CX 2022

Is the Future of Service at Home?

Introduction

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3 million U.S. contact center employees went home as a result of the COVID-19 pandemic. Now they overwhelmingly prefer working from home full time (WFH).

For Fortune 500 contact centers, this has caused widespread impacts on operations, technology, commercial real estate, and work culture.

Cupcakes and balloons to celebrate culture in the contact center are gone. The tap on a colleague's shoulder for help isn't there. Supervisors are more time-constrained and being relied on less, as agents find other ways to replace their help. And training is primarily held virtually.

Legacy software built for use inside contact centers isn't up to the task of improving the employee experience remotely. Half of all agents feel the technology being provided to the industry is behind the times.

Employee attrition rates in the CX industry were already high before the pandemic. Now companies struggle to attract and retain agents during a time when customers have become increasingly volatile.

And with stiff competition from other industries for talent, CX organizations are searching for ways to increase their brand appeal to attract a trending younger workforce.

Simply put, the customer experience industry is going through a wholesale transformation. What was is no longer. What is becoming will depend on CX leaders' willingness to rethink operations, embrace new technologies, and evolve the contact center experience to accommodate a growing WFH agent workforce.

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For this research report, we polled the CX workforce to better understand workers' specific needs, wants, and motivations—and we looked for potential areas where contact centers could make immediate changes. Here are a few.

1 Automating the least strategic and most repetitive functions of agents' roles allows them to bring their most important skill to the forefront—helping customers.

2 Retiring old software tools that provide a bad user experience and investing in new, modern software tools designed for people to use intuitively. Training can be shortened and complexity can be simplified. It's good for business and employee retention.

3 Repurposing budget in unused real estate to invest in new technologies. Reducing commercial real estate footprint enables organizations to fund a customer experience organization that meets today's challenges with the best software tools to deliver quality service and attract new agents.
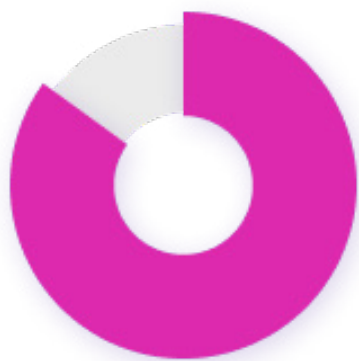
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CX Survey Results

The survey included 572 customer support, sales, and technical support agents in North America.

The primary takeaway was their overwhelming desire to work from home full–time.

85%
of agents want
to work from home
5 days per week

72% of agents currently work from home 5 days per week.

12% of agents currently work 5 days per week at their workplace

9% of agents work 1–3 days at their workplace

Now that working from home has moved beyond the emergency procedures put in place in March 2020, contact centers need to rethink operations more broadly and drive operational changes to make people successful wherever they are working. Here's what the agents want:

90% of agents want to see more aspects of calls automated

44% of agents want automation for knowledge search

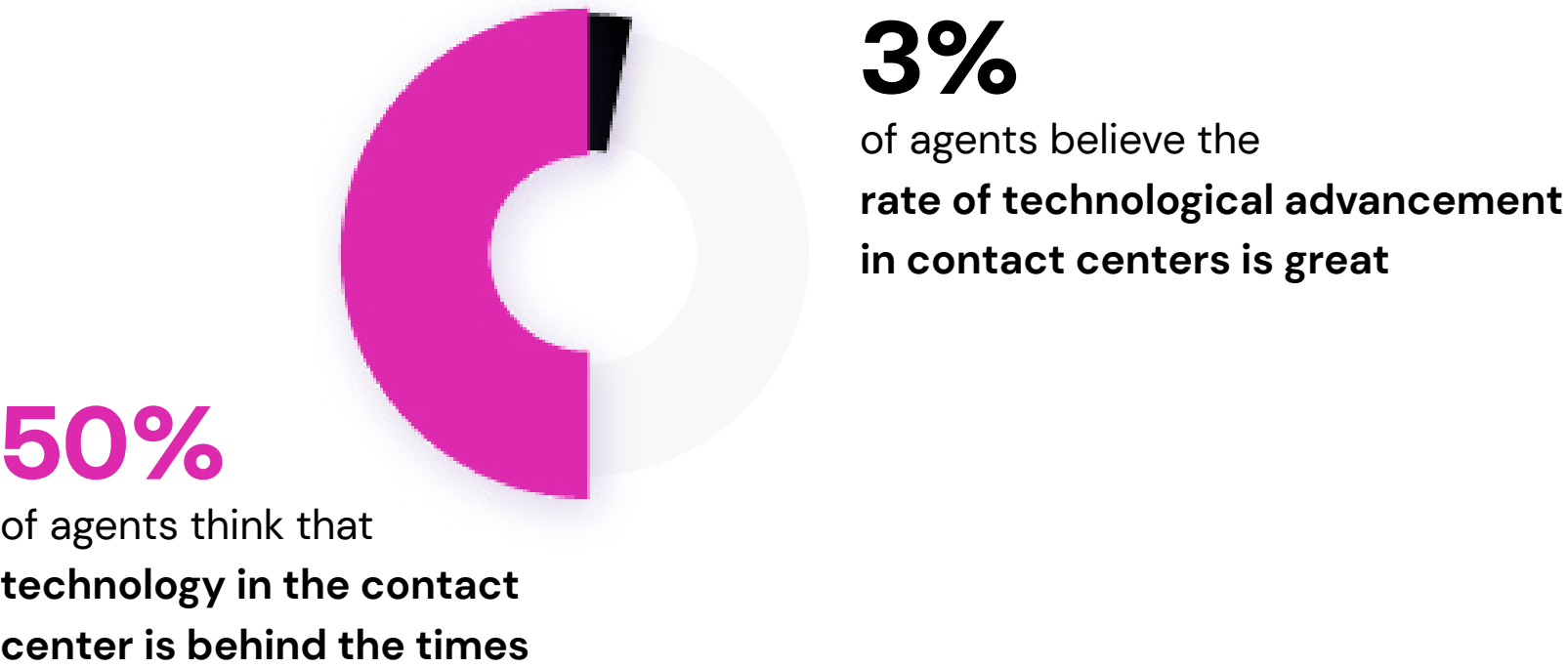**36%** of agents want automation for call summaries

Introduction

Contact center IT and operations pulled off a heroic feat during the pandemic in shifting contact center employees from offices to homes in a matter of days. But since then, the necessary quick changes that were made have shown to increase long term operational debt. Routing calls from office cubicles using legacy on-premise technology to home desks via the cloud has helped with the pivot, but it's fallen short in delivering the CX modernization that's needed.

Technology plays a big role in supporting people in remote locations. Both contact center workers and customers are demanding modern ways of communicating. This requires investments in technologies that meet agent's and customer's expectations.

3%
of agents believe the
rate of technological advancement in contact centers is great

50%
of agents think that
technology in the contact center is behind the times

Introduction

The CX industry has entered a whole new era of investments in people, processes, and technology to compete, attract, and enable agents to work from home. Now, more than ever, contact centers need to change their operational approach to support a workforce that wants to work from home permanently and help agents deliver productive customer service

" **We're working from home...** We wanted to just lead what I thought was an inevitable trend. My prediction is: This is where the world is going to be 10 years from now. All the CEO's hauling their employees back to the office that's their prerogative but here's what I would say. The companies with the best talent will usually win and if you are limiting your talent to a commuting radius, you're not going to have the best people because the best people will live everywhere."

*Airbnb CEO, **Brian Chesky** announcing that his 14,000 employees can work from anywhere. (May 2022)*
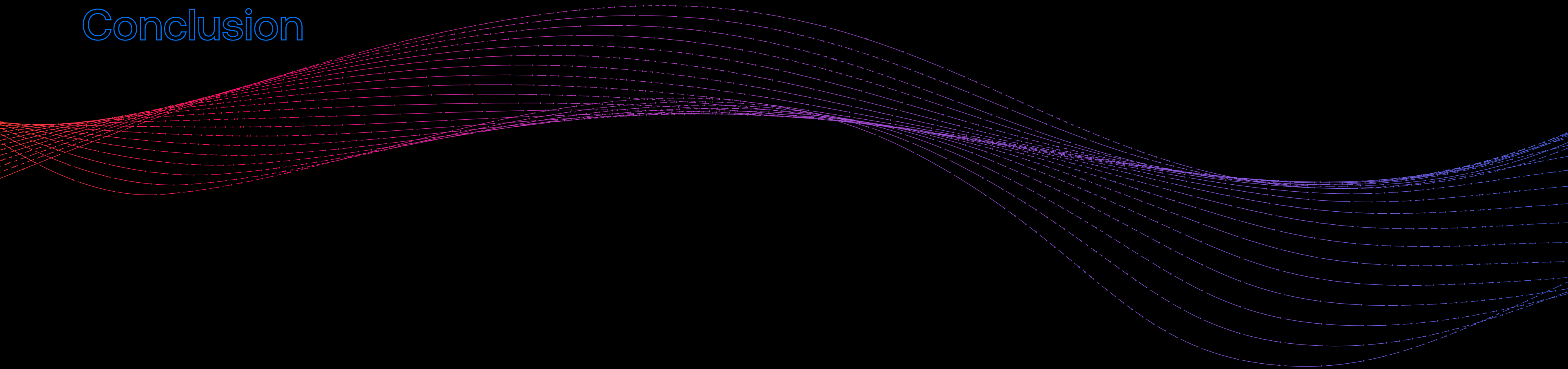
The CX industry suffers one of the highest employee attrition rates of any industry.

This drives significant recurring recruitment and training costs. Solving for a fast time to proficiency has become a critical measure for organizations where the average tenure can be less than one year. Extending beyond initial onboarding, agents need ongoing training to continue learning and keep pace with new products and services. With more training, agents felt better equipped to successfully handle difficult customer interactions.

60%
of agents with 3+ weeks of training felt well prepared for their first call

45%
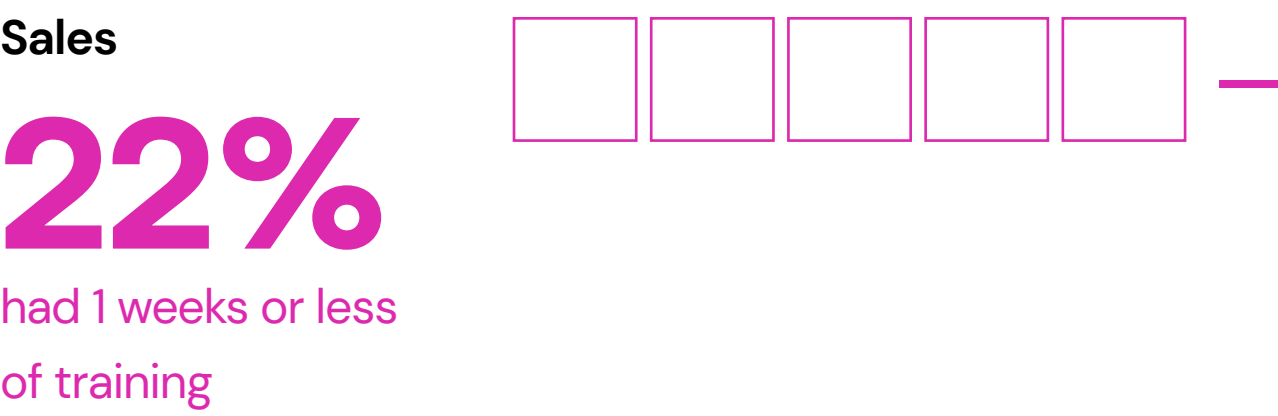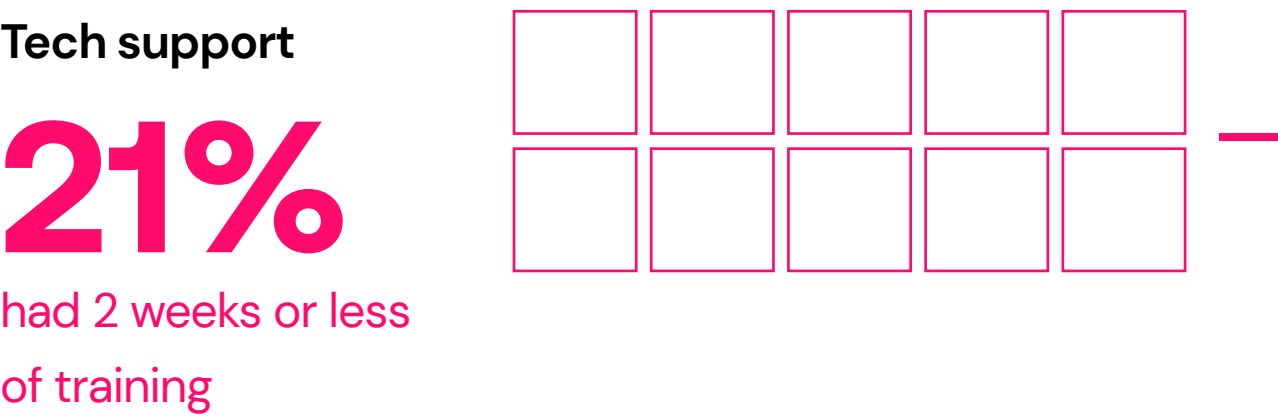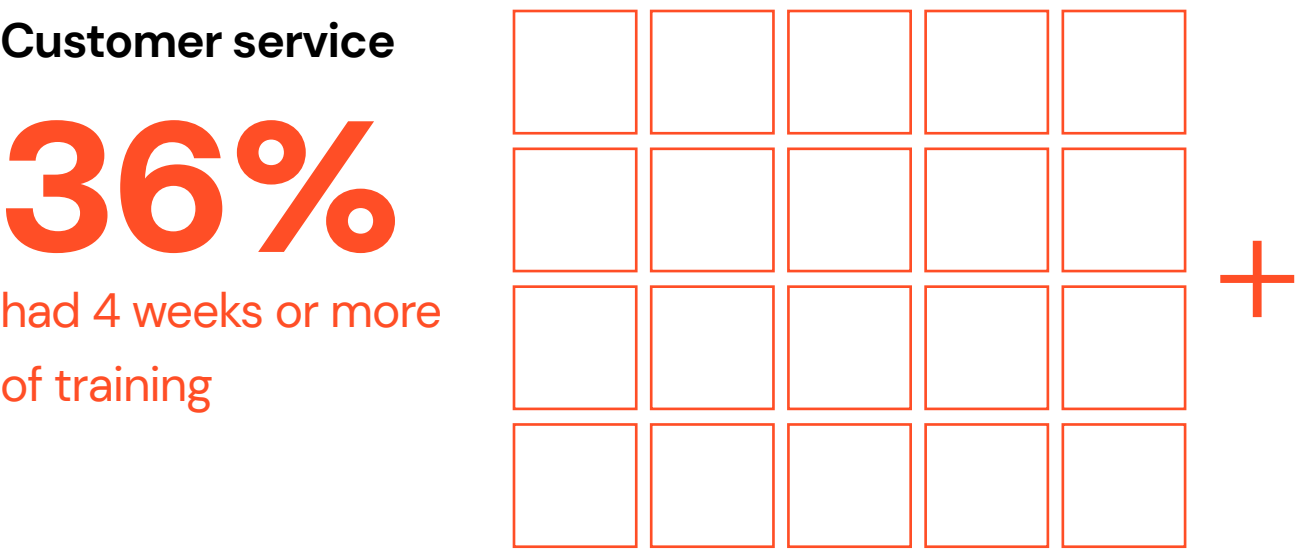of agents with 2 weeks or less of trainingfelt less prepared for their first call

Training varied among services.

Customer service

36%

had 4 weeks or more of training

Tech support

21%

had 2 weeks or less of training

Sales

22%

had 1 weeks or less of training

Training varied significantly among industries. **Small businesses** and **firms in education** and **retail** tend to provide **no more than 2 weeks** of training.
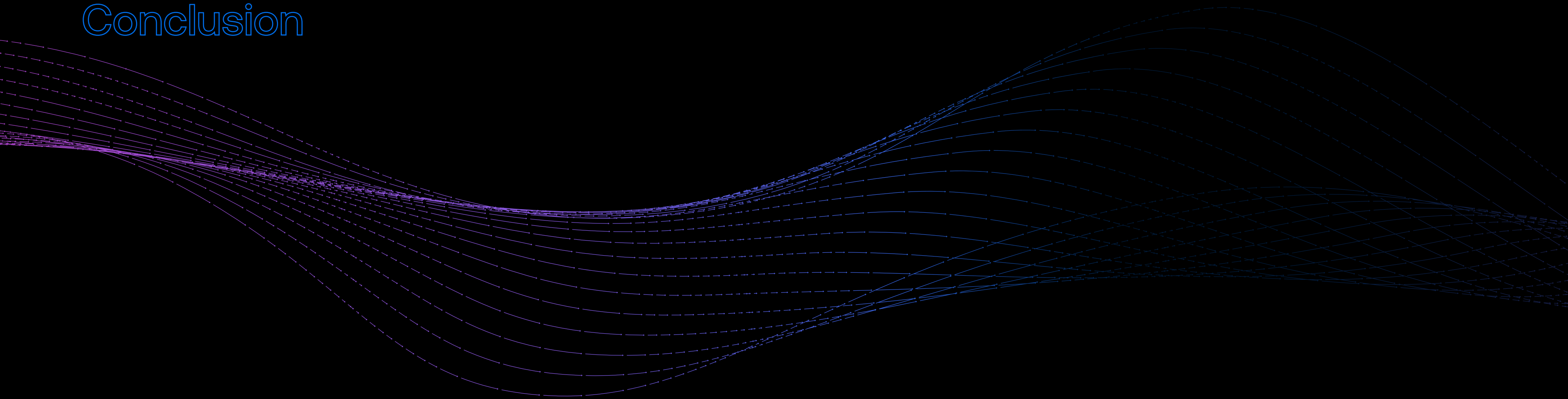
Flatlining investments in digital channels reinforces a reliance on voice support.

Call centers morphed into "contact centers" with the introduction of new communication channels such as chat and messaging. Along with these digital engagement channels, so came digital containment methods such as chatbots. Yet, the promise of chatbots did not reduce overall costs. While it did deflect millions of customers, it also increased customer frustrations, which reinforced the need to seek the voice channel to get your issue resolved.[1]

Voice calls still dominate CX but chat and messaging are more scalable.

The telephone still dominates the customer experience. 93% of agents use the phone with consumers. As humans, it's the next best thing to being in-person. Yet it's not as scalable as digital channels for the CX industry as conversations are 1:1 versus 1:many with chat and messaging. In overall consumer communication, 2014 was a watershed moment when the phone call lost its primacy, as texting became a more common method of communication for friends and family. While the number of phone calls has substantially risen because of the pandemic, messaging is how Millennials and Gen Z are communicating most often today with 75% of Millennials avoiding phone calls altogether.
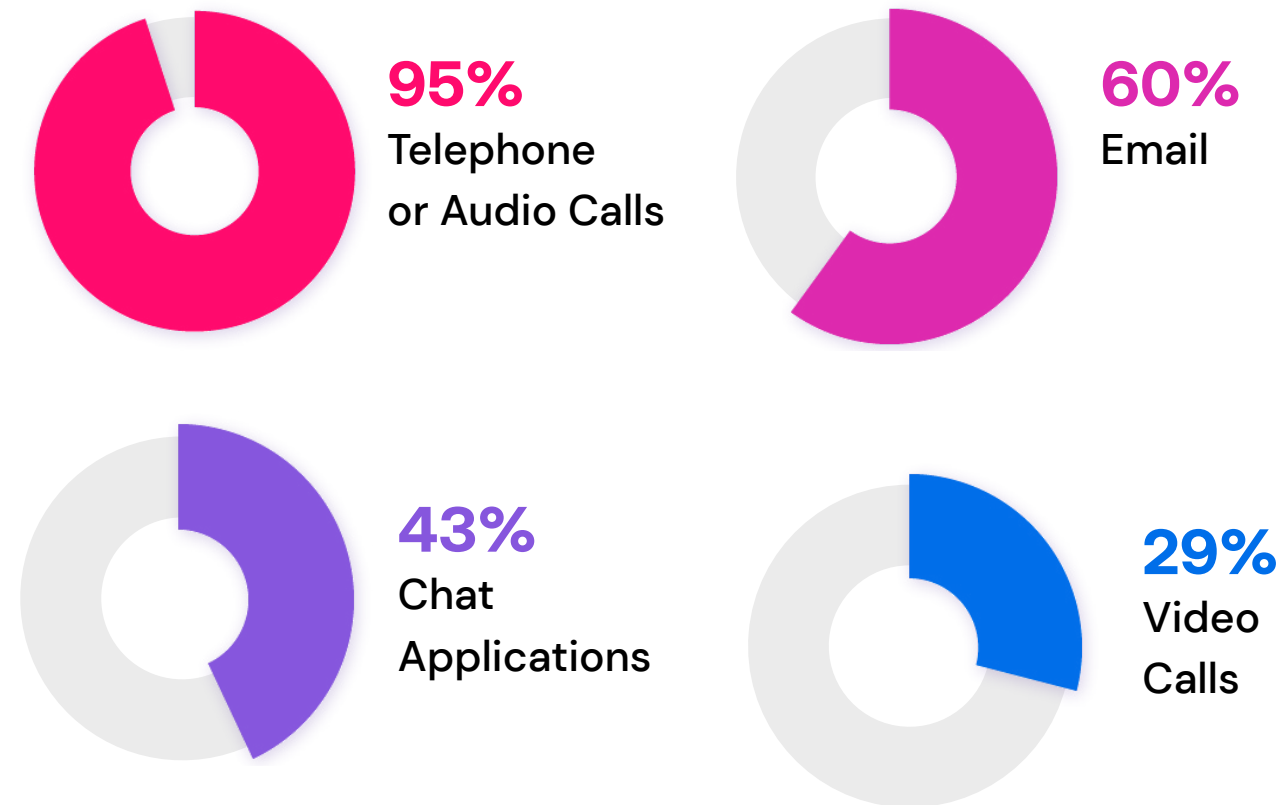
How do agents interact with customers?

95%
Telephone
or Audio Calls

60%
Email

43%
Chat
Applications

29%
Video
Calls

The average contact center spends 70% or more of their budget on traditional 1–800 voice calls where the cost can be up to 2x higher to operate versus chat and messaging. Customers calling in are also not often automatically identified through their telephone numbers, which limits the options to drive efficiency and quality through an authenticated experience. An orchestrated multi–channel strategy of messaging platforms, chatbots and even video conferencing can provide customers with a modernized experience that allows them to interact on different channels.
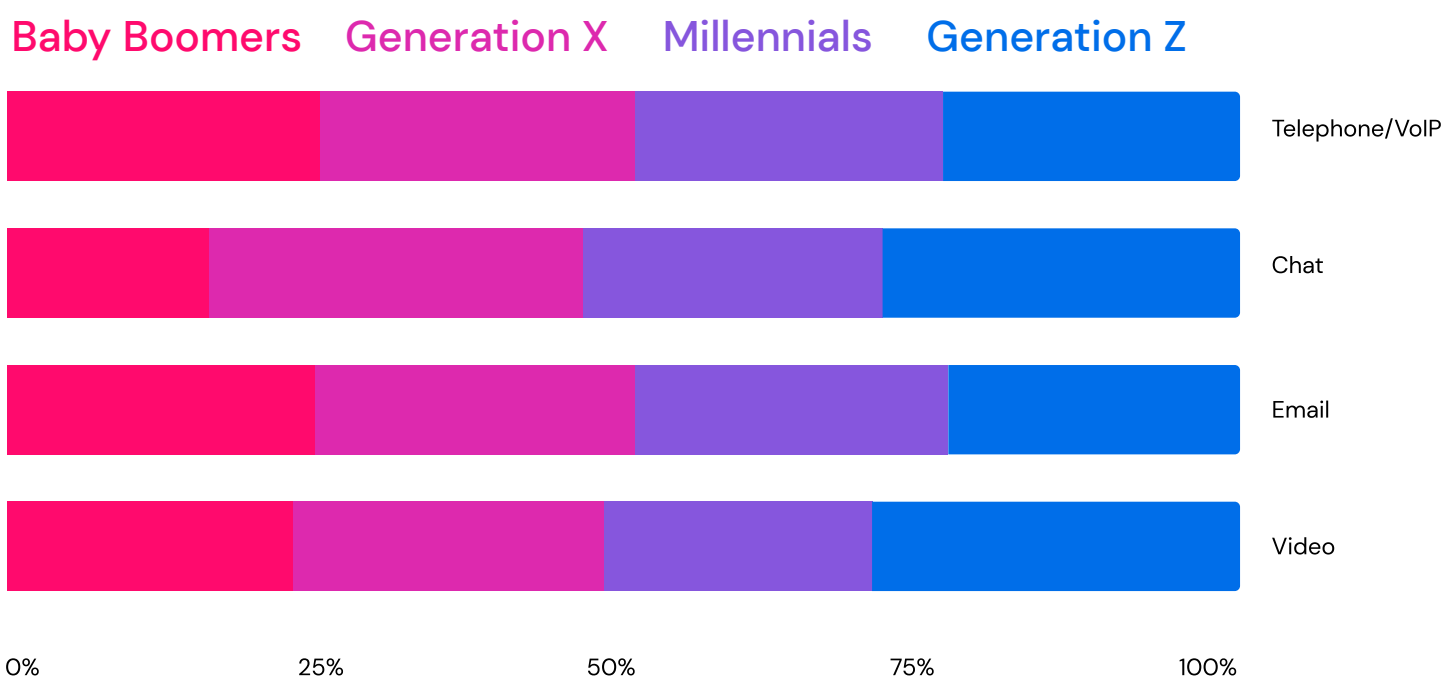
Agent Interactions by Generation

Baby Boomers   **Generation X**   **Millennials**   **Generation Z**

Telephone/VoIP

Chat

Email

Video

0%   25%   50%   75%   100%

Only 28% of Baby Boomer agents use chat to communicate with customers, significantly less than their work peers in other generations. It's likely that increased training is required to move more agents to chat, particularly for Baby Boomers.

Only half of all agents surveyed believe the rise of chat, text, and messaging has improved their jobs. 46% see no impact, and 4% believe it has worsened their jobs. Agents don't appear to be quite convinced of the value of chat and that's a challenge if contact center operations want to make use of these tools to reach a far wider audience given the cost of operating telephone calls is much higher. That's a major problem if companies need to scale their customer experience while ensuring higher agent productivity.

The past two years have seen a significant rise in video conferencing in nearly all facets of work life. When it comes to video as a customer service channel, the healthcare industry is the most progressive, most likely a result of virtual appointments given the last two years. But like phone conversations, agents can only handle one call at a time as opposed to multiple customer engagements concurrently over chat.
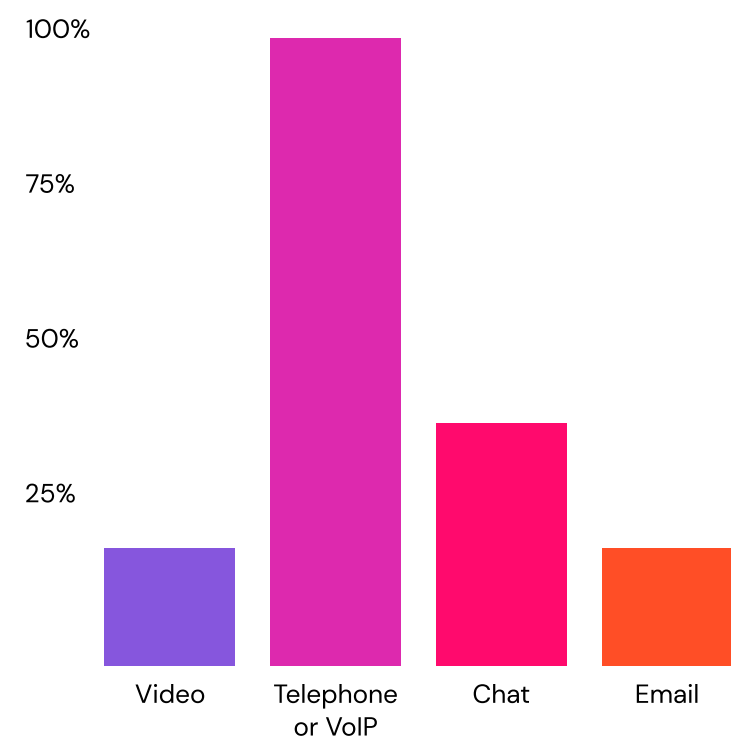
Agent Interactions by Industry

Finance
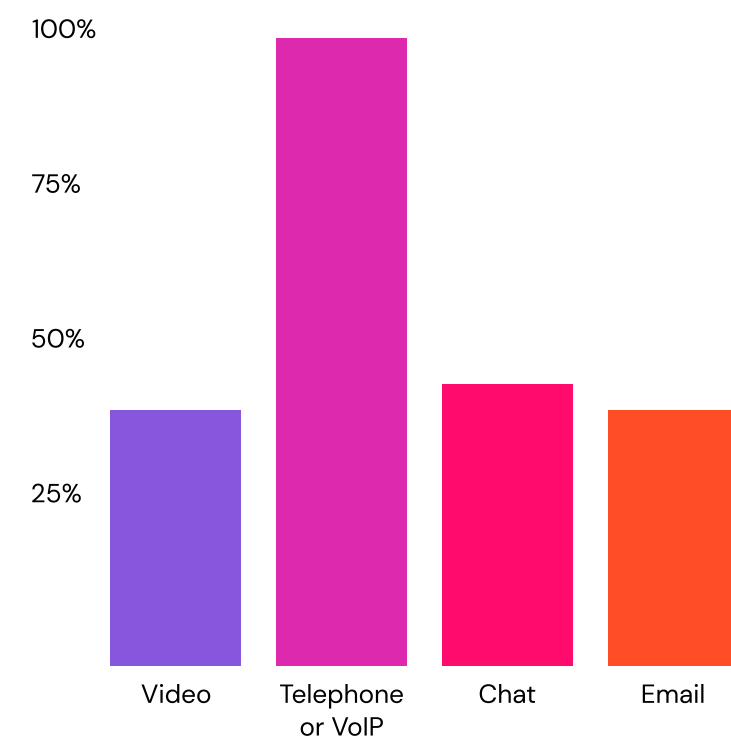
Healthcare
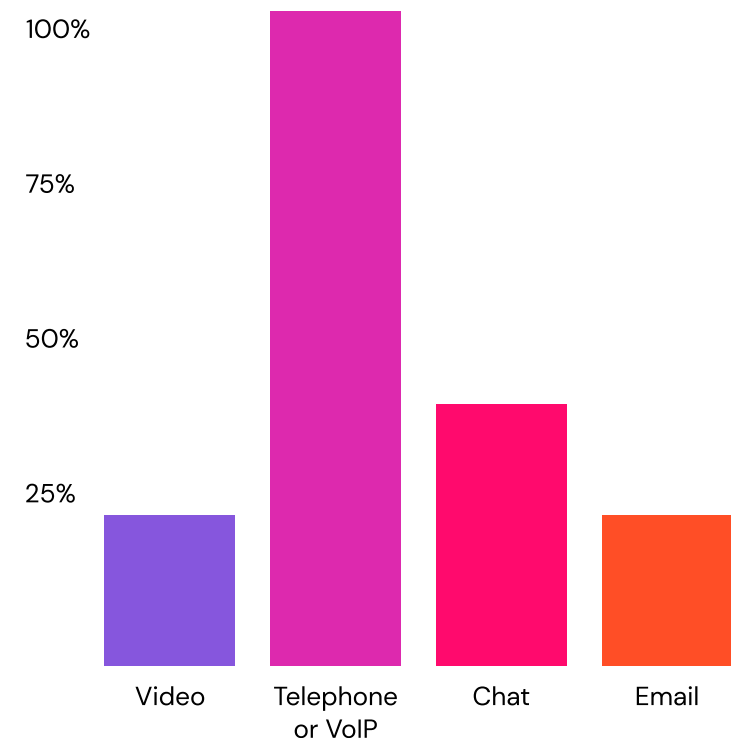
Insurance
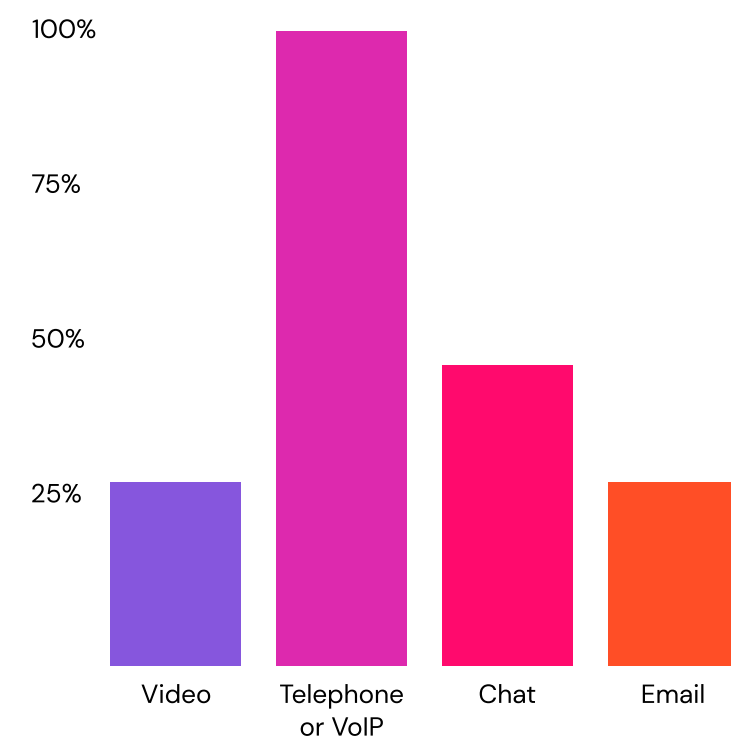
Telecommunications

Agents feel the disparity between sales and customer service tech investments.

Nearly half of agents who experienced the introduction of new technology in the last year found it easy to use. But only a third reported seeing any technology investments at all in the past year. Perhaps that is why, when asked to compare technologies in contact centers with other parts of the company, agents felt like customer service was not prioritized.

Has the agent's employer invested in new technology in the last year to help with their jobs?

- **81%** of sales agents indicated their employer invested in new technology in the last year, indicative of the need to change sales strategy due to the pandemic
- **57%** of customer service had new investments
- **43%** of agents are still awaiting investments.

Investments in sales illustrate the disparity between sales and customer service, which may be viewed as less likely to be responsible for renewals and customer lifetime value. Customer service leaders have an opportunity to help change that perception as new technology will allow support to demonstrate the value it brings to customer lifetime value.

How do agents feel about new tech advancements?

- **18%** of customer service agents believed that technological advancement was fine or great in contact centers
- **32%** of agents are on the fence about tech advancement
- **49%** of all agents feel the technology being provided to the industry is behind the times.

Modernizing agent tools increases usage and employee satisfaction

Contact center operations are constrained by layers of legacy technology based on a central operating principle—that contact center agents work from a common office location. To support a more flexible workforce environment—one where agent assistance, quality assurance, coaching, onboarding and training, and even employee incentives all require new models of operations—contact centers require more modern technology.

Agents that feel that the rate of technological advancement in contact centers is behind the times.

Customer service agents

3%
Believe the rate of technological advancement in contact centers is **great.**

50%
Believe the rate of technological advancement in contact centers is **behind the times.**

Sales agents

8%
Believe the rate of technological advancement in contact centers is **great.**

54%
Believe the rate of technological advancement in contact centers is **behind the times.**

As contact center agents are trending younger, they expect to have modern software that matches today's working environment. Because technology is the driver of productivity, it's critical that employees have software that draws high usage and employee satisfaction—ultimately delivering vastly improved agent and customer experiences.

Software automation as a path to achieving scalability

90%
of agents want
to see more aspects
of calls automated

60%
of agents who were
provided new technology
found it helpful

30%
of agents reported seeing
technology investments
in the past year.

The rise of millenials and AI automation

Millennials have grown to become the largest customer base for most companies and their loyalty to brands can be fleeting when products and services don't deliver. But when companies engage customers on the digital platforms they use frequently—and provide anytime, anywhere service convenience—the customer experience can be a powerful brand driver and a core part of a CX omnichannel strategy.

For the C-suite to achieve this reality, digital transformation needs to be accelerated and connected to central processes in the company. Artificial intelligence technologies, such as natural language processing, speech recognition, and machine learning provide both the capabilities and scalability to cost-effectively process increasing amounts of customer data—to derive insights that can positively impact customer satisfaction, loyalty, and lifetime value.

Modern software that achieves scalable automation, raises human productivity, and reduces the need for supervisor support is crucial. There are already signs that supervisors are being substituted by search engines when they require help, as agents choose self-service over accessing their resource-constrained supervisors.

When agents don't immediately know the answer for a customer, what do they do most often?

77% of agents access their Search knowledge base/database

12% of agents ask a colleague

6% of agents Google it/use a search engine

5% of agents go to a supervisor

82% of agents at larger contact centers (1,000 – 10,000 agents) rely heavily on their knowledge base systems when they don't know an answer to a customer query. Whereas only 51% of agents in small contact centers (less than 99 people) rely on systems—reporting that 24% ask colleagues for help, and 18% escalate the issue to a supervisor.

Over the last two years 34% of agents report some level of automation in their jobs, while 66% didn't experience any.

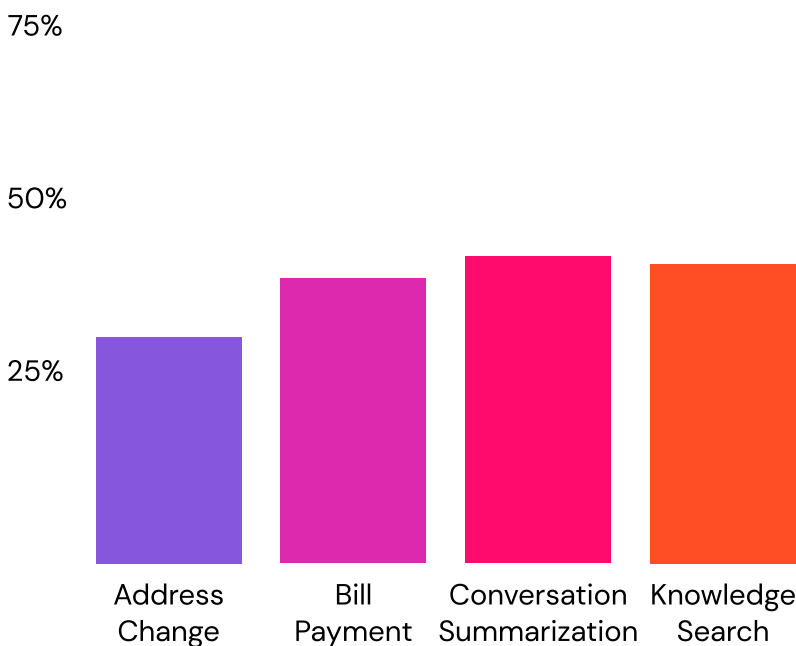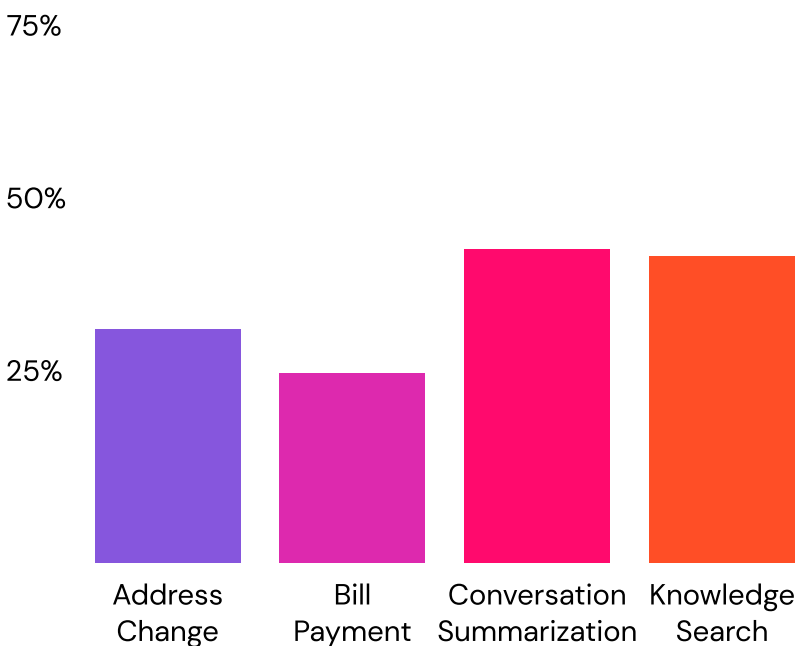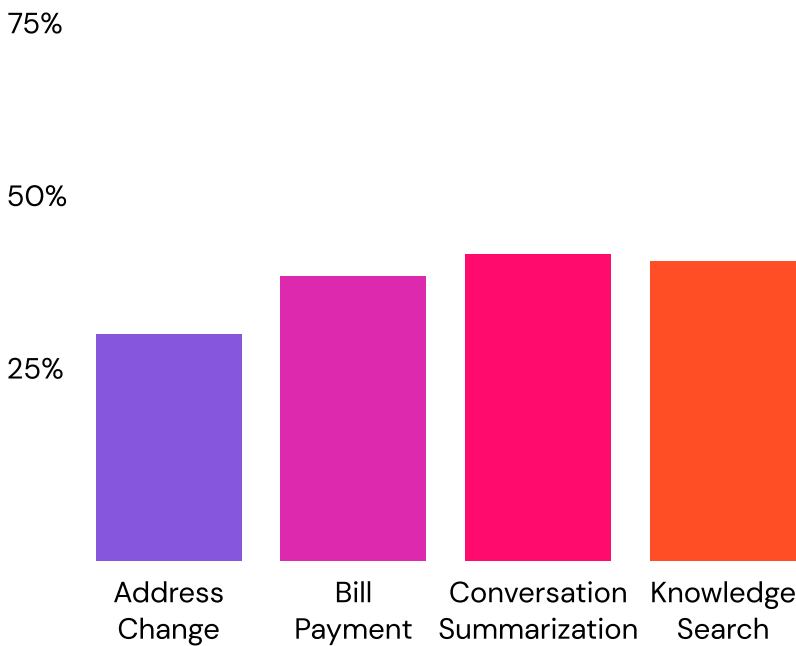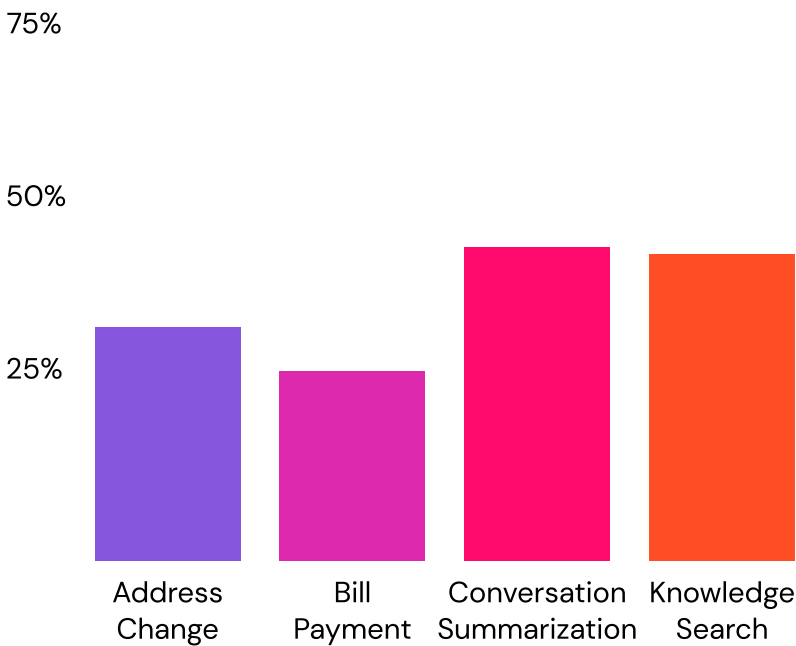## What do agents want automated?

Organizations with
0–99 employees

Organizations with
100–999 employees

Organizations with
1,000–9,999 employees

Organizations with
10,000–99,999 employees

There's a notable generational difference.

49%

of Gen Z want more automation of bill payments

only 16%

of Baby Boomers favor automation of bill payments, though they are similar in other areas of automation.

Agents who experience automation want more automation and, overall, agents agree that artificial intelligence will improve their efficiency on the job.

There's a difference in how male and female agents view artificial intelligence.

60%

of male agents feel that AI will improve their efficiency on the job

only 44%

of female agents feel the same.

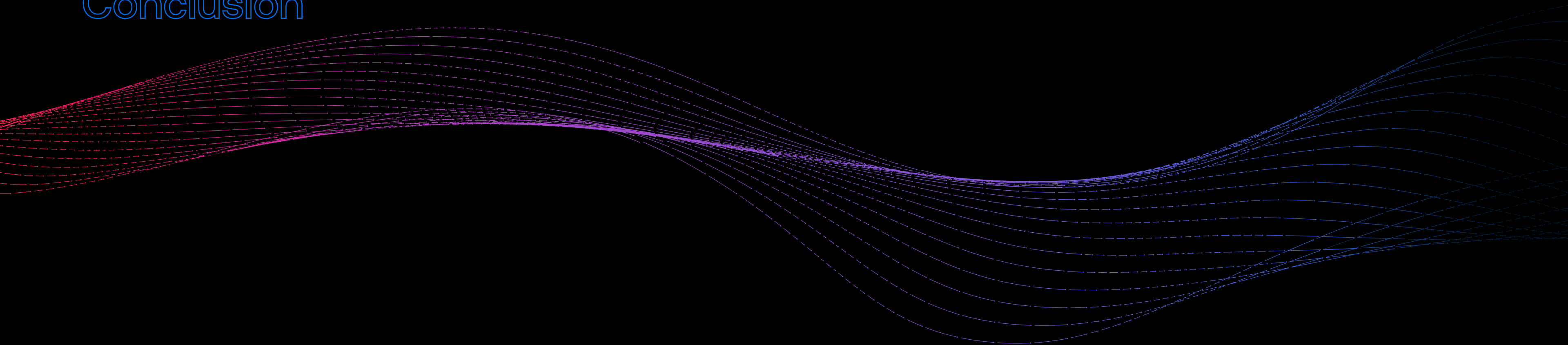While agents are overall optimistic about their jobs in the industry, there's a notable third reserving judgment.

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Onboarding and
Training for Success
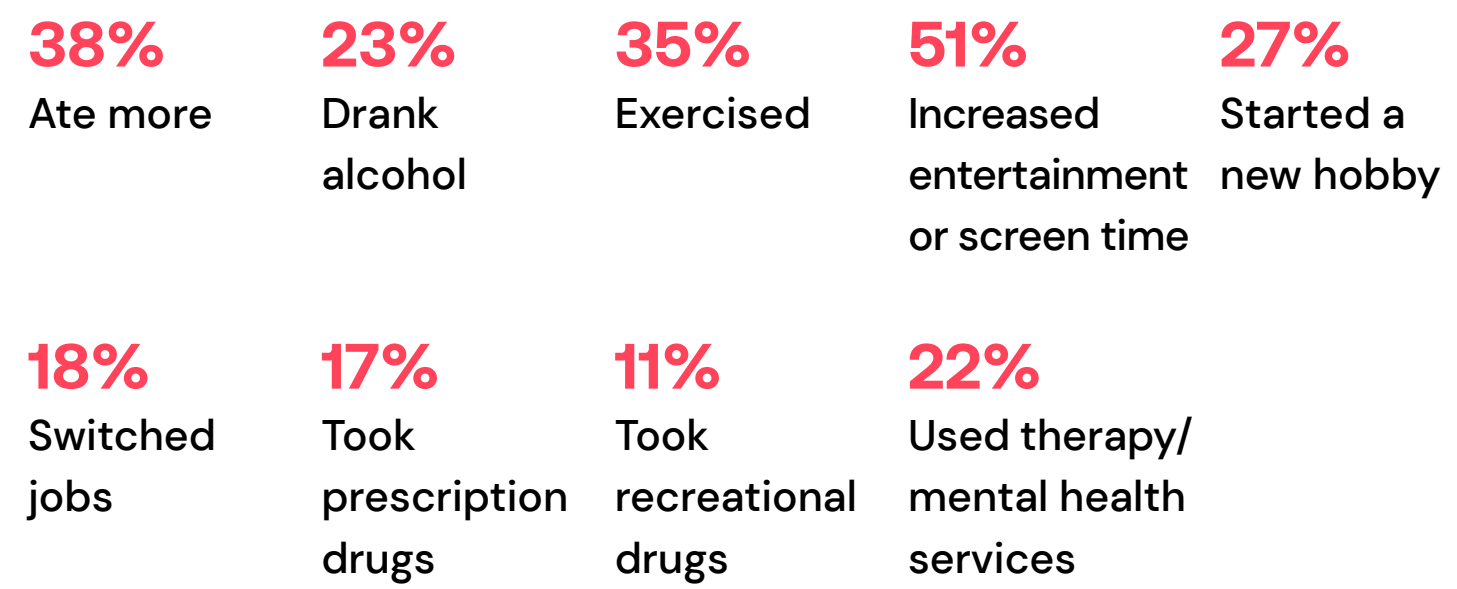
Technology Investment

Agent Satisfaction

Conclusion

The last two years have been challenging for everyone, but understanding what's happening in agents' lives can help companies better understand how to help and support their workforce. Offering WFH creates an advantage for recruiting and retaining agents in an industry that suffers from extremely high turnover rates.

Faster home broadband, advancements in telephony, and artificial intelligence reduce the cost and need to have employees under one roof. Contact centers that can accommodate agents working from home will be able to retain staff longer. Limiting agent talent to a commuting radius puts companies at a competitive disadvantage as the work shifts to remote.

Burnout has been an issue for agents. And they're coping in different ways, from screen time and exercise, to starting new hobbies.

How did agents deal with stress or burnout in 2021?

38%
Ate more

23%
Drank alcohol

35%
Exercised

51%
Increased entertainment or screen time

27%
Started a new hobby

18%
Switched jobs

17%
Took prescription drugs

11%
Took recreational drugs

22%
Used therapy/ mental health services

Each generation dealt with the burnout differently. Baby Boomers had the healthiest response to 2021 by relying less on food, alcohol, or drugs, notably in contrast with Generation Z, who relied most heavily on alcohol and recreational drugs. The life experience of Baby Boomers sets them apart, while Millennials and Generation Z are more willing to try new hobbies.

How did each generation of agents deal with stress and burnout in 2021?
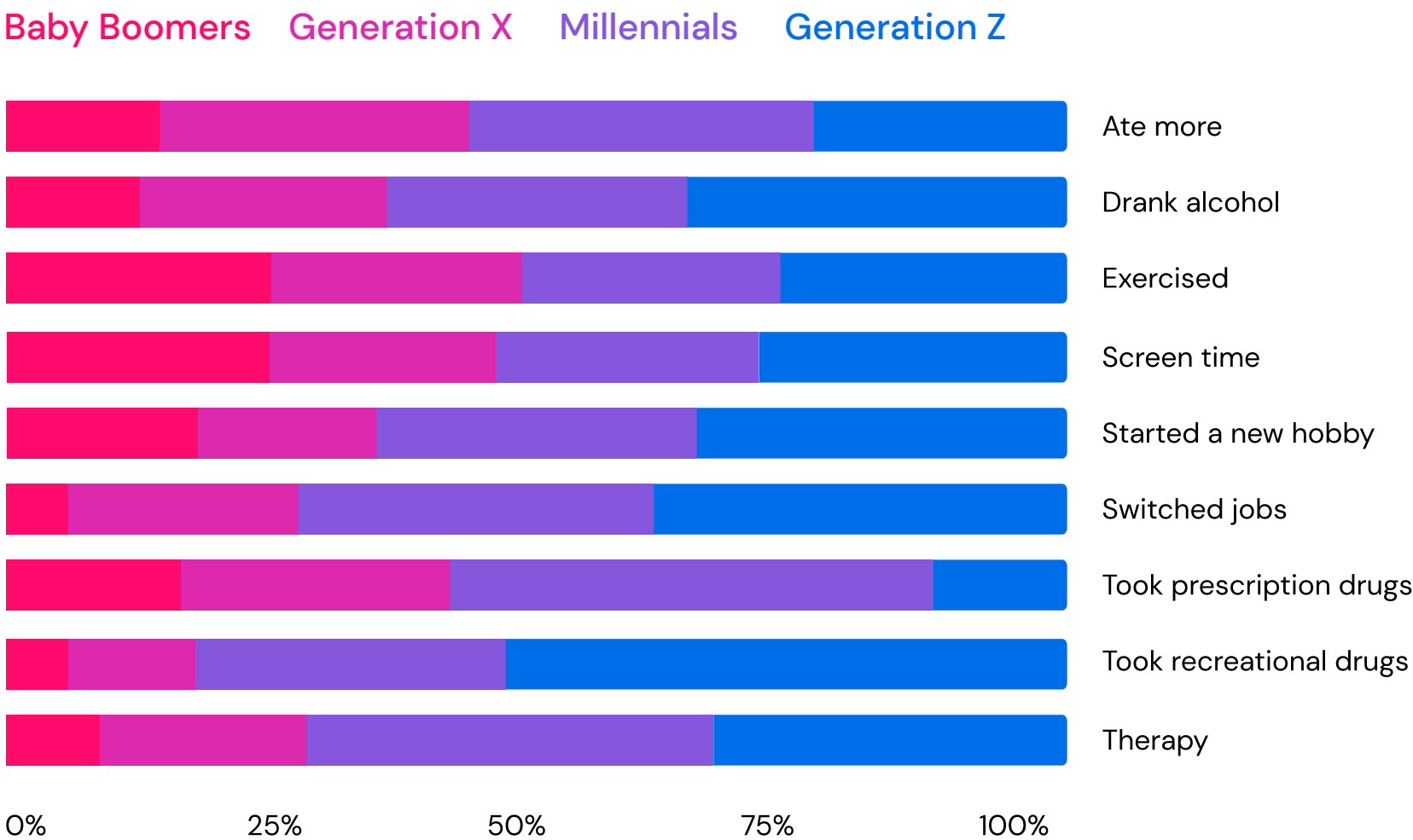
Baby Boomers   Generation X   Millennials   Generation Z

Ate more
Drank alcohol
Exercised
Screen time
Started a new hobby
Switched jobs
Took prescription drugs
Took recreational drugs
Therapy

0%   25%   50%   75%   100%

People's weight also changed over the last two years with several people reporting weight gain. 44% of male agents reported weight gain to 49% of female agents. 17% of men reported weight loss to 20% of female agents.

How has an agent's weight changed since the start of the pandemic?
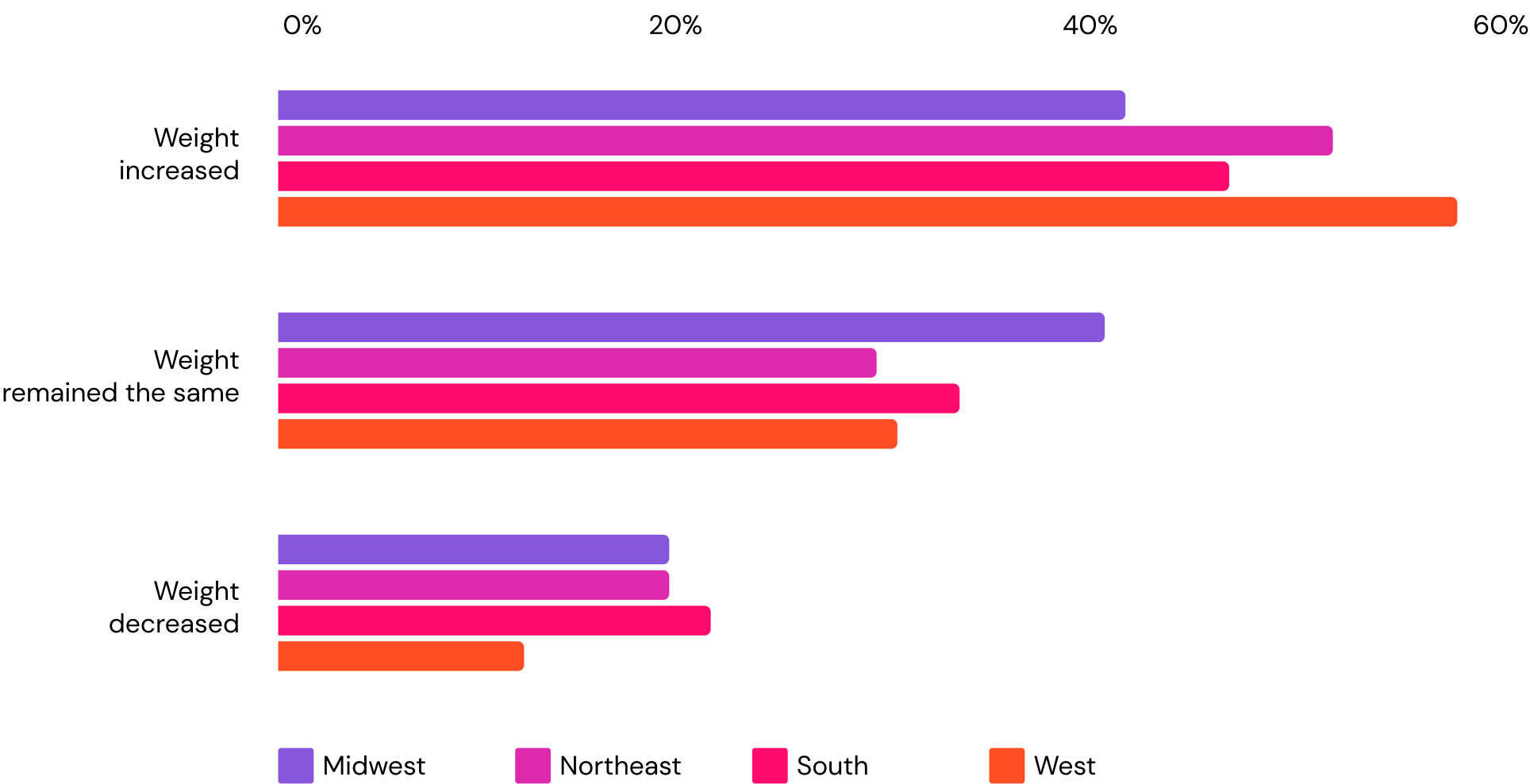
The Hourly Worker is Still the Norm

The CX industry costs are based on time, and that reflects in the 82% of agents who report being paid hourly versus the 16% report being salaried. More than 80 percent of respondents are paid hourly, at an average rate of $17.72 an hour.

Almost 60 percent of agents report receiving a raise or cost of living increase within the past 12 months. The average reported raise was 5.8%; the median was 3%. The lower the income, the higher the reported percentage raise. The average agent age was 42 years old, with a third under 35. Company loyalty is highest among Baby Boomers—half of them have been with their employer for 10 or more years.

To what extent are you optimistic, or pessimistic about the future of your career as an agent?

15%
of customer service agents are **pessimistic about their future as an agent**

49%
of customer service agents are **optimistic about their future as an agent**

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Onboarding and
Training for Success

Technology Investment

Agent Satisfaction

Conclusion

Contact center organizations stand on the precipice of modernizing and transforming their organizations.

It's going to require a financial investment and new outlook on people, processes and technology.

As 85% of agents want to work from home, the best organizations will adapt to cater to a WFH model. They will evolve their agent support, coaching, training, and the cultural aspects of working together, even if not physically co-located.

Over the last two years, agents have eliminated commuting and adapted to working from home. They simply no longer want to travel to an office to work full-time.

An estimated 15 billion annually.[4] is spent on commercial real estate to keep agents in a contact center building. That's approximately 400 million[5] commercial square feet being unused, and unwanted, by employees. Reducing a commercial real estate footprint will enable organizations to fund a modernized organization with the best software tools that will attract people to work in new ways.

Already there are signs of Chief Financial Officers letting leases expire, or selling real estate, for major cost-saving measures. With constant pressure for contact center operations to reduce costs, downsizing a contact center footprint makes financial sense. Contact center buildings across the US could become the new "American Mall."[6]

CX leaders have the opportunity to reallocate budget from real estate expenses to invest in the digital transformation needed to support a remote workforce and deliver a modern customer experience.

[1] Chatbots Are Killing Customer Service. Here's Why. (August 2018)

[2] Want better customer service? Don't call. Text. The Washington Post (August 2018)

[3] U.S. office listing rates averaged $38.65 per square foot in March 2022

[4] Square footage per workstation

[6] Why the Death of Malls Is About More Than Shopping Time magazine (July 2017)

Ready for a discussion about the future of CX?

Reach out to us at **ask@asapp.com**