

CONTACT CENTRE 2025

Trends, Opportunities and Strategies



Part of the **Service Provider 2025** series

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Introduction by Nice Systems

Customer service organizations have always been in a continuous struggle to respond to the ever-changing landscape of customer expectations. No other industry has had to adapt and evolve more quickly to the new era of the empowered consumer, the growing number of communication channels and the challenges of the new millennial employee. And the contact center, with its special position, seated at the crossroads of customers, channel and employees, has been leading the customer service evolution for decades.

For over 30 years we, at NICE, have helped customer service organizations, and contact centers in particular, evolve by uncovering customer insight, predicting human intent and taking the right action to improve their business. We've always taken great pride in our unique perspective, at the forefront of supporting and enabling contact centers to respond to the complexities and challenges of creating perfect customer experiences.

As we partner with organizations large and small to bring them world-class workforce optimization (WFO), analytics and other advanced applications, we've done our part to help transform our industry from the call centers of the 80s and 90s to the modern contact center of today. We've seen our industry transition from voice to omni-channel Recording, from simple to multi-skilled workforce management and from random to interaction analytics-based quality management. We've seen the introduction of performance management, desktop guidance & automation, voice of the customer, real-time authentication, customer journey analytics and many other additions to the range of solutions available to the contact centers of today.

And while so many changes have come and gone over the years, one thing remains the same: Our thirst for understanding and uncovering the underlying cultural and technological trends shaping our industry, and our firm commitment to continue to introduce visionary solutions that can help organizations leverage these trends to provide outstanding customer service. We can't wait to see how things will continue to evolve in the years to come. Welcome to the Contact Center in 2025.

NICE, June 2016

1. EXECUTIVE SUMMARY

In an increasingly complex, connected world the contact centre is set to become the interaction hub of the digital enterprise – responsible for support, interaction, education and data gathering. But in its new role the contact centre will have to evolve to deal with more responsibilities and far more complex issues.

While a wide range of technology - such as automation, analytics, workflow technology, bots, verification and so on - will be deployed to increase efficiency and enhance the experience, humans will still be required to deal with the most complex and emotive issues. The range of skills required by human agents will also broaden and change as they become problem solvers, co-creators of unique experiences, educators and brand-enhancing ambassadors. At the same time, enterprises will have to deal with new demands from the next generation of workers who don't want to work long shifts in centralised operations. In order to recruit and retain the best of these workers, enterprises will have to identify what these workers need from them in order to be seen as a good employer.

Meanwhile, tomorrow's customers will be creative, will communicate across an array of existing and new channels but also in a new visual language. They will expect to co-create their experience via a continual interaction with the enterprise and will want to take responsibility for many issues currently managed by the contact centre to fulfil their desire for increased autonomy. The contact centre will support this by providing hints, tips, education and technical support.

In addition, the contact centre will also become a powerful resource for finding out what customers think of companies, and for capturing sentiments, feedback, needs and wants. As an invaluable source of data for both the enterprise and its partners, it will evolve beyond omnichannel operation to become the centre of the connected enterprise. And, as its mode of operation broadens and becomes more proactive, its success will have to be measured by new metrics, reflecting its critical role in overall business performance.

Moving call centre technologies to the Cloud will deliver far greater flexibility, but the enterprise will also need to consider how it delivers service anywhere and at any time, as well as how it will utilise more distributed models of operation. Such models will require support from new infrastructure as well as a new recruiting approach.

In the following sections we will consider how a number of key trends will shape customers' expectations of service and the impact these will have on how companies deliver against these expectations. We will look at:

- How customer service is evolving (see *Section 2 The Evolution of Customer Service*)
- The evolution of the contact centre (see *Section 3 'The Contact Centre is Dead – Long Live the Experience Hub'*)
- Business opportunities around support (see *Section 4 'The Shift from Cost Centre to Opportunity Centre'*)
- New customer requirements and behaviours, particularly the evolution of self-service (see *Section 5 'From Self-Service to Selfie-Service'*)
- What employees will need in order to perform their jobs more effectively and how companies can source and retain the right employees (see *Section 6 'Introducing Ms Bond, the superagent of the Future'*).

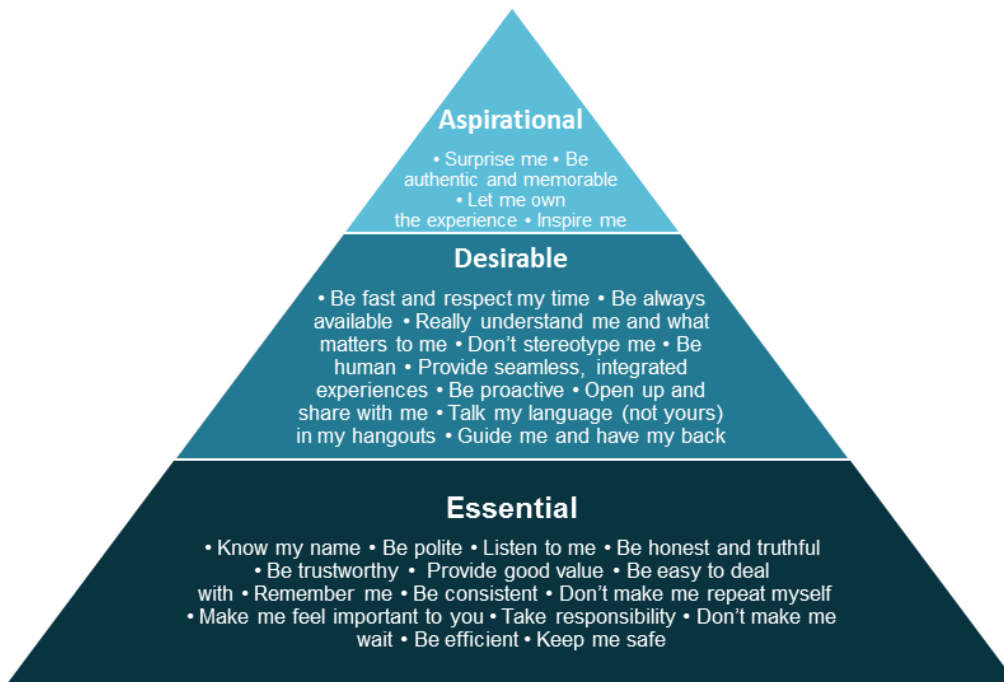
In addition, we also provide a snap shot of how four key verticals – travel and hospitality, healthcare, financial services and telecoms – will be affected by the changing requirements of customer service.

2. THE EVOLUTION OF CUSTOMER SERVICE

Within the next few years, everything you know about customer service is going to be obsoleted by new technologies and channels. *Or is it?*

Looking beyond the hype, the basics of customer service - the essential elements of what customers need and value, and their expectations based upon these fundamental needs - will remain remarkably persistent and consistent. As shown in *Figure 1*, customers will still require you to be efficient, polite, know their name and take responsibility when things go wrong. These elements will continue to form the foundation of good customer service, but the edifice of the service experience built upon these foundations will be far more idiosyncratic and more dynamic. This will have profound impacts on how businesses manage the service experience in order to meet evolving expectations from both customers and employees.

Figure 1 The fundamentals and emerging expectations of customer service



Source: Telesperience 2016

By 2025, there will be a change in the notion of 'customer', resulting from the separation of the entity contacting the contact centre for service and the customer themselves. For example, the rise of IoT will see smart objects automatically asking for support and help, with this support being provided by smart bots who will apply known fixes, run diagnostics and search knowledge bases for answers or resolutions. Escalation to human technicians will occur if the smart bot cannot resolve the issue. The human owner of the smart objects may be notified, if appropriate, of any action taken, in the channel they have requested such notification to take place. Thus support will no longer be a human-to-human interaction, or even a human-to-bot interaction; it could involve no humans – other than reporting the resolution to a human owner.

Thus there will be a distinction between the entity paying for the service and the entity receiving the service, which will also be apparent in the scenario where the ‘customer’ is a third-party company that has outsourced service provision and is paying the provider of service to support its customers.

Vertical market differences will still persist in 2025 due to unique requirements (for example, as mandated by regulators or enshrined in law) and because they will concentrate on, and prioritise, different aspects of customer service. However, in general customer expectations of service are set to rise across all verticals. By 2025, customers will have zero tolerance for sub-optimal service, as they will be even more informed about the reality of service, have far higher expectations, be empowered by social sharing, and be more willing and able to shift supplier. Perceptions of service performance will also commoditise far more rapidly with an innovation quickly moving from exceeding expectations (delighting customers) to meeting expectations (satisfying customers) to being below expectations (creating dissatisfied customers).

In the past, companies could claim exemptions from high levels of service based on the special conditions of the vertical they operate in, or because of lack of competition, arguing it was only necessary to perform at or above the norm for their industry. This customer service ‘get-out clause’ is already under pressure in 2016 and will be unsustainable by 2025. This is because what customers perceive to be good service will increasingly become vertical-agnostic and be driven by the highest performing companies in the most advanced verticals. The level of service these companies deliver will become ‘the new norm’ for all companies across all verticals. When a company delivers enhanced service levels, customers will be alerted to what’s possible to provide and begin expecting this level of service from other companies - irrespective of the vertical in which they operate.

Moreover, the time it takes for service excellence to be heralded, championed, copied, expected, commoditised and obsoleted will be far faster than in the past, due to the social, hyper-connected nature of the Digital Economy. Customers will share excellent examples of service with friends and strangers across a variety of media – alerting other customers to the very best and worst experiences and, in the process, informing other companies of new developments in customer service and which ones resonate with customers.

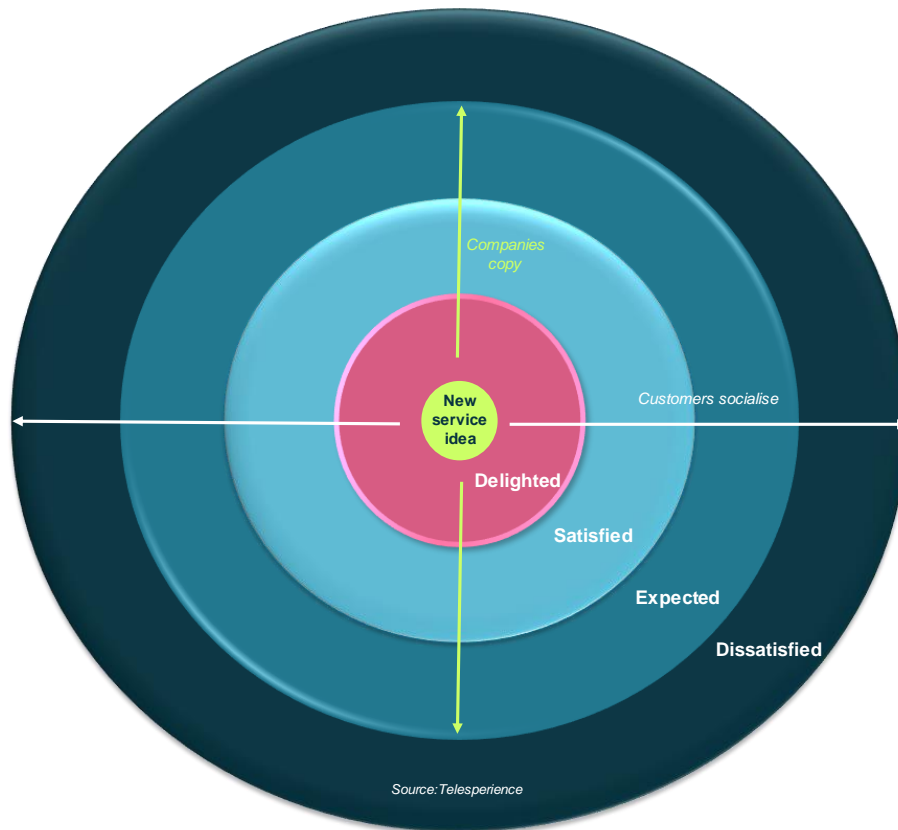
The Digital Economy will essentially provide a huge sandbox for ideation, experimentation and delivery of new service paradigms. It will not only continually fuel expectations but also enable those companies who are listening out for new ideas to source, copy, adapt and deliver them rapidly – speeding the innovation-to-commoditisation lifecycle.

The increasingly vertical-agnostic nature of customer service was underlined by companies we spoke to as part of the research for this paper, who told us that they survey a range of vertical markets to see which ideas they could adapt and build upon.

Service innovation will therefore be like a pebble dropped into a pool, with excited ripples of social sharing which rapidly spread the idea, excite customers and then eventually fade – only for another idea to be dropped in the service innovation pool (see *Figure 2*). This rapid widening of expectations will hold true both across verticals as well as in terms of geographical markets, as the internet platform continues to ‘flatten the world’ and enable customers to experience service from a much more geographically-diverse range of companies.

While cultural variation in terms of what is perceived as ‘good’ service will persist, this will gradually become less distinct and more homogeneous as customers sample service from more diverse locations, and businesses in search of novel ideas shamelessly borrow new ones from wherever they find them.

Figure 2 Rapid service innovation to commoditisation



Source: Telesperience 2016

And, while evolution of customer service expectations is frequently linked to age or, more specifically, to the generation that a customer belongs to, companies are warned not to over-simplify their approach as this will create customer service fallacies and sub-optimal experiences. Within any generation there is considerable variation in terms of what customers want or expect, and how they wish to interact with companies. Likewise, generational behaviour shifts constantly and, while older generations may take longer on average to embrace new channels, technologies and behaviours, what they accept as ‘normal’ or ‘useful’ is not fixed.

Thus younger generations may be a larger proportion of early adopters and the early majority – acting as change drivers in terms of expectations and behaviours because of their increased willingness to take risks and try new things – but companies are advised not to become too obsessive about generational behaviour or see it as standard or static. They should be wary of making assumptions that turn out either to be untrue for the individual or are based on transient factors. In fact, a much more sensible strategy is to take a more personalised approach to service, which is informed not by assumptions but by data on an individual customer’s behaviour, needs, habits, values and emotions.

By 2025 companies will have become far more adept at collecting, combining and leveraging customer data – including being able to utilise this in realtime and in context to gain more meaningful insights into customers, drive more innovative experiences and expectations, and open up new revenue opportunities.

Instead of making broad assumptions about customers, companies can utilise a more analytical-based approach to deliver a deeper and more enriched level of service by understanding individual customer needs and preferences, and utilising both historic and realtime data from a variety of sources to deliver a personalised service paradigm. Businesses will marry this insight with their own goals (which might be to minimise costs, raise satisfaction or retain more customers, for example) to deliver a far more sophisticated approach to service.

Telesperience believes that both the customer experience and customer service in 2025 is data-driven, interactive, proactive and innovative. It will be constantly renewed, context-specific and highly personalised. Effectively it is a co-creation of company and customer, and there will be significant differences from today in terms of what customers will expect, as well as how experience is delivered and supported.

2.1 What this means for the contact centre

- Contact centres will need to be able to handle multiple ‘owners’ of service and specifically a separation between who pays for service (and therefore needs to receive reports on what has been delivered) and who receives the service. A new paradigm of smart things automatically reporting faults will have to be managed, with automation playing a key role to handle the likely scale. However, escalation to human agents is a key part of providing the necessary level of service, with novel answers being stored in knowledge bases to support future automation of problems, and solutions being automatically and proactively applied to other customers before they experience a problem or outage. This will result in a blending of human effort, automation and machine learning.
- Data will be both an opportunity and a challenge for contact centres. The opportunity derives from the ability to utilise a wider range of data to improve operational and business performance and create better, more sophisticated and novel customer service paradigms. The challenge arises from the requirement to extract what’s meaningful to different departments, interactions and situations from an enormous volume and variety of data.
- Contact centres will also be a key source of data for the integrated business, and will be used to gather data beyond their current remit which can be utilised for a wide range of purposes (sales, marketing, product development, customer experience monitoring and so on). Agents will need to be assisted in both the gathering and logging of this data, which is where technology will be key. Advanced text and speech analytics will detect words, context, sentiments and emotions, recording key facts about the customer and raising ‘red flags’ for escalation or intervention. Such technology will need to work across all channels of interaction and, as video becomes a more mainstream part of interactions, facial recognition technology will also be deployed to log emotional states.
- Contact centres will need to navigate ‘data overload’ with big data analytics already making it difficult for agents to locate meaningful information amongst the huge amount of data being gathered. By 2025 data overload will be more effectively alleviated through the use of technology. A number of key technologies will combine to do the ‘heavy lifting’ by filtering the data and alerting agents through smarter realtime workflows and prompting. Technology will assist the agent ‘in flight’ during a customer interaction to help the agent resolve a complex problem faster, gain more intimacy with the customer, personalise the interaction or make a meaningful suggestion. This will require the integration of a wide variety of data sources, with intelligent analytics to select relevant and meaningful insights. This could also operate in a proactive mode by alerting agents to a problem within a group of customers that have some element in common, or with an individual customer due to certain patterns (for example, repeated requests for support for the same problem). When this insight is combined with data on the value of the customer to the business, as well as the preferred customer channels of interaction, an appropriate interaction can be

triggered. This could be a simple text message for some customers, a personalised video message or a social media alert for others.

3. THE CONTACT CENTRE IS DEAD – LONG LIVE THE EXPERIENCE HUB!

Just as the contact centre evolved from the call centre in order to support more channels of interaction with customers, so this evolution will continue. By 2025 the contact centre will have transformed into an experience hub – an entity that is essentially responsible for underpinning and driving the customer experience as well as for the interactions a company has with its customers and prospects.

The vocabulary we use will change to reflect this evolution in thinking. A call centre, and even a contact centre, conjures up an image of scores of people working shifts while sitting in cubicles and being constantly monitored on productivity (eg how many calls they answer or first call resolution rates). Historically, its role was reactive with the emphasis being to respond to customer enquiries, queries and complaints as quickly as possible – success was usually interpreted as minimising the cost to the company. For a long time, many companies used traffic diversion techniques to reduce the possibility of actually talking to customers due to the perceived expense – diverting them to lower cost channels irrespective of whether this met the customer’s need. Outsourcing support to third parties was another popular trend, but was not motivated by customer-centric measures such as increasing customer satisfaction or service levels, but by internally-focused drivers such as cost reduction.

This thinking has essentially been obsoleted by the rise of social media. Finally, businesses can see the benefits of not just being available for customer contact which is focused on resolving negative and stressful experiences (such as inaccurate billing, confusion or service failure) but on truly interacting with their customers and focusing on driving more positive experiences.

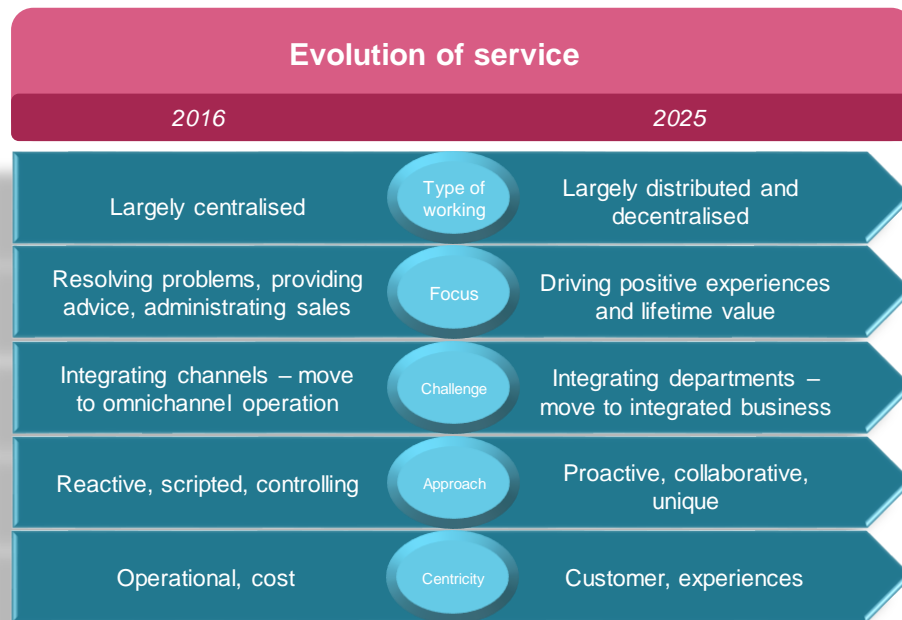
Companies also now recognise that by focusing too much on minimising the direct cost of running their contact centres they failed to factor in the opportunity costs they were incurring. Frustrated customers, reduced customer loyalty, the loss of valuable cross-sell and upsell opportunities, and the squandering of customer ideas, comments and data resulted from treating the contact centre as an afterthought or ‘necessary evil’ - a silo whose performance was measured outside the full range of corporate goals.

By 2025 this approach will be ancient history. Contact centres will morph into experience hubs and how they perform will be placed more clearly within the context of the overall performance of the business. They will no longer be just a reactive service silo focused on problem resolution or campaign-based selling, but will be a proactive and interactive experience hub – driving positive customer experiences (see *Figure 3*). This is a big step forward for businesses, customers and those working in contact centres today, as this transition will have profound effects.

Not only will interactions between the customer and the business take place across an ever-widening range of channels – some of which don’t exist today – but those interactions will be very different in nature. Experience hubs will add new, positive roles and responsibilities to their remit. For example, some responsibilities will come from marketing teams, such as acting as a social media hub, where the experience hub takes full responsibility for the role of educator in addition to problem-solver, and drives up digital adoption amongst the customer base. Experience hubs are the natural home for most social media interactions, as staff take responsibility for the customer relationship and integrate the disparate elements of support, marketing, education and sales. They will

become the operational delivery engine of experience, with marketing ensuring their goals are met and adding ideas into the mix.

Figure 3 From contact centre to experience hub



Source: Telesperience 2016

The experience hub will take other responsibilities from sales teams by better utilising customer knowledge, relationships and interaction opportunities to cross-sell and upsell to customers more effectively. Selling will no longer be a silo that is based around broad, internally-focused campaigns and goals, but will be more personalised, more contextual, more dynamic, and often more relationship-oriented. Selling will change from being about convincing customers that your product is right for them and persuading them to buy, to enabling customers to live their lives and run their businesses supported by you.

Thus the key trend beyond omnichannel is true business integration with all teams working from shared data and insights, and the focus being placed firmly on the customer’s needs and improving service levels offered to them. This trend has emerged from the retail sector, but will be picked up across other verticals, focusing businesses on optimising the benefits that are possible from having a close and trusted relationship with customers. This move will come hard on the heels of a move towards cloud-based technology which will open up silos within the business and support virtual teams providing 24x7 interaction and support.

The business will thus move from solely event-driven, occasional ‘contact’ with customers to a more dynamic and frequent interaction. All of this will mean that the type of staff needed by the experience hub will change, the range of skills they will need to possess will widen, and the technology supporting them will need to be refreshed.

Even the word ‘centre’ will be challenged, as ‘centre’ implies a large centralised facility at a time when service provision will be decentralised and include more home-working, virtual teams and more amateur or community-based support. The experience will be blended and supported across multiple channels, including bricks-and-mortar stores, in order to provide a consistent, seamless, unified front-end to customers. When stores are not busy, staff can be redeployed into digital channel support, and when digital channels are quiet then staff could be deployed via presence applications to provide support to customers in-store.

Experience hubs, whether bricks-and-mortar or digital, will be designed to educate, allow customers to ‘drive’ the product, and to interact both with the brand and other customers. They will be simple and enjoyable to use and may have both a physical and digital presence, with the channel being selected by the customer according to their needs as well as what is appropriate to the product or service. Significantly, there will be a full blending of channels, not just at the back end but also at the front end of the experience.

The bricks-and-mortar channel will maintain its important role within the mix, as while digital channels offer convenience to customers and 24x7 service they are not appropriate for all interactions even for digital natives. Customers may very well want to try, feel, see and experience goods before buying, or the service itself (diagnosis by a healthcare provider, for example) may require a face-to-face interaction. The channel deemed appropriate by the customer and/or business for a particular interaction will also not be static – there may be customer or business preferences, while convenience and cost will be balanced against appropriateness and availability.

Integrating the business and creating experience hubs are thus an important step towards creating the Digital Experience of the future, as is opening up the offering to enable customers to fully own the experience, champion and support it.

One of the better known examples of this phenomenon is UK-based MVNO GiffGaff, for example, where ‘members’ (ie customers) provide first line support to other members, recommend and sell, and drive service innovation by making suggestions. Some support is still provided directly by the business (eg billing enquiries) due to its confidential nature, but most is willingly supplied by the community.

This approach works for a certain subset of customers, with GiffGaff reporting a NPS in the mid-70s and customer satisfaction scores of 91%. The cost savings are passed on to customers. Although this example might not be appropriate for all businesses, gaining engagement, harnessing the enthusiasm of customers and learning from their experiences are all definitive trends going forward. Businesses will need to consider how they share and proliferate knowledge, how they source and consume positive suggestions (which requires data to be available for analysis cross-departmentally), as well as how they operate a more distributed, open approach to service.

3.1 What this means for the contact centre

- Contact centres will need to move beyond supporting all channels (omnichannel) seamlessly to becoming a hub of customer interactions for the enterprise. By 2025 social media will be fully integrated into the contact centre so that its true value can be leveraged and personal interactions delivered. Becoming an interaction and experience hub means that the contact centre will take responsibility for customer communications rather than these being driven by individual departments’ internal timescales and goals. In contrast, the experience hub will deliver these interactions in a more customer-centric manner, at a time that is most convenient for the customer, and which is based on their knowledge of when the customer is likely to be most receptive – thereby mediating between sometimes conflicting corporate goals and customer needs.

- Communication with the customer will need to be delivered in a channel and way that is appropriate to the customer. This includes the ability to support customers in the language they prefer. IVR systems will evolve to route calls through natural speech commands and realtime speech translation will support agents to respond to customers in their preferred language (which will be contained in their profile or detected when they initially contact the enterprise). The goal, and the metrics used to measure performance, will be making everything easier for the customer (reducing customer effort).
- Speech analytics and video biometrics will provide a wide range of capabilities to the contact centre including highly secure customer ID verification, the identification of buying signs and customer satisfaction, fraud prevention capabilities and so on. This type of technology will significantly reduce customer effort by replacing current inconvenient methods of verification such as security questions, while at the same time increasing security levels.
- Personalisation will not just take the form of tailoring offers, products and service to customers but will encompass the staff providing the service, who will become known and trusted individuals to the customer rather than anonymous, scripted agents. The way service is provided will also change according to the customer context. For example, while a customer may generally prefer to deal with the business via a self-service portal, realtime analytics across channels will reveal multiple attempts to order a service, or fix a problem, alerting the business to proactively reach out and offer help either in the usual channel of interaction or an alternative channel if the usual channel is not available or not appropriate.

Vertical Focus: Healthcare providers identify self-service, video appointments, better communication and social media interaction as key trends

The Generation X Perspective

“I think it comes down to providing two key things: make it easy for patients to contact their healthcare provider and have a single point of access” Dr Beck, Mercy Health. “We already have a patient portal where patients can see health information, order medications, schedule appointments and get lab results. It’s now about taking this to the next level. We’re launching video consultations this year in response to the demand to deliver care when and where it’s convenient for the patient, which shouldn’t be defined by bricks and mortar. We’re foreseeing a time when there might be full-time doctors and nurses taking care of remote patients via video. This is suitable for some types of patient but not all. For example, teens are generally pretty healthy and tend to have fairly simple and predictable problems, so they would definitely be a target for this type of application. Older people might have more complex health problems and really need face-to-face diagnosis or care.”

The Generation Y Perspective

“[Healthcare] is pretty much built for an old paradigm – even my parents think the way it’s delivered is out of date. The focus seems to be on small kids and old people, accidents as well I guess. People like me pretty much never talk to a doctor; don’t interact with healthcare providers. It’s not that we don’t see health as important, it’s just that health and doctors are seen as two different things. I think we would engage more with wellness services and preventative medicine if healthcare was presented in that way. Ultimately that would be better for us and better for the health service. But the idea that you have to book a week or two ahead to get an appointment is a pretty significant barrier to my generation. We want faster access and remote access if that’s possible. We’re also a generation that tends to get information by googling and sometimes I wonder how accurate the information is.” Hannah, 25 year old European

The research

60% of Generation Y would prefer video chats with their physician rather than visiting the doctor in the office. Seventy-one per cent would like their primary care provider to give them a mobile app for preventive health, reviewing of health records and scheduling appointments. Nearly 50% of millennials and Generation X patients use online reviews when selecting a healthcare provider. 63 per cent of millennials feel comfortable sharing their health data from wearable devices with their physician. (The Connected Patient, Salesforce, 2015)

18 to 24 year olds are twice as likely as 45 to 54 year olds to use social media for health-related discussions (Mediabistro). According to MedTechMedia, 31% of US health care professionals already use social media for professional networking. Sixty per cent of doctors believe social media improves patient care, with 26% of hospitals in the US participating in social media (Demi & Cooper Advertising and DC Interactive Group). Two-thirds of US doctors already use social media for professional purposes and frequently prefer open social media sites to medical professional sites. This emphasises a change in attitude about healthcare information and interactions. (EMR Thoughts)

How healthcare companies are responding

Dr Beck from Mercy Health notes that a combination of technologies and new approaches will make it easier for patients to interact with their healthcare providers in future. He believes that the challenge is to combine more pieces to make it easier to deliver care. He says that healthcare experts such as doctors and nurses may work in virtual environment, providing care at a distance from their patients, and says that healthcare companies will be challenged by providing support to the “worried well”, which will include support for fitness-centric wearables. He also believes that the trend towards utilising social technologies will continue, but thinks healthcare providers need to be inserted in those social conversations.

4. THE SHIFT FROM COST CENTRE TO OPPORTUNITY CENTRE

In the past, call centres and contact centres were seen as ‘a necessary evil’ to doing business – a cost that needed to be managed and minimised. By 2025, the contact centre will have evolved into an experience centre and it will be viewed within the context of overall business goals. Critically, this will mean that the opportunities provided to the business – both soft and hard benefits – will far exceed the cost of providing the experience centre. The experience centre will therefore no longer be seen as a business cost but will finally have completed its transition into being a profit and opportunity centre.

By 2025 there will be far more scope for products to not perform as expected due to shorter product lifecycles, faster time-to-market and more complexity, with elements sourced from third parties. Analytics will become increasingly important to help companies pinpoint exactly what has gone wrong – enabling faster fixes and knowledge to be socialised and fed back to other agents, internal product teams, third-party suppliers and even directly to customers. The aim will be continual improvement and faster, more efficient fixes. Proactivity will see fixes applied to other customers with the same problems *before* they complain or even experience difficulty.

Taking overall responsibility for the service provided, places companies in a strong position which in certain verticals will not only be essential for success but also offer new business opportunities. Customers will not tolerate being passed to third parties for problem resolution but will value those companies who accept responsibility for the products or services they sell and are willing to provide appropriate support. Thus the still

common response of “I can’t help you with that, that’s the responsibility of [our partner], you will need to ring X, Y or Z...” will signal an extremely poor experience.

Customers do not necessarily want to know who is responsible for the fault or problem, they just desire a single point of contact to reassure them and resolve the issue. They expect companies to value their time and not keep them waiting. Rather they expect them to make it easier for them to interact, buy, resolve problems and so on

Within the supply chain, feedback about product performance is extremely valuable – both for the company providing the interface to the customer (in order to accurately assess which products or partners are most successful), as well as to partners to help them improve their service or product provision. Thus by taking responsibility for service, companies not only position themselves in the lucrative customer-facing position in the value chain, but can also use their investments in service to create new revenue streams. In order to maximise this opportunity, companies need to be able to filter data from interactions with customers and highlight meaningful insights to not only their own organisation but partner companies (subject to being compliant with data protection legislation).

In the telecoms vertical this means companies can leverage the considerable investment they have already made in contact centres, support and care, to become an outsourced ‘help desk’ for consumers and small business customers. This has the potential to not just be a value-added service but also to generate revenue for those companies that can do it well.

Those offering service support on behalf of their partners, may be paid directly by the partner because it obviates their need to invest in support and contact centres, or they could offer this as a value-added service to attract the best partners, with the cost of support being built into the business model.

The business market is one of the most likely candidates to require additional service support, but both business customers and consumers will have an enhanced requirement for support as technology becomes more complex and more deeply embedded in their lives. As the IoT develops, there will be considerably more devices that will need support than today. A single customer may have dozens – potentially hundreds – of smart devices that will need to be optimised, diagnosed for faults and kept operational. Companies supporting this market will be dealing with much more complexity, will require far more intelligence and automation in their processes, but also have the potential to drive efficiency by using remote diagnostics and low-level technical support to avoid having to deploy a truck roll to fix the problem. Remote patches, fixes and upgrades will also be far less disruptive and more convenient for the customer, but will require communication and scheduling to create a positive experience.

Telecoms companies are also ideally placed to carve out a niche for themselves ensuring that the millions of smart objects connected to their networks are functioning properly, continue to function by applying automated upgrades, and by protecting and checking smart buildings for security problems such as Trojans or DDoS attacks. Diagnosing and resolving problems within the IoT is not only set to be a big headache but also a big revenue-generating opportunity, as IoT becomes a service rather than a product – generating continual revenue streams.

In addition to remotely managing smart homes as a service, telecoms firms will also manage IoT deployments of large business customers such as utilities, for example, assuring that smart meters continue to function and providing the engineering and support capabilities to keep a network of smart meters functioning.

In fact there are a wide range of key support services that can be charged for in the Digital Economy and which will be managed by an evolved contact centre. Specialist services such as identification, verification, secure transactions, fulfilment, and privacy/security all offer revenue-generating opportunities for companies that can handle them on behalf of others. It makes little sense for small companies to try to provide either support services or these types of specialist services directly. Instead, by outsourcing these capabilities to a partner that has already invested in them they can benefit from their expertise, state-of-the-art knowledge and technology, as well as economies of scale, while also delivering convenience to the customer in the form of a one-stop shop for service.

This potentially leads to a range of new service types such as privacy-as-a-service, support-as-a-service and so on where the customer may be a householder or a business.

However, companies also have the potential to create a secondary stream of revenue by exploiting the data they hold around their customers, as well as access to these customers. This obviously will need to be conducted within the confines of any data protection legislation, and with the permission of the customer, but this insight could be a lucrative form of currency - particularly with the advent of new data types such as realtime, contextual data, and data from within the smart building. In this scenario the customer must retain control of who has access to their data, with granular self-service controls. There must also be a benefit to the customer in granting access to their data – whether this is monetary or in the form of enhanced service levels. In some scenarios the customer might altruistically provide access to their data (eg for research purposes), but they will require their data to be held securely and only released to those they have specified may have access.

Thus there are many ways in which the experience centre will become an opportunity centre - both for the business operating it (by creating more sales and more satisfied customers, and by reducing complaints, confusion and negativity in their customer base), but also as a means of generating revenue by providing chargeable support services either directly to customers or on behalf of partners.

4.1 What this means for the contact centre

- As contact centres evolve into experience hubs they will be more completely integrated into the overall business process rather than being perceived as a necessary evil or afterthought. Experience hubs will not just be for dealing with emergencies or negative experiences but will drive positive interactions and deliver leads to sales and marketing, customer feedback to marketing and product teams, and key insights for future product development and innovation. This means that the metrics used to measure performance will significantly change as the paradigm moves from operational cost management in the reactive contact centre to business opportunity maximisation in the proactive experience hub.
- The experience and interaction hub must also evolve the way it perceives customers and measures success. Customer loyalty and loyalty-based metrics will increasingly be obsolete. Companies will have to accept that customers will be more fickle and they will choose which companies to buy from based on the experience received. The evolved contact centre will therefore be a critical weapon in providing differentiated experiences, fault resolution and assurance to customers. In the future its performance will be judged by customer effort scores, the leads generated and the value of the insights it provides.
- As companies transition away from a product model towards a service model, the evolved contact centre will be placed at the very heart of the business model. Customers will increasingly buy a full service, meaning that ongoing support is an integral part of their decision-making. This creates revenue-generating opportunities and means that the performance of the contact centre will no longer be just a

post-sales afterthought but part of the buying decision. The contact centre's new responsibility for customer interactions will see it moving firmly away from back office to front office.

- Evolved contact centres will need to offer proactive as well as reactive support, requiring investment in analytics, workflow, remote diagnostics and fixing, amongst other technologies. And, as new capabilities are added in voice and video recognition, they will provide verification and identification services on behalf of other companies.
- The contact centre will need to be staffed differently to cater for 24x7, always-on service. Customers will become increasingly intolerant of businesses that do not provide responses to their enquires and problems in a timely fashion, even if this is in the middle of the night. Here intelligent, automated agents can help supplement a skeleton staff as an alternative to time-shifting follow-the-sun contact centre strategies.

Vertical Focus: Telecoms companies can exploit their investments and expertise

The Generation X Perspective

"I think the emphasis has been on minimising the cost of service for too long, rather than on the opportunities presented by great service. This has resulted in our industry offshoring even though the feedback from customers is often that they don't like this. And we're still very much stuck in multichannel mode due to our mindset, policies and legacy technology. Much of our traffic to call centres is also fairly predictable, simple stuff such as bill enquiries. Usually it's not because bills are incorrect, it's just that the customer doesn't understand them. Just by focusing on how customers use a bill and making it more useful for them we could stop this traffic and the cost associated with it and increase customer satisfaction. Price competition pretty much is running out of steam in this market, so we're going to have to compete on superior experience and service levels." *UK C Level Executive, major telco*

"One of the interesting ideas that I've come across is that of the pop-up contact centre. This is where a group of creatives, support staff, technical staff etc come together to focus on a specific project or on a particular location. Once the project is completed this group disperses. This type of working has been used for some time in certain industries such as pharma and online businesses such as Fiverr and Uber. I'm intrigued by how this could be applied to contact centres and to the telecoms business. I think it will be important to help us meet the needs of Gen Z employees as well as our customers. Our research shows that Gen Z don't want to be committed long-term to one employer, they are very entrepreneurial and they like the idea of mobile working. So I'm really thinking about how this could be used to create innovative support scenarios and aid my future staffing." *Chief Customer Officer, large mobile operator*

The Generation Y Perspective

"My service provider is GiffGaff and I chose them because my friend got a free SIM and she suggested them to me, and since then I've got free SIMs for all my friends. The website is really easy to use. I've never spoken to them. But what's good is their plans are easy, straightforward and cheap. Everything works so I've no need to contact them – if I did I can use the website." *First jobber, UK*

The research

"Our latest survey once again shows that the major mobile providers are still failing on the basics of customer service." Alex Neill, director of campaigns and communications, Which? The Which? study revealed that service, experience and pricing created a significant differential between MVNOs and network operators in the UK. For example, GiffGaff uses the O2 network (and is owned by Telefonica) but achieved a customer satisfaction rating of 79% compared to O2's own score of 60%. GiffGaff uses a social business model whereby customers provide support to one another through a community-based approach,

and are rewarded by selling to their family and friends. The differential between Asda Mobile which uses the EE network is even more striking at 72% versus 49% for EE's own services – a difference of 23 percentage points.

EE are responding by moving call centre resources back to the UK, with a spokesperson commenting: "We've returned over a thousand service jobs to the UK, and have cut our customer complaints in half over the last year to outperform the industry average."

UK regulator Ofcom publishes regular data on the level of complaints in the UK market. Ofcom recently revealed a surge in complaints in H2 2015 from Vodafone UK contract customers, who were ten times more likely to complain than those of rival operators O2 and Three UK. This despite Vodafone's annual £1 billion investment in networks and call centres. Vodafone said that the high level of complaints were related to the implementation of a new billing system.

How telecoms companies are responding

Telecoms firms have experimented with social models for support, but are now looking at tiered support models with customers supporting their friends and social networks, and the company supporting these customers. Ufone, for example, has rolled out an extension to its Priority Service to create an Ambassador Programme. Ambassadors essentially become mini service providers, recruiting and providing first line support for their own customers, with the company providing support to these Ambassadors.

5. FROM SELF-SERVICE TO 'SELFIE-SERVICE'

By 2025, three key concepts will come together to create a new customer paradigm. The first is the demand for **personalisation**, which will evolve into contextualisation, adding the dimensions of place and time to data about an individual. This addresses the needs of the me-culture – the desire for the digital world to tailor itself to the needs of the individual. Beyond contextualisation lies idiosyncrasy which adds authentic, quirky and unique experience elements (see *Figure 4*).

Figure 4 The evolution of personalisation



Source: Telesperience 2016

The second key concept is the increasing demand – especially from younger people – to do more things for themselves, a need for **digital autonomy** that expands beyond self-service to embrace self-care, self-provisioning, self-bundling, and digital creation.

This latter factor is very powerful because it is effectively the mechanism for self-personalisation and fulfils the emerging need for customers to build, personalise, create and share. Younger customers in particular want to be treated as individuals but they also want to do things for themselves. This will require a high level of automation

in business processes, with portals built to be extremely easy to use so that customers can substantially support their own experience. Customers will also desire a high level of control over their digital lives and they are becoming increasingly suspicious of being exploited. Thus privacy and usage controls, along with security, are becoming extremely important to customers.

The third key concept is **social consumption**, which builds on group behaviour such as sharing thoughts and insights with friends and strangers, and consuming goods and services both ‘noisily’ (ie creating a social commentary around their consumption) and visually (sharing pictures and videos of their experiences).

The combination of these three elements of personalisation, self-service and social consumption creates a phenomenon that Telesperience has dubbed ‘selfie-service’. This represents an evolution of self-service because it doesn’t just enable a customer to serve themselves, but also to create their own service paradigm, tailor their experience, and be more creative. It embraces the concept that the customer wants more control and may wish to support, recommend, interact or otherwise document their experiences. In selfie-service, co-creation becomes the norm and an emerging but fundamental need is addressed - the wish of the customer to be in total control of the experience, in order to build, appraise and innovate it.

In this paradigm, formal customer support might become simply another service element to be utilised or not. Some businesses may offer chargeable helpdesk-type facilities; others may provide automated hints or suggestions, ‘rate-it’ capabilities and so on. Some might enable customers to support one another as a first line of support, with the company acting as a resource for deeper levels of help which can be called upon as needed. Research suggests that the youngest customer demographics are willing to listen and be guided, but only if spoken to in a manner that is meaningful to them. This means companies need to embed themselves far more within social conversations, and use customers’ wish for autonomy to educate them as to how they can support themselves. This is another key role the contact centre will assume – as a training or educating centre for customers.

Characteristics of Generation Z

Generation Z is resourceful, able to source ideas and evaluate sources of information more readily. They are self-educated, hyperconnected, entrepreneurial and creative. Social entrepreneurship is one of their most popular career choices. They have a strong sense of self but gender identity is more fluid than for previous generations. Generation Z are future focused, not present focused like Generation Y, they are realists not idealists, and they communicate in an international, visual and symbol-based language.

Brought up on a diet of Twitter and bite-size texts they communicate in brief, short bursts that have more emotional content and far fewer words. Symbols, videos and pictures create context and reinforce meaning. They communicate using several screens and are natively multi-channel – segmenting their world into WhatsApp groups, Twitter feeds and Snapchat interactions – with a goldfish-like attention span. (Research in the US suggests that the average attention span is now less than 8 seconds.) They want to be heard and they live an enriched life at the same time by sharing their friends’ experiences.

Generation Z constantly alters, interacts with, zooms, swipes and lurks. They are loud, noisy, opinionated and don’t just want to make things but sell them as well. They like privacy because they have been educated to understand the dark side of the internet, the presence of unpleasant people, the risk of sharing too much data, and the persistence of their digital life. So they hang out in private groups and sites that protect their privacy such as Snapchat, Secret and Whisper. They like the unique, the unusual, and the temporary.

Just as they natively multiscreen, they also may hold multiple opinions or possess multiple personas. They may agree with you in public, while complaining about you in private.

To communicate with Generation Z is going to be challenging for companies who will need to reconsider their channels once again, lure them into conversations by speaking their visual language, and tempt them with unusual, exotic and humorous (but short) communications.

Companies will also need to evaluate how they deliver and continually create ephemeral content to meet the needs of these consumers.

In 2025 companies will not be thinking about how to meet the needs of generation Y, who will be 30-50 years old, but will be adjusting to the needs of a new generation that will have come of age. As it enters the marketplace and becomes the next generation of employees, Generation Z – that is, those born after 1995 – will rewrite the book once more.

This means that expectations of service will continue to shift but the language in which this generation communicates will also change. An old saying is that ‘a picture paints a thousand words’. Thus communication will evolve to take account of Generation Z’s way of conversing using images rather than words.

This style of communication can already be observed amongst school children, but will have a profound impact on how contact centres communicate with customers as Generation Z matures into their teens and twenties. Using images rather than words is a new form of communication that crosses language boundaries and is incredibly adapted to a digital world where ideas and comments diffuse rapidly across the globe. Members of Generation Z are already so immersed in visual communication that it can be observed how they communicate wholly or largely in pictures (both natural and altered), videos, memes, emoticons, emojis and so on. This visual language has a high emotional quotient which members of Generation Z are adept at understanding and responding to, and which contact centres will need to understand and capture.

Taking and using ‘selfies’ and user-generated visual content is therefore a form of expression which is now entirely normal within this generation, and which is seen as authentic and personal, adding richness to conversations. Selfies can document where people are, what they’re doing, how they feel and add commentary through digital scribbling, titles and so on. Younger people often have a bank of these images or know where to source them, using them in lieu of, or in addition to, words. They combine them, alter them, trade them, source them and create them. Lack of knowledge of the latest visual meme is seen as a cultural taboo that cuts someone entirely out of the conversation.

Companies will need to consider how they converse in this language which is both informal and powerful. This form of communication is a challenge for companies who could get it wholly wrong unless they hire staff who are natively able to grasp it, communicate in it, influence and inspire through it. Capturing sentiments from images and videos will also be challenging and will require advanced analytical technology or even human interpretation.

At the same time, Generation Z is enormously social. However, this social behaviour is also evolving away from Generation Y sites such as Facebook. Generation Z shares insights on what is cool, what isn’t and how they feel continually with their peers using their highly visual and emotional language. Part of this evolution is that there is an increased tendency to make snap judgements, to be impatient, and to see issues in black or white.

Businesses already recognise the importance of good reviews – the travel and hospitality industry is now hugely motivated and driven by the need to maintain a good feedback score from customers on popular review sites such as Tripadvisor. However, more industries will be subject to this type of feedback, and the feedback may come in a form that they are not necessarily well placed to consume but which is virulently viral.

Poor service is now impossible to hide and every element of service will be scored, rated, reviewed and laid bare, affecting the price that can be charged and how much business the firm will get from customers who trust what others customers – no matter how unreasonable – say, rather than the business itself. This will move a step further with reviews being encapsulated not in words on public sites but in videos and pictures in private groups and hang outs.

Companies will be challenged with managing this feedback – particularly complaints, negative reviews and so on – as this commentary is likely to have gone underground by 2025, making it far harder to manage or combat. They will also have to respond in the same format or tone as the feedback is given. All of which underlines the requirement to maintain a continual and more positive interaction with customers to create a positive sentiment.

5.1 What this means for the contact centre

- Companies will have to consider how they provide always-on support for the generation that doesn't sleep. This might mean using intelligent bots to supplement a skeleton staff overnight, with automation to escalate interactions that need human attention immediately. Providing always-on service will be a challenge, but younger customers want to buy from companies according to their own timetable and therefore do not respect an office-hours culture. Companies that fail to respond, or respond with 'call back when the office is open', will simply lose out to those that are more responsive.
- By 2025 companies will not only be trying to meet the evolving needs of Generation Z customers, but they will be employing increasing numbers of Generation Z employees. This will enable them to engage more naturally with customers of this generation, but they should be aware that the characteristics identified in these customers will also be true of them as employees. Such employees will be fully immersed in an online experience and will be easily bored, but will expect to be allowed to be more autonomous and creative. Handled well, these characteristics can revolutionise support. Handled badly, companies will struggle to recruit or retain staff who feel no need to work for big companies or big brands. These employees will seek more creative environments, more daring and authentic companies. The days when corporate responses could be considered, standardised and controlled will have passed – with neither customers or employees accepting scripted interactions.
- Generation Z employees will expect their favourite content creation tools to be incorporated into their working environment. It may be hard for companies to keep up with which application, channel or style of interaction is now 'cool'. Thus they should consider whether they allow employees more autonomy and embrace key movements such as bring-your-own-device (BYOD) or bring-your-own-application (BYOA). If they choose such as path they will need to consider how they integrate these devices and applications in order to capture interactions and knowledge, and how to compensate employees for their use. Providing employees with the tools to create witty, unique and creative responses will be key; but monitoring the appropriateness and response to communications will also be necessary. What this means is that content creation will become an integral part of support and service for a generation seeking authentic experiences, and will not just be the domain of marketing departments. Creativity will be distributed across the organisation and incorporate customers and partners. This will mean the company will need to support not just personalised service experiences (those appropriate to the individual) but

idiosyncratic experiences that incorporate elements of humour, creativity and quirkiness. Scripts will be a thing of the past.

- Supporting the desire for Generation Z to be autonomous is critical rather than requiring them to contact the business. Contact centres will need to integrate comprehensive self-service capabilities with support provided as education, hints and tips, and information. This desire to be autonomous values gurus and knowledge, so contact centres should expose expert staff and highlight their capabilities. Quirks of these experts' personalities should be celebrated as it assists in creating the authentic experience that Generation Z crave. This means that back-office support staff will be pulled further forward with their expertise sought-after and celebrated.
- The contact centre will have a vital role to play as an interaction hub to engage a generation that is pathologically opposed to advertising. Younger men in particular are enthusiastic early adopters of ad blocking software, meaning that companies will need to shift from mass communications to individual or small group interactions. The contact centre is well placed to adopt this role and enable companies to reach out to and influence younger customers. What is required is to move from an outbound mass-market messaging style as seen in traditional advertising, to an ongoing, meaningful conversation which captures evolving moods, needs and wants and keeps the company in line with these fast-moving and fickle customers.
- Generation Z are more ephemeral in terms of how they interact – preferring Snapchat and Instagram to Twitter and Facebook. This means that companies cannot spend too long preparing interactions with them, or expect that this piece of content will have a shelf life so that it can be re-used. Rather interactions and content will need to be assembled on-the-fly from libraries of memes, images, video clips and user-generated content. The transmission needs to be near-instant and the result may have a very short half-life. The content cannot be seen as a one-off statement as, if successful, the interaction will be commented on, altered, supplemented and spread. However, this will move outside the control of the company and it may be hard to track or capture the impact (negative or positive) it ultimately has.

Vertical Focus: Financial services risk disintermediation but have a huge opportunity

The Generation X Perspective

"Banking is the most obvious industry to be challenged by the needs of Generation Y and the Digital Economy. Our call centres became contact centres and are now becoming experience and interaction centres." C Level Executive, Banking Industry, London UK

"The way some [young people] talk, our largest financial institutions are as fashionable as flared collars and stonewashed jeans...For a company to succeed with millennials, it can't just shout, 'We're innovative!' and 'We care!' We have to listen, we have to analyze data and, most importantly, we have to take risks to be relevant..." Meredith Verdone, Bank of America¹

The Generation Y Perspective

"Legacy money doesn't work...That's where the Digital Economy breaks down. It's old-fashioned and no-one wants to deal with banks. Their brands don't resonate; their way of doing business is out of date; and no-one trusts them because they're only interested in their own agenda. They're not enabling you, they're disabling, and they talk to you like they're the ones doing you a favour. My granddad told me the bank manager used to know you from when you put your first pound into his bank. Now it's all about impersonal service, arbitrary rules, algorithms and short-term exploitation." University graduate in first job, UK

¹ See <http://adage.com/article/cmo-strategy/hip-ways-banks-market-millennials/299176/>

The research

The 'Millennial Disruption Index' (Scratch/Viacom) surveyed 10,000+ millennials from 73 companies in 15 industries. It found that 53% don't think their bank offers anything different to other banks; 71% would rather go to the dentist than listen to what banks are saying. Say the authors: "Millennials...use technology, collaboration, and entrepreneurship to create, transform, and reconstruct entire industries. As consumers, their expectations are radically different than any generation before them."

According to a study of 1 million Americans conducted by The Center for Generational Kinetics, 74% of Generation Y customers say mobile banking is 'very important' to them compared to 42% of Boomers.

How financial service companies are responding

Nationstar Mortgage announced a pilot in March 2015 to transform the focus of its business from short-term transactions to long-term 'lifelong' relationships with customers. To do this it intends to use key technologies such as predictive analytics for better targeting of offers; social media to build brand awareness, affinity and to create a 'wow' factor through "random acts of kindness"; and powerful 'self-service' search capabilities with high-quality human interactions via its concierge services and personalisation through its 'Customer Select' offer².

Bank of America recognised that millennials get their financial service information in other ways rather than by ringing their bank. They have therefore worked with Pinterest to provide financial content. Through their 'pins,' Pinterest users show what they aspire to, and this 'intent' enables BoA to provide useful content for them. They have also worked with Vice News on a web-based, mobile-friendly show which is available on-demand. And they recognise the importance of mobility, to reach out proactively. "For instance, a [mobile] alert on a gas-price hike can prompt a reminder to use a credit card that gives cash back on gas purchases." Meredith Verdone, Bank of America

6. INTRODUCING MS BOND: THE SUPERAGENT OF THE FUTURE

By 2025 the experience centre will be handling a far wider range of responsibilities and will be interacting with customers continually, proactively and contextually across an ever increasing number of channels using both words, speech and a new visual-based language. This will have a profound impact on the type of staff that will need to be employed and the technology these staff will use to support the end customer.

In 2025, the experience agent Ms Bond is working from home and will interact with her customers using social media, voice, video and presence. She checks her social feed to find that another agent, Ms Chu, is sharing a new idea that came from one of her customers. Ms Bond thanks Ms Chu for sharing the idea and records a message to her customer Mr Pattni – attaching the link and her video to a WhatsApp message – because she knows that this idea will be perfect for his business. Another regular customer, Mr Green, is telling her that his network is running slowly and Ms Bond runs diagnostics to discover that a smart object in Mr Green's house is using inordinate amounts of bandwidth – she alerts the security team to investigate further and updates Mr Green on what her company is doing to resolve his problems.

Looking in her social stream she picks a couple of comments to respond to, shares some knowledge tips about a newly-launched product and socialises feedback from one of her customers. The company's store in Birmingham is currently very busy, so she dials in via telepresence and begins helping to clear the queue of customers.

By lunchtime she has interacted with hundreds of customers, helped resolve several complex problems, alleviated congestion in the Birmingham store and advised half a dozen customers wishing to buy what the best

² See <http://investors.nationstarholdings.com/Cache/1001195301.PDF?Y=&O=PDF&D=&FID=1001195301&T=&IID=4288863>

option is for them. Ms Bond shares a joke with her Twitter followers and highlights a new limited edition loyalty badge they can get if they tweet her back. Later on she checks back with Mr Green who informs her that the technical team fixed the faulty smart object and everything is now working properly. They share a joke about how dumb these smart objects really are.

Ms Bond knows her customers by name. She has authentic knowledge about them and can share jokes, hints, tips and experiences with them. She is adept at finding out information for her customers – she does not need to know everything. This includes her ability to escalate to technical teams while maintaining herself as the interface to the customer – effectively she is a project manager but also the official face of the company. She sometimes works in her local company store, she mainly works from home and she helps out at other stores via telepresence if required.

She is not monitored on the number of actions she takes in a day, but the positive balance of outcomes. Her customers rate her highly – particularly her IoT knowledge and her ability to resolve IoT problems. The churn rate across her customer base is very low while the average revenue per customer (ARPU) they generate is climbing.

Aside from excellent communication skills, Ms Bond is constantly learning and sharing her newly-acquired knowledge with customers and prospects. Many of her customers prefer self-help or self-ordering but they know if they run into difficulties they can message or speak to her, and they enjoy sharing what they've learnt with her. Ms Bond blends the ability to communicate, support, diagnose, market, cross-sell and upsell, and educate. This is only possible because of the powerful combination of analytics, social media, and advanced workflow technology she has at her fingertips. Her job is essentially about enabling her customers to live a better digital life and she looks forward to doing that. She has worked for her company for years now and can't imagine a better job. Even her hours and place of work flex around her needs – so she can work fewer hours or different hours when her children are off school.

In this scenario we can see that:

- New working methods will be implemented to deliver greater flexibility and cost-control for the company but also a better working life for the employee
- Agents will require new skills and will need to be able to utilise data, knowledge and tools to resolve problems, as well as social skills to source opinion and feedback and share new knowledge and insight both with other employees and with customers
- Agents will work across a variety of channels and will become brands in their own right – their knowledge and skills being exposed to customers.

However, the future agent scenario may be even more extreme. The agent brand (“Ms Bond”) may comprise several individuals who shift work to provide a 24 hour service and to cover holidays, sick leave and so on. The brand “Ms Bond” will have a personality and skillset, and agents will be recruited and trained specifically to fill this role. When they leave the company there is no loss of value, because another Ms Bond will be recruited.

Ms Bond is therefore a hybrid creation, who may have a visual avatar. She might also be hybridised with an intelligent bot who can deal with known problems and FAQs, deflecting a proportion of the case load from the human Ms Bond who can concentrate on solving unknown, complex problems or creating unique experiences and interactions with her customers.

As a brand, Ms Bond's workload and feedback will be exposed to customers who can choose whether to wait for a slot with her or to use another agent – delivering more choice to the customer. Feedback and skill profiles will enable customers to make informed choices as to which agent to select, depending upon their problem or preferences.

Vertical Focus: Travel & hospitality companies are service focussed but have considerable scope to innovate

Travel and tourism is set to be revolutionised by better use of personal and contextual data, increased use of the mobile channel, and an experience lifecycle management (ELM) approach to dealing with customers. ELM is an evolution in loyalty schemes, which creates travel experiences for customers and prioritises what's important to them. This will result not only in innovative experiences but also in higher levels of operational efficiency and a step-change in the way the industry operates.

The Generation X Perspective

"We're still very siloed between the website, the call centre and our staff in stations. And our ticketing systems are not very smart. One of our biggest causes of dissatisfaction is overcrowding and the crush on platforms. We want to be able to marry together realtime information about train loading and communicate that to customers immediately. So we might text them to tell them the next train is very busy but there are a few spare seats in coach B. If they want to wait for 15 minutes the following train is half empty and we'll give them a free cup of tea to compensate for their delay. That ability to reach out to our customers improves our efficiency but also their experience. We want to make the journey as pleasant as possible for our customers and often the frustration is because they don't have the right information, so reaching out to them more proactively is the next big challenge for us." *C Level Executive, UK train company*

The Generation Y Perspective

"What I'd like [from hotels] is the ability to customise my experience using a mobile app that stores my preferences and informs the hotel. I don't like coffee so don't put coffee in my room - give me extra tea. I might prefer a bottle of water to either coffee or tea. I want advance check-in like you have with airlines and the hotel will tell me my room number, alert me when it's been cleaned and is available, and I can open the door with my mobile. I pretty much don't want to talk to front desk staff or wait in lines for their attention. I also don't want to have to carry liquids through airports – it's too much hassle – but I often don't know exactly what will be provided [by the hotel] until I get there. Tell me exactly what I'll get, maybe even sell me what I need, unbundle services such as shampoo and toiletries because if I provide my own I should be paying less.

Hotels are usually happy to advise you about the local area but if they knew I liked museums or historical sites they could send me their suggestions ahead of time and that includes [instructions on] how to get from a to b. Often you have to read through a website and that's just annoying. Or they send you an email which pretty much no-one reads or uses these days. I also want to be able to buy a transport pass and have it delivered to my phone before I travel." *Ben, 30 year-old business traveller*

The research

The Hospitality Technology 2016 Lodging Technology Study found that only 16% of hoteliers are using predictive modelling and analytics. Those owners and operators leveraging this technology have a significant opportunity to provide a level of customer service that guests aren't able to find at many other properties. The same study found that 54% of hotels will increase spending on technology in 2016 with the biggest priorities being payment security, guest room tech, bandwidth and mobile engagement. Eighty-four

per cent of hotels reported they plan to have branded mobile apps within 18 months, to facilitate interaction with guests. And over this timeframe, a quarter will launch mobile keys.

Around 25% of hotel guests currently make a preference request when they stay. Most hotels do not store these requests in order to personalise their customer's next stay, forcing the customer to have to repeat the request.

How travel & hospitality companies are responding

Hotels have a significant opportunity to utilise social media to extend their service paradigm. Hotel Teatro uses a dedicated social media concierge to provide recommendations for local activities and to support special requests. This can be utilised to provide personalised and unique levels of service. For example, when the concierge discovered that it was one guest's birthday he organised a personalised birthday card for the guest.

When Hyatt launched its Twitter Concierge service they focused on using it to provide information and support, not to use this channel for promotion. The group quickly discovered that the kind of issues being handled is recommendations for dinner reservations, locating reward card numbers, and other simple service enquiries.

The Marriott Group discovered that by monitoring the comments of dissatisfied customers on Twitter it could solve problems in realtime and minimise the damage to customer relationships, as well as to its brand. However, this requires the ability to act on negative commentary around the clock and rapidly.

UK-based Village Hotels added mobile check-in and mobile keys for financial reasons but quickly discovered that pre-arrival communication to prepare guests for the experience was essential.

6.1 What this means for the contact centre

- Remote working will deliver a better working lifestyle for employees and open up new pools of workers – for example, working mothers with young children at school who may only want to work a proportion of the day and from home. It will require the same applications and knowledge bases to be available to remote workers as for those in bricks and mortar premises or contact centres. This will be enabled by cloud-based applications and information storage. However, companies will need to consider that the experience delivered both to and from remote workers will be highly reliant on the performance of the local network, and they will need to ensure that telecoms providers are delivering the level of availability, reliability, performance and security required.
- Video will become a big part of future support scenarios – this enables flexible working practices and fulfils Generation Z's love of video interactions. Companies will use video to provide a more intimate experience; while some will utilise the ability to see what is going on to better diagnose problems, detect emotional states or make suggestions. Recorded video messages and memes – including snapshots from professional content - will be used to communicate with customers and assembled into a visual exchange between customer and agent via WhatsApp, Web text or other channels.
- Agents will become brands – this will enable a feeling of intimacy and emotional connection between customers and company, with the agent having certain characteristics, interests and skills. However, the agent brand might be shared between several real workers or even supplemented with an agent bot. This means that the value of the agent brand is delivered 24x7, 52 weeks a year. And if the human agent leaves, there is no loss of value for the company – a new human agent is recruited to staff the agent brand.

- Response times (queues) for agent brands will be exposed so that the customer can decide whether to wait for their favourite agent or use a similar agent. If they have a specific problem that requires specialist knowledge, customers will be able to source an appropriate agent to resolve their issues by searching agent skillsets. Customers will leave feedback against agents, and rate the agent experience. This can be utilised to deliver training programmes to upskill agents and to reward the most successful agents.
- Since future customers will desire more autonomy and will want to resolve their own problems, along with the advent of intelligent bots, the problems that human agents will have to deal with are likely to become far more complex. They will therefore require a much wider skillset, have the ability to research and analyse problems, have higher levels of technical skills, be able to project management problem resolution, and have a wide range of communication and creative skills. Back office skills will be highly rated and staff with specialist skillsets who were previously hidden anonymously will be exposed into the front office, as more traditional front office roles are taken on by customers themselves.
- There will be far more part-time or casual employees supporting the service paradigm. Monitoring algorithms, as well as customer feedback, will be used to assess skill levels and performance. This feedback can be used both to match agents to customers using smart routing and skill searching, but also to identify training needs and reward successful agents – creating a personalised development path for agents that helps retain and motivate staff. These staff might be contract workers rather than employees, as this will add flexibility to the mix but will also meet the needs of Generation Z employees who have a tendency to want to work for themselves rather than be employed. (For example, 61% of US teens would rather be an entrepreneur than an employee when they graduate college.) Better working conditions, more recognition and personalised training will lead to greater agent loyalty, less sick days and more motivated staff. Monitoring technology will analyse agent voices and appearances to detect their emotional state and sentiment in order to avoid stress, unhappiness or burn out, and thus reduce both sick leave and agent churn.

Summary

The contact centre is a significant asset for enterprises and will continue to play a critical role in the Digital Age. However, its remit will broaden and it will have to deal with very complex enquiries, support new technologies, and take responsibility for customer interactions. A new generation of employees and customers will have new needs that the enterprise will need to meet. And there is a real opportunity for some enterprises to provide support-as-a-service to their partners, utilising their investments and expertise to deliver new revenue streams. By thinking about these changes today, enterprises can decide where they need to invest in order to deliver a better customer and employee experience, differentiate their business by providing brand-enhancing service, and cope with the demands of supporting far more complex services and the sheer volume of support required by “connected things” rather than people.

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