

TALKDESK RESEARCH™ REPORT

The future of AI 2022: Progressing AI maturity in the contact center



Foreword

In this year's Future of AI report, we found that the majority of contact center leaders believe that investing in AI is integral to customer satisfaction and agent productivity. With customer experience on the line and an increasingly tight job market for agents, AI solutions are a clear answer—and most contact centers have begun adopting them accordingly. Despite recognizing the potential for AI, many organizations are slow to progress to more mature levels of AI technology.

Contact center leaders and CX professionals report feeling less confident about their understanding of AI and the business results they expect. This comes both from a quickly evolving AI marketplace and a lack of peers that have experience dealing with

AI in their contact centers—presenting an opportunity for AI vendors to lend their expertise to help leaders leverage the benefits of AI solutions now, while laying the foundation for the future.

In this report, we also look at how cloud systems can help overcome challenges of AI security and legacy infrastructure. Additionally, we see the potential for filling gaps in AI expertise by involving agents in the training and maintenance of AI solutions.

Nearly all contact center leaders agree that AI will continue to shape and elevate the contact center experience for customers and agents—but getting there fast enough, without risking falling behind, is key.

We invite you to explore this year's report to learn how to overcome common challenges in order to leverage the full advantage that AI offers, paving the way to higher customer satisfaction and more productive agents.

Sincerely,



ANTONIO GONZALEZ
Senior Manager, Industries and AI
Research, Talkdesk

About this report: Methodology



This report is based primarily on a quantitative online survey fielded in April 2022:

- The survey was conducted with 500 CX professionals across 5 different markets in North America and Europe including: U.S. and Canada (North America); France, Germany, and the U.K. (Europe).

Survey results were complemented by qualitative interviews with customer service and CX leaders.

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Executive summary

In this year's Future of AI report, we asked contact center and CX professionals about their current and predicted usage of AI, and in particular advanced AI in the contact center. The results were surprising: while the majority recognize the importance of investing in AI for the contact center, its maturity in implementation has decreased across the board. Leaders report barriers to implementing advanced AI in their contact centers, including limitations in their current contact center architecture.

The value of AI is uncontested; however, being able to deepen AI deployments to realize its full value seems to be a stumbling block for many companies. In this report, we explore five main themes:

The need for AI is clear to contact center leaders

A strong majority understand the value of AI and automation to accelerate self-service options, improve customer satisfaction, improve productivity, and help drive revenue for the organization. Both the value and the risks of not deploying advanced AI are recognized among leaders.

- **85%** of CX professionals believe it is important now to leverage AI and automation.
- **52%** of CX professionals consider lower customer satisfaction and 48% see loss of productivity as the top risks of not implementing AI.

Leaders are curbing AI ambitions to address implementation barriers

Despite consensus around the value of AI, companies are hedging in their approach to it, with continued growth in investment but scaled-back deployments and maturity. CX professionals cite concerns related to security and IT, organizational alignment and vision, and talent gaps as their primary barriers to further deployment.

- **79%** of companies plan to increase total spending on AI and automation this year.
- **60%** of companies are using AI self-service for customers, compared to 69% a year ago.

Leaders could use support in navigating AI decision-making

CX professionals' confidence in understanding the AI marketplace and the evolution of technology has decreased and they are looking at vendors' expertise to help them make informed decisions.

- **87%** of CX professionals feel moderately to extremely familiar with AI in the contact center compared to 93% a year ago.
- **35%** of CX professionals say their organizations are advanced in their application of AI, compared to 41% a year ago.

Cloud systems can help overcome AI security and IT challenges

Half of CX professionals feel their current contact center infrastructure is inhibiting their ability to deploy advanced AI solutions—an indicator that more contact centers need to move to modern cloud infrastructures to leverage all that AI offers.

- **75%** of CX professionals agree that AI technology will allow customer data to be more secure than with a live agent.
- **50%** also agree their company is limited to less effective native AI solutions in their current content center architecture.

Involving agents in AI management can fill talent gaps

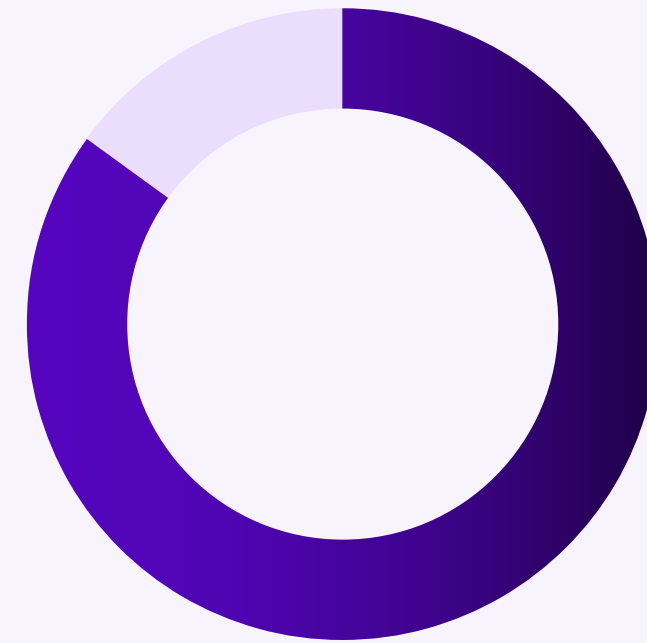
A third significant barrier is the lack of AI professionals who can build, train, and maintain AI solutions. Agents are increasingly seen as having the skills needed to leverage AI presenting opportunity to involve them in its training and maintenance.

- **44%** of CX professionals agreed that their agents had the skills needed to leverage AI technology, compared to 37% who felt the same a year ago.
- **15%** of companies are using agents and their supervisors in the training and maintenance of AI.

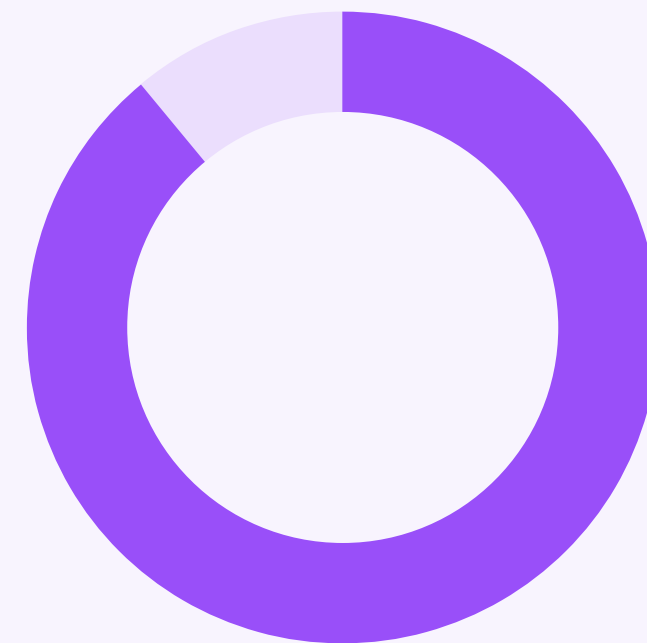
I. The need for AI is clear to contact center leaders

It's clear that AI is here to stay. The benefits of AI in improving speed, accuracy, and efficiency of service give it a clear place in the contact center. The advancing AI field continues to hold promise that additional benefits will emerge.

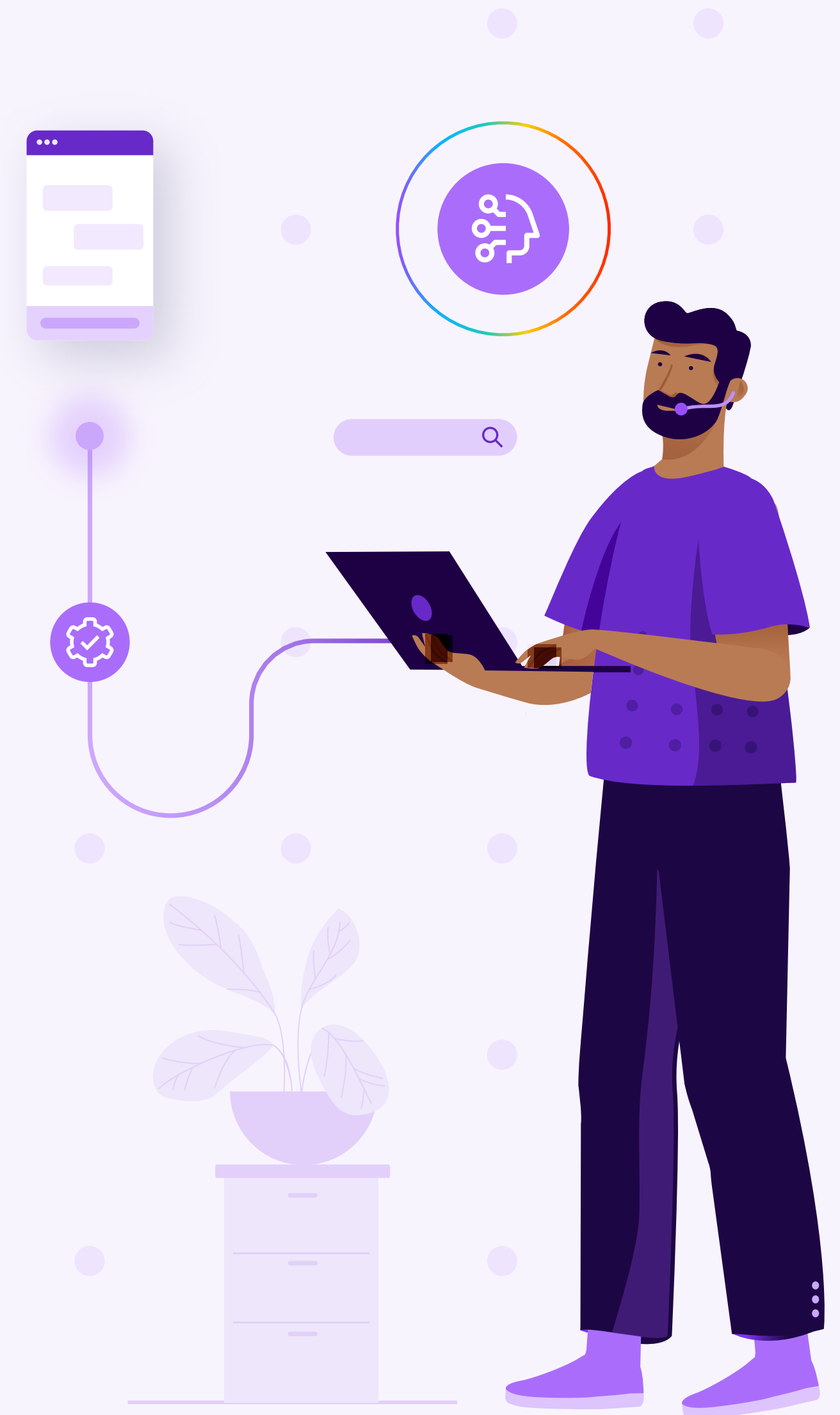
CX and contact center leaders are familiar with common AI applications and recognize the value AI can provide. They agree that AI and the automation it supports are important and will only become more important in the future.



85%
of CX professionals believe it is important to leverage AI **now**.



89%
believe it will still be important **four years from now**.

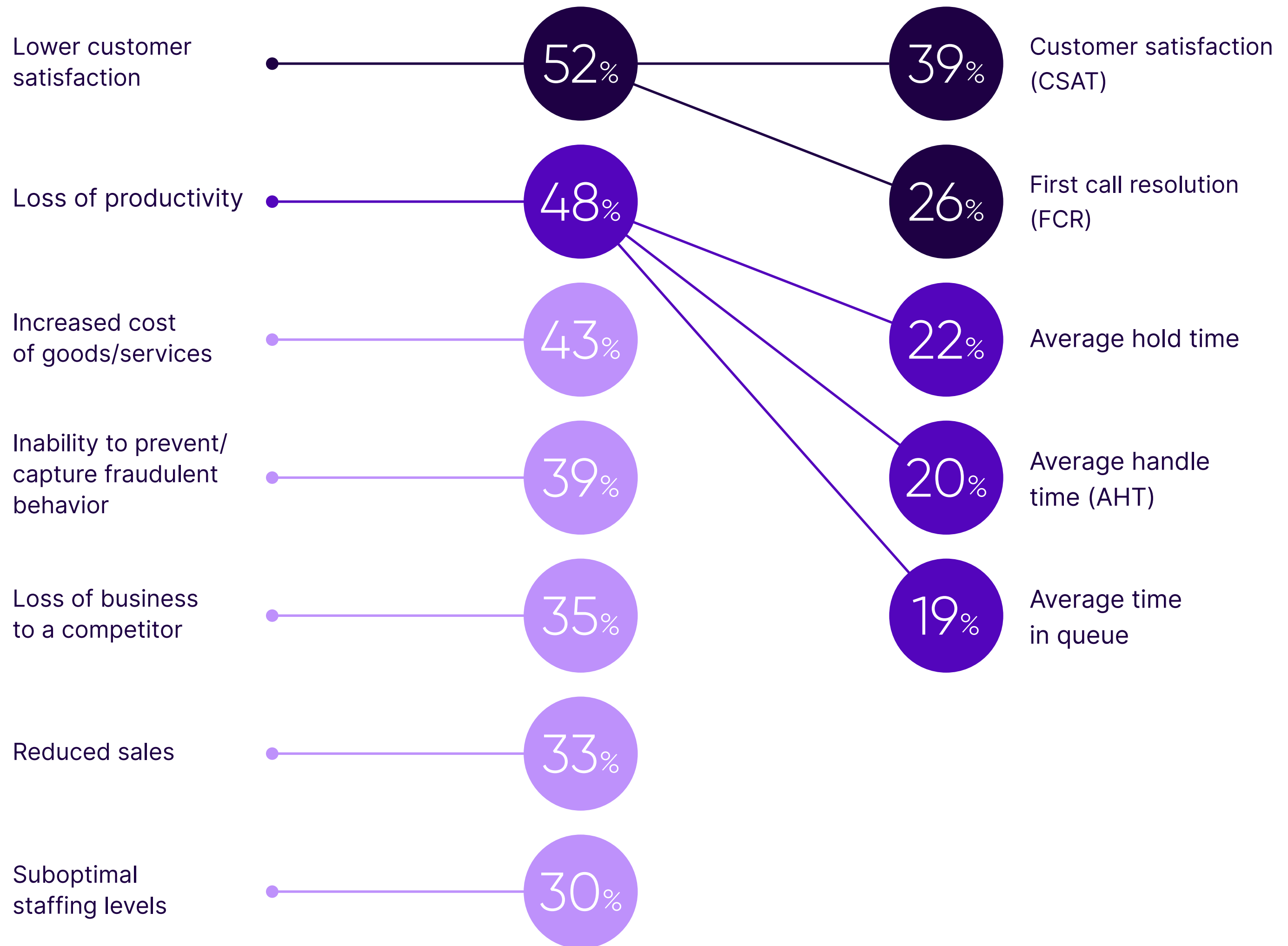


CX professionals see the biggest risks of not using AI to be reduced customer satisfaction and productivity. AI is recognized for its ability to reduce repetitive work for agents while helping them prioritize opportunities that leverage their unique strengths, such as empathy and advanced problem-solving skills. At the same time, capabilities like conversational AI can be used to engage directly with customers, delivering relational, satisfaction-building experiences without the need for agent involvement.

These risks have clear implications on contact center performance. Customer satisfaction is the top KPI used to evaluate contact center performance, followed by first call resolution. Additional top metrics include average hold and handle time, as well as time in queue—measures that are clearly impacted by productivity and efficiency. As contact centers continue to evolve from cost to growth centers, falling short on these metrics will have broader business impacts on things like revenue and lifetime customer value (LCV).

Top perceived risks of not using AI:

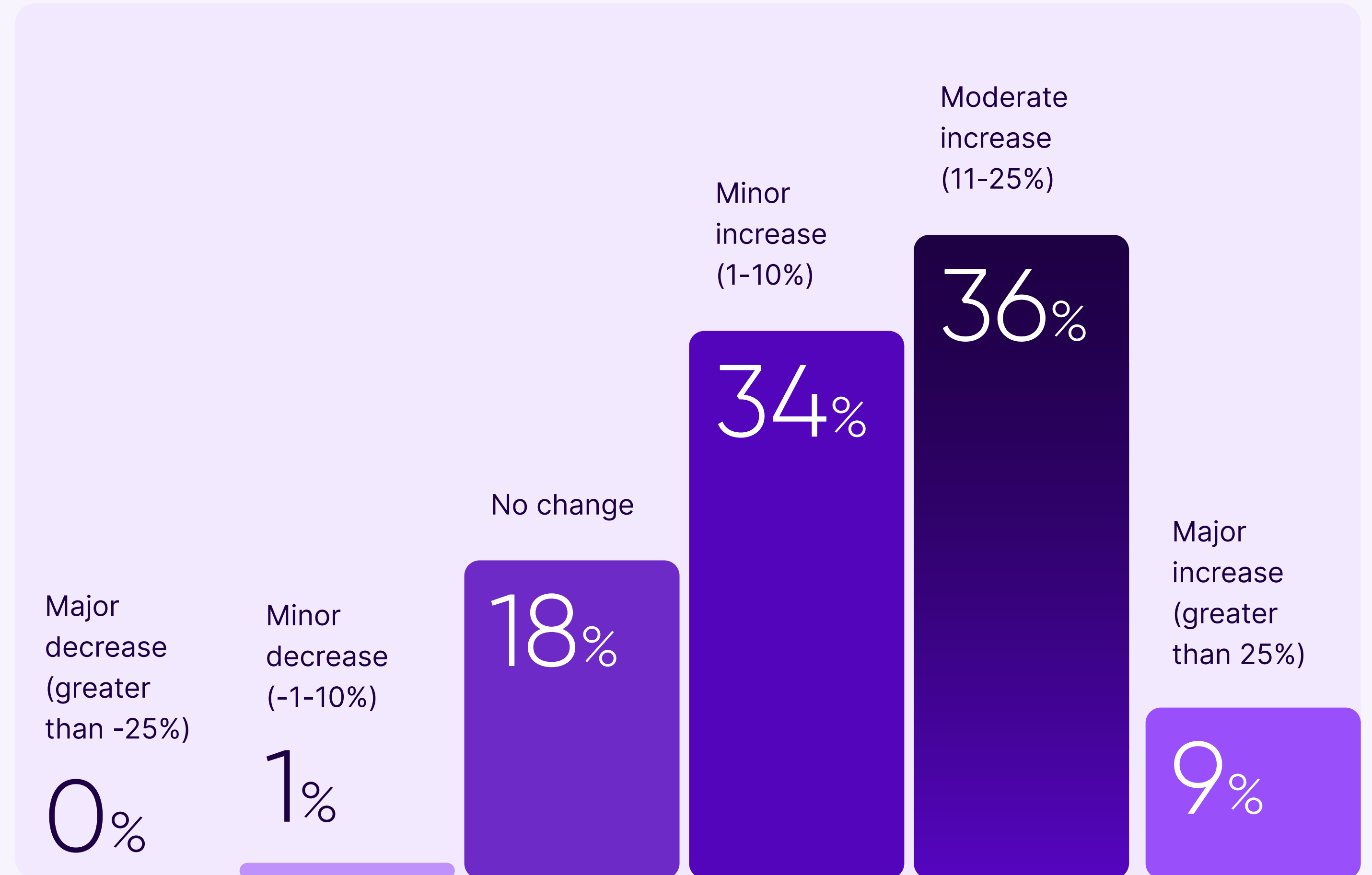
Top 5 measures used in evaluating contact center performance:



II. Leaders are curbing AI ambitions to address implementation barriers

Companies recognize the broader business risks of missing out on the potential gains of AI in the contact center and continue to invest in it. Overall, 79% of companies plan to increase total spending on AI automation this year:

Expected change in AI investment in the coming year:



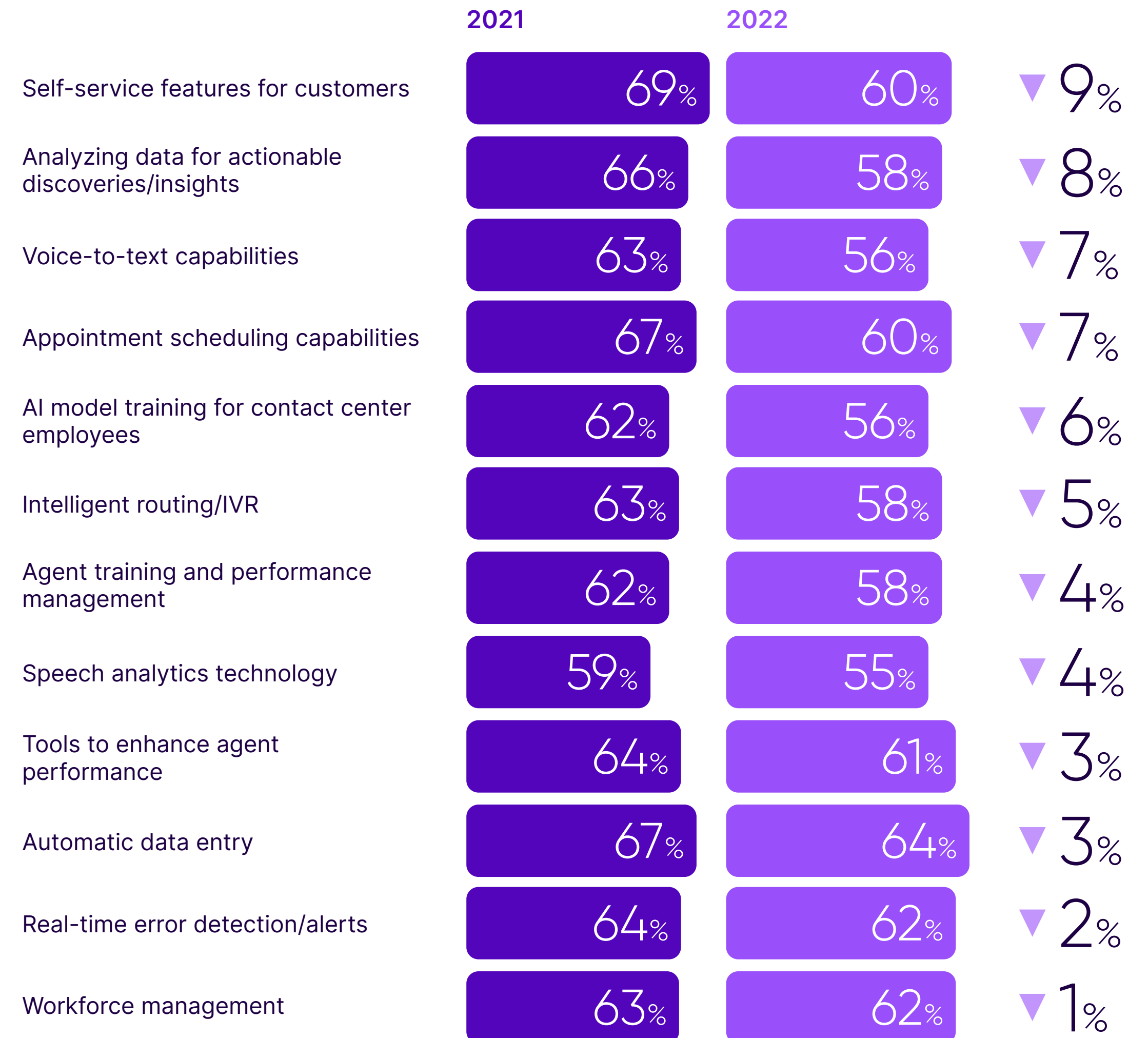
These investments aim to enhance the customer experience through improved self-service options and more empowered agents. By adding automation and improving efficiency, contact centers are able to manage with fewer headcount and fill any knowledge gaps that emerge in the course of staff turnover.

“AI alleviates the need for extra staff. So if in the past I needed three supervisors, now I only need two because we've got this software in place. AI is able to find the calls and serve them up for our supervisors to listen to. And they're not spending all that extra effort trying to find the calls”

— DIRECTOR OF CALL CENTER OPERATIONS, HOME EXTERIOR COMPANY

Despite consensus on AI’s strategic importance and plans for increased investment in AI initiatives, contact centers appear to be curbing near-term ambitions with the technology. Compared to 2021, contact centers have scaled back on their usage of AI across the board, with advanced applications for AI being set aside for the time being.



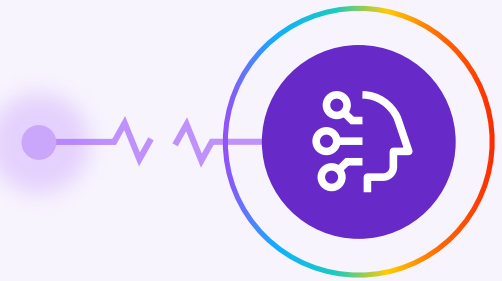
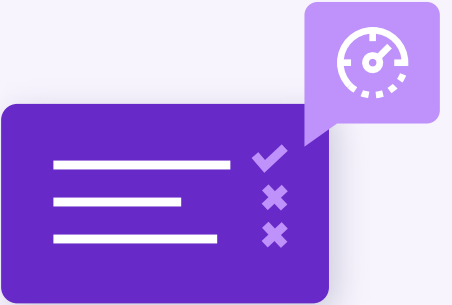

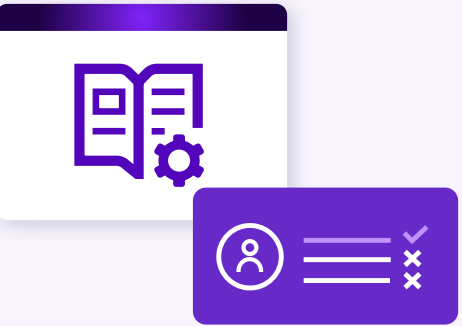
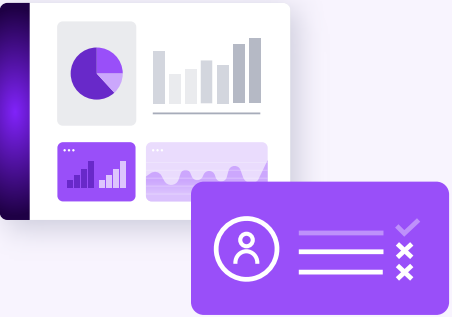
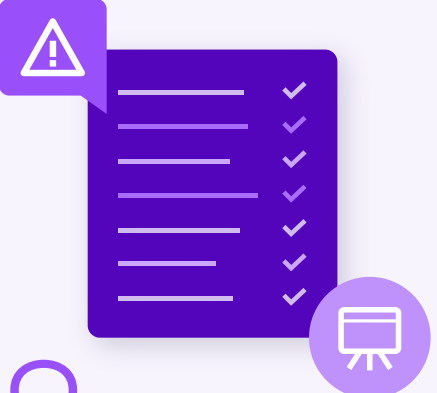


Share of companies using or actively investing in AI capabilities:



Implementing new technology always comes with challenges—for AI, there is not only lack of familiarity with it, but concerns over its broader implications on strategic priorities and risks relating to security, IT architecture, and personnel. Contact center leaders are dealing with a limited understanding of the burgeoning AI marketplace and uncertainty about AI solutions and their potential business impact.

The rush to embrace AI initiatives has likely met the reality of the challenges enterprises face in changing core infrastructure, mindsets, processes, and policies. This is reflected in the top barriers CX professionals cite in AI implementation.

Top barriers encountered implementing AI:

 <p>1.</p> <p>Security and confidentiality risks</p>	 <p>2.</p> <p>IT infrastructure issues</p>	 <p>3.</p> <p>Resistance to change</p>	 <p>4.</p> <p>Lack of quality data</p>	 <p>5.</p> <p>Lack of understanding of the business potential of AI</p>
 <p>6.</p> <p>Insufficient availability of talent to maintain it</p>	 <p>7.</p> <p>Insufficient availability of talent to use it</p>	 <p>8.</p> <p>Lack of strategic vision</p>	 <p>9.</p> <p>Insufficient availability of talent to build it</p>	 <p>10.</p> <p>Uncertain of return on investment</p>

The challenges companies currently face in implementing AI for customer service can largely be grouped into three categories:



1. Security and IT risks and issues

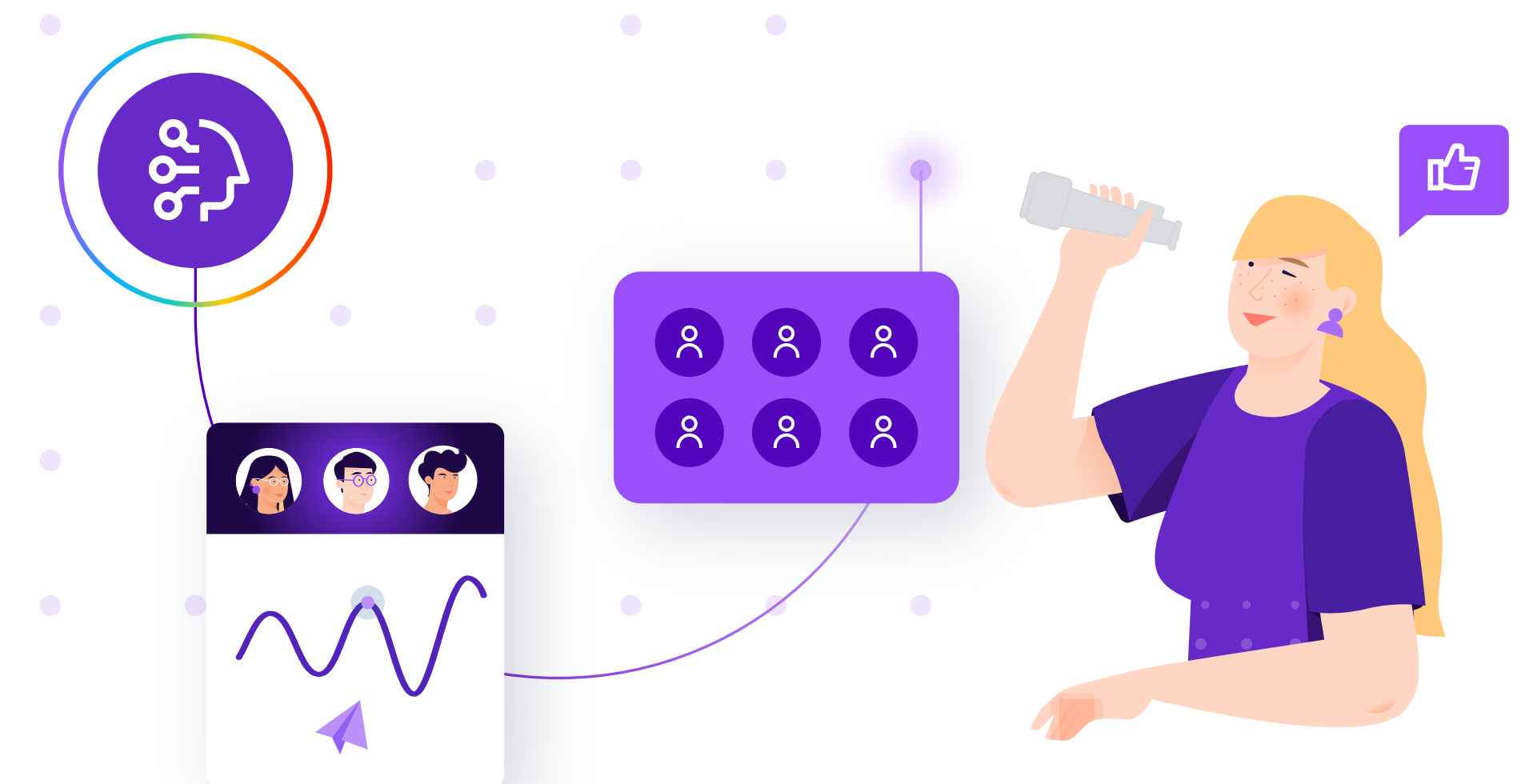


2. Misalignment and resistance among leaders to forming a vision around business goals for AI



3. Gaps in the talent needed to build, use, and maintain AI

In implementing AI today, leaders should be pragmatic with regards to how it fits into their current IT architecture, strategic priorities, and workforces while being bold in envisioning the role it can ultimately play in transforming consumer experiences.



III. Leaders could use support in navigating AI decision-making and outcomes

Challenges in forming a strategic vision for AI and committing to it coincide with declining confidence among leaders in their familiarity with AI. Contact center leaders and CX professionals report feeling less familiar with AI tools than they did a year ago. What accounts for this change? It may be that rising turnover has brought in talent that is not as familiar with AI tools. It may be that AI technology has advanced so rapidly that confidence in understanding it is waning. It may also be that leaders have been distracted by more pressing priorities over the last year and simply feel they have not kept pace with AI developments.

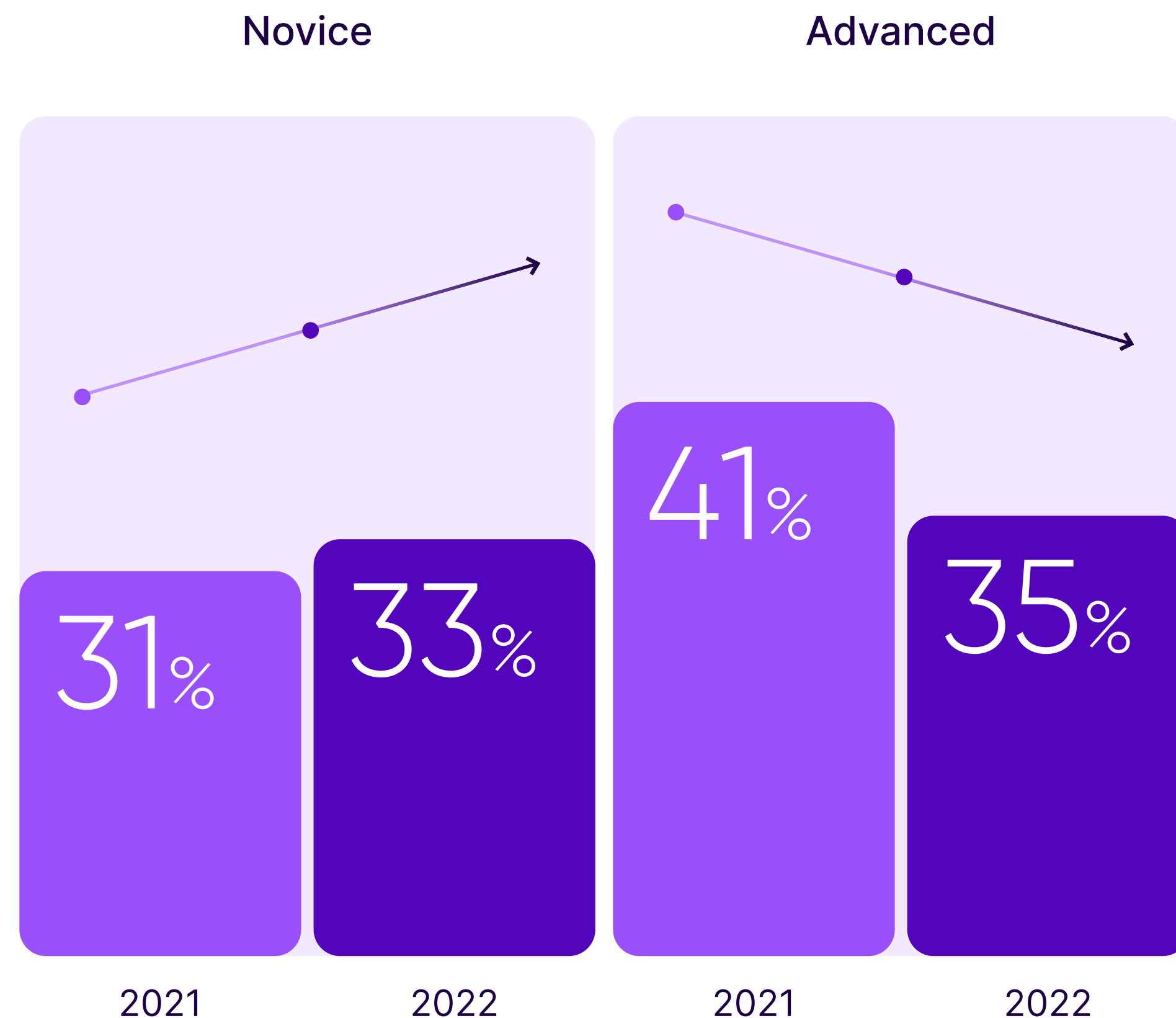


87%

of CX professionals say they are familiar with how AI fits into their organization's contact center, compared to 93% a year ago.

Concurrently, confidence in advanced AI utilization in companies has gone down and the perception of being a novice has increased.

Organizations' reported experience level in applying AI in the contact center:



“You need to have all of the right components within your company; you need rudimentary stuff that will work for everybody. It's a very simple process to actually make your company much more efficient and utilize the capabilities of AI and machine learning. But it has to be an organizational thing. It can't just be a department thing.”

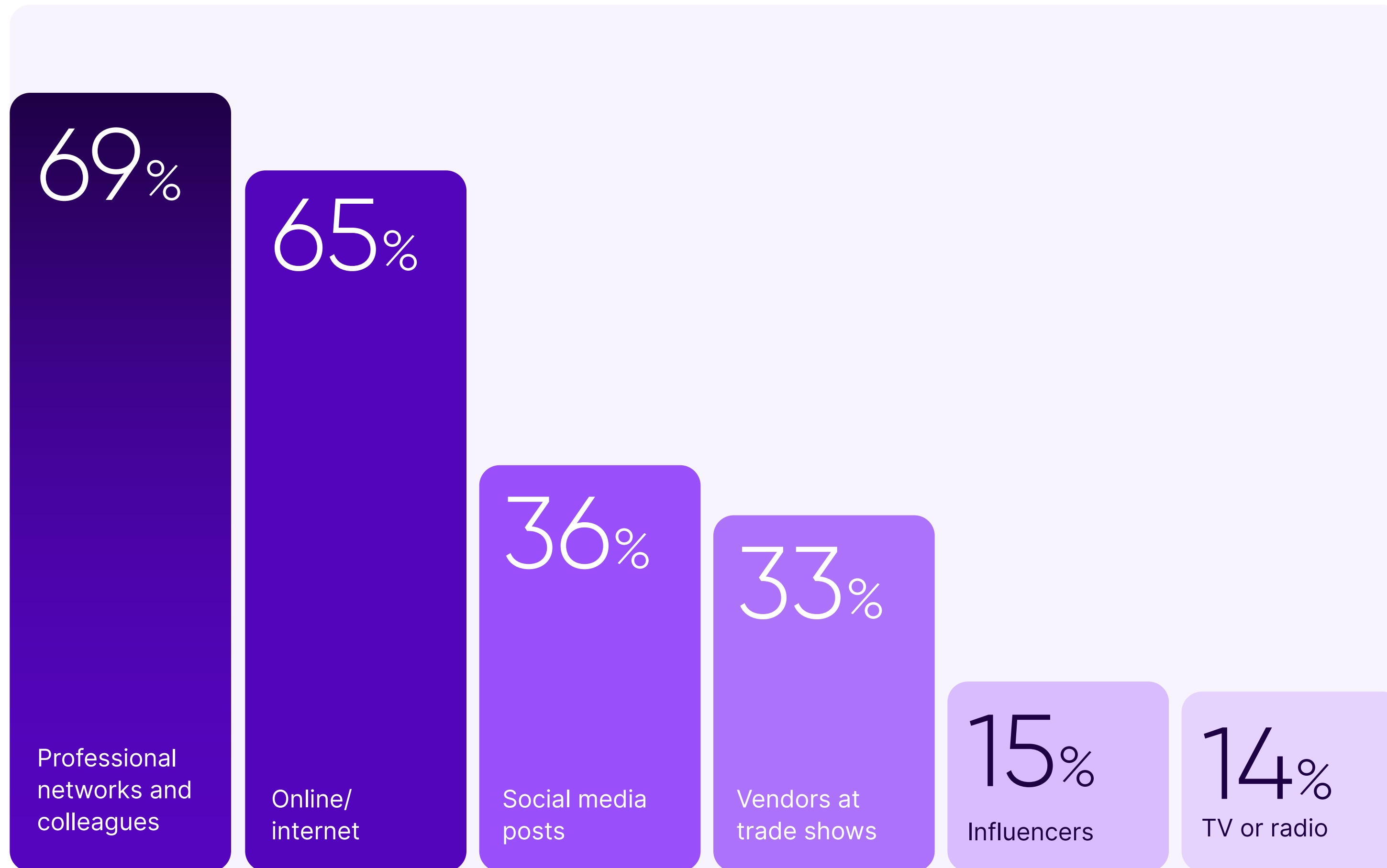
— VP GLOBAL SUPPORT, TECHNOLOGY COMPANY

As AI capabilities advance, the traditional sources of information that leaders turn towards to learn about the technology may prove inadequate. When asked where they typically learn about AI solutions, the majority of respondents reported relying on professional networks and peers for recommendations or online research. However, AI technology companies are likely to have a strong grasp of how their systems will fit into a company's architecture and business aims. AI providers that proactively support and guide CX professionals are likely to build their confidence in maturing their AI deployments.

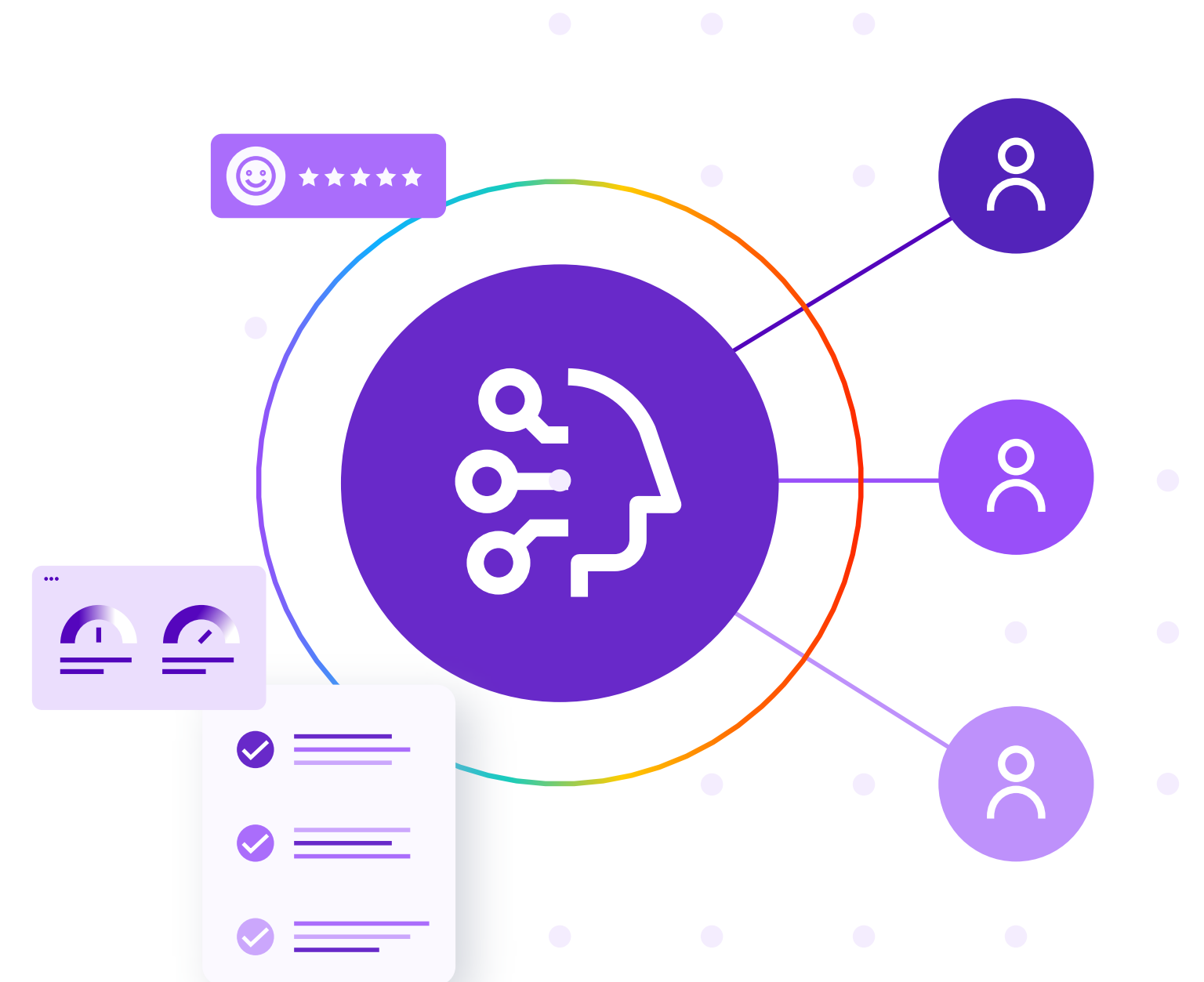
“To learn more about AI I just scheduled time to speak with companies because that's really ultimately where you're going to get your knowledge is speaking to the experts themselves.”

— HEAD OF OPERATIONS, FINANCIAL TECHNOLOGY COMPANY

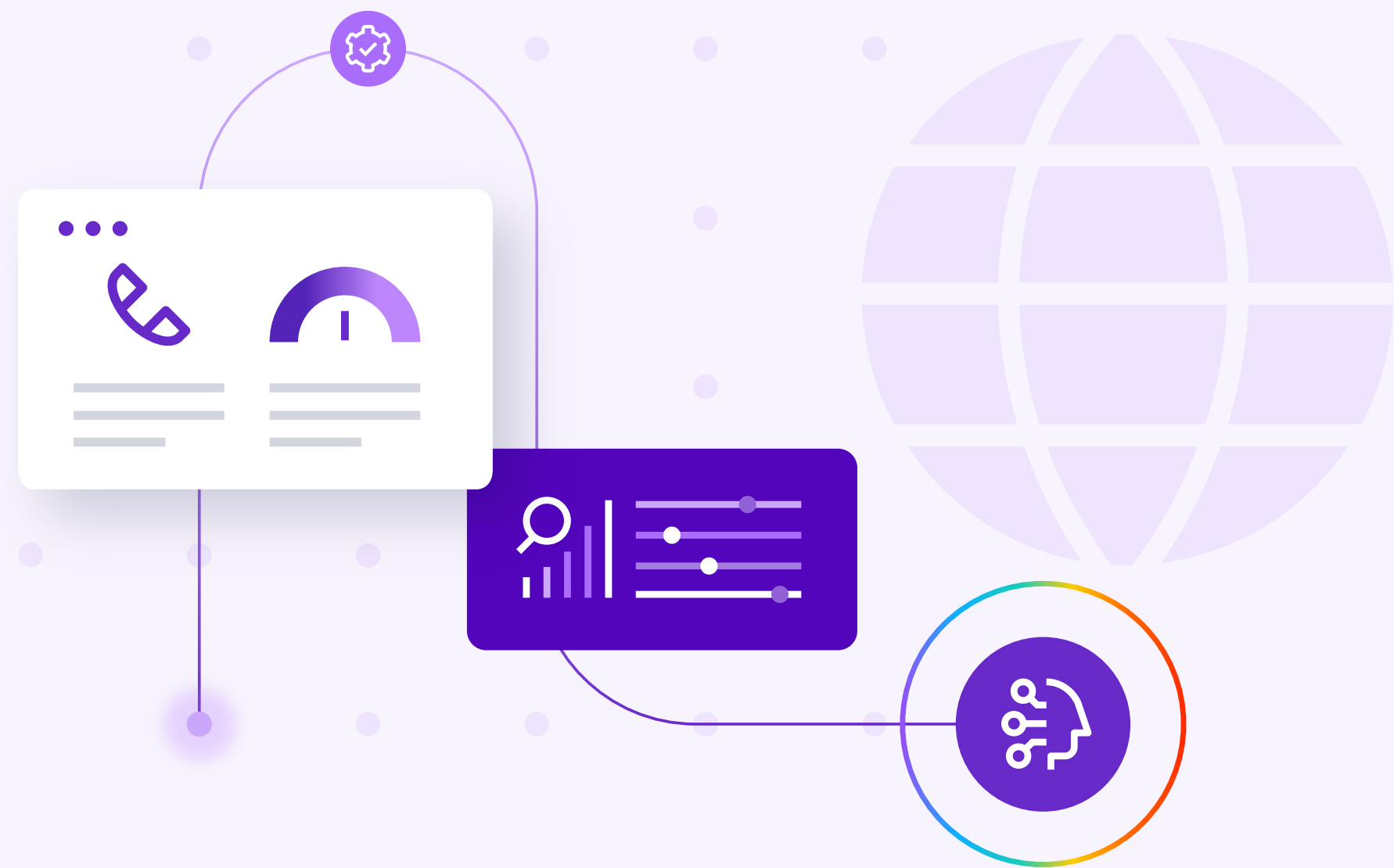
Sources of information used by CX professionals to learn about AI in contact center software:



Given the declining confidence among leaders, AI vendors have an opportunity to partner more closely with prospects and customers and become trusted advisors and educators in the changing AI landscape.

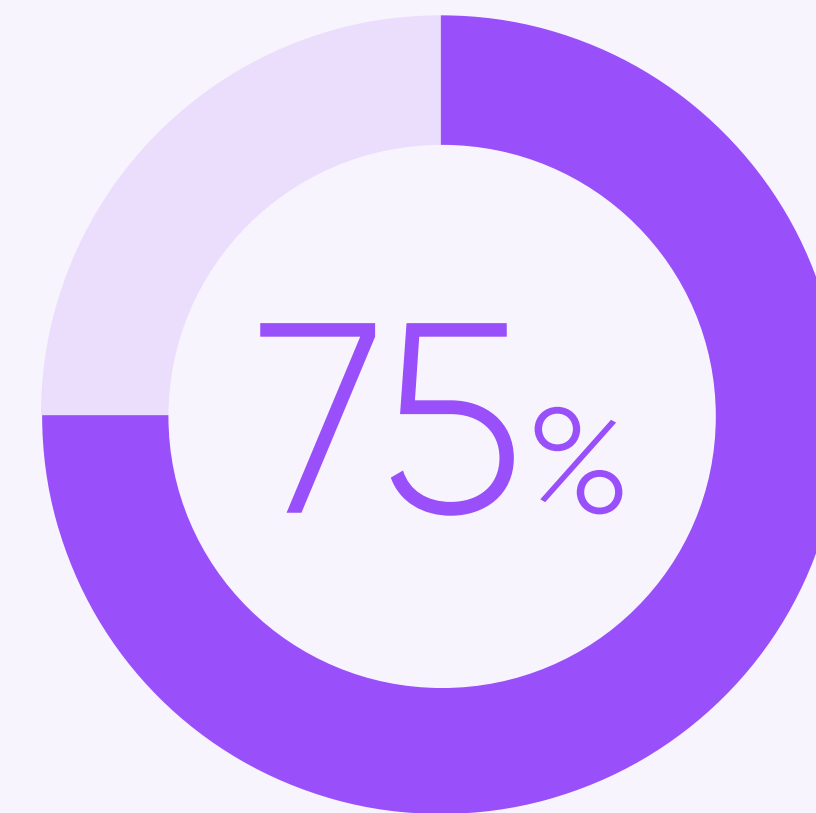


IV. Cloud systems can help overcome AI security and IT challenges

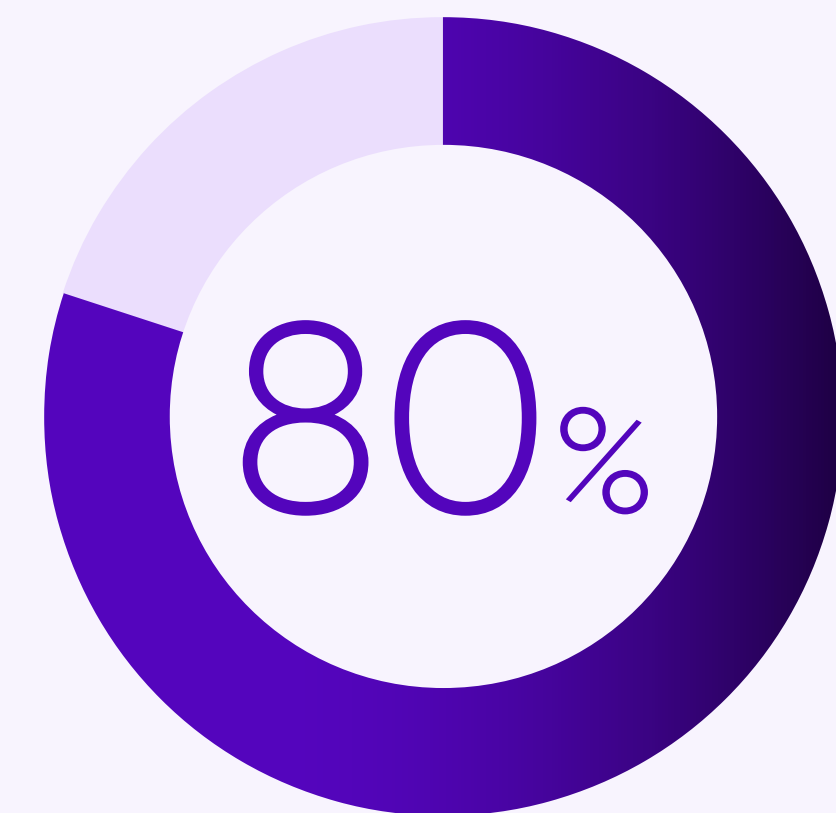


AI security presents a catch-22 for leaders. It is seen as a way to improve security while it is itself perceived to pose security risks. Companies expect that AI can ultimately help to improve identity and authentication security and better handle customer data. At the same time, security risks and IT infrastructure limitations are viewed as the two most significant barriers to successful AI implementation.

Among CX professionals:



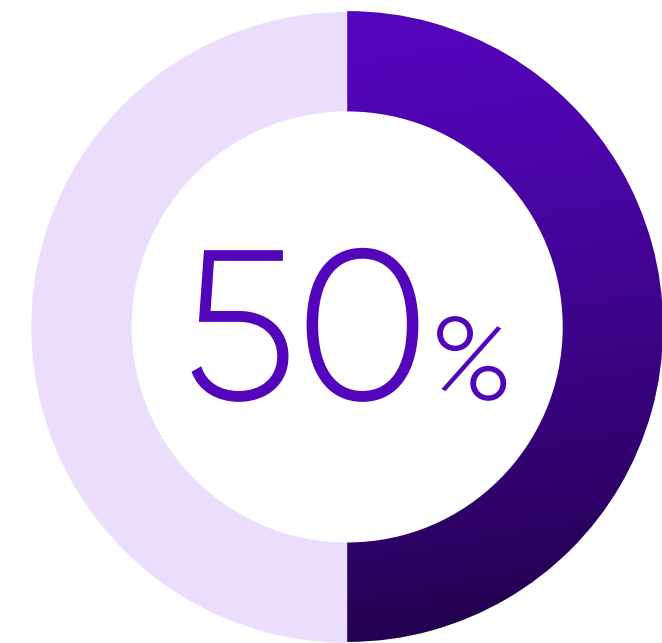
agree that AI technology will allow customer data to be more secure than a live agent.



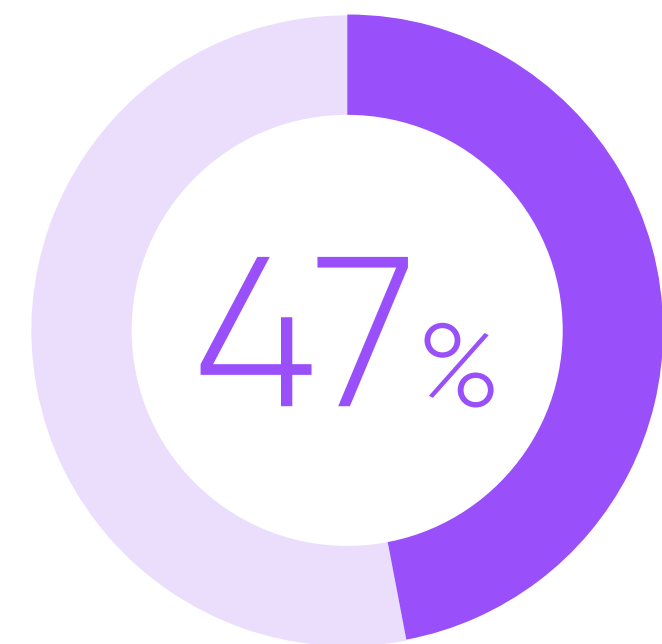
agree that AI will significantly help companies improve identity and authentication security in the next two years.

The belief that AI will improve security seems to contradict findings that security is a top barrier to implementing AI. However, for many organizations, the limitations of existing contact center architecture undermine the recognition of the security benefits of advanced AI.

Among CX professionals:



50% agree their company is limited to less effective native AI solutions in their current contact center architecture.



47% agree their company is unable to capitalize on advanced AI by third-party vendors due to constraints of their current contact center architecture.

Half of companies are struggling with contact center architecture that does not fully support AI implementation—displaying a significant need to move to the cloud or to upgrade to a modern cloud contact center platform.

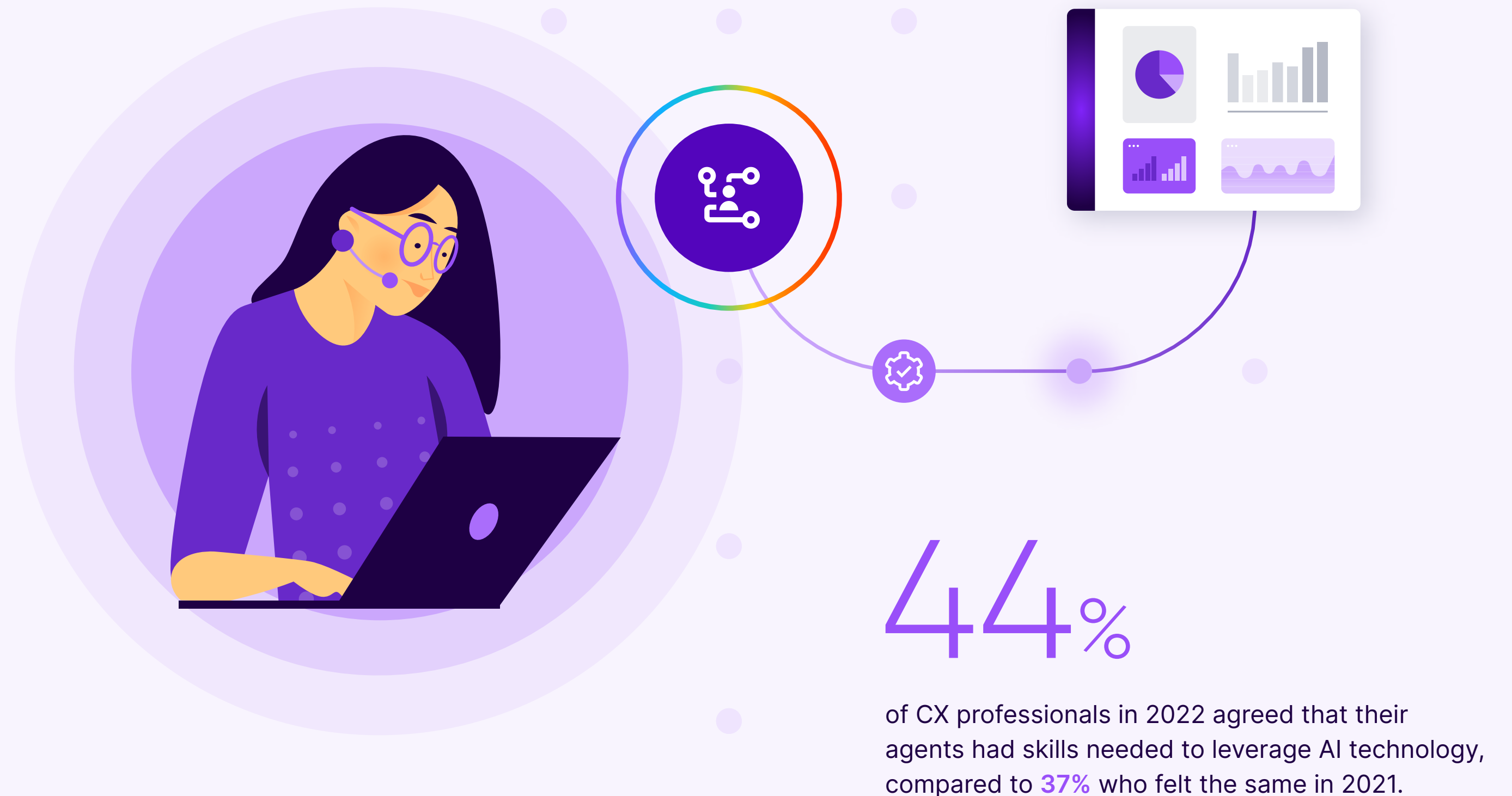
Modern cloud contact center vendors build strong security features, but unless the current architecture can integrate it well, companies may be exposed to risk. Contact centers using modern cloud-based platforms typically satisfy the many legal, ethical, and compliance concerns over data security—and experience the enhanced security features of advanced AI. Moving to a modern cloud-based contact center is key to leveraging advanced AI benefits in a secure way.



V. Involving agents in AI management can fill talent gaps

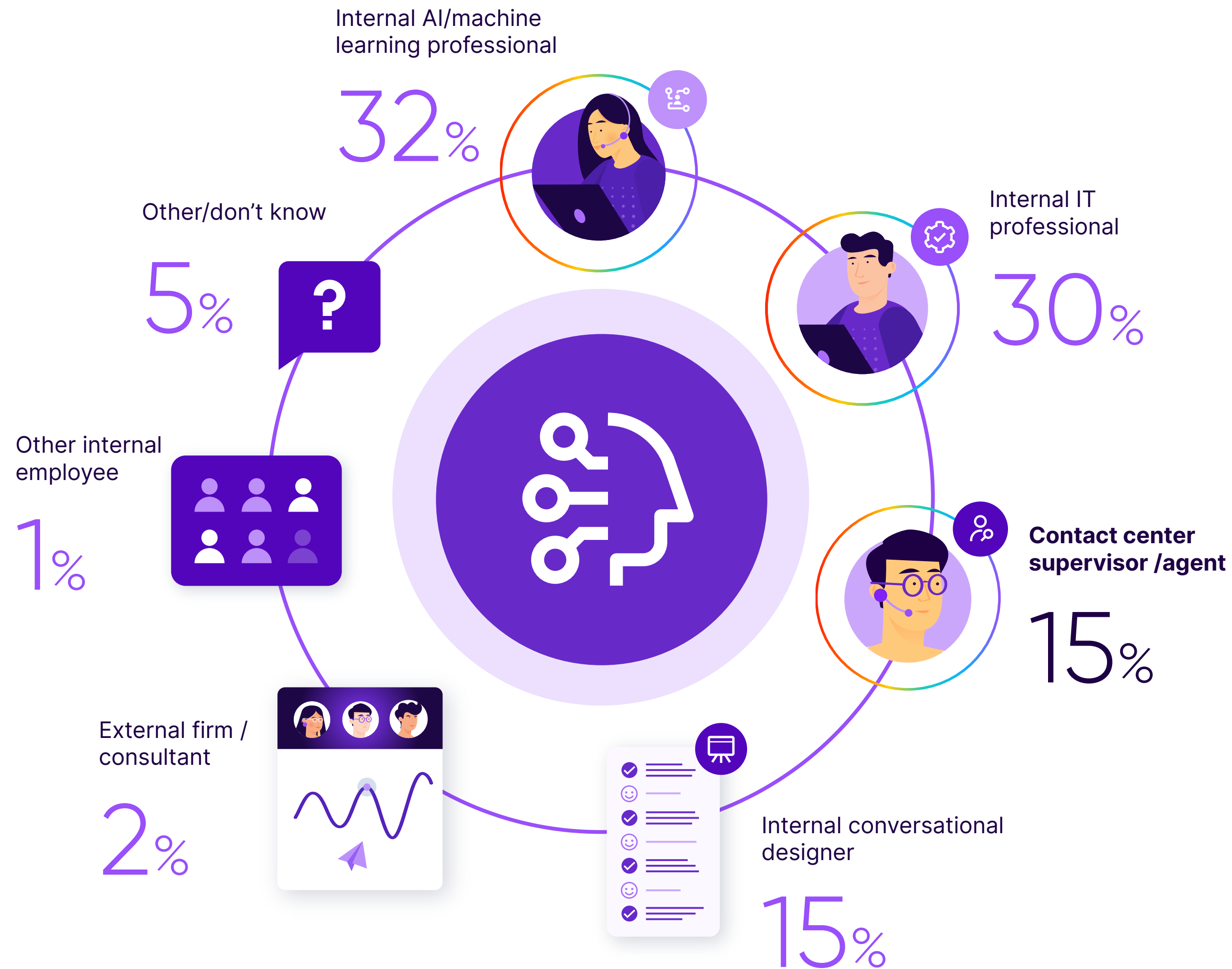
AI systems that do not adapt to changing circumstances and consumer needs will quickly lose their value. Today, organizations rely heavily on machine learning and IT professionals to maintain their AI systems. However, they are often challenged with identifying and recruiting necessary talent to use and maintain AI systems.

At the same time, agents are increasingly comfortable using AI tools in their own work. Confidence in frontline staff's ability to adapt and use AI tools has increased, as a growing share of leaders believe in agents' skills.



Although few agents today are involved in AI maintenance, this dynamic presents an opportunity to use the growing expertise of agents to fill knowledge gaps in AI management. In response, AI vendors are developing human in the loop machine learning capabilities that allow agents to train and maintain AI models without advanced AI or programming skills. Democratizing AI accessibility, training, and maintenance lowers the cost of AI investment and reduces dependency on specialized, difficult to find AI professionals.

How organizations train and maintain their AI systems:



A lack of advanced AI skills should not stop contact centers from adopting AI technology today.

Given the ability AI has to reduce repetitive tasks and transactional work for agents while delivering self-service options that increase customer satisfaction, companies need to harness the power of AI to support them through various staffing challenges.

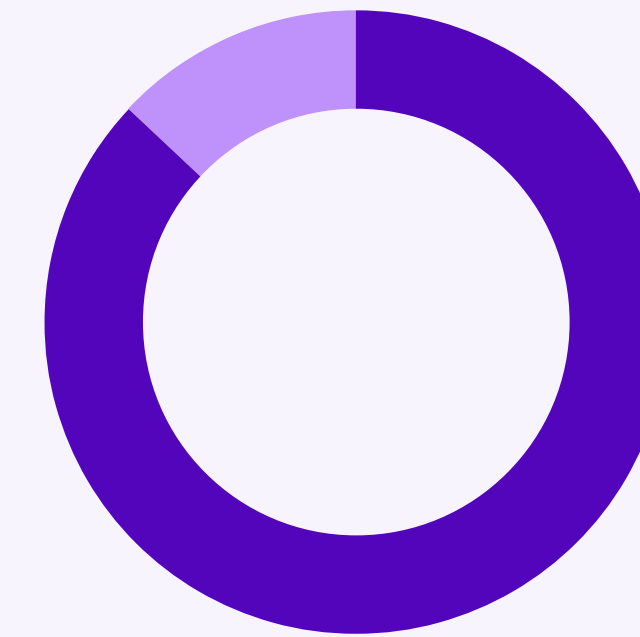
The benefits of AI in the contact center are available now to companies willing to work with trusted partners that deliver modern AI that is easy-to-use and maintain. These solutions are foundational and will enable contact centers to lay the groundwork for exceptional customer experiences that elevate customer service now, while the challenges of implementing advanced AI solutions are addressed.

Survey demographics



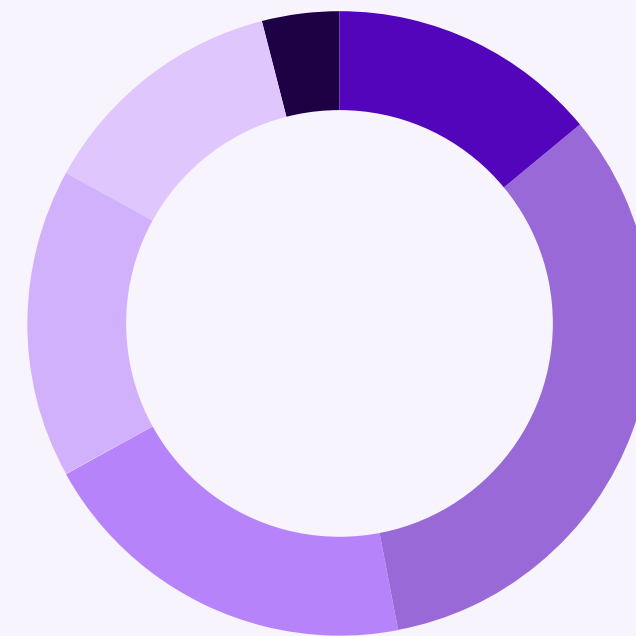
Region:

- North America: 58%
- Europe: 42%



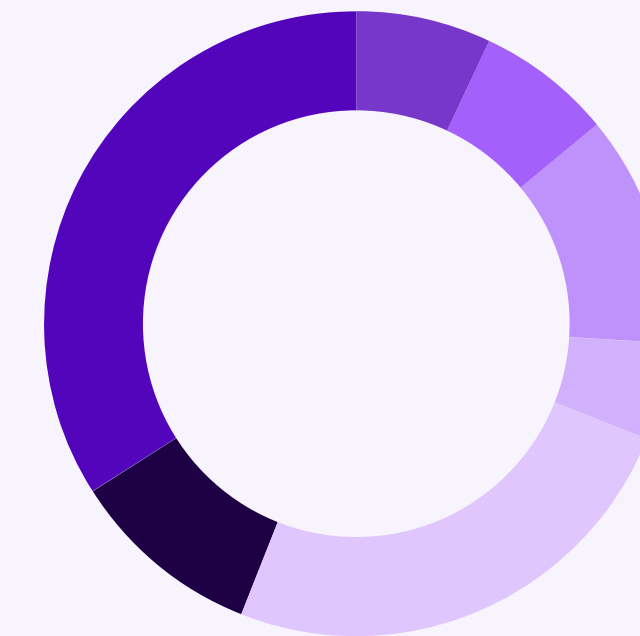
Professional role:

- CX / Client service / Contact center leadership: 87%
- Contact center agent: 13%



Annual business revenue:

- Under \$10 million: 14%
- \$10 million to \$100 million: 33%
- \$100 million to \$500 million: 20%
- \$500 million to \$1 billion: 15%
- More than \$1 billion: 13%
- Not sure: 4%

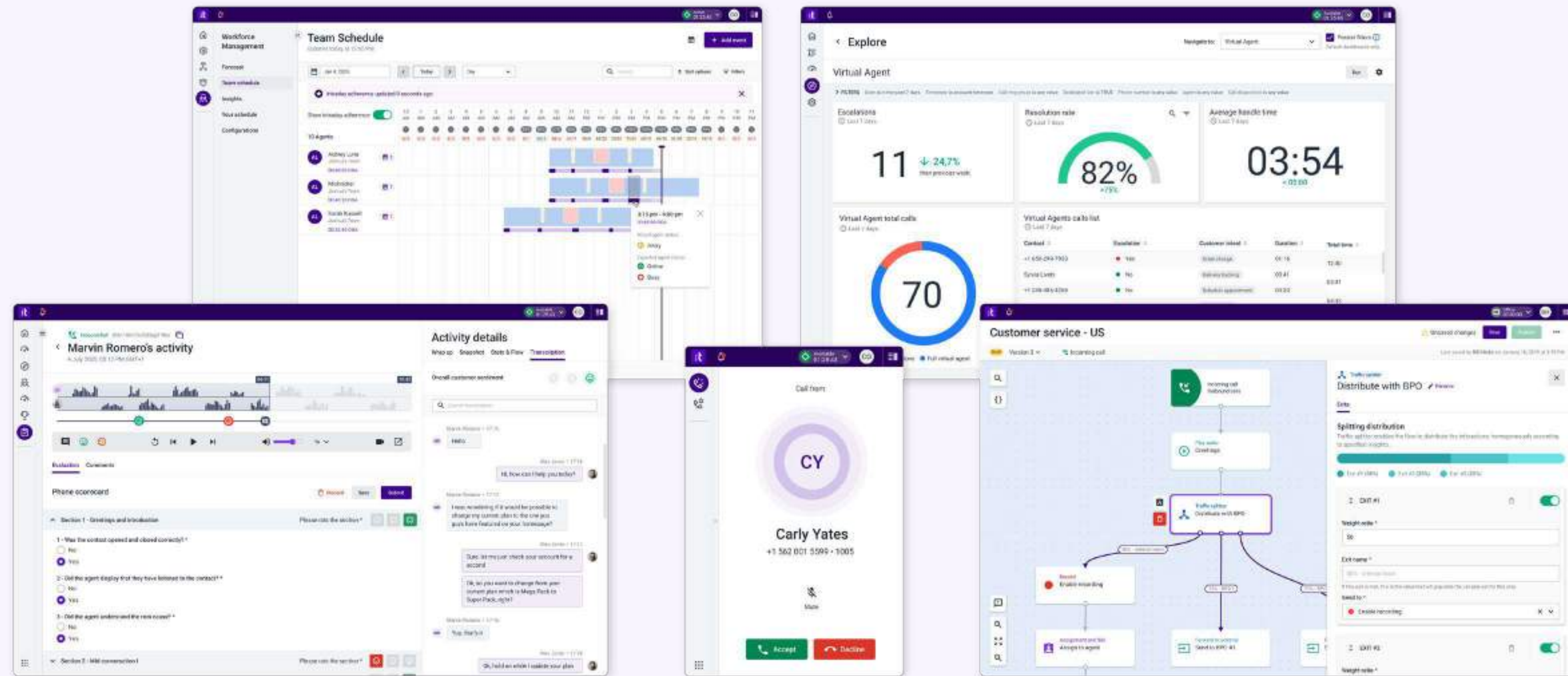


Industry:

- Financial services: 7%
- Healthcare: 7%
- Retail: 12%
- Building and construction: 5%
- Information technology: 25%
- Manufacturing: 10%
- Other: 34%

Note: Some of these figures may not total 100% due to rounding

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