

ventrica

Harnessing the power of AI in contact centres

A strategic approach to transforming customer experience



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1

The AI future

Here are two very different visions for our AI-powered future:

“

The cost of convenience is the loss of human connection."

– Kurt Vonnegut, *Player Piano*

“

I like to think (it has to be!) of a cybernetic ecology where we are free of our labours and joined back to nature, returned to our mammal brothers and sisters, and all watched over by machines of loving grace."

– Richard Brautigan, *All Watched Over By Machines Of Loving Grace*

Published in 1952, Kurt Vonnegut's first novel, "Player Piano," is about a society where full automation replaces all human workers. At first, the displaced workers despair, robbed of their purpose, before eventually rebelling.

Richard Brautigan's 1967 poem "All Watched Over By Machines Of Loving Grace" takes the opposite view. It imagines a technological utopia in which humans have been freed from work and have had their lives dramatically enhanced by technology.

...Which one is our future?

What is customer service for?

The purpose of customer service, whether over the counter or at the end of a phone, has always been two-fold:

Solve the customer's problem, help them make their purchase, or whatever it is they want to do,

Make dealing with your business pleasurable by creating some emotional or human connection with the customer, encouraging them to return.

On the one hand there is convenience and facilitating a transaction.

On the other hand, there is service and care.

Brautigan suggests that machines can do both of those things just as well, if not better, than humans. Vonnegut warns otherwise.

The importance of Emotive CX

In this white paper, we will examine the incredible and exciting AI technologies that are now entering the contact centre and powering the generation of customer experiences (CX).

But we won't advise anyone to adopt them just because they are cool. We'll also ask what purpose these technologies serve.

Are they just there to make our lives more convenient? Or do they bring something more?

We believe that in globalised markets full of often remarkably similar products, customers make choices on how they feel about a brand or company.

While convenience and price have an essential role to play, customers are attracted to businesses that are innovative, fun, interesting or different in some way. That captures their hearts and minds as well as their wallets.

So, we will also assess AI technology for its ability to help you with what we call Emotive CX—simply the capacity to create deeper connections with customers during each interaction.

And what about your staff?

In previous white papers, we analysed the link between Employee Experience (EX) and Customer Experience (CX) and found a definite correlation between the two.

Happy employees help make happy customers. What happens to your frontline contact centre colleagues in this brave new world?

We do not believe they will be cast aside like Vonnegut's workers, but their roles will change – some quite dramatically.

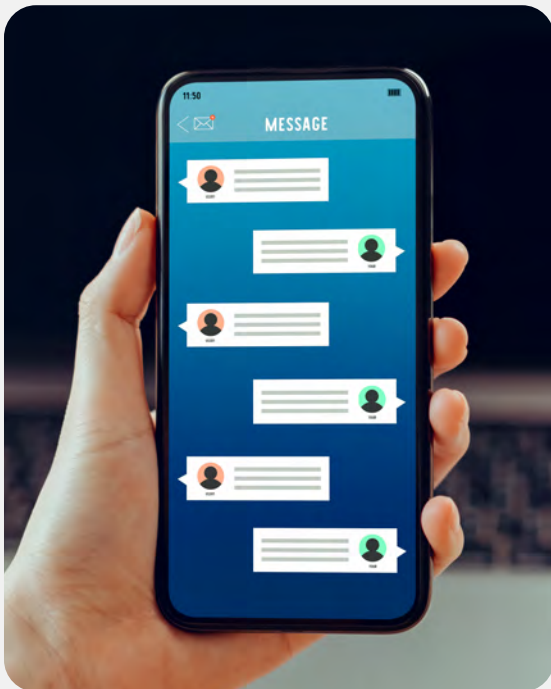
Why adopt AI now?

A recent survey suggests that 75% of contact centre leaders are looking to invest in AI to improve CX over the next 18 months.

The obvious answer to the question, "Why now?" is that the technology didn't exist before.

Although AI has been around for years as part of recommendation systems, analytics suites, self-service technologies, chatbots and virtual assistants, there has been a real step change since the arrival of large language models such as Chat GPT.

Suddenly, there was a technology that could hold a detailed conversation to the same level as a human. For a business that is all about conversations, the arrival of a technology that can convincingly hold up one end of a conversation is a fundamental game changer.



Drivers of AI

Businesses and organisations, particularly those that operate at scale, have been under immense pressure for several years to reduce or optimise costs while coping with a global talent shortage, increased competition, and heightened customer expectations.

It is this need to deliver personalised, omnichannel customer experiences at scale while being cost-efficient, that is driving contact centres to adopt new technologies, including:

- Conversational AI for delivering personalised customer interactions and 24/7 support,

- AI-powered analytics for generating real-time insights and informed decision-making,

- Intelligent automation for streamlining workflows and minimising manual tasks,

- Sentiment analysis for understanding customer emotions and preferences,

- AI-assisted agent training and performance management.

The impact of AI on contact centre performance

Some of the organisations that have already implemented AI solutions in their contact centres have seen impressive results.



Octopus Energy, a UK-based energy supplier, has integrated conversational AI into its customer service channels. The AI bot handles inquiries and achieves higher customer satisfaction ratings than human agents.



John Hancock, a US-based life insurance company, partnered with Microsoft to implement conversational AI tools, successfully reducing call volumes and enhancing customer service experiences.

Some of the reported and expected benefits of AI in contact centres include:

AI can reduce in-scope operating costs by

15–30%

Implementing AI in customer service can reduce costs by

up to 30%

Personalisation enabled by AI can increase revenue by

6-10%

AI-powered proactive chat can raise conversion rates by **15%**

Employees using Gen AI tools daily can save up to **5.3 hours** per week

Chatbots reduced the number of live agent contacts by **33%**

Companies using AI hired **2.3 times** fewer new staff

39.4% of companies using AI to assist agents say it's reduced Average Handle Time (AHT)

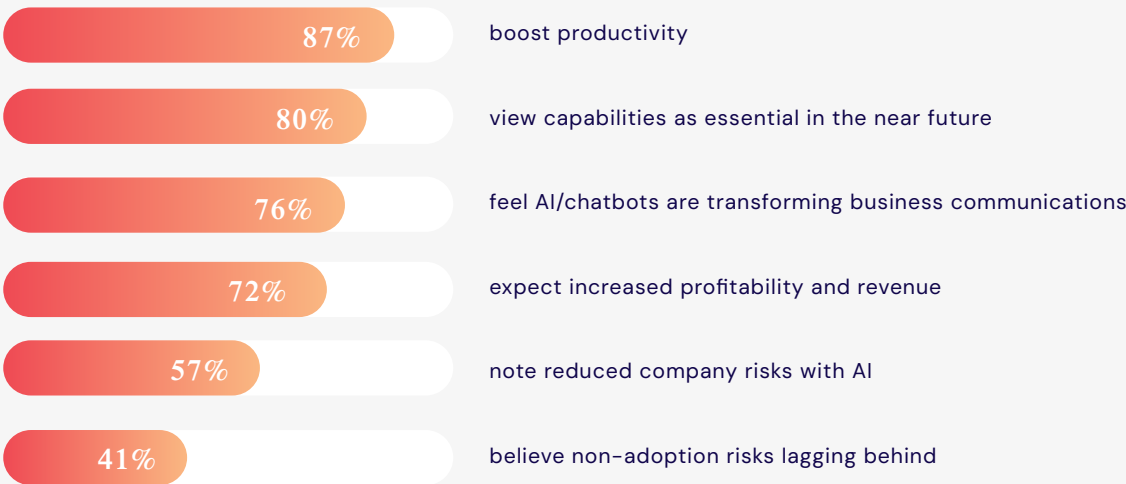
The future of AI in contact centres

The growth and evolution of AI in contact centres are expected to accelerate in the coming years. Industry forecasts and expert opinions suggest that the global contact centre AI market, valued at \$1.6 billion in 2023, is projected to exceed \$4 billion by 2027.

This growth is driven by the increasing recognition of AI's potential to transform customer experiences and drive business value.

To give some idea of how high expectations are, here are the results of a survey of business leaders:

Expectations of contact centre leaders regarding conversational AI



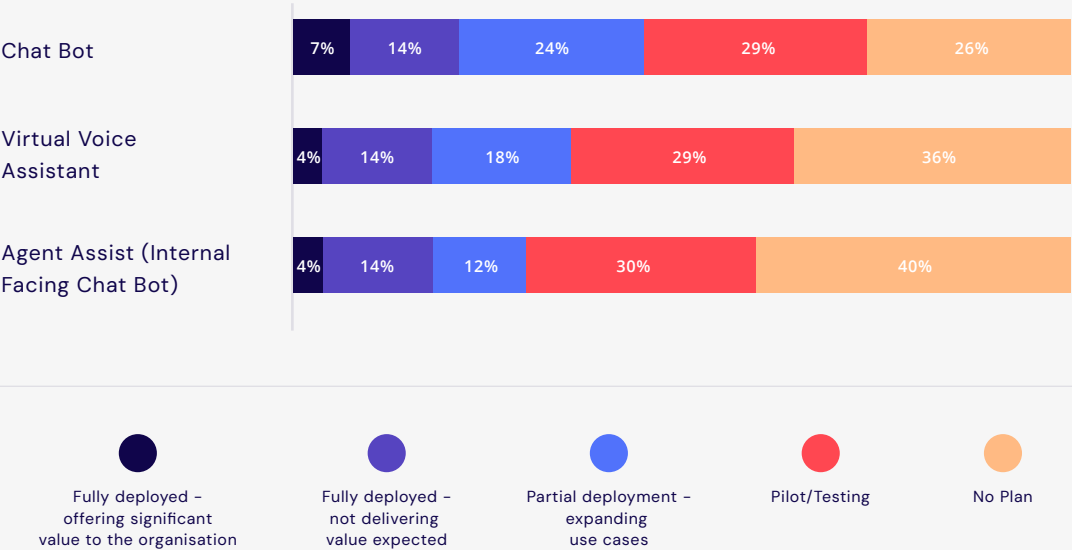
A word of warning

As AI technologies become more sophisticated and accessible, contact centres will need to stay ahead of the curve and embrace AI to remain competitive. The future of AI in contact centres will likely involve the seamless integration of AI across various customer touchpoints, enabling end-to-end automation and personalisation.

Contact centres that successfully harness the power of AI will be well-positioned to deliver exceptional customer experiences, optimise their operations, and drive long-term business growth.

For now, however, Chat GPT and the other popular Generative AIs, such as Google's Gemini and Anthropic's Claude, are not yet fully enterprise-ready. These models also launch new iterations every few months, which makes implementing them at scale right now a little tricky. It takes anywhere from six months to two years to fully integrate new software, by which time it would be hopelessly out of date. This may explain why Generative AI adoption in contact centres is still in its infancy. According to Deloitte, only 17% of its contact centre clients have fully adopted all three types of Generative AI technologies: chatbots, voice virtual assistants, and agent-assist chatbots.

Distribution of contact centres based on AI capabilities



What to do now

Given the high expectations and good results from those contact centres that have implemented AI, you would expect adoption rates to soar over the coming year. While the various AI technologies continue to evolve impressively quickly, we suggest that the

majority of contact centres spend the next year preparing themselves, getting their data in order, building out the business case for AI use cases, and piloting multiple projects before rolling out in 2025.



In the next section, we look at the four foundational steps contact centres should consider taking during the rest of 2024.

Building the foundation:

Four essential steps to prepare for AI implementation

Before launching multiple AI initiatives, it's essential to build a strong foundation on which you can innovate, and which gives you the means to make data-driven decisions and keep your projects on track. Your strong foundation could look like this:

1

Step One: Gather data from across your business so you can analyse it to find out where you have service gaps, unmet customer needs, or inefficient processes.

2

Step Two: Create a platform that allows you to bring all your customer data and market intelligence together and continuously mine them for insights.

3

Step Three: Listen to what your customers say and track customer sentiment and issues in real-time to ensure appropriate actions are taken quickly.

4

Step Four: Equip yourself with the capability to measure the success of your activities comprehensively and objectively in terms of how it impacts your customers.

Only once you have these solid foundations in place can you build out your use cases, such as chatbots, hybrid human/bot processes, agent-assisted technologies, and other forms of automation.

Step One

Unlocking your data

Contact centres deal with a deluge of data from sources like voice calls, emails, chats, and social media. Most of this data is unstructured, meaning it wasn't created to fit any database's nicely defined criteria and fields. The vastness and complexity of unstructured data make it challenging for contact centres to glean valuable insights from it.

AI-driven classification and summarisation

AI-powered machine learning algorithms can analyse the content and intent of customer interactions, automatically sorting them into predefined categories. This enhances routing efficiency and reduces agents' manual effort.

LLM (Large Language Model) AIs can create concise summaries of customer interactions, highlighting key points quickly and turning unstructured comments into structured data that can be analysed. Presenting agents with summaries significantly reduces handling and wrap time and boosts productivity.

Practical applications

With these capabilities alone, you can start to deploy some handy AI tools that will help your colleagues and customers accomplish their goals more effectively:

Build AI-generated FAQs from your unstructured knowledge data and make these available to customers for self-service or to agents to assist them when handling interactions.

Identify intent in customer communications to improve routing and context for agents. This could include an IVR front-end on the voice channel.

Analyse customer sentiment during live interactions to guide agents or post-interactions to optimise the follow-up process.



Step Two

Hyper-personalisation through Customer Data Platforms

One of the promises of the digital and AI revolution has been the ability to personalise all customer interactions. The local corner shop historically gave the best customer experience because the proprietor knew their customers personally and remembered their preferences.

AI can allow even the biggest business to replicate that type of relationship. All it requires is a comprehensive understanding of each customer and the appropriate information to be made available to the agent or process interacting with a customer at precisely the right moment.

Rather than severing human connections, as Vonnegut feared, AI could help people leverage the technology and information required to bring people closer together than ever on a scale never previously imagined. Emotive CX at scale.

While customer data exists in silos across different systems and departments, it is challenging to create a unified view of the customer and their journey. Customer Data Platforms (CDPs) address this challenge by integrating data from multiple sources, including CRM systems, website analytics, social media, and other customer touchpoints.

AI-powered personalisation at scale

With a centralised repository of customer information, CDPs enable contact centres to build rich, 360-degree customer profiles encompassing demographics, preferences, behaviours, and interaction history.

AI algorithms can then analyse customer profiles and behaviour patterns to generate highly targeted recommendations, offers, and content. You can then tailor interactions across all channels, from website visits to email communications to contact centre interactions.

Practical applications

Building a CDP is no small task, but it's crucial to your ability to maximise the opportunities presented by new AI technologies. With all your customer data from multiple sources integrated, you will be able to:

- Update customer profiles in real-time for an always up-to-date single customer view.
- Enable customer-facing staff and systems to make data-driven decisions.
- Visualise and optimise customer journeys down to everyone.
- Enable hyper-personalised communications and targeted marketing campaigns, improving engagement and results.

Step Three

Customer listening

Many organisations use off-the-shelf social media listening tools to pick up customer chatter about their brand and products. AI models' ability to ingest and summarise large amounts of audio and text now gives contact centres more powerful ways to listen to their customers.

Classify, categorise, summarise and route

Customer listening tools monitor your customer interactions across all channels for keywords and trigger phrases so that you can ensure appropriate assistance is provided quickly. They can automatically classify, categorise, and summarise interactions in real-time, enabling contact centres to identify and prioritise customer issues quickly.

By leveraging natural language processing and machine learning, these tools can understand a customer's intent and route them to the appropriate agent or department for prompt resolution.

Practical applications

By classifying, categorising and summarising interactions and intent across all channels in real-time, your contact centre will be able to:

- Collect feedback and take action to prevent customer frustration and dissatisfaction.
- Analyse and route tickets to the right agent based on customisable triage processes and service levels.
- Provide real-time data for a better understanding of the customer experience.
- Reduce handle times significantly with AI-generated prompts and responses and better routing.



Step Four

Better customer satisfaction measurement

Contact centres have conducted Customer Satisfaction (CSAT) surveys following interactions for years. In addition to giving a simple score, these should offer decision-makers and customer-facing staff insights into customer perceptions and experiences. More importantly, the results of these surveys should be interpreted clearly and objectively so that you have actionable ways to change the customer experience.

Leveraging AI to enhance CSAT insights

AI can be used to uncover better and deeper CSAT insights by improving the reliability of data collection and conducting a deeper analysis of customer feedback. The key is to create a custom view of each customer's journey. Combining that with your rich data on each customer can help explain how to improve that person's journey.

AI algorithms can uncover patterns and correlations in CSAT data, revealing hidden trends and opportunities for improvement. More accurate and actionable insights can also be gathered by using AI to tailor CSAT surveys to individual customers on the fly and by engaging them through their preferred channels.

Practical applications

An AI-enabled CSAT programme across multiple channels will allow you to:

- | Gather feedback from customers through voice, web, and messaging channels.
- | Integrate your CSAT surveys with virtual assistants and your CRM.
- | Conduct surveys in multiple languages.
- | Access various feedback types (NPS, text, numeric, etc.)
- | Get more detailed and granular insights into individual customer journeys.
- | Understand how your AI initiatives are performing and adapt accordingly.

3

Piloting and implementing AI solutions: A phased approach

Once you have built a strong foundation, such as the one we've outlined, you can start piloting and rolling out AI initiatives, including chatbots to automate interactions and agent-assist technology to reduce AHT and improve efficiency.



Identifying high-impact use cases

The first step in piloting AI solutions is to identify and prioritise high-impact use cases that align with the organisation's business objectives, customer needs, and operational challenges. This process involves thoroughly analysing the data and insights gathered during the foundational phase and close collaboration with key stakeholders across the organisation.

Common starting points for AI pilots in contact centres include:

Agent assist: AI-powered tools that provide agents with real-time guidance, relevant information, and suggested responses based on the context of the customer interaction.

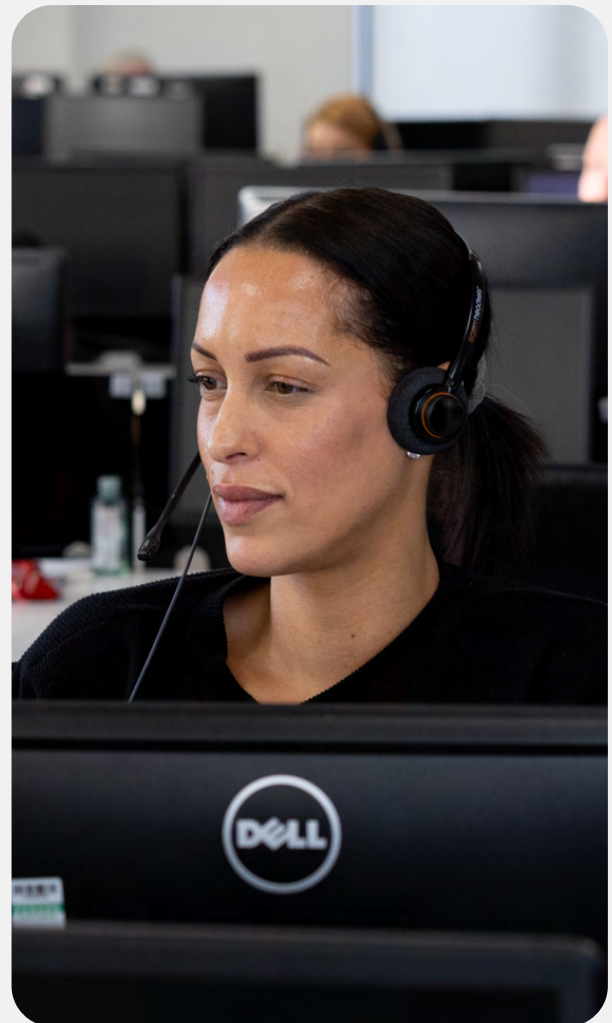
Summarisation: Automated tools that generate concise summaries of customer interactions, highlighting key points and action items for agents and supervisors.

Automation: The power of Generative AI has made real conversations between your customers and chatbots a reality. In consultation with your customers, you decide how far down the road of convenience to go and whether that means sacrificing human connection.

Quality management: AI-powered solutions that analyse customer interactions to identify areas for improvement, monitor agent performance, and ensure compliance with best practices and regulations.

When prioritising use cases, contact centres should consider factors such as the potential impact on customer experience, the ease of implementation, the resources required, and the alignment with the overall business strategy.

By focusing on high-impact use cases that deliver tangible benefits, you can build momentum and secure buy-in for further AI investments.



Piloting AI solutions: Best practices and lessons learned

Once high-impact use cases have been identified, you can begin designing and executing AI pilots. Successful AI pilots require careful planning, clear objectives, and a willingness to learn and adapt based on feedback and results.

Best practices for AI pilots in contact centres include:

Setting clear objectives and success metrics: Define what success looks like for each AI pilot and establish measurable goals and key performance indicators (KPIs) to track progress.

Involving key stakeholders: Engage with stakeholders from across the organisation, including agents, supervisors, IT, and business leaders, to ensure alignment and secure support for the pilot.

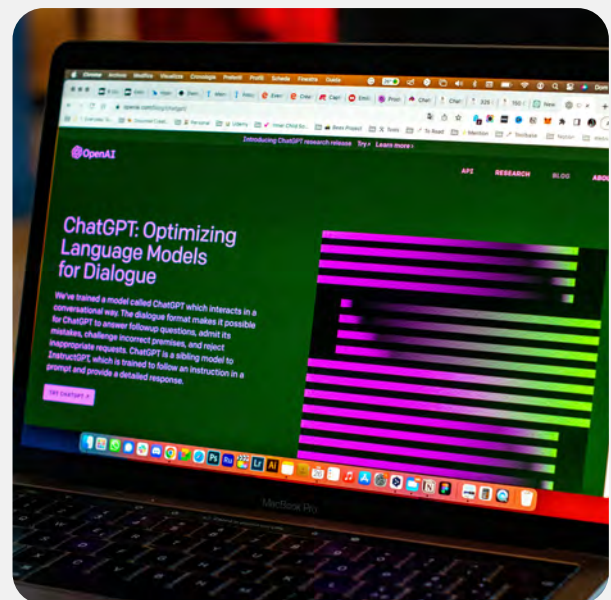
Starting small and iterating: Begin with a limited scope and gradually expand the pilot based on learnings and results. This approach allows for course correction and minimises the risk of large-scale failures.

Providing adequate training and support: Ensure that agents and supervisors are properly trained on the AI tools and understand how to leverage them effectively in their day-to-day work.

Measuring and analysing outcomes: Regularly monitor and analyse the AI pilot's performance against established KPIs and gather feedback from agents, customers, and other stakeholders to identify areas for improvement.

Real-world AI pilots in contact centres have yielded valuable lessons that can inform future implementations. For example, a leading telecommunications company piloted an AI-powered agent assist tool and found that agents initially hesitated to use it, fearing it would replace their jobs. By clearly communicating the tool's benefits and providing adequate training and support, the company overcame this resistance and significantly improved agent productivity and customer satisfaction.

Another key lesson learned from AI pilots is the importance of iterative improvement and adaptability. As contact centres gather more data and feedback on the performance of their AI tools, they must be willing to adjust and make refinements to optimise their effectiveness. This may involve tweaking algorithms, updating knowledge bases, or modifying workflows to better integrate with existing processes and systems.



Scaling AI across the contact centre

Once AI pilots have demonstrated success and value, contact centres can begin developing strategies to scale these solutions across the organisation. This process involves gradually expanding the scope and reach of AI tools while also addressing common challenges and considerations.

Strategies for scaling AI in contact centres include:

Phased rollout: Gradually introduce AI tools to different teams, departments, or regions, allowing for learning and adaptation along the way.

Integration with existing systems: Ensure that AI tools are seamlessly integrated with existing contact centre systems, such as CRM, workforce management, and quality management platforms.

Continuous monitoring and optimisation: Establish processes for ongoing monitoring and optimisation of AI tools, leveraging data and feedback to identify areas for improvement and ensure continued effectiveness.

Change management and communication: Develop a comprehensive change management plan that includes clear communication, training, and support for agents and supervisors affected by the AI implementation.

Common challenges and considerations when scaling AI in contact centres include:

Data security and privacy: Ensure AI tools comply with relevant data security and privacy regulations, such as GDPR or HIPAA, and implement appropriate safeguards to protect sensitive customer information.

Integration with legacy systems: Address potential compatibility issues and ensure that AI tools can seamlessly integrate with existing legacy systems and workflows.

Managing expectations: Communicate the capabilities and limitations of AI tools to agents, supervisors, and customers, setting realistic expectations for performance and outcomes.

Balancing human and AI interactions: Strike the right balance between AI-powered automation and human touch, ensuring customers can access personalised, empathetic support when needed.

By addressing these challenges and considerations, contact centres can successfully scale their AI solutions and realise the full potential of these transformative technologies.

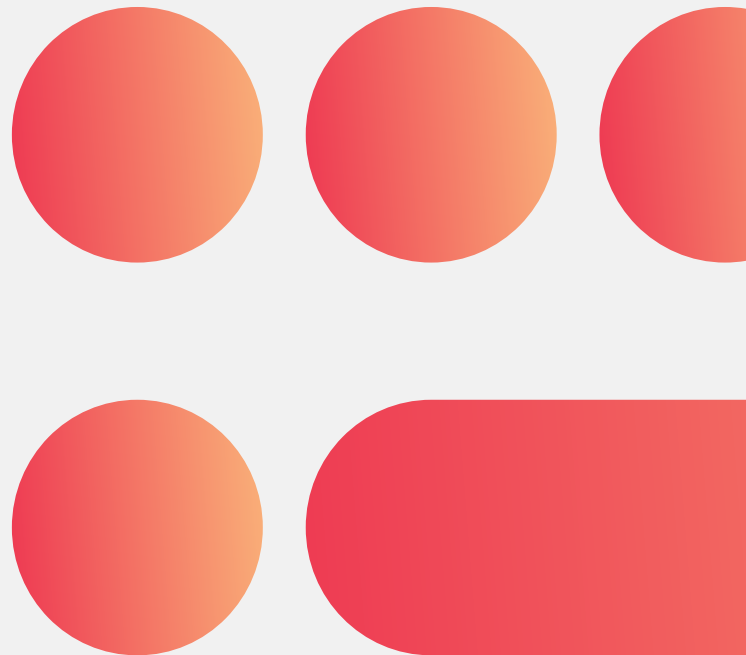
Piloting and implementing AI solutions in contact centres requires a phased, iterative approach that prioritises high-impact use cases, incorporates best practices and lessons learned, and addresses common challenges and considerations. Contact centres can successfully navigate the AI journey by starting small, measuring outcomes, and adapting based on feedback and results, significantly improving customer experience, operational efficiency, and business outcomes. As AI technologies continue to evolve and mature, contact centres that embrace these solutions and invest in the necessary skills and capabilities will be well-positioned to thrive in the digital age.

4

Preparing your workforce for an AI-enabled future

As contact centres embark on their AI implementation journey, it is crucial to recognise that the success of these initiatives depends not only on the technology itself but also on the readiness and adaptability of the workforce.

AI is fundamentally transforming the nature of work in contact centres, requiring agents to develop new skills and embrace new ways of working. To ensure a smooth transition and maximise the benefits of AI, contact centres must prioritise workforce preparation and development.



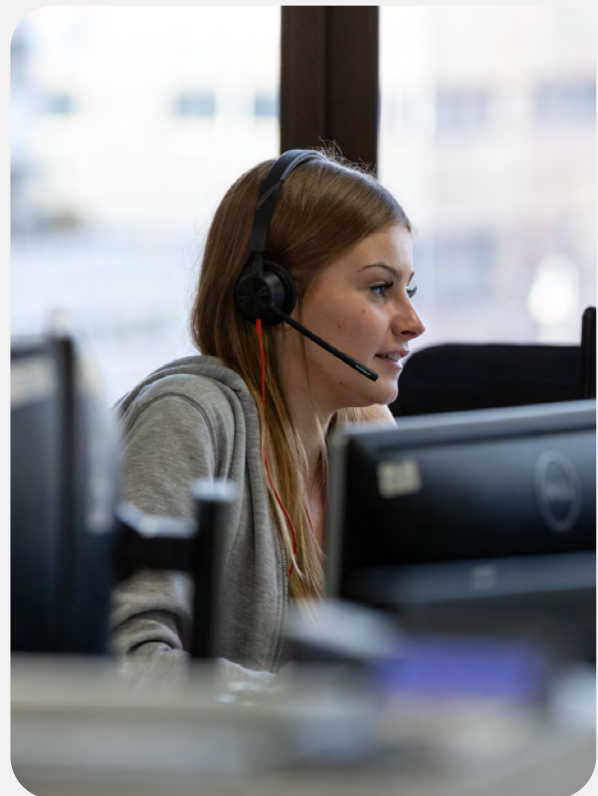
The changing role of contact centre agents

One of the most significant impacts of AI on contact centres is the changing role of agents. As AI-powered tools and chatbots take over routine and repetitive tasks, such as answering frequently asked questions or providing basic account information, agents increasingly focus on more complex and emotionally engaging interactions.

This shift requires agents to develop a new set of skills, including:

- Advanced problem-solving and critical thinking abilities to handle more complex customer issues
- Emotional intelligence and empathy to connect with customers on a deeper level
- Adaptability and resilience to navigate the constantly evolving contact centre landscape
- Technical proficiency to work alongside AI tools and leverage them effectively

Contact centres must recognise and communicate these changing expectations to their agents, providing them with the necessary support and resources to succeed in their new roles. Contact centres can improve employee engagement, reduce turnover, and ultimately deliver better customer experiences by empowering agents to focus on high-value, meaningful work.



Reskilling and upskilling your workforce

To prepare agents for the AI-enabled future, contact centres must invest in comprehensive training and development programmes that equip them with the skills and knowledge needed to thrive in this new environment. This involves a combination of reskilling, which focuses on training agents for entirely new roles, and upskilling, which involves enhancing their existing skills to adapt to new technologies and processes.

Some key areas for reskilling and upskilling in contact centres include:

AI and digital literacy: Providing agents with a basic understanding of AI concepts, technologies, and their applications in the contact centre context

Customer experience skills: Enhancing agents' ability to deliver personalised, empathetic, and resolution-focused interactions that drive customer satisfaction and loyalty

Data analytics and insights: Training agents to interpret and leverage customer data and insights generated by AI tools to inform their interactions and decision-making

Continuous learning and adaptability: Fostering a mindset of lifelong learning and equipping agents with the tools and resources to update their skills and knowledge continuously

Successful reskilling and upskilling initiatives in contact centres have positively impacted employee engagement and performance.

For example, a global financial services company implemented an AI-powered coaching tool that gave agents real-time feedback and personalised training recommendations based on their performance data. Investing in this upskilling initiative improved agent performance and saw a significant increase in employee satisfaction and retention rates.

Fostering a culture of continuous learning and innovation

Beyond formal training and development programmes, contact centres must also cultivate a culture that embraces change, encourages experimentation, and values continuous learning. In an AI-enabled environment, where technologies and best practices constantly evolve, agents must be empowered to adapt, innovate, and drive improvements in their work.

To foster this culture, contact centres should:

Encourage open communication and feedback: Create channels for agents to share their experiences, ideas, and concerns about AI implementation and actively seek their input in decision-making processes.

Celebrate successes and learnings: Recognise and reward agents who successfully adopt AI tools, share their knowledge with others, and contribute to process improvements.

Provide ongoing learning opportunities: To support agents' continuous skill development, offer a variety of learning resources and opportunities, such as e-learning modules, workshops, and peer-to-peer coaching.

Lead by example: Ensure that leadership teams are actively engaged in the AI implementation process, modelling the behaviours and mindsets that they expect from their agents.

The role of leadership in driving AI adoption and creating an environment that supports innovation cannot be overstated. Leaders must communicate a clear vision for the future of the contact centre, demonstrating how AI aligns with the organisation's values and goals. They must also be willing to invest in the necessary resources, infrastructure, and partnerships to make this vision a reality while also empowering their teams to take ownership of the AI implementation process.

By fostering a culture of continuous learning and innovation, contact centres can prepare their agents for the AI-enabled future and create a more engaged, motivated, and high-performing workforce better equipped to deliver exceptional customer experiences.





The future is up to you

As we look to the future, the adoption of AI is set to transform both the customer and employee experience. The core questions you need to answer are:

What do you want to use AI for?

What kind of business and customer relationships do you want to build? Much depends on the demographics and wishes of your customers and the type of market you operate in. However, most contact centres are looking to use AI to:

- Enhance Convenience and Efficiency: Automating routine tasks to streamline operations.

- Improve Customer Interactions: Using AI for personalised and engaging customer experiences.

- Improve Employee Experience: AI automates mundane tasks, making work more fulfilling for employees.

- Gain Real-Time Insights: Employing AI analytics for immediate and informed decision-making.

- Support Agents: Providing AI-powered tools for better training and performance.

Achieving these benefits requires a strategic and phased approach to AI adoption that prioritises people as much as technology. Contact centre leaders must recognise that AI is not a replacement for human talent but rather a tool to augment and empower their workforce.

Contact centres can unlock AI's full potential and become a more human-centric, customer-focused organisation by investing in their people and creating an environment that supports their growth and development.

You don't have to do it alone

As customer expectations continue to soar, those contact centres that build a strong AI foundation and invest in the right technologies will be well-positioned to innovate and grow.

You don't have to do everything yourself, of course. Working with a technology partner who is an expert in the field of CX can help you skip two years of R&D, as the partner has already done it.

Look at the AI technology solutions that have been powering Ventrica's AI journey for the last few years, which we're now making available for you to use in your contact centre.



