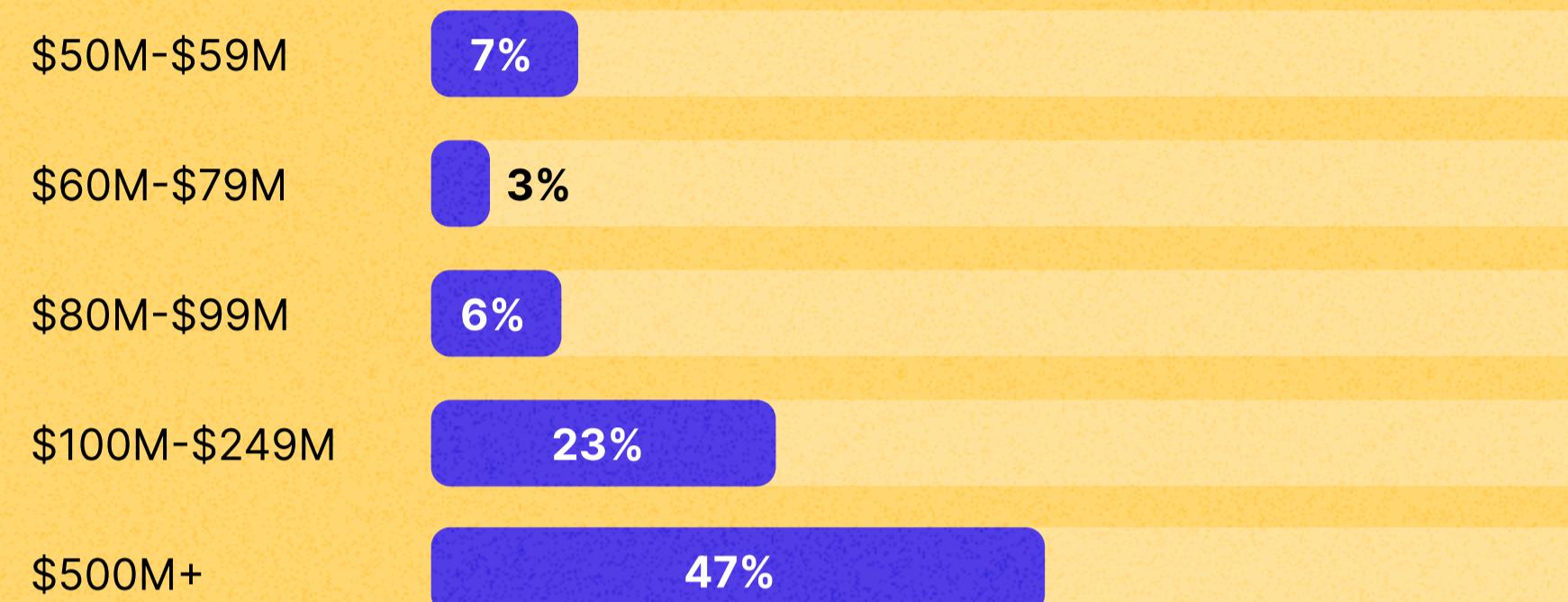
Respondents in the final sample were typically managers (42%), directors (21%), C-suite executives (17%), and vice-presidents (11%), working in financial services (38%), insurance (17%), retail and e-commerce (13%) and healthcare (11%). 47% of organizations reported having an annual revenue of over \$500 million.

Based on a confidence interval of 95%, the margin of error for 302 is ± 5.6 percentage points. This means that if the identical survey were repeated, its confidence intervals would contain the true value of parameters 95 times out of 100.

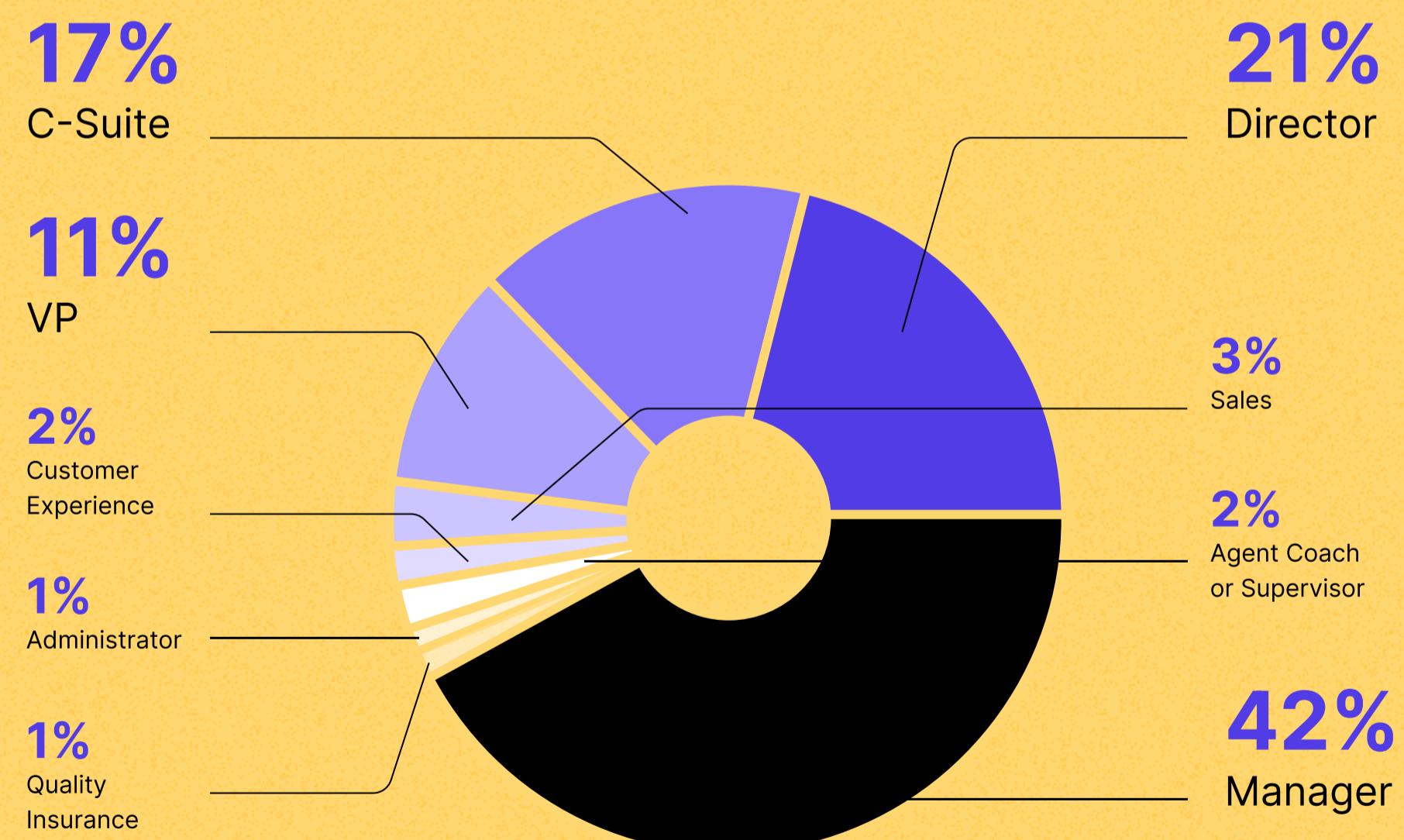
Subsets of the data have a larger margin of error than the whole data set. As a rule, we do not rely on the validity of very small subsets of the data, especially sets smaller than 50-75 respondents. At that subset we can make estimations based on the data, but in these cases the data is more qualitative than quantitative.

Additional factors can create errors, such as question wording and question order. Further demographic breakdown can be found below.

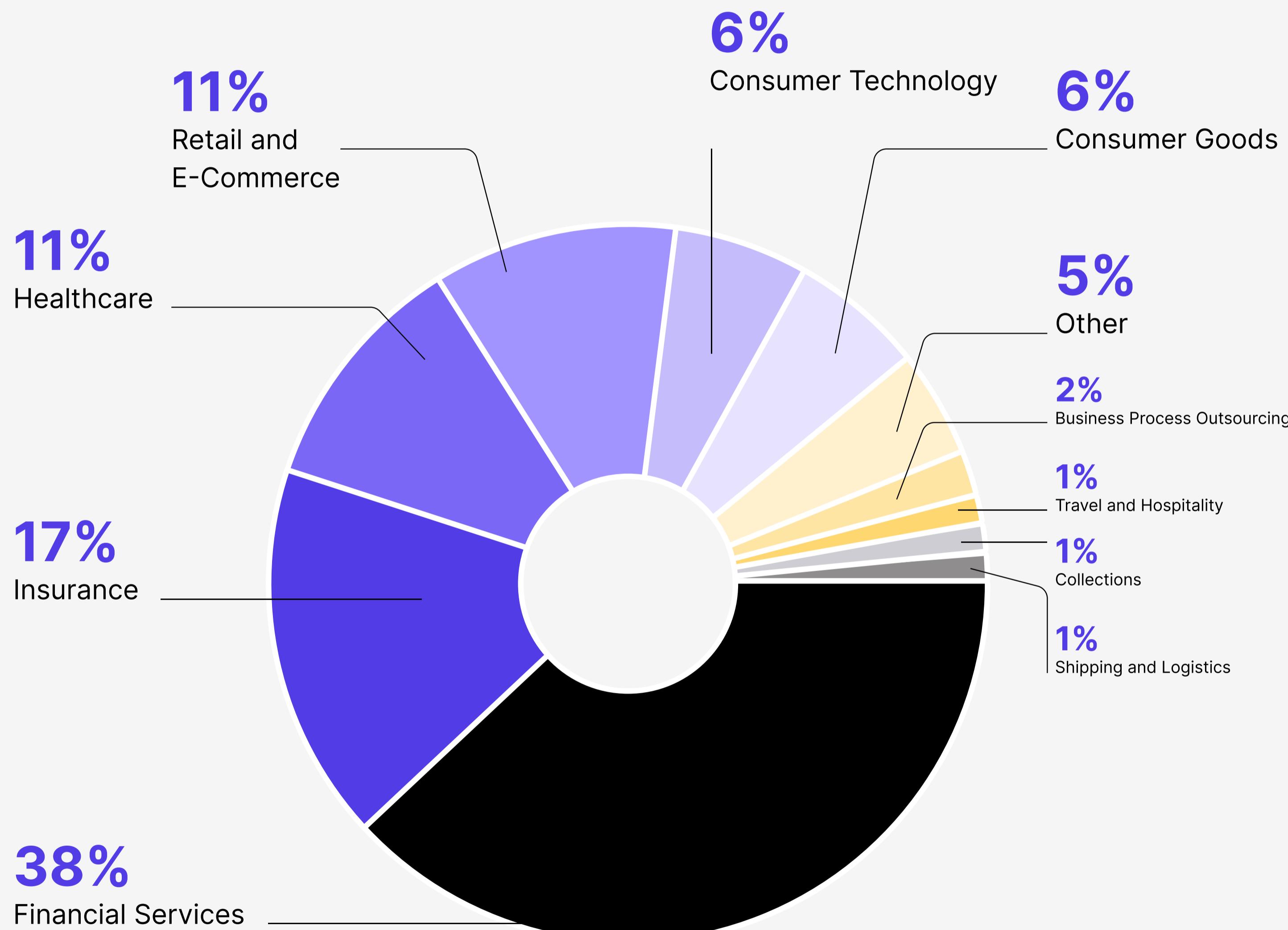
What is your organization's revenue?



Which of the following best describes your role?



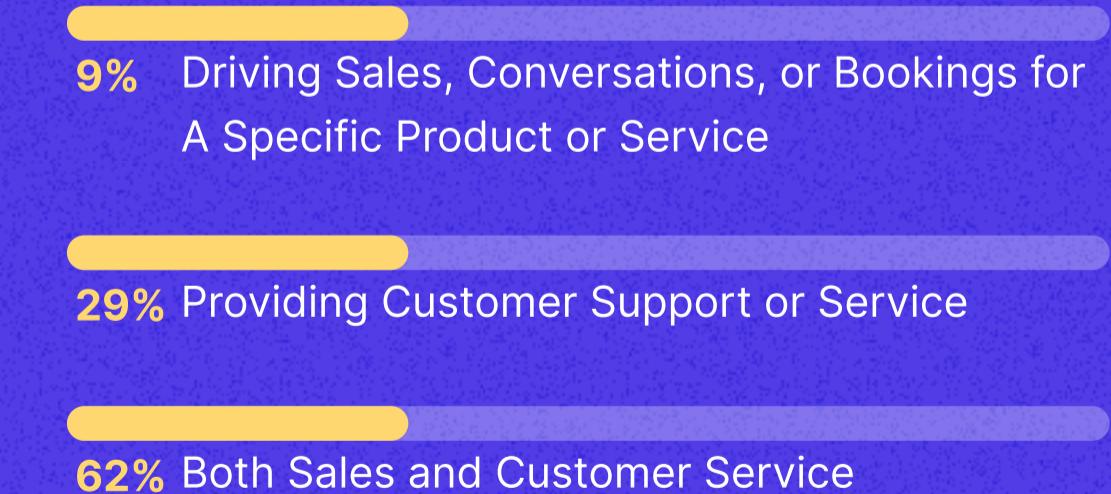
Which of the following best describes your industry?



How many of your organization's agents are remote employees?



What best describes your organization's contact center services?





About Observe.AI

Observe.AI is the fastest way to boost contact center performance with live conversation intelligence. Built on the most accurate AI engine in the industry, Observe.AI uncovers insights from 100% of customer interactions and maximizes frontline team performance through coaching and end-to-end workflow automation.

With Observe.AI, companies can act faster with real-time insights and guidance to improve performance, from more sales to higher retention. Leading companies like Bill.com, Public Storage, and Accolade partner with Observe.AI to accelerate outcomes from the frontline to the rest of the business.

**Interested in learning more?
Request a demo.**

