2022 BENCHMARK REPORT

# Automation
## IN THE CONTACT CENTER

replicant

DEMAND METRIC

# Introduction

Contact centers are facing customer satisfaction and staffing challenges at an unprecedented rate. Investments in human capital and technology are the historical means organizations deal with contact center issues. With 2021 contact center agent attrition rates at 42%, technology is increasingly sought after to address contact center challenges. Specifically, automation is playing a more significant role in contact center operations.

Automation is the ability to resolve customer support issues across voice, text, and web channels with natural-sounding, machine-driven conversations that understand complex customer requests.

Earlier this year, Replicant and Demand Metric partnered to explore how contact center leaders perceive the value of automation, the extent to which they are already implementing it, and their plans for leveraging automation in the future.

The following report summarizes the results of this year's survey and shares insights from more than 300 contact center leaders in US-based middle market and enterprise organizations.

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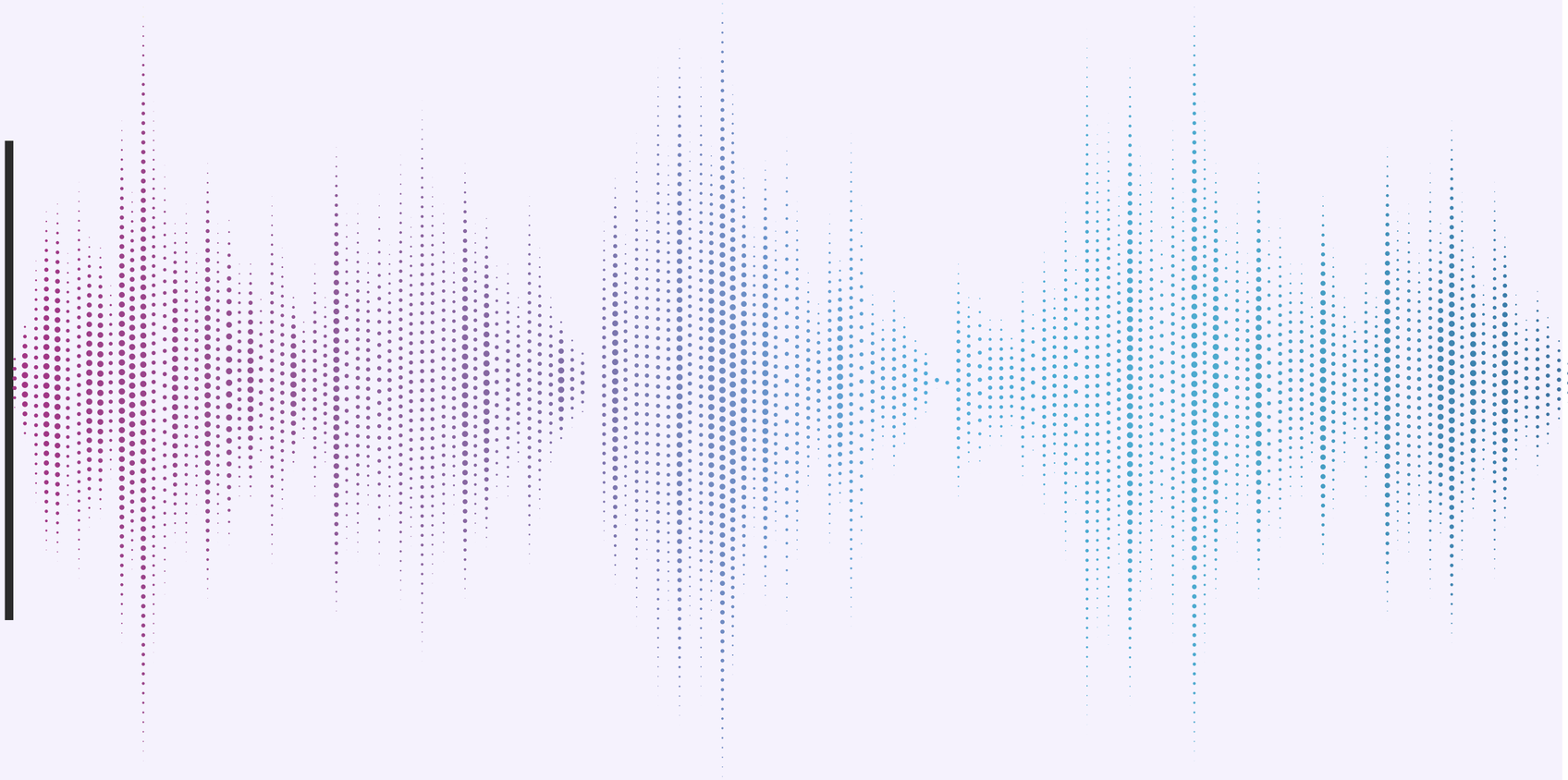
SECTION 1

# KEY FINDINGS



KEY FINDING #1

# The top priority for contact centers is improving customer satisfaction.

By a wide margin, improving customer satisfaction was the top contact center priority (77%), with addressing staffing/workforce issues second (60%).

KEY FINDING #2

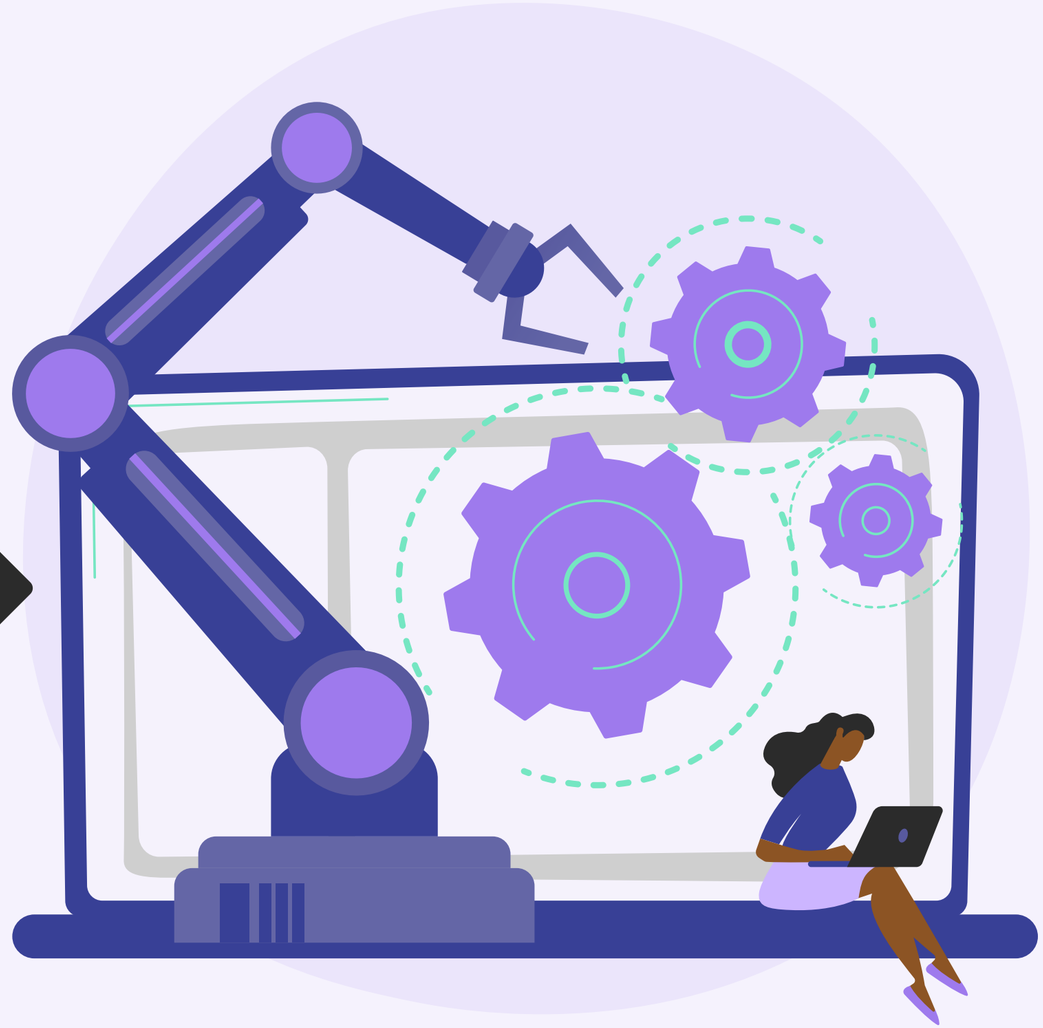
# Leaders are facing a crisis as they manage multiple contact center challenges.

The top challenge contact center leaders face is high or increasing costs (54%), followed by hiring enough agents (49%), agent turnover, and handling call volume spikes.

KEY FINDING #3

# Automation is the top solution.

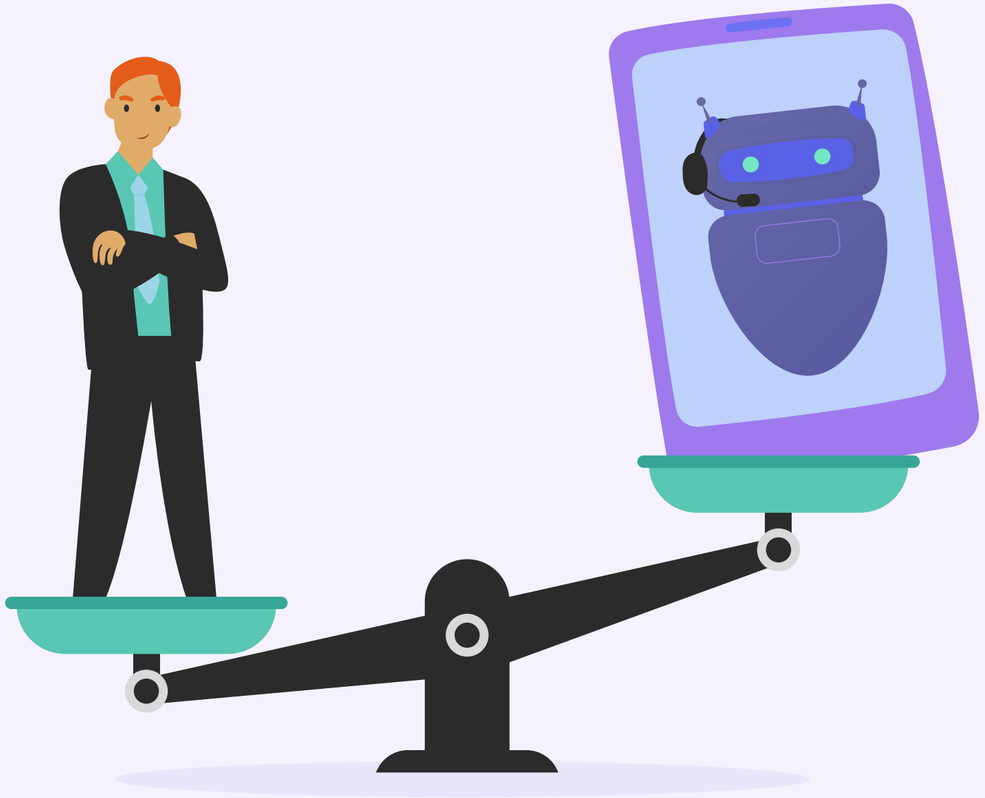
Almost all contact center leaders (91%) report that automation is a critical or important priority in the next year.



KEY FINDING #4

# The adoption of automation is past the tipping point.

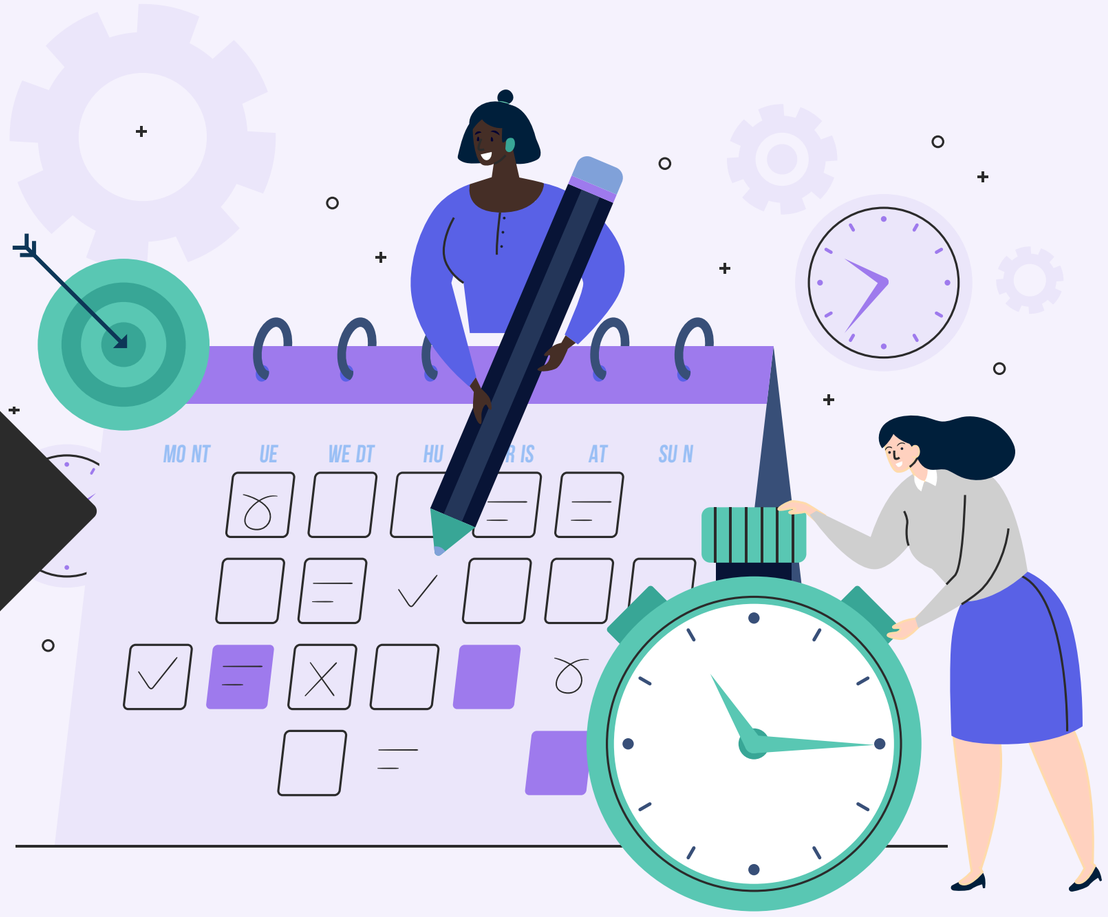
Most contact center leaders (95%) have either already adopted, are implementing now, or are planning to implement automation within the next year.



KEY FINDING #5

# Contact centers that plan to implement automation will do it short term.

80% of study participants are planning or evaluating automation and intend to invest in it within the next 12 months.



KEY FINDING #6

# Voice automation has the highest perceived value.

87% of study participants indicate that the voice channel has the highest perceived value of automation compared to any other channel they use.

KEY FINDING #7

# Contact center leaders are increasing their investment in automation.

Three-quarters of leaders who have invested in automation will increase their investment this year, and another 20% will sustain their existing budget.

This report details the results and provides insights from the study data analysis. For more detail on the survey and its participants, please refer to the Methodology.

SECTION 2

# PRIORITIES, CHALLENGES, AND CHANNELS

# Improving customer satisfaction is the top contact center priority.

The link between contact center-customer interactions and customer satisfaction is well established. Contact centers in this study are unified around customer satisfaction as their top priority (77%). Other priorities are also on the agenda, but customer satisfaction dominates the list, as **Figure 1** shows.

**Figure 1**

What are your top contact center priorities? Check all that apply.

# People and costs are the top contact center challenges.

Contact centers face many challenges, two of which are experienced by approximately half of the centers in this study: high/increasing costs (54%) and hiring enough agents (49%), as shown in **Figure 2**. These challenges are related as human capital is often one of the most expensive line items in any business budget.

Worth noting is that the top contact center challenge shifts based on the number of agents in the contact center:

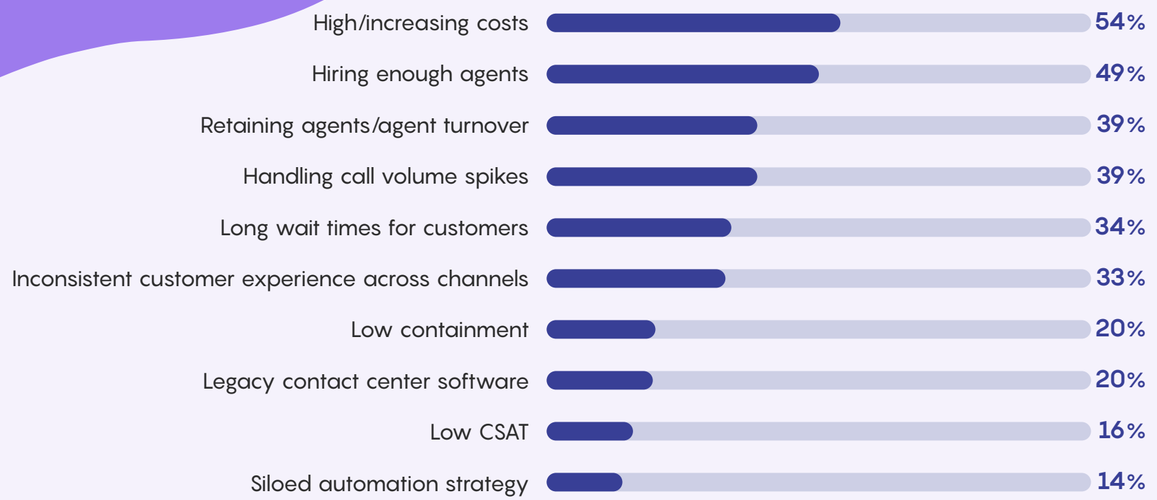
**249 or fewer agents:**
high/increasing costs

**250 to 999 agents:**
hiring enough agents

**1,000+ agents:**
Handling call volume spikes

**Figure 2**

Which of the following challenges or issues does your team face right now? Check all that apply.



# The most frequently used channels are not the most effective.

The study measured the channels contact centers are currently using to resolve customer issues. Email ranks first (80%) among channels in use but ranks near last in effectiveness (55%). The voice channel ranks second in terms of usage, and study participants ranked it the second most effective channel, behind Zoom and tied with Messenger.

The following table looks at channel usage and effectiveness together, revealing that usage popularity does not mirror effectiveness, as shown in **Table 1**.

**Table 1**

| Channel | Usage Rank (%) | Effectiveness* Rank (%) |
|---|---|---|
| Email | 1st (80%) | 6th (55%) |
| Voice | 2nd (76%) | 2nd (Tie) (76%) |
| Text | 3rd (52%) | 7th (50%) |
| Messenger | 5th (34%) | 2nd (Tie) (76%) |
| Social | 6th (32%) | 4th (67%) |
| Webchat | 4th (38%) | 5th (65%) |
| Zoom | 7th (28%) | 1st (86%) |

* Effectiveness was assessed based on the percentage of survey respondents that rated a channel's effectiveness as "Above Average" or "Excellent."

# All but the smallest contact centers are focusing on omnichannel experiences.

Delivering an omnichannel experience that connects and seamlessly switches customers between channels across touchpoints is well underway in all but the smallest contact centers.

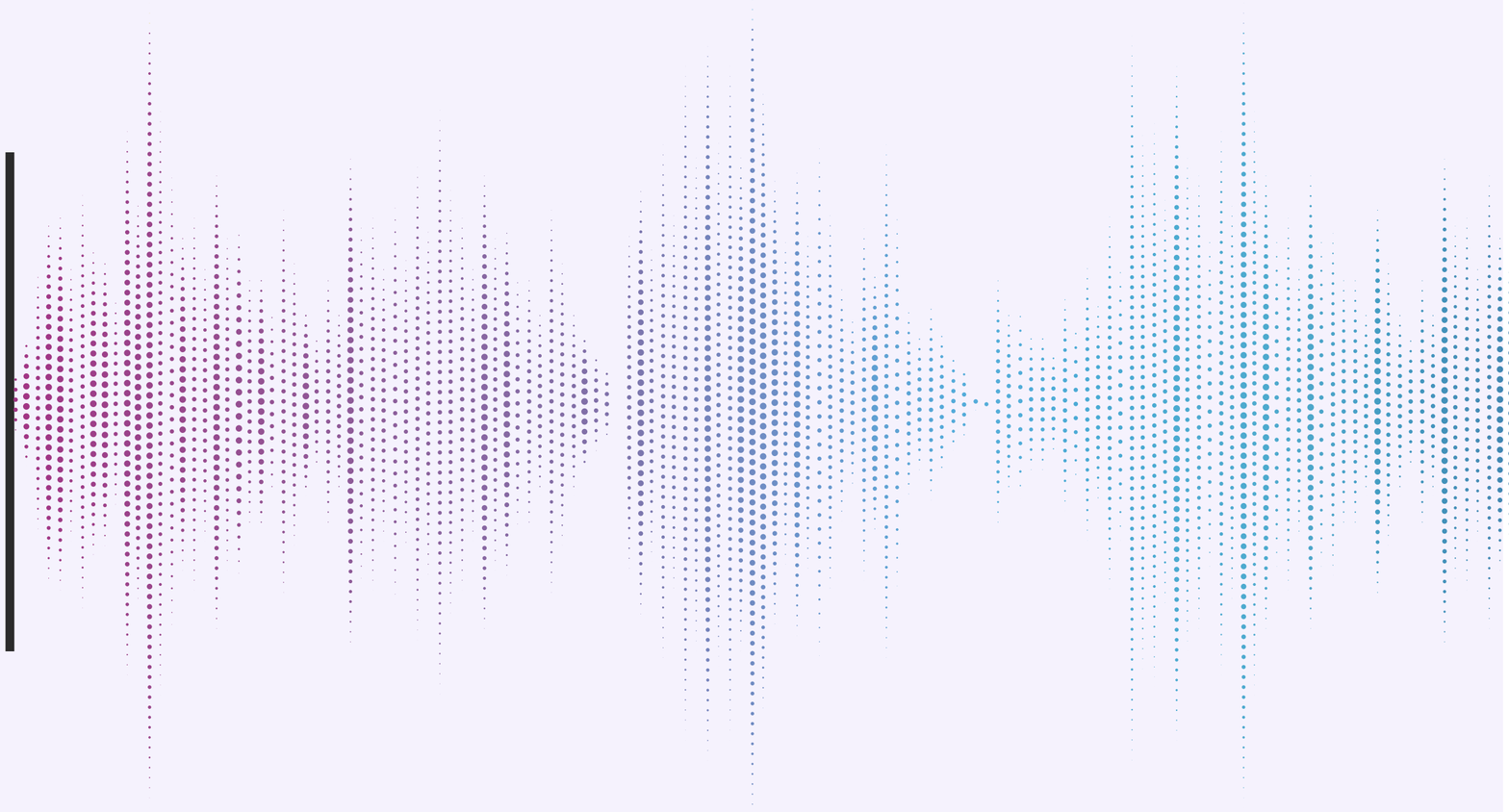
The percentage of leaders who believe that delivering an omnichannel experience is important increases dramatically when there are 50 or more agents supporting customers within their contact center, as **Table 2** shows.

**Table 2**

| Contact Center Agents | % Delivering an omnichannel experience to a large or very large extent | % Believing delivering an omnichannel experience is important or very important |
|---|---|---|
| 1 to 49 | 23% | 53% |
| 50 to 99 | 59% | 89% |
| 100 to 249 | 66% | 85% |
| 250 to 999 | 63% | 85% |
| 1,000+ | 63% | 80% |

SECTION 3

# AUTOMATION ADOPTION



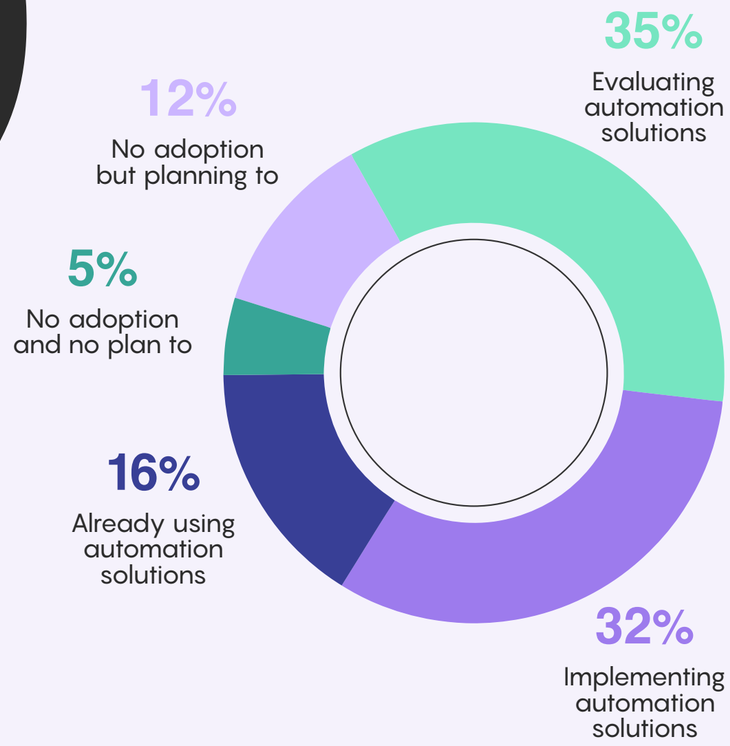
# Contact center automation adoption is in Early Majority status.

Based on Roger's well-known Diffusion of Innovations theory, contact center automation is now in the Early Majority stage. According to the theory, Innovators account for 2.5% of adoption and Early Adopters 13.5%. As **Figure 3** shows, 16% of leaders are already leveraging automation solutions, placing contact center automation at the beginning of the Early Majority stage.

With less than half (48%) of study respondents using or implementing automation solutions, it's the ideal time for adoption while the opportunity to gain a significant competitive advantage remains strong.

**Figure 3**

Which response best describes your company's overall adoption of contact center automation?



# Most contact centers believe the impact of automation is disruptive or revolutionary.

More than half (54%) of all contact centers in the study believe that automation will have a disruptive or revolutionary impact in the next five years, as shown in **Figure 4**.

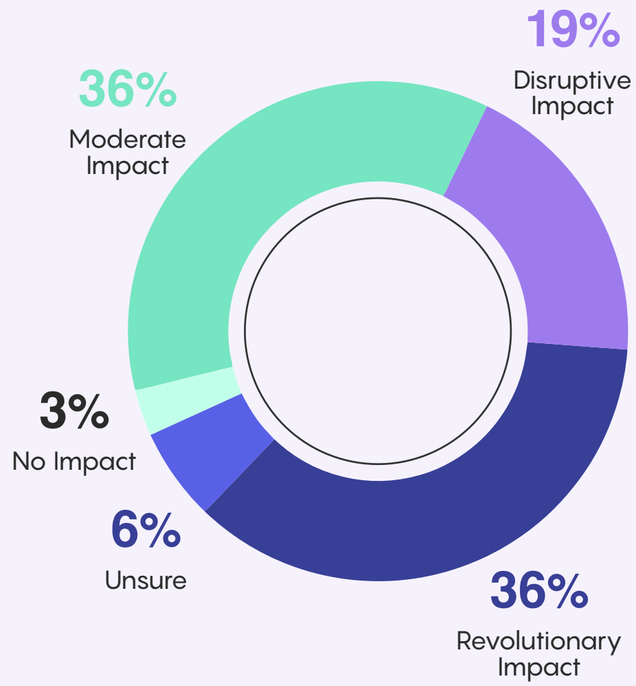
Comparing the impact perception of automation with current adoption reveals a key insight: The strongest belief in the disruptive, revolutionary impact of automation comes from contact centers already using automation solutions.

| Adoption Status | % Believing the impact of automation in the next five years is disruptive or revolutionary |
|---|---|
| Evaluating automation solutions | 39% |
| Implementing automation solutions | 67% |
| Already using automation solutions | 71% |

This insight confirms that contact center automation is delivering on its promises.

**Figure 4**

What impact do you believe automation will have on contact centers in the next 5 years?



# There is considerable enthusiasm at the prospect of using automation.

While one-third of study participants report some apprehension or feeling overwhelmed at the prospect of using automation, 66% are excited about it, as **Figure 5** shows.

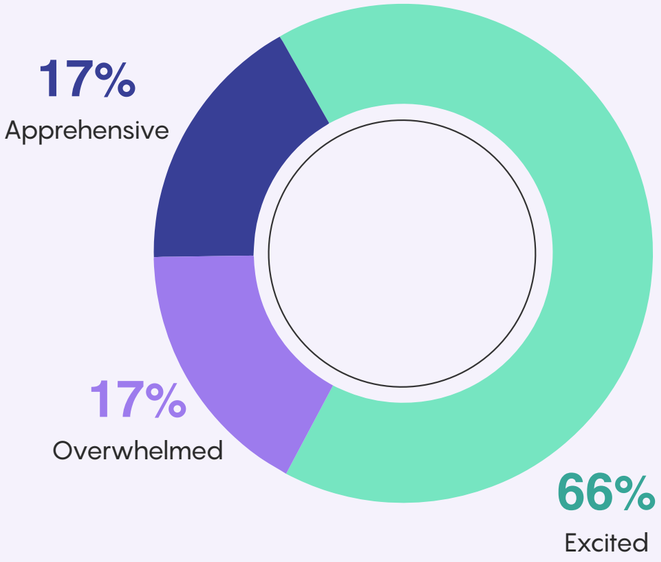
Comparing the feeling toward using automation with current adoption reveals another key insight: Feelings of excitement are strongest among the segment of contact centers already using automation.

| Adoption Status | % Feeling excited or wildly excited about using automation in the contact center |
|---|---|
| Evaluating automation solutions | 63% |
| Implementing automation solutions | 75% |
| Already using automation solutions | 80% |

This finding provides further validation that contact center automation is delivering on its promises.

**Figure 5**

How do you feel about the prospect of using automation in the contact center at your company?



# Automation is a short-term, high priority.

Almost all study participants (91%) report automation is either a critical or important priority in the next year and just 1% assert it's not a priority at all, as shown in **Figure 6**.

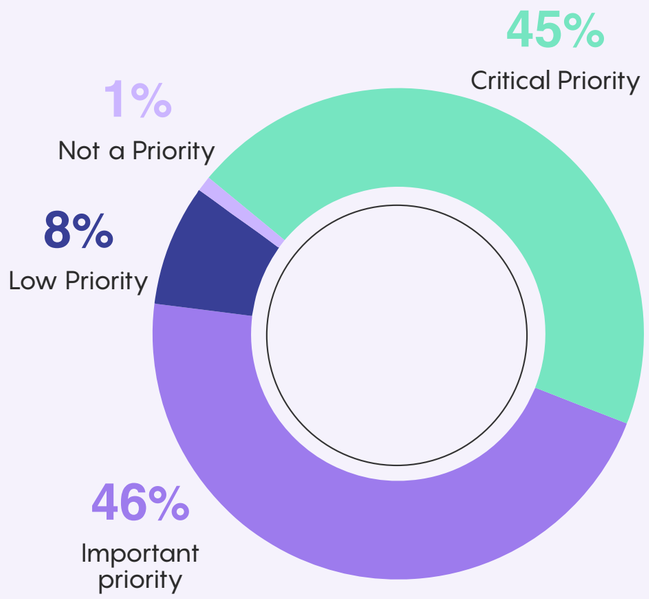
There are noteworthy differences in contact center priorities for those who indicate automation is a critical priority versus an important one:

| Contact Center Priority Rank | Contact centers where automation is a "Critical" priority in the next year | Contact centers where automation is an "Important" priority in the next year |
|---|---|---|
| 1 | Automating customer service processes. (72%) | Improving customer satisfaction. (80%) |
| 2 | Upgrading legacy contact center technology. (72%) | Addressing staffing and workforce management issues. (55%) |
| 3 | Improving customer satisfaction. (71%) | Reducing costs. (49%) |

This data suggests that the greatest urgency is around leveraging automation as the means to improve customer satisfaction. When automation is an important priority but lacks urgency, customer satisfaction is the emphasis without alignment around the means to achieve it.

**Figure 6**

How will you prioritize automation in the next year?



# The voice channel has the highest perceived value of automation and the highest priority.

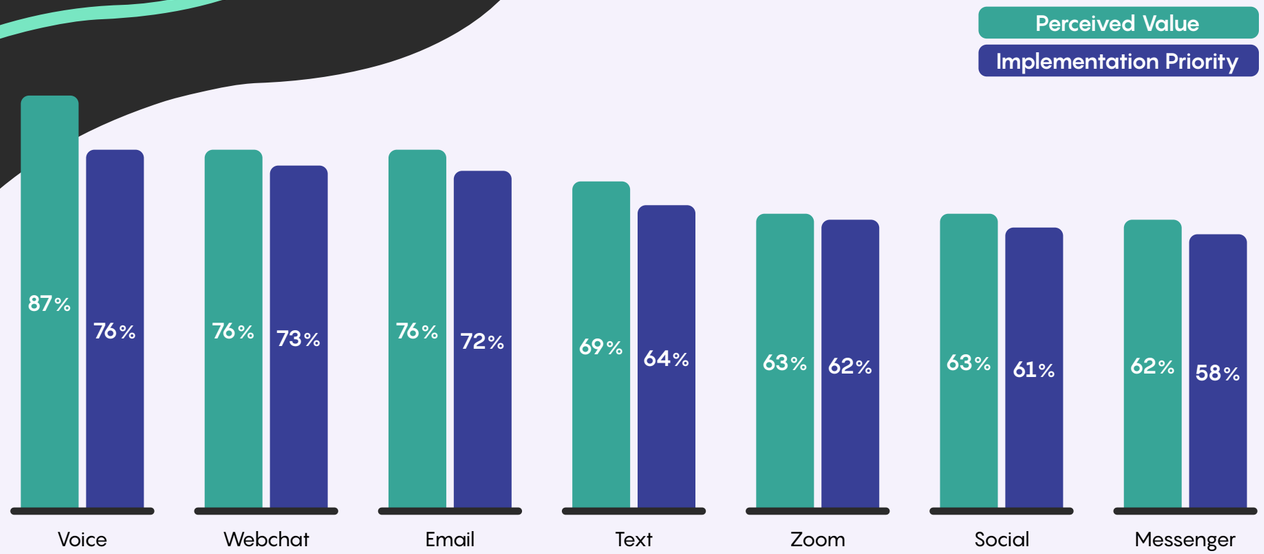
The voice channel has the highest perceived value of automation and is also the highest priority target for implementing an automation solution, as **Figure 7** shows.

As **Table 1** shows, the voice channel is one of the most effective, making it a compelling target for automation.

**Figure 7**

How do you perceive the value of leveraging automation across each of the following channels?

Where will you prioritize implementing automation solutions within the contact center?



# Cost and IT resources are the biggest barriers to automation.

The traditional barriers to many projects — cost (49%) and limited IT resources (40%) — are the top barriers to contact center automation. However, these barriers are reported by less than half of this study's participants, as shown in **Figure 8**.

When trying to understand the barriers to automation, it's even more revealing to look at the inverse of the lowest ranked ones to understand what is not impeding automation efforts:

**90% Believe the technology works**
**84% See the value/need**
**79% Feel that customers are ready**
**79% Have the right skills/team**
**77% Know how to get started**

Taking advantage of automation is clearly not a matter of readiness for most organization.

**Figure 8**

What are the biggest barriers to taking advantage of automation within the contact center at your organization?

# Automation by channel doesn't mirror channel effectiveness.

Automation is making inroads into all of the commonly used contact center channels. However, as **Table 3** shows, the implementation of channel automation has not tracked with channel effectiveness.

This study suggests that voice provides a great opportunity for contact centers to leverage automation for one of their most effective channels.

**Table 3**

| Channel | Automation adoption status is "Using Automation" | Channel effectiveness rated "Above Average" or "Excellent" |
|---|---|---|
| Email | 25% | 55% |
| Voice | 18% | 76% |
| Text | 29% | 50% |
| Messenger | 13% | 76% |
| Social | 36% | 67% |
| Webchat | 26% | 65% |
| Zoom | 37% | 86% |

# Automation goals align with contact center priorities.

The goals for contact center automation fall in the categories of customer, operations, and financial/HR. The contact centers in this study identified improving the customer experience (62%) as the top goal, as shown in **Figure 9**. This goal aligns with the top priority for contact centers, improving customer satisfaction (77%).

**Figure 9**

What are the goals of your automation? Check all that apply.

# Automation is projected to resolve Tier 1 customer support issues.

As **Table 4** shows, automation is expected to resolve a significant portion of the Tier 1 issues customers raise through contact center channels, which should improve containment and deflection rates.

The ability for automation to address Tier 1 customer support issues at these rates promises to significantly ease staffing pressure, reported as the second greatest challenge centers are facing (**Figure 2**).

**Table 4**

| Automated Channel | % of Tier 1 issues automation is expected to resolve |
|---|---|
| Email | 41% |
| Voice | 39% |
| Text | 39% |
| Messenger | 38% |
| Social | 38% |
| Webchat | 34% |
| Zoom | 33% |

# Build versus buy decision influenced by contact center size.

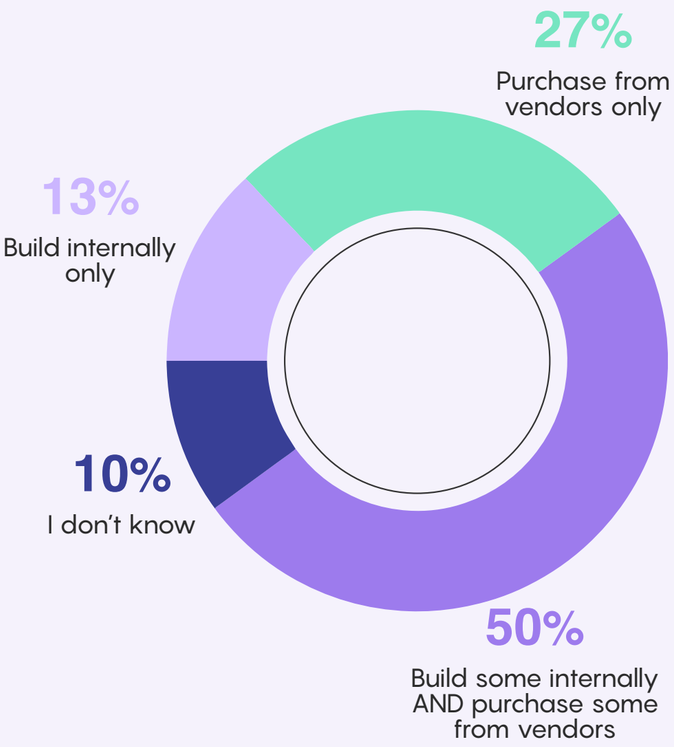
**Figure 10** shows that just over one quarter (27%) of study participants plan to purchase automation solutions from vendors, while half plan a hybrid approach: build and purchase automation technology.

Contact center size influenced this decision process:

| Contact Center Agents | Buying Process |
|---|---|
| 1 to 49 | **23%** Are not sure which approach |
| 50 to 99 | **35%** Purchase from vendors only |
| 100 to 249 | **61%** Purchase from vendors and build |
| 250 to 999 | **18%** Build Internally only |

**Figure 10**

Do you plan to build automation solutions internally or purchase solutions from technology vendors?



# Automation is expected to deliver significant cost reductions.

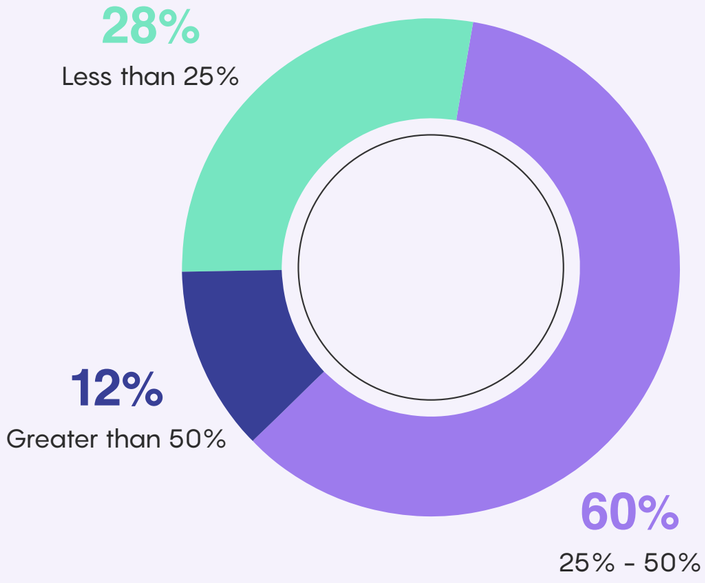
Almost three-quarters of study participants (72%) report automation will ultimately help them achieve cost reductions of 25% or more, as shown in **Figure 11**.

The percentage of study respondents that project cost reductions of greater than 50% increases with the number of agents in the center:

| Contact Center Agents | % Expecting a cost reduction from implementing automation of greater than 50% |
|---|---|
| 1 to 49 | 0% |
| 50 to 99 | 10% |
| 100 to 249 | 9% |
| 250 to 999 | 24% |
| 1,000+ | 29% |

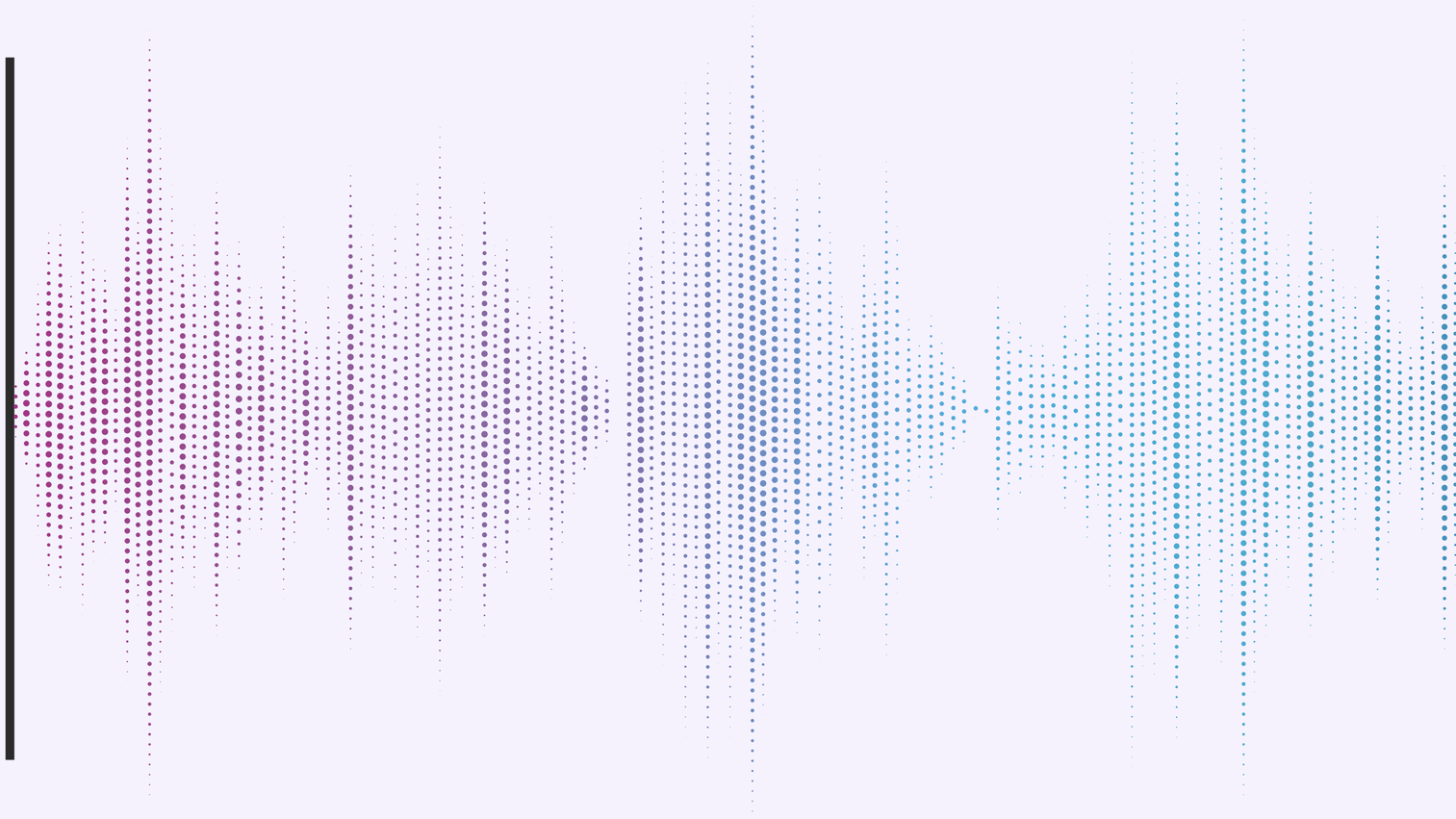
**Figure 11**

What cost reduction do you expect automation will ultimately help you achieve following implementation within your contact center?



SECTION 4

# AUTOMATION BUDGETS AND INVESTMENTS



# Contact centers with plans to automate are allocating funds to projects.

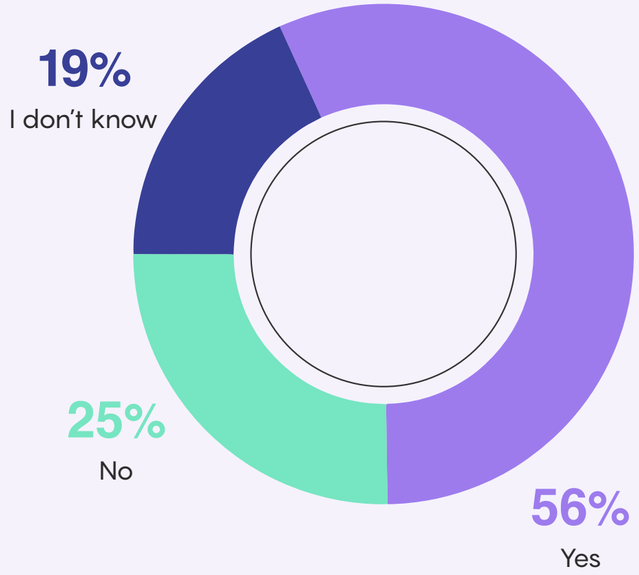
A majority (56%) of the contact centers that haven't yet adopted automation but plan to, as well as those currently evaluating automation, have a budget allocated to invest in some form of it, as **Figure 12** shows. Further analysis revealed that the size of the contact center, as measured by the number of agents, did not relate to future investment in automation.

A deeper look at this data reveals more about the contact centers with budget allocated for an automation project:

- **82% of contact centers state that automation is a critical priority in the next year.**
- **76% of contact centers state it is inevitable they will use voice automation in the next 2 years.**
- **60% of contact centers believe the impact of automation will be disruptive or revolutionary.**

**Figure 12**

Do you have a budget allocated for an automation project?



# Most contact centers planning to invest in automation will do so in the next 12 months.

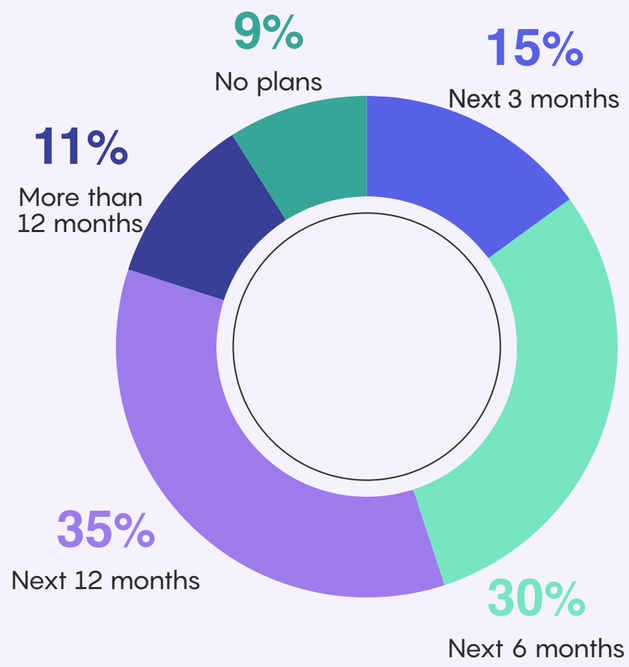
Most contact centers (80%) that haven't yet adopted automation but plan to, as well as those currently evaluating automation solutions, will invest in the next 12 months. Of these centers, 69% have already allocated budget for an automation project, as shown in **Figure 13**.

With one exception, as the number of agents in a contact center increases, the greater the likelihood of increasing the automation investment:

| Contact Center Agents | % Planning to increase investment in automation this year |
|---|---|
| 1 to 49 | 59% |
| 50 to 99 | 68% |
| 100 to 249 | 70% |
| 250 to 999 | 84% |
| 1,000+ | 74% |

**Figure 13**

When do you plan to invest in automation?



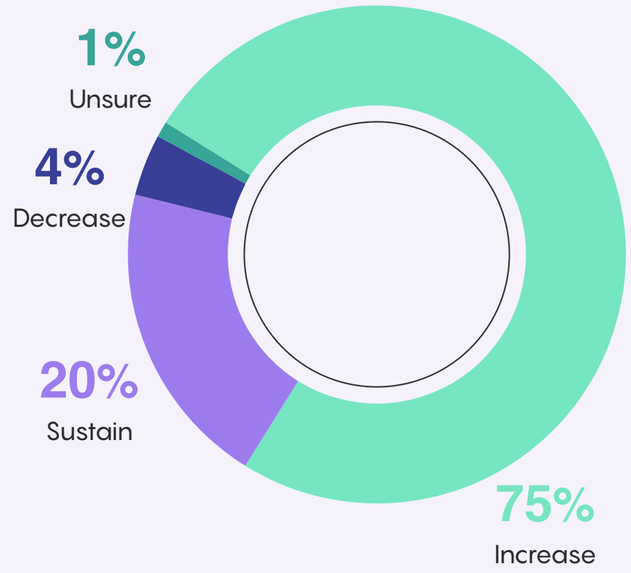
# Contact centers implementing or using automation will increase their investment.

Where automation is already in use or being implemented, most contact centers (75%) have plans to increase their investment in it, as **Figure 14** shows. Another 20% of this group plan to sustain their current investment level.

This finding further confirms that contact center automation is meeting and exceeding leaders' expectations.

**Figure 14**

Do you plan to increase, sustain, or decrease investment in automation this year?

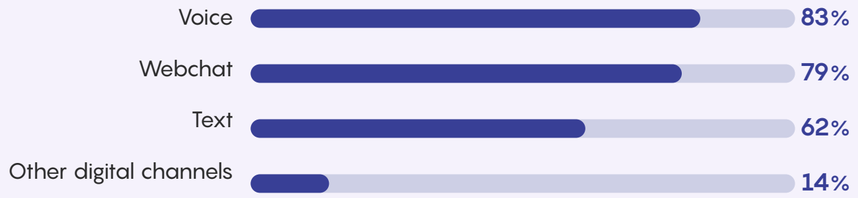


# Voice automation accounts for the most investment activity.

Voice is the top channel (83%) targeted for investment by contact centers with budget allocations for automation or that plan to invest in it over the next 12 months, as shown in **Figure 15**. Larger centers are most likely to allocate budget to voice, with virtually all (96%) having 1,000 or more agents planning to do so.

**Figure 15**

How will your contact center automation budget be allocated? (Check all areas of investment that apply.)



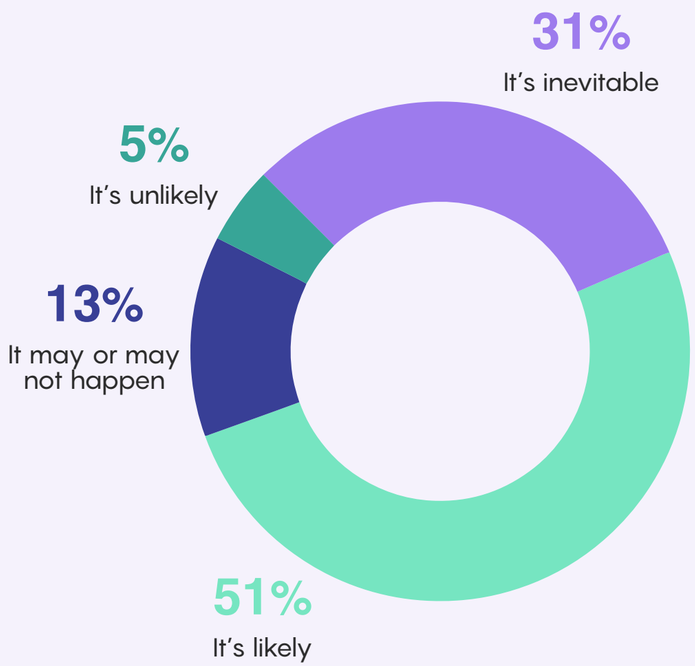
# Most contact centers expect to use voice automation in the next two years.

As **Figure 16** shows, 82% of contact centers say it is likely or inevitable they will use voice automation in the next two years. Within the group of contact centers that expect the impact of automation to be revolutionary, 92% say their use of voice automation is likely (47%) or inevitable (45%).

Of the centers that expect a greater than 50% cost reduction from automation, 90% indicate that their use of voice automation in the next two years is likely or inevitable. Voice automation is seen by these centers as a powerful lever for achieving those cost reductions.

**Figure 16**

Will your company use voice automation in the next 2 years?



# Contact center feelings toward voice automation are optimistic.

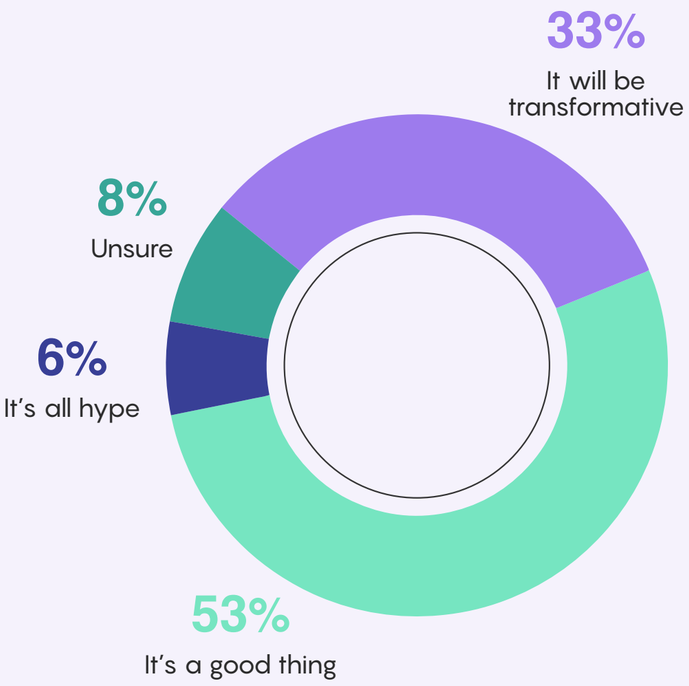
A vast majority of contact centers (86%) feel voice automation will be transformative or simply "a good thing" for them, as shown in **Figure 17**. Mixed B2B/B2C contact centers had the highest level of this optimism (90%), B2C centers were close behind (87%), and B2B centers expressed the lowest level of optimism (74%) toward voice automation.

The more agents a center has, the more transformative the center feels toward voice automation.

| Contact Center Agents | % Feeling voice automation is transformative |
|---|---|
| 1 to 49 | 21% |
| 50 to 99 | 25% |
| 100 to 249 | 38% |
| 250 to 999 | 44% |
| 1,000+ | 53% |

Figure 17

Which statement best describes the way you feel toward voice automation?

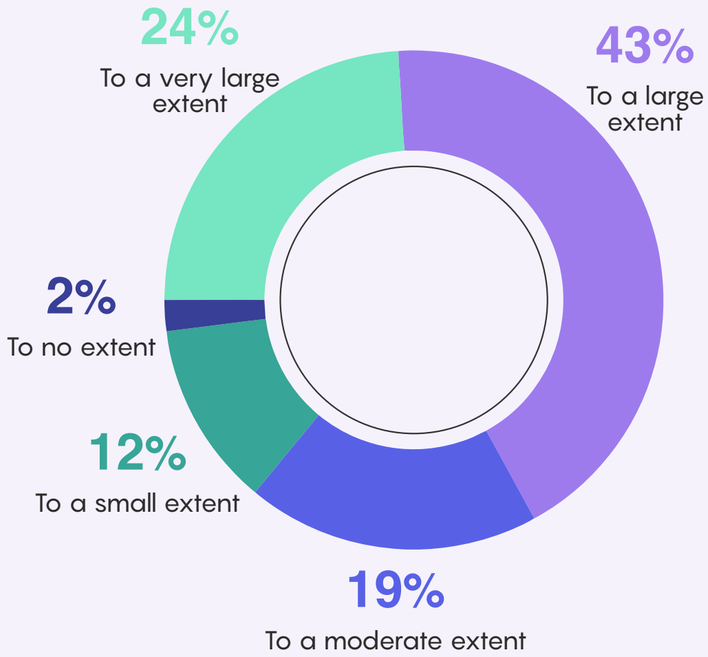


# Contact centers believe voice automation can resolve common customer issues.

Most contact center leaders are familiar with the scope and frequency of customer service issues that require support. Two-thirds of centers in this study (67%) believe that voice automation can address common customer service issues to a large or very large extent. Almost all (98%) centers feel voice automation can help to some extent, as **Figure 18** shows.

**Figure 18**

To what extent do you believe voice-based automation can resolve common customer service issues?

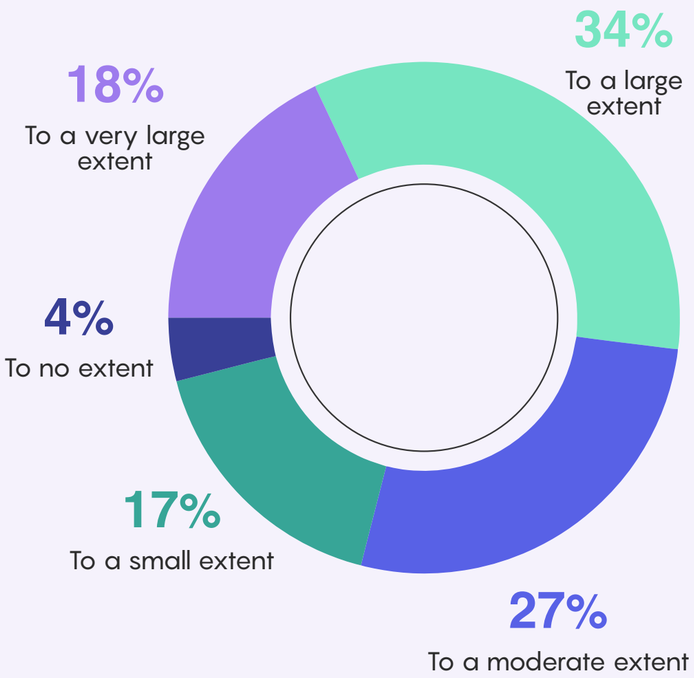


# Centers are less certain that customers will interact with automation to resolve their issues.

There is a higher belief in voice automation as a means to solve common customer issues (67%) than the belief that, to a large or very large extent, customers will accept this automated channel (52%), as shown in **Figure 19**. Most centers that are familiar with the capabilities of voice automation believe in it, but there is some concern about customer acceptance.

**Figure 19**

To what extent do you believe that your customers are willing to speak to a machine to resolve their customer issues?



SECTION 5

# ACTION PLAN

Contact center automation represents a near-term opportunity to improve customer satisfaction and address the primary challenges centers are experiencing: high and increasing costs and agent staffing issues.

Contact center leaders can take the following steps to position their centers to reap the benefits of automation.

# STEP 1: Understand the contact center market is quickly adopting automation.

The adoption of contact center automation is past the tipping point: **16%** of this study's participants have already implemented automation. More than half **(54%)** of the centers in the study believe automation will have a disruptive or revolutionary impact in the next five years.

This level of adoption positions contact center automation at the start of the Early Majority phase of maturity. This is the ideal time for organizations to adopt emerging technologies and solutions because the cost-benefit ratio is most favorable. The ability to gain a competitive advantage from contact center automation is very high.

Organizations should start positioning themselves now to exploit automation by gaining internal buy-in, becoming familiar with the solutions landscape, developing the business case, allocating budget, and educating customers on the benefits.

# STEP 2: Prepare to leverage automation.

This study identifies cost and IT resources as the biggest barriers to automation in the contact center. Fortunately, these barriers are some of the easiest to flatten. Doing so begins with clarifying a goal for automation. The top goal of the centers in this study is improving the customer experience, a goal that favorably impacts customer retention, satisfaction, and profitability.

Establishing a goal for automation should guide every phase of an automation project. Choosing a solution and completing a prototype will allow a center to confirm how well the solution enables meeting the goal. Furthermore, this study provides cost reduction expectations for implementing automation: **72%** of centers in the study expect reductions of **25%** or more. Completing a prototype will help refine the range of savings automation will provide, allowing the creation of a compelling business case.

Relying on vendor solutions can ease or even eliminate the burden on IT staff. Automation vendors are highly motivated to make their offerings easy to implement, and most offer a range of services to simplify the implementation of their solutions and integrate them with existing contact center hardware and software.

# Step 3: Ensure that voice is part of your automation plan.

Two-thirds **(67%)** of the centers in this study believe to a large or very large extent that voice automation is a means for solving common customer issues. These centers also rate voice as one of the most effective for resolving customer issues and first in terms of value for leveraging automation across the channels they use. These findings affirm the need to include voice as part of the automation plan.

Other channels — email, webchat, social, text — enjoy the perception of greater structure and therefore seem to lend themselves more easily to automation. But voice automation is here, and it's already making an impact. One-third of this study's participants feel voice automation will be transformative. Two-thirds believe it can resolve common customer issues to a large or very large extent. To exclude voice from the automation plan forfeits significant benefits to the organization and customers who use the contact center.

Customers value having an omnichannel experience where they seamlessly transfer between channels across touchpoints. Voice automation helps contact centers ensure the voice channel fully participates in the omnichannel experience rather than functioning as a technology silo.

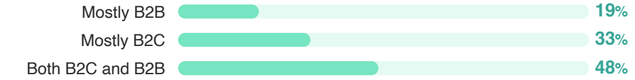
# Methodology

This 2022 Contact Center Automation survey was administered online from June 29th, 2022, until July 7th, 2022. During this period, 372 responses were collected, and 305 were qualified and complete enough for inclusion in the analysis. Only valid or correlated findings are shared in this report.

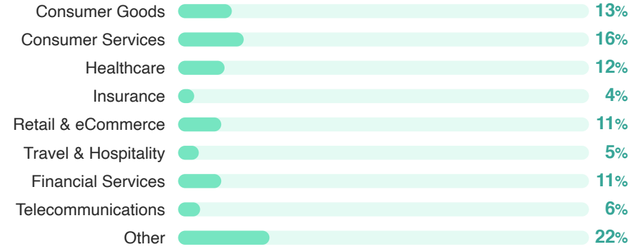
The representativeness of this study's results depends on the similarity of the sample to environments in which this survey data is used for comparison or guidance. Some figures are based on low sample sizes and, therefore, should be used for informational purposes only.

Summarized here is basic categorization data collected about the 305 US-based contact center leaders to enable filtering and analysis of the data.

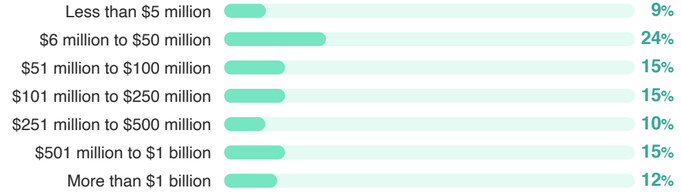
**Which best characterizes the nature of your company's business?**




**Which industry do you work in?**

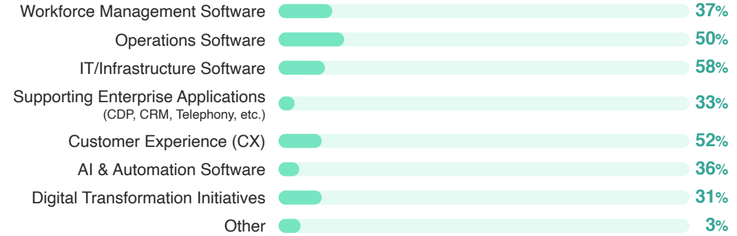



**What is your company's approximate annual revenue?**

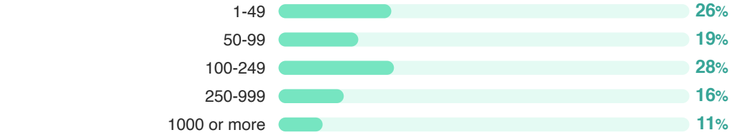



**Which of the following best describes your primary role?**

**Within what areas of the contact center do you have a significant influence on purchases? Check all that apply.**




**How many contact center agents do you have at your company or through business process outsourcing (BPO)?**



# About

As a leader in Contact Center Automation, Replicant helps companies automate their most common customer service calls while empowering agents to focus on more complex and nuanced customer challenges. Replicant's AI platform allows consumers to engage in natural conversations across voice, messaging and other digital channels to resolve their customer support issues, without the wait, 24/7. Replicant scales up or down instantly, can be implemented in weeks and handles millions of customer support interactions a month.

For more information, please visit www.replicant.ai.
Follow Replicant on Twitter @Replicant_AI.

More Info

# About

Demand Metric is a global research and advisory firm that supports marketing professionals with primary research and benchmark reports, technology research and advice, consulting services, training, and software.

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