The Evolving Contact Centre Landscape: Trends, Challenges and Strategies for Contact Centre Leaders

Contact centre leaders share the challenges and opportunities that will drive their strategies in 2024 and beyond

MaxContact

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Introduction: Insights from the inside

In a difficult economy, contact centre leaders see challenges and opportunities, and their strategies for the short and medium-term are an attempt to balance the two. That won't be easy, but successful contact centres will use insight, technology and agile management to solve problems without undermining performance or stifling growth.

That's the overarching message from MaxContact's 'state of the sector' research, which surveyed 101 operational and contact centre leaders in businesses with over 100 employees. The UK-wide survey was carried out independently by research consultant CensusWide in August 2023.

Highlights include:

Enhancing customer experience and satisfaction is the main area of focus for contact centre leaders over the next six months

Net Promoter Score (NPS) is the most important contact centre metric

Nearly all respondents are already using AI to improve performance

Balancing performance and cost in an unstable economy is a significant challenge

Squaring the circle of customer experience and contact centre efficiency

What's important to contact centre leaders now? Our survey doesn't spring surprises. They want to create better customer experiences without adding cost. They hope that improved agent performance and the promise of new technology can help square this circle. Concerns over data security and compliance are predictably high on their agendas.

**Top areas of focus for contact centre leaders in the next 6 months:**

1.
Enhancing customer experience and satisfaction

2.
Optimising contact centre budget and cost management

3.
Improving agent performance and productivity

4.
Implementing new technologies for contact centre efficiency

5.
Enhancing data security and compliance measures

6.
Adapting to remote or hybrid contact centre operations

Enhancing customer experience

Enhancing customer experience and satisfaction requires a holistic approach, blending customer care, employee satisfaction and the smarter use of technology.
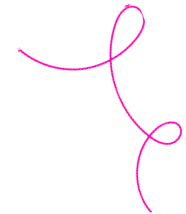
Let's explore the key areas of focus in more detail...

Customer satisfaction and employee experience should not be separate areas of focus. An engaged workforce goes the extra mile, adopts new skills and adapts to new ways of working. According to one study, **companies with engaged employees have 89% greater customer satisfaction rates.**

Create easy feedback loops. **Your contact centre agents are at the frontline of customer sentiment.**
They have evidence-based insight into the impact of new products, services or campaigns. They hear praise and protest. Create a system that allows this essential feedback to filter back through the organisation, with appropriate triggers to action.

Get the metrics right. Customers want calls answered quickly and conversations to be as short and sweet as possible. But speed isn't the only factor. **Customer satisfaction is enhanced when Average Handling Time - the time spent on calls - is balanced with other metrics, like First Call Resolution (FCR).** It's a tricky task but the fundamental message is that speed is good, but not at the expense of service.

Optimising contact centre budget and cost management

In the current climate, there's no disguising the fact that budgets are tight and costs have to be closely managed.

Focus on your workforce

Well trained, confident agents resolve issues more quickly, make and take more calls and make fewer mistakes. It all reduces cost. In addition, smarter workforce management can optimise the ratio of agents to workload in any scenario, ensuring you're never paying for more staff hours than you need. Intelligent workforce management tools can help.

Focus on technology

Efficient contact centres combine good people and great technology. For example, IVR and automatic payment systems help you reduce costs while enhancing customer satisfaction. Intuitive self-serve options leave agents free to focus on more complex or sensitive interactions.

Improving agent performance and productivity

Contact centre leaders are naturally focused on agent performance, which is seen as key to both enhancing customer experience and keeping control of costs.

Measure and improve

Always measure performance and progress. Modern contact centre software can track performance at campaign, team and individual levels, identifying weaknesses and areas for improvement. Quality assurance features can help managers coach agents in real world conditions.

Work smarter - whatever the campaign

A smart outbound dialler can help contact centre leaders balance agent performance and productivity. Predictive dialling prioritises speed, using a predictive algorithm to place calls at a rate the dialler expects agents to become free. Progressive dialling slows things down, waiting for agents to be free before placing the calls. Preview dialling gives agents time to review customer information before calls.

They're all useful in different circumstances, helping contact centres maximise agent productivity without reducing performance or undermining customer experience.
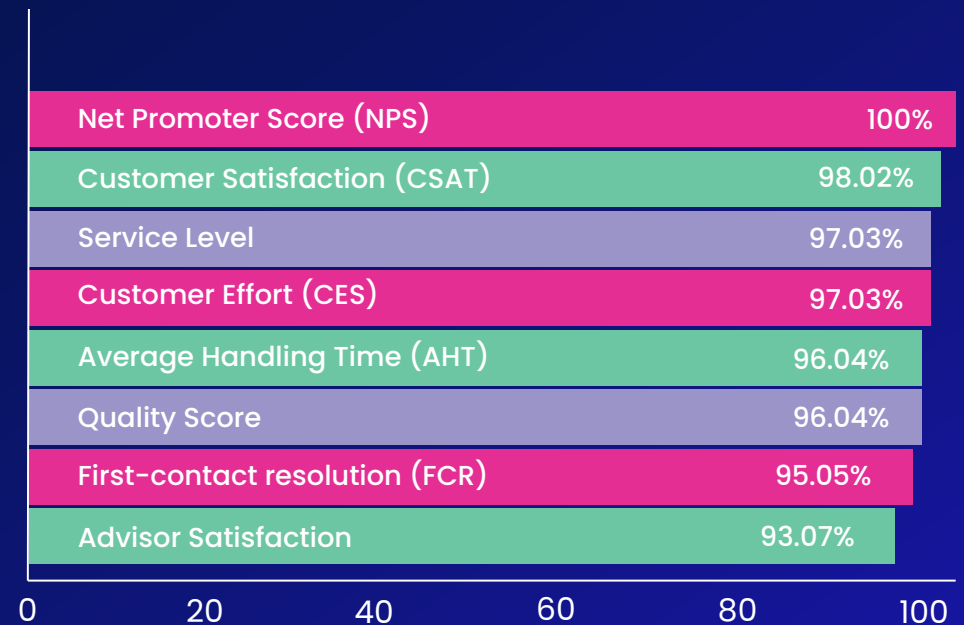
The key contact centre metrics you need to measure

Contact centre leaders understand that you can't get better without knowing where you are. That's where metrics come in. In our survey, customer experience metrics - Net Promoter Score (NPS) and customer satisfaction (CSAT) - were considered the most important numbers to track.

But respondents saw value in all of the eight KPIs we asked them to rank. Service level, customer effort and average handling times (AHT) were only a percentage point or two behind NPS and CSAT. Advisor satisfaction was the lowest ranked metric in our list, but **nearly 94% of contact centre leaders consider it important.**

That's how it should be, because these KPIs don't operate in isolation. A high NPS in contact centres is often the result of good AHT and first-contact resolution rates, among other factors. They, in turn, are boosted by engaged, knowledgeable and empathic agents.

Ranking of most important contact centre metrics:

Metric	Value
Net Promoter Score (NPS)	100%
Customer Satisfaction (CSAT)	98.02%
Service Level	97.03%
Customer Effort (CES)	97.03%
Average Handling Time (AHT)	96.04%
Quality Score	96.04%
First-contact resolution (FCR)	95.05%
Advisor Satisfaction	93.07%

Customer satisfaction metrics

As we've seen, enhancing customer experience is the chief focus of our survey respondents, so it stands to reason that customer satisfaction KPIs are their top priority.

NPS is a measure of customer experience based on customer loyalty. It is based on a single question: how likely would a customer be to recommend your organisation, product or service to a friend or colleague? Respondents give a score from 0 (not at all likely) to 10 (extremely likely).

CSAT asks how customers would rate their overall satisfaction with the goods or service they received. It is based on a 1 to 5 scale, with 1 being very unsatisfied and 5 being very satisfied.

How to improve NPS and CSAT scores

How to get better NPS and CSAT scores? The short answer is to give consistently excellent service. The longer answer is to make sure every department in your organisation is focused on improving customer experience.

In other words, this isn't just about your contact centre. It's about product design (if applicable), IT, marketing, HR, fulfilment and more, all working towards a shared goal. There needs to be a customer experience strategy, implemented across the business.

NPS and CSAT aren't one off scores - they need to be measured over time. And don't just rely solely on the number - from time to time, ask customers why they gave the score they did. The answers will highlight areas for improvement.

Then, it's about understanding your customer pain points, tracking trends over time, and acting accordingly. Every department and employee has a part to play. Customer satisfaction with contact centre communications can be measured in a number of more specific ways. We explore this more on the next page...

Key metrics to measure to help improve NPS and CSAT

Service Level

The percentage of calls answered within a predetermined time. For example, you may aim for 80% of calls to be answered within 20 seconds.

Why is this important?

Customers hate hanging around in call queues.

Customer effort (CES)

Customer effort is a measure of the time and effort needed to interact with your business.

The easier it is, the better the score.

Why is this important?

Customers want the most frictionless route to resolution.

Average handle time (AHT)

AHT is a calculation based on the time agents spend talking to a customer, the amount of time callers are on hold and the time taken on follow up tasks, divided by the number of calls handled. Faster is generally better, but not at the expense of good customer service. There is a balance to be struck.

Why is this important?

The faster the handling time, the more productive your agents (with caveats).

Quality score

A quality score is based on factors like the time customers spend on calls, and how satisfied they are with the outcome.

It is usually calculated by listening to recordings of calls and analysing agent performance.

Why is this important?

Quality can be subjective, but this metric's value is derived from its source: real interactions with customers.

First contact resolution (FCR)

The percentage of customer queries or problems that are resolved in one call. It can be a measure of the professionalism and knowledge of your agents, and the seamlessness of your issue resolution processes.

Why is this important?

Customers love it when an issue they've been grappling with is resolved in a single call.

Advisor satisfaction

How satisfied your agents are with their roles, the work they do and the company as a whole, based on feedback forms.

Why is this important?

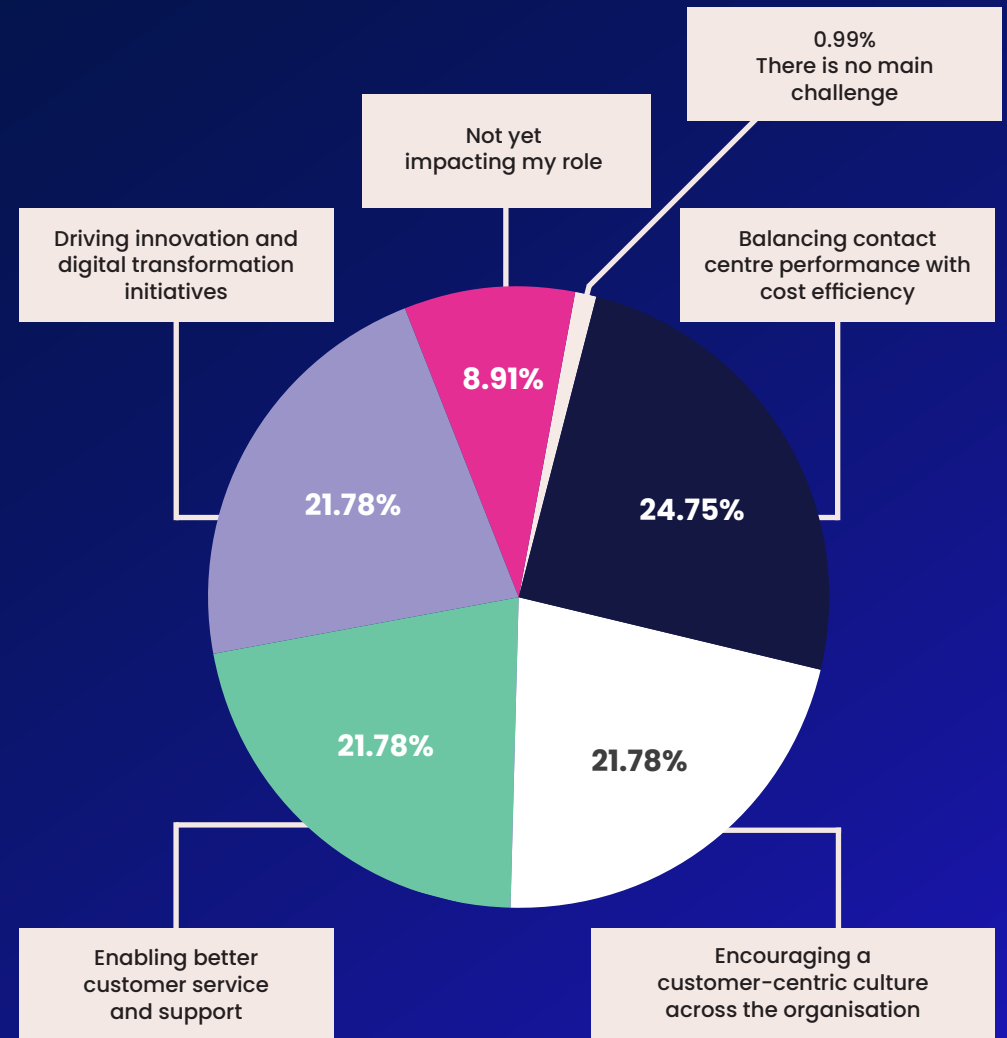More engaged agents create better customer experiences.

AI – the future is here (so don't miss out)

AI is everywhere, and that includes the contact centre. In our survey, less than 9% of respondents said AI had yet to impact their role. Of the others, nearly a quarter said that the technology's primary impact was in streamlining processes and improving operational efficiency.

In addition, significant numbers said AI's biggest impact was enhancing their data analysis and decision making capabilities, enabling better customer service, and driving innovation.

If AI is yet to completely revolutionise contact centre operations, it is certainly part of a rapid evolution. Our results confirm what many leaders in the sector already know: AI is here to stay.

The ways in which AI is currently impacting contact centre leaders:

- 0.99% There is no main challenge
- Not yet impacting my role
- Driving innovation and digital transformation initiatives
- Balancing contact centre performance with cost efficiency — 24.75%
- 8.91%
- 21.78%
- 21.78%
- 21.78%
- Enabling better customer service and support
- Encouraging a customer-centric culture across the organisation

AI in contact centres: the situation today

As our responses suggest, AI is now embedded in many contact centre operations. But what exactly is it doing?

AI chatbots

AI-powered chatbots are increasingly common. They can scan huge amounts of information almost instantly, personalising conversations and finding better solutions to a wider range of customer queries.

This improves customer service, because studies show that consumers want more and better self-serve options. It also means fewer calls are routed through to agents, giving them more time to spend on complex interactions or higher value campaigns.

Speech analytics

AI-driven speech analytics is supercharging contact centre quality assurance (QA) processes. Where once a team manager might have listened back to occasional conversations for QA purposes, now speech analytics monitors every customer interaction in real-time.

By giving you meaningful insight into customer attitudes, speech analytics allows you to improve customer experience. It can also help identify vulnerable customers, something that is more important than ever after new Consumer Duty regulations came into force in summer 2023.

AI is a tool - not a replacement for human excellence

We've seen how useful AI can be in contact centres, but its value comes from being an effective enhancement to agent ability, not a replacement for it. Think of AI as giving your agents superpowers!

Whether it's speech analytics or AI chatbots, one of the main benefits of AI in contact centres is the time it gives agents for more complex, creative or sensitive work. By taking away repetitive, mundane tasks, it increases employee satisfaction and also gives agents the freedom to develop new skills and acquire more up-to-date knowledge.

It also lets managers and team leaders identify areas for improvement. By targeted training sessions at known weak points, agents become more confident and productive, and contact centres more efficient.

Handle AI implementation sensitively

The benefits are real, but managers need to implement AI carefully and clearly communicate its purpose to frontline teams. The wider discussion around AI often centres around the jobs it will replace, despite the World Economic Forum's prediction that technology will create 97 million new jobs by 2025. Leaders should emphasise the message that human skills are crucial to contact centre success, and that AI will empower agents to be better.

The fact is, people still like talking to people. Maybe not for the routine tasks they want to get out of the way as quickly as possible, but certainly for important questions over repayment schedules, spending decisions or insurance claims, to name just three. And when something goes wrong, customers often want a human at the end of the line telling them how to put it right.

AI is driving agility and resilience

Taken together, AI tools can have huge benefits for contact centres.

They reduce pressure on agents, by handling routine queries and freeing up time.

They create better customer experiences, by providing meaningful insight and giving customers more self-serve and out-of-hours options.

They improve contact centre efficiency, by highlighting bottlenecks in customer journeys and areas for improvement.

Or to put it another way, AI can give contact centres a competitive edge. With technology evolving all the time, leaders in the sector need to stay on top of the latest developments.
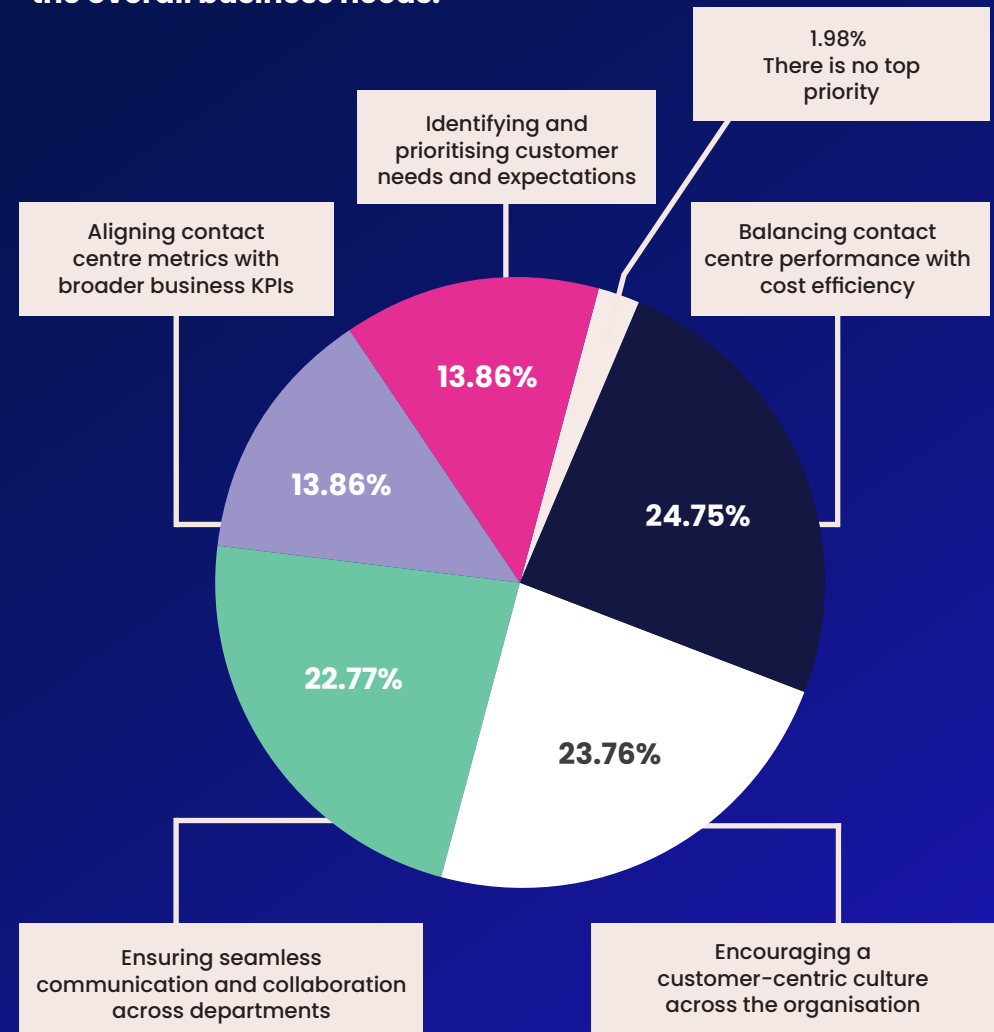
Challenges today and opportunities tomorrow

Contact centre leaders face a balancing act. They're being asked to enhance customer experience and improve performance, without adding to costs.

When we asked contact centre leaders to highlight the main challenges they face in aligning contact centre operations with overall business needs, balancing performance with cost efficiency was - perhaps predictably - the top answer.

Encouraging a customer-centric culture across the organisation, and ensuring seamless communication and collaboration across departments, came second and third respectively.

The main challenges contact centre leaders face in aligning contact centre operations with the overall business needs:

Identifying and prioritising customer needs and expectations

1.98%
There is no top priority

Aligning contact centre metrics with broader business KPIs

Balancing contact centre performance with cost efficiency

13.86%

13.86%

24.75%

22.77%

23.76%

Ensuring seamless communication and collaboration across departments

Encouraging a customer-centric culture across the organisation

3 ways to balance contact centre performance with cost efficiency

1.

Look after your staff.

In a recruitment crisis, training staff, giving them clear paths to promotion, and rewarding them for excellent work, is essential. Improving the skills of current staff is a more cost effective way to improve contact centre performance than spending money on recruiting and training new hires.

2.

Invest in the right technology.

A good contact centre solution can streamline inbound and outbound dialling, and offer omnichannel communications, workforce management tools, customer self-serve journeys and more. It can also bring AI innovation to your contact centre in intuitive, easy-to-use ways.

## 3.

Analyse and optimise. Measure everything.

Set benchmarks for success and track performance over time. Present results to the rest of the business in clear, easy to read reports.

Encourage a customer-centric culture across the organisation

A customer-centric culture doesn't just happen on its own. It needs buy-in from the entire organisation and leadership from the C-suite down.

The contact centre's role is to feed information back on customer sentiment - good and bad - and satisfaction trends over time. This can come from agents themselves via feedback channels, and through performance indicators built into contact centre software. Speech analytics can accurately and automatically gauge customer sentiment around products, services, competitors and more.

Pre-configured reporting in MaxContact can help leaders present measures of productivity, revenue, issue resolution and customer satisfaction (among many more) to the wider business in easy-to-assimilate ways.
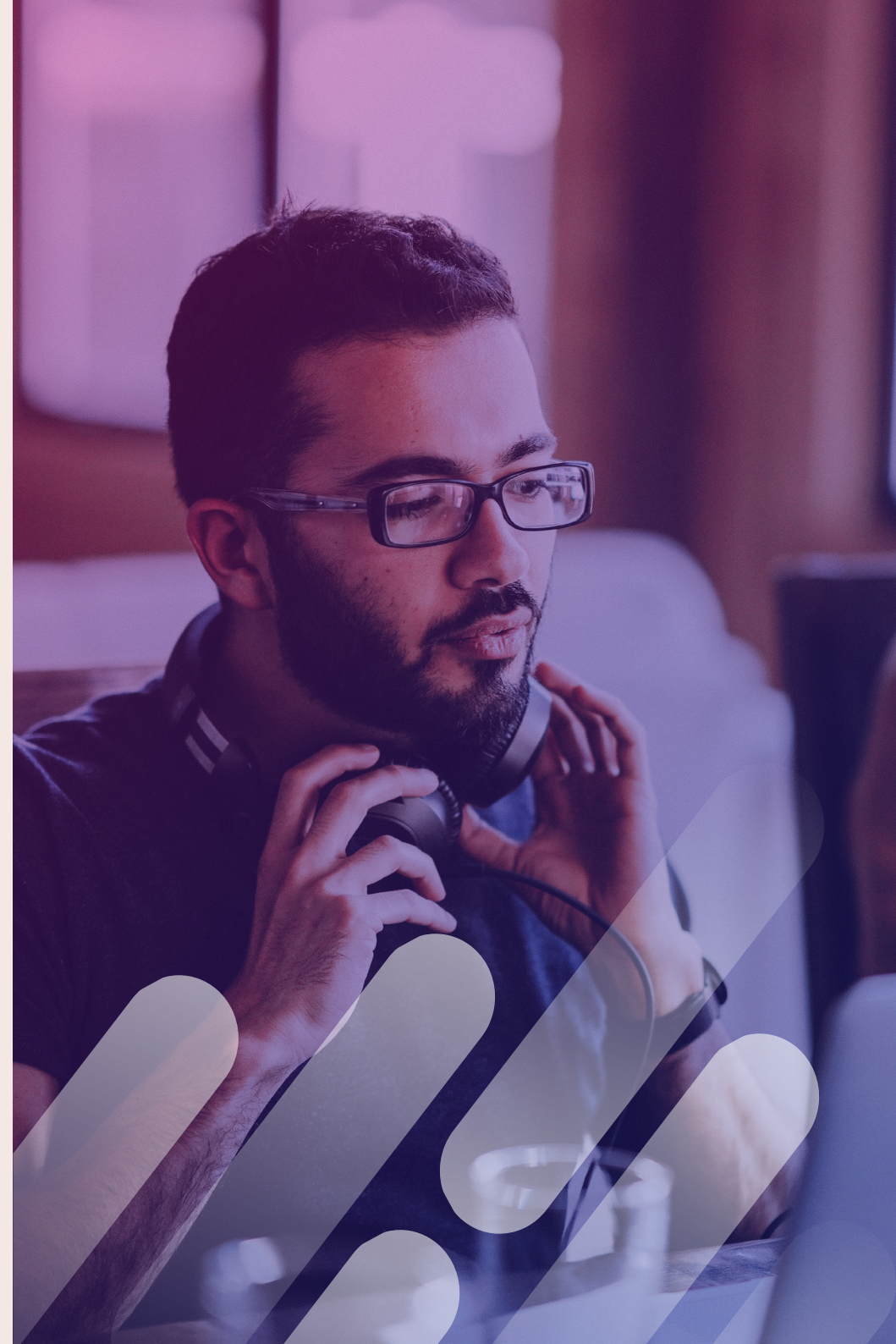
3 ways to ensure seamless communication and collaboration across departments.

1.

Integration.

Use APIs to connect systems and applications and bring your software stack together. For example, integrate your contact centre and CRM solutions and share information on customer interactions across the organisation.

2.

Reporting.

Use pre-configured or bespoke reporting to share key performance indicators with relevant departments.

3.

Work from anywhere.

A flexible cloud-based contact solution means your teams and agents can work effectively from anywhere, communicating seamlessly with customers and colleagues.
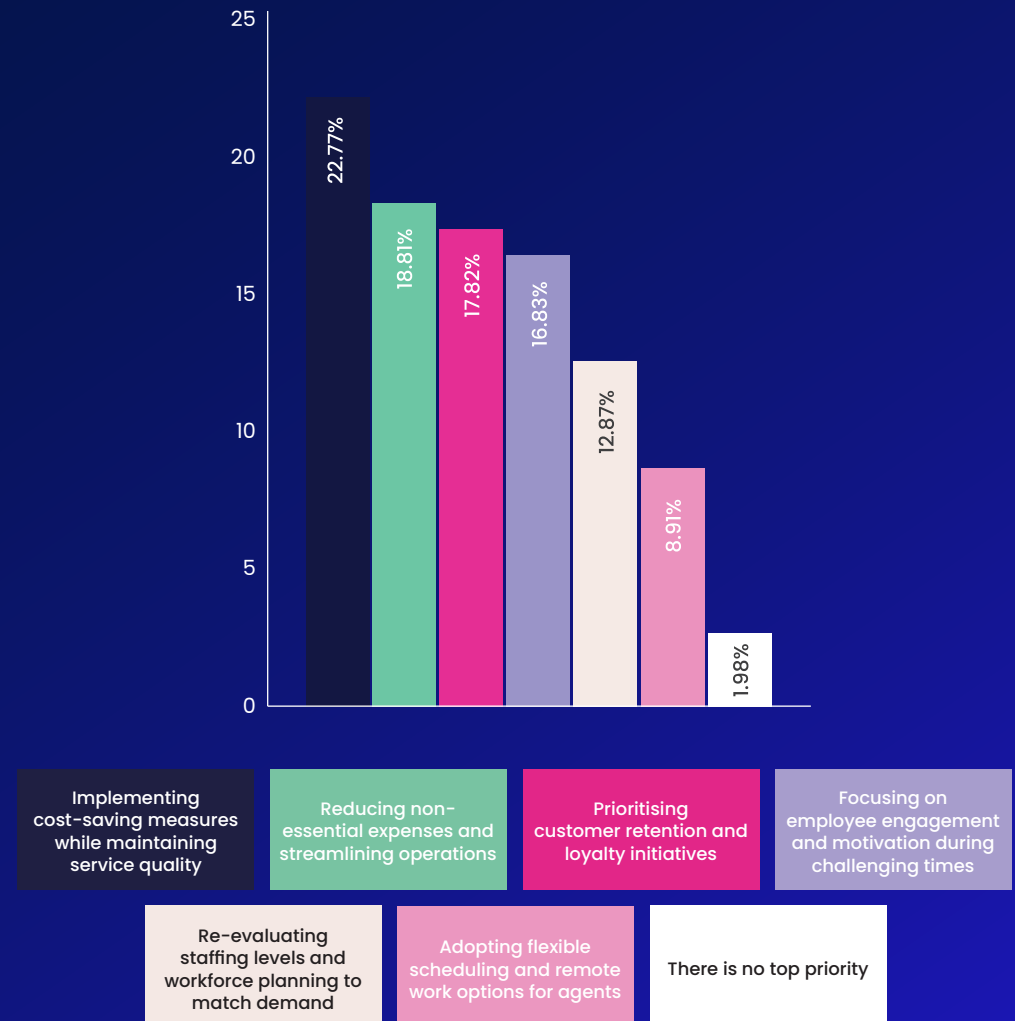
A strategy for success

Taking all of this into account, what are contact centre leaders prioritising as we look to 2024 and beyond? For our survey respondents, implementing cost-saving measures while maintaining service quality was the top choice, with 22.7% choosing this option. After that came reducing non-essential expenses and streamlining operations, followed by prioritising customer retention initiatives. A significant number - 16.8% - are focusing on employee engagement and motivation during challenging times.

These are certainly challenging times. The cost of living crisis persists. Inflation may have peaked but interest rates remain high. Geopolitical tensions - Russia's war in Ukraine, trade disputes with China - have the potential to derail any fragile recovery in 2024. Economies are still feeling the aftershocks of the Covid pandemic.

In these circumstances, contact centre leaders will have to match intention with action.

Top priorities contact centre leaders are focusing on in their roles:

Bar chart data:
- Implementing cost-saving measures while maintaining service quality: 22.77%
- Reducing non-essential expenses and streamlining operations: 18.81%
- Prioritising customer retention and loyalty initiatives: 17.82%
- Focusing on employee engagement and motivation during challenging times: 16.83%
- Re-evaluating staffing levels and workforce planning to match demand: 12.87%
- Adopting flexible scheduling and remote work options for agents: 8.91%
- There is no top priority: 1.98%

Top priorities contact centre leaders are focusing on in their roles:

Implement cost-saving measures while maintaining service quality

Spend to save. Now is the time to invest in the technology that will help you do more with less. Increase productivity by offering intelligent self-serve options and smarter outbound dialling. Employ powerful data analytics to pinpoint areas for improvement. Use omnichannel communications to reduce call time and enhance customer experience.

Reduce non-essential expenses and streamline operations

With a cloud-based contact centre solution you no longer have to house, secure and maintain on-promise equipment. It also enables flexible working without the need for expensive add-ons. An all-in-one solution reduces the time spent on administration and supplier management.

Prioritise customer loyalty and retention

Find out what your customers think and say about you - through relevant metrics and speech analytics - and take care of molehills before they become mountains. Use intelligent dialling and analytics to contact customers at the right times using the right channels. Train teams to be the very best advocates for your business.

Focus on employee engagement and motivation

During difficult times, agents bear the brunt of customer distress and - sometimes - anger. Actively monitor employee mental health with regular check-ins, train managers to identify early signs of burnout, celebrate team accomplishments and offer clear paths to career progression. Use technology - IVR, automatic payments, chatbots - to cover mundane tasks and free up agent time

Re-evaluate staffing levels and workforce planning

Do you need new hires or just shrewder workforce management? Better trained staff can accomplish more - and more quickly. Smart workforce management tools can help to ensure you always have the right staffing levels, without agents rushing through calls or sitting twiddling thumbs.

Conclusion

Challenging times but customer satisfaction remains front and centre

These are clearly challenging times for contact centres, but our research shows that leaders are being pragmatic and measured in their response.

There's no panic here, and no slash and burn. Encouragingly, leaders remain firmly focused on enhancing customer experience, despite cost and workforce issues. They understand that satisfied customers are the key to commercial success, in good times and bad.

At the same time, they realise that contact centres have to be run more efficiently, and that good customer experiences and streamlined operations are not mutually exclusive. Internal collaboration, better workforce management and top draw technology can square the circle of better service at reduced (or at least sustainable) cost.

Rightly, contact centre leaders are focused on data, and what it can tell them about customer satisfaction, agent productivity and campaign performance. They're looking at new AI tools that use data in more imaginative and fruitful ways. They know that data analytics is central to the future of the sector.

Technology is at the heart of all of this. Good technology creates better contact centres. Poor or outdated technology holds them back. MaxContact offers a powerful, cloud-native and future-proof contact centre solution that helps leaders achieve the aims that are set out in this survey. For more information or to see MaxContact in action, please get in touch.

MaxContact is a contact centre software provider with a difference. It was founded in 2015 by a group of contact centre professionals who had become frustrated with providers that over promised and under delivered on features, support and resilience. It's now one of the fastest growing contact centre software specialists in the UK.

- Named in Gartner's Speech Analytics Market Guide - 2023

- Featured in CX Today's CCaaS Top Vendor Market Guide - 2023

- Featured in Call Centre Helper's Top CCaaS Vendors - 2023/2024

- IT Vendor of the Year Award from BCS, The Chartered Institute for IT, and Computing Magazine - 2022

- Excellent rating on Trustpilot - 4.6 Stars

- 96% Customer Satisfaction rating