



Cloud Contact Centers Gaining Share

8x8-CCNG Survey, November 2016

SURVEY REPORT

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Introduction

The migration of contact centers from on-premises to the cloud is well underway and dramatically changing how companies deliver customer experience. That is the most important finding in a new 8x8-CCNG survey of 154 contact center customers conducted in the U.S. and U.K. The survey suggests three quarters of companies have recognized the value of the cloud, with 25% of contact centers having fully deployed cloud today and another 28% partially transitioned. In addition, 21% have plans to migrate within the next year.

The 8x8-CCNG survey shows companies are moving their contact centers to the cloud for a range of reasons. Most prominent among those objectives are better business continuity, scalability, supporting remote workers, and integrating new technologies like multi-channel capabilities.

Another important driver for the move to cloud is the need to accommodate the increasing number of remote workers. Cloud contact centers make the full set of technologies and features available to all agents, wherever they are located. More than half of the respondents employ remote agents in their contact centers.

While contact center success is clearly analytics driven, surprisingly many companies are still using outmoded tools and methods, such as spreadsheets, notes and informal discussions to measure and improve agent performance.

Multi-channel communications are becoming the norm. A majority of respondents already use non-voice channels in their contact centers and most showed interest in integrating more channels into their contact centers. Channels mentioned most often were chat, followed by mobile applications, text messages, and social media.

There continues to be some concerns around moving contact centers to the cloud. The leading concerns cited are quality, reliability, and security. The challenge for vendors is to overcome these concerns, and demonstrate convincingly to customers that cloud contact centers outperform on-premises systems in these critical areas.

Executive Summary

- The 8x8-CCNG survey was conducted in September and October 2016 with 154 respondents in the U.S. and the U.K. Respondents represented an almost equal mix of small, midsize and enterprise companies from under 100 employees to over 1,000.
- The transition to the cloud is well underway. Of all respondents, 25% have already fully deployed cloud and 28% have partially transitioned, while another 21% plan to make a full or partial transition, and 27% plan to remain on-premises.
- Of those planning a full or partial transition to the cloud, 21% plan to make the move within a year. Another 18% plan to transition in one to three years.
- Companies are moving to cloud contact centers for three main reasons, in roughly equal importance: business continuity, scalability, and lower cost. A fourth significant reason is to enable remote agents.
- Some companies have concerns with cloud contact centers. Leading concerns are quality of service (call quality), reliability and security.
- The most essential contact center technologies in respondents' view are: automatic call distributor (ACD), call screening/recording, customer relationship management (CRM), interactive voice response (IVR), and computer-telephony integration (CTI). Workforce management came next.
- Remote working among contact center staff is common. 59% of the respondents have some remote workers on their teams. However, managing remote workers is a challenge with 40% citing management issues as the leading problem followed by technology issues at 38% and accessibility issues at 28%.
- While analytics play an important role in managing contact center success, many are still relying on outmoded tools and methods to measure and improve agent performance. 59% of respondents cited spreadsheets and notes as the top tool used, closely followed by informal discussions at 44%.
- Demonstrating the value contact centers place on increasing agent performance and overall customer satisfaction, 52% of respondents said they use quality management software, while 47% said they use survey tools. A further 25% stated using customer journey metrics.
- Companies want to integrate more non-voice channels into their contact centers. The most popular non-voice channels cited are chat at 37%, mobile applications at 25%, and SMS (text messages), also at 25%.
- Key omni-channel challenges cited are on the people and technology front. 36% say managing blended agents with multi-channel skills is the leading problem, while 34% identify having the right technology in place as a key issue.

Analysis

1. Respondents

8x8 in conjunction with the CCNG Contact Center & Customer Care Industry Professional Network carried out an international survey comprising 154 respondents from the U.S. and the U.K., surveyed in September and October 2016. Respondents were spread in terms of company size, with 36% representing small companies of under 100 employees. Another 27% represented mid-size companies with 101 to 999 employees, while 37% represented large enterprises with more than 1,000 employees.

Respondents represented a broad cross-section of job roles with middle managers predominant (see Figure 1). Middle managers (Directors and Managers) accounted for 57% of respondents. Senior executives (C-Level and Vice Presidents) accounted for 22% of respondents. Lower level managers and other comprised the remaining 21%.

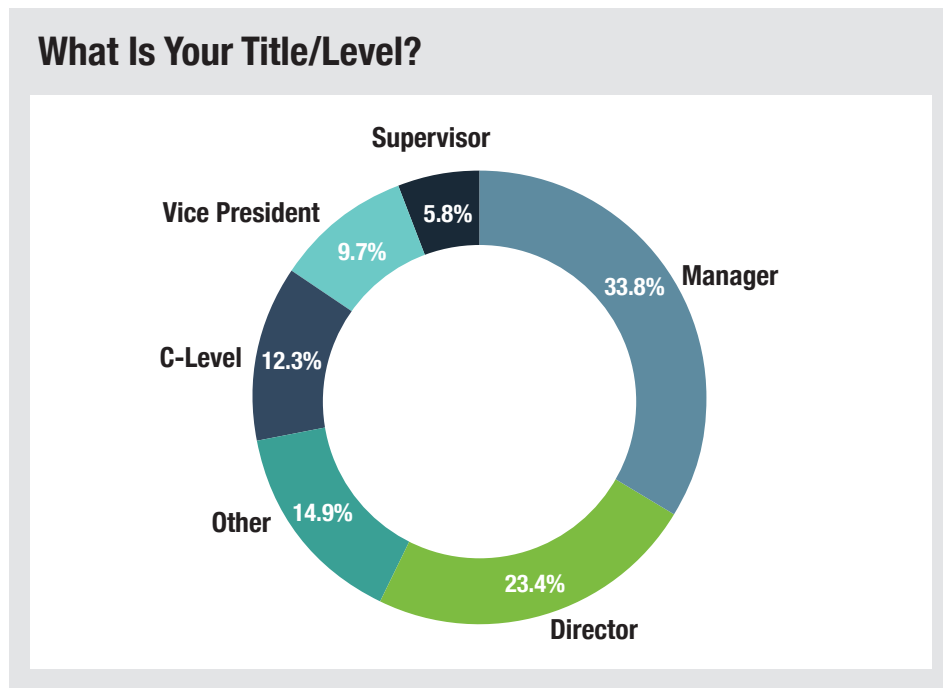


Figure 1

Respondents represented a wide range of industries, led by healthcare and financial services. The top five industry groups were healthcare/medical with 14%, insurance with 10%, technology with 10%, business services with 9%, and banking & finance with 8%. Education, manufacturing, construction, and government were also represented (see Figure 2).

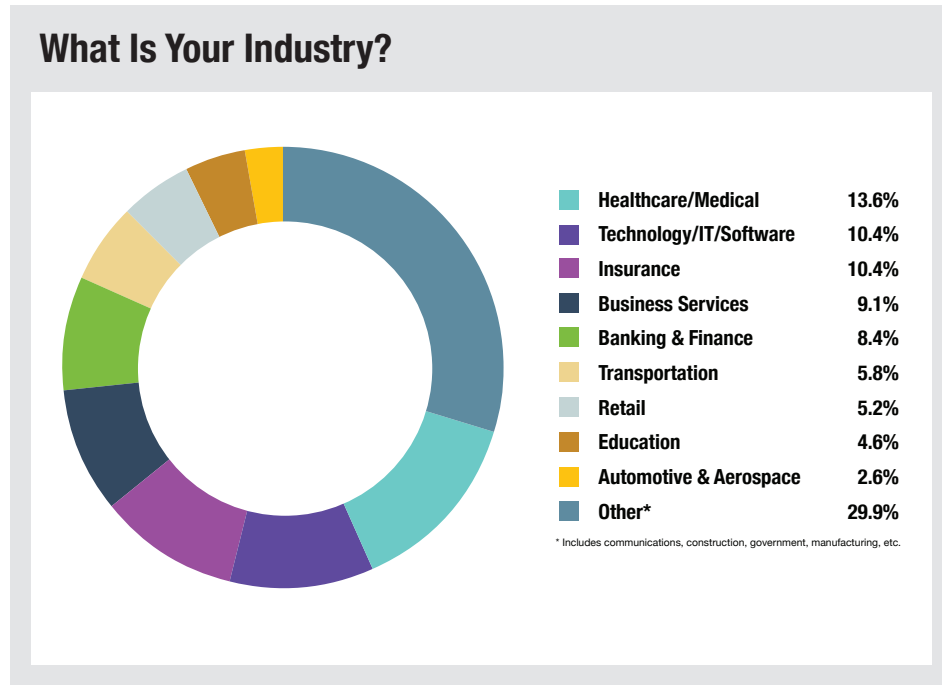


Figure 2

2. Moving to the Cloud

The survey demonstrated that companies are steadily moving their contact centers from on-premises to the cloud. Of all respondents, 25% have already fully deployed cloud and 28% have partially transitioned—either migrated some functionality or moved a subset of their agents to the cloud (see Figure 3).

That compares with just 23% who reported having moved to the cloud in a 2014 survey. Of those who have not made the move to the cloud, 21% said they had plans to make the move. That left 27% who said they planned to continue with an on-premises contact center.

Has Your Contact Center Moved to the Cloud?

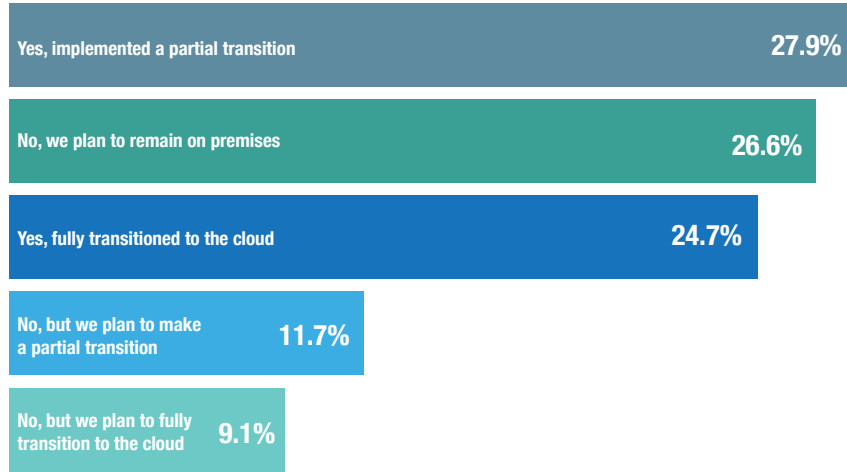


Figure 3

Of those respondents that are still with on-premises contact center systems, 39% said they plan to transition to the cloud within 3 years (see Figure 4).

If You Have Not Yet Transitioned to the Cloud, But Have Plans to Migrate, What is Your Timeframe?

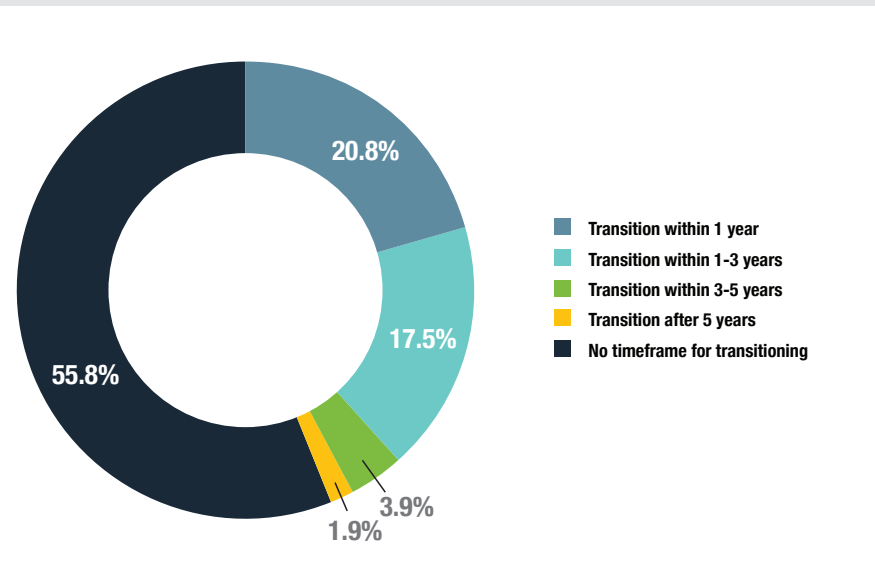


Figure 4

Strategic moves like transitioning to a cloud contact center, or other investments in new technology, are motivated by the current challenges that respondents are facing. We asked respondents to identify the top three challenges in the management of their contact centers. Figure 5 shows the results. Improving customer service was cited as a top three challenge by 48% of respondents. Improving agent productivity was cited by 41% of respondents. Insufficient reporting or analytics came next, cited by 36% of respondents. Finding ways to reduce costs was named by 30% of respondents.

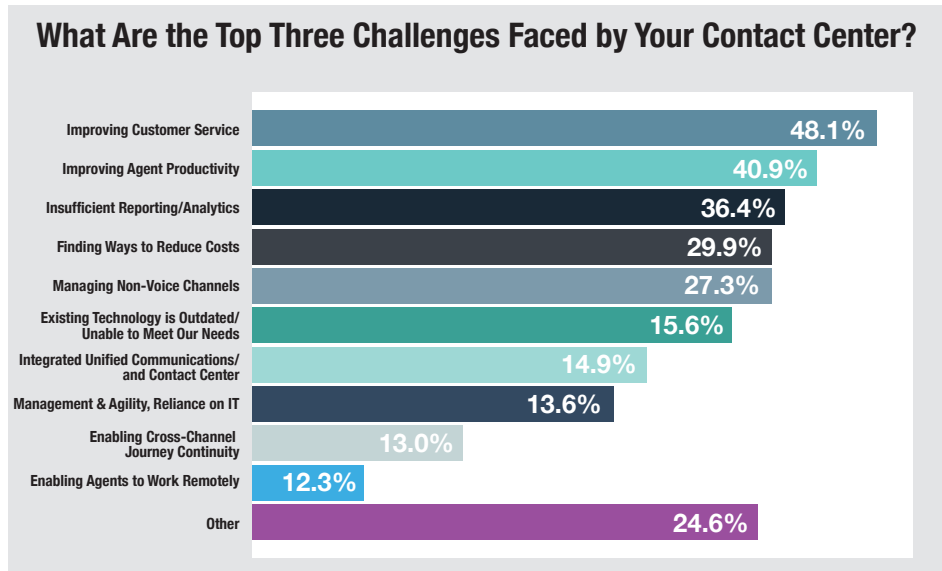


Figure 5

We also asked respondents to identify the top three reasons to move their contact centers to the cloud (see Figure 6). The reason cited most often, by 43% of respondents, was business continuity/disaster recovery.

The second most popular reason with 41% was ability to scale up and down to accommodate more or fewer agents. Next came achieving a lower cost of ownership, cited by 40% of respondents. In fourth place was enabling remote agents, named by 27% of respondents.

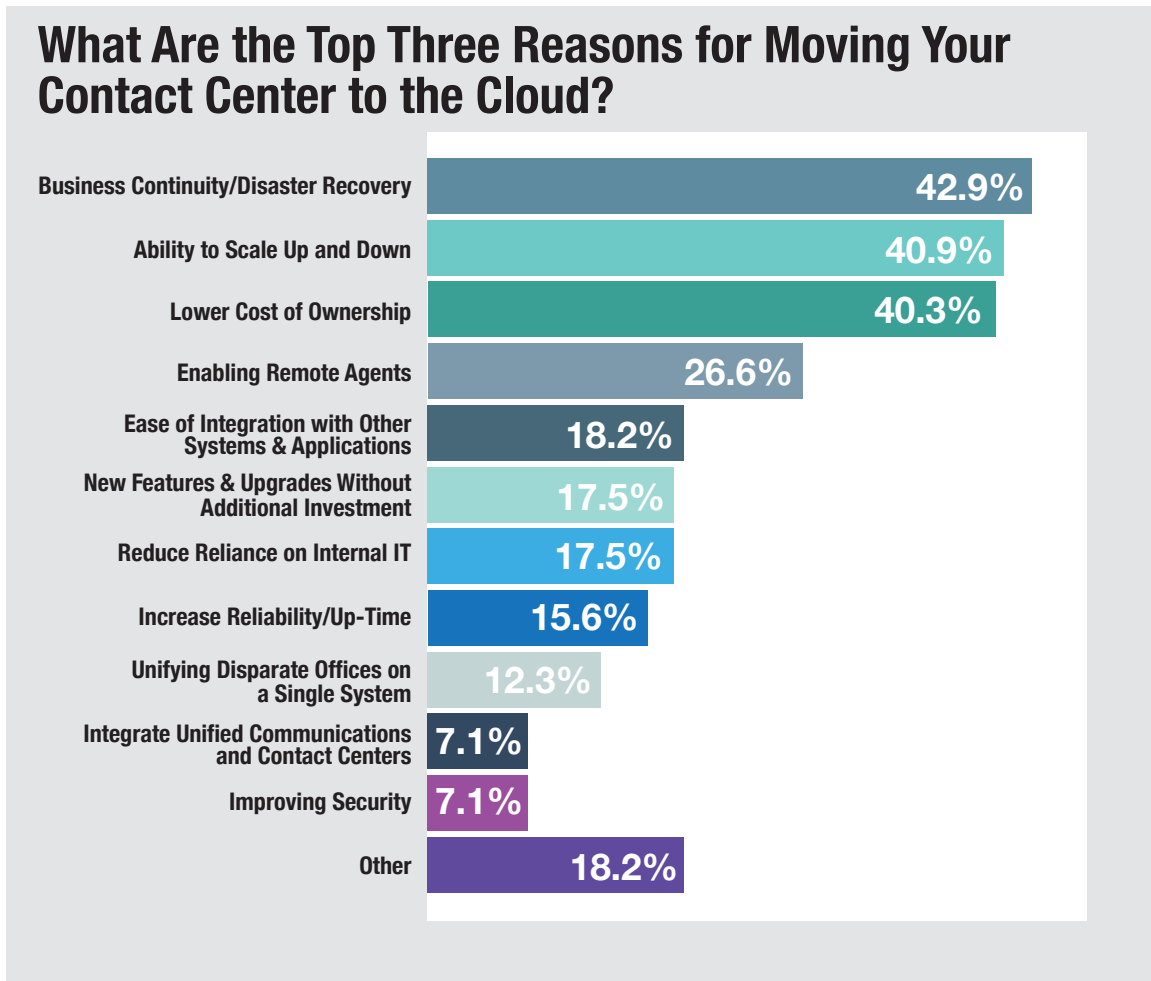


Figure 6

3. Cloud Inhibitors

When it comes to moving a contact center to the cloud, customers still have some concerns. We asked respondents to identify their top three concerns regarding cloud solutions. Quality of service/call quality came first, cited by 50% of respondents. Reliability/uptime was a close second, cited by 49%. Security was cited as a concern by 47% of respondents (see Figure 7.)

These concerns illustrate the importance of choosing the right provider for a cloud contact center solution. Significant progress has been made in quality, reliability, and security by vendors who have invested in research and development and implemented new features and capabilities to upgrade performance in these critical areas.

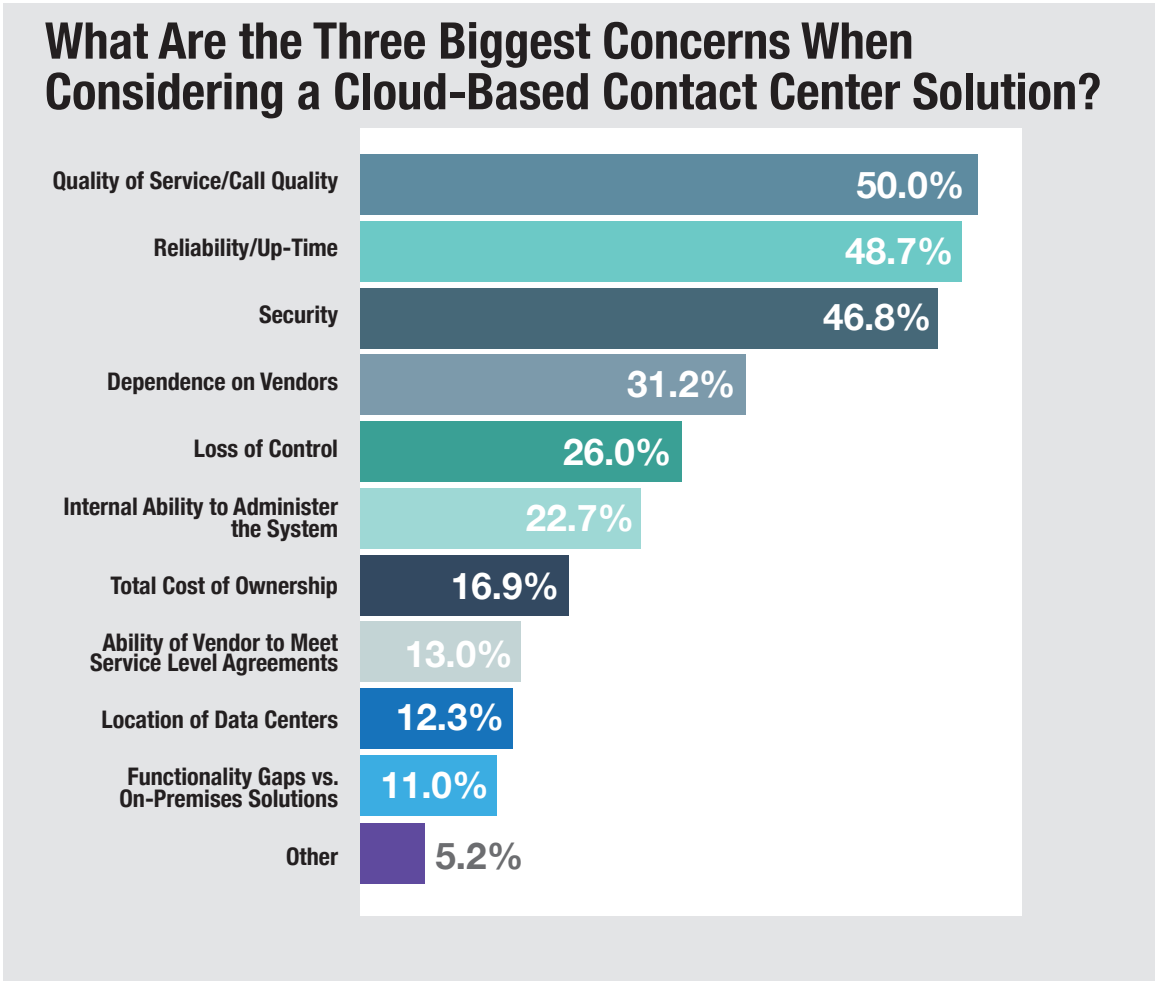


Figure 7

4. Analytics—The Next Frontier

For any contact center, be it on-premises or in the cloud, the two major challenges for most companies are improving customer satisfaction while increasing agent performance. Analytics tools have been developed to support operators in that quest, and the technology continues to be improved over time. We found widespread use of such analytics tools, but also clear opportunities to upgrade to better technologies.

Demonstrating the value contact centers place on increasing agent performance and overall customer satisfaction, 52% of respondents told us they use quality management software, while 47% said they use survey tools. A further 25% said they use customer journey metrics (see Figure 8).

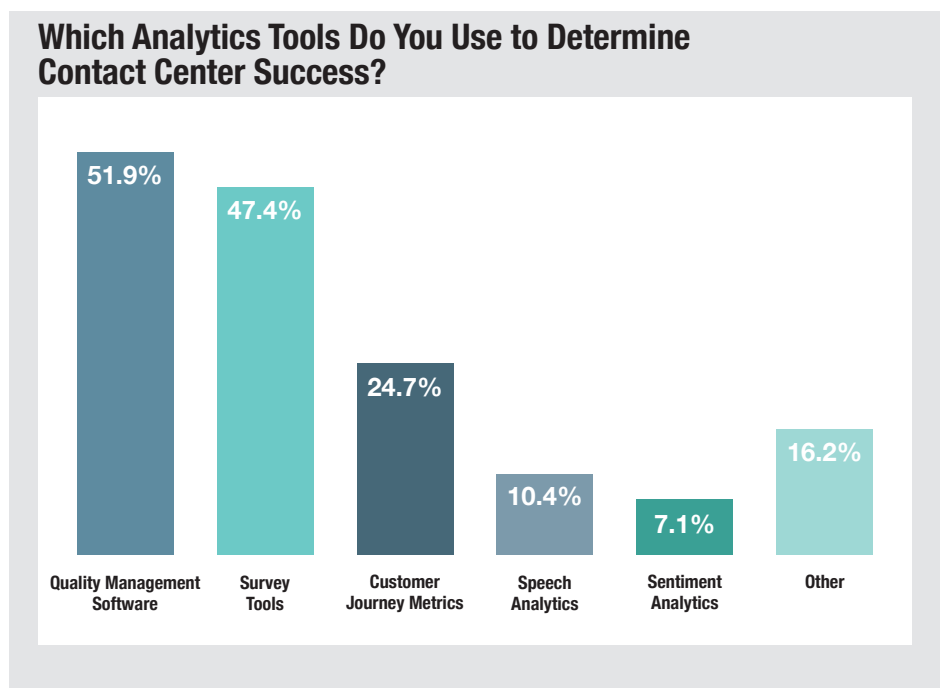


Figure 8

When we asked respondents how they measure and improve agent performance and what analytics tools they use, we found a clear opportunity for them to upgrade to newer, more efficient technology that not only measures performance but facilitates the coaching of agents to help them improve.

The most popular tool cited to measure agent performance was spreadsheets and notes, cited by 59% of respondents. Informal discussions was named by 44% of respondents and tied with standalone quality management systems for second place. Next was a more modern technology, workforce optimization suites, with 31% of responses (see Figure 9).

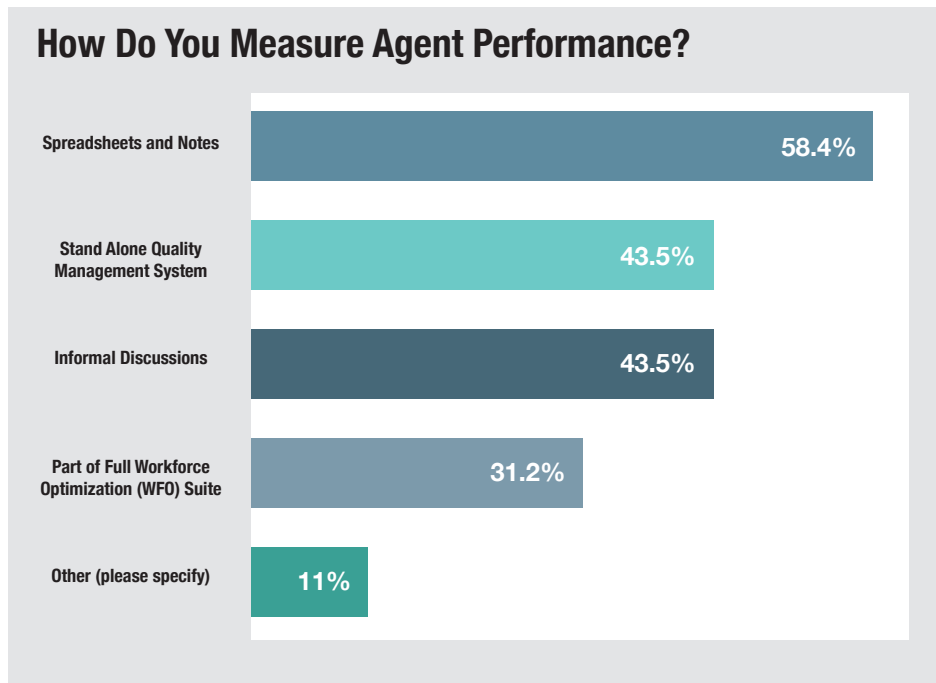


Figure 9

5. The Flexibility of Remote Working

Remote working is increasingly popular in staffing contact centers, as in many other areas of business. It provides greater flexibility in finding the right people for the job, particularly when round-the-clock staffing is required. We found that 59% of respondents reported the use of remote agents to staff contact centers.

That's up from 54% in 2014. Of the respondents with remote workers, 39%, reported having between 1% and 25% of their contact center staff working remotely (see Figure 10).

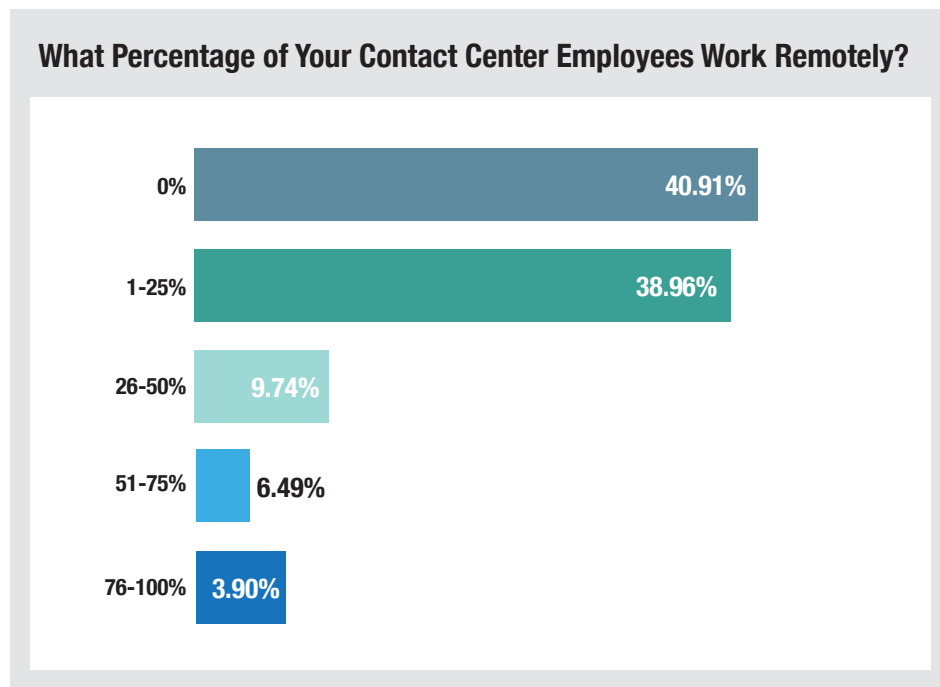


Figure 10

Managing remote workers brings its own set of challenges, which could explain why 41% of respondents do not have remote agents. Figure 11 shows the specific challenges. Management issues were cited most often, by 40% of respondents, as the number one challenge. Management issues refer to the challenges of managing people over long distances.

Technology issues were a close second, cited by 38% of respondents. In many cases this refers to the inability of the technology to provide the same tools to remote workers as are available to office-based staff. Accessibility issues were cited by 29% of respondents, referring to the difficulty of communicating with remote staff. Next was the cultural issue of remote agents feeling isolated from the rest of the team, cited by 27% of respondents.

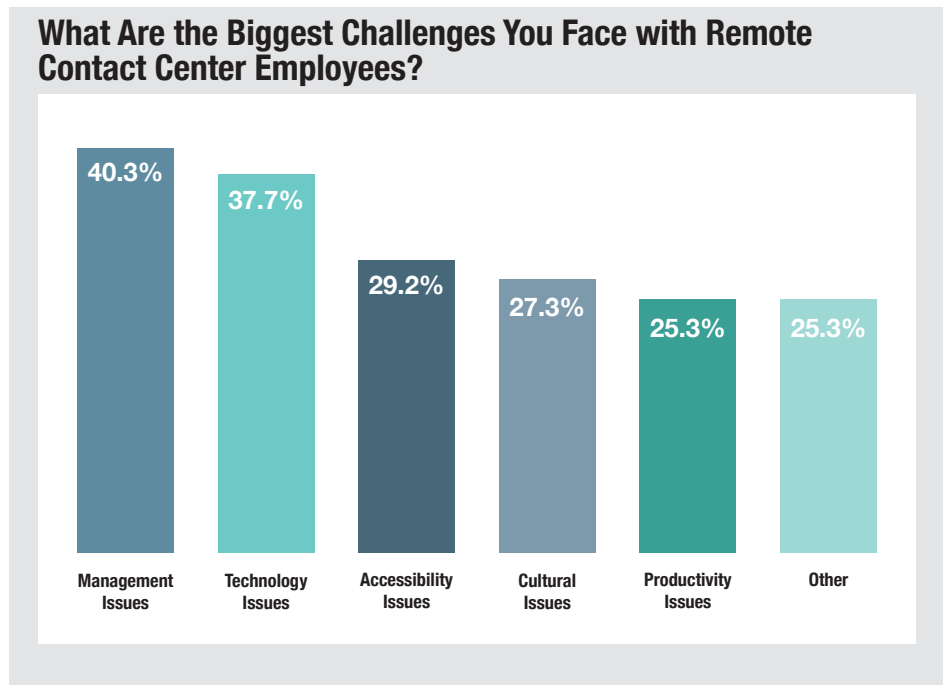
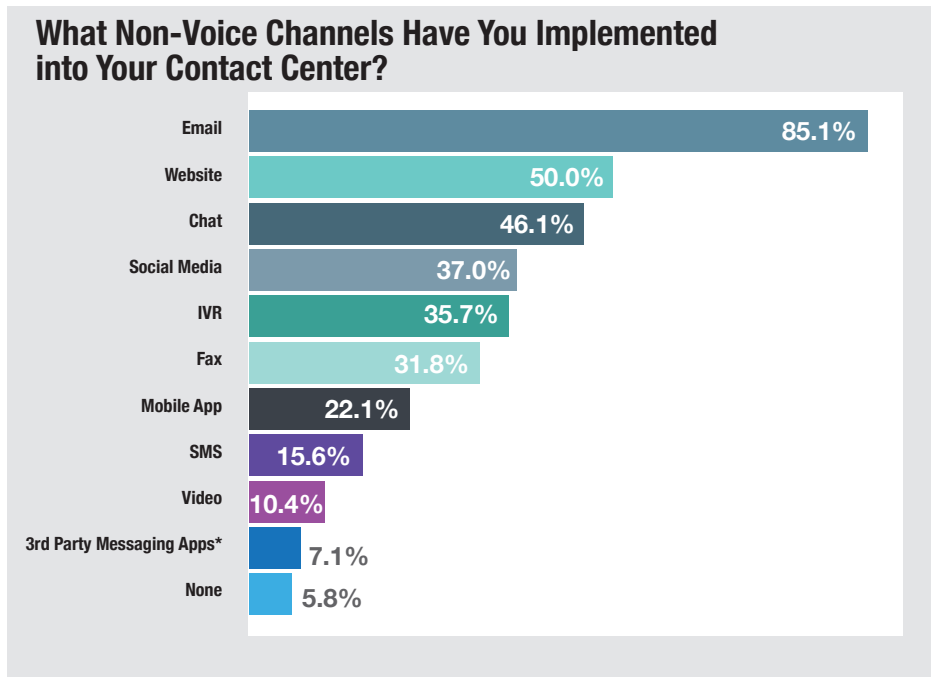


Figure 11

6. It's a Multi-Channel World

The world is going increasingly multi-channel, with consumers and business people spending more time on their mobile devices and using an ever-growing and ever-shifting set of communication tools, apps, and social media to share their needs, views, and opinions. The days of a contact center limited to voice calls are passing into history. We asked our respondents to tell us what non-voice channels they use in their contact centers. Email was the most widely adopted non-voice channel, cited by 85% of respondents. Next came website-based communication, used by 50% of respondents. Then came chat, a tool used by 46% of respondents. In fourth place was the broad category of social media, used by 37% of respondents (see Figure 12).



* e.g., Facebook Messenger

Figure 12

We asked respondents to tell us their leading challenges in managing multiple channels of communication in contact centers. As Figure 13 illustrates, the leading challenge is managing blended agents that cover voice and text-based channels, cited by 36% of respondents.

The second most popular challenge is having the right technology in place, with 34% of respondents. Organizing the team structure was cited by 29% of respondents, while the inability to map the customer journey was cited by 28% of respondents.

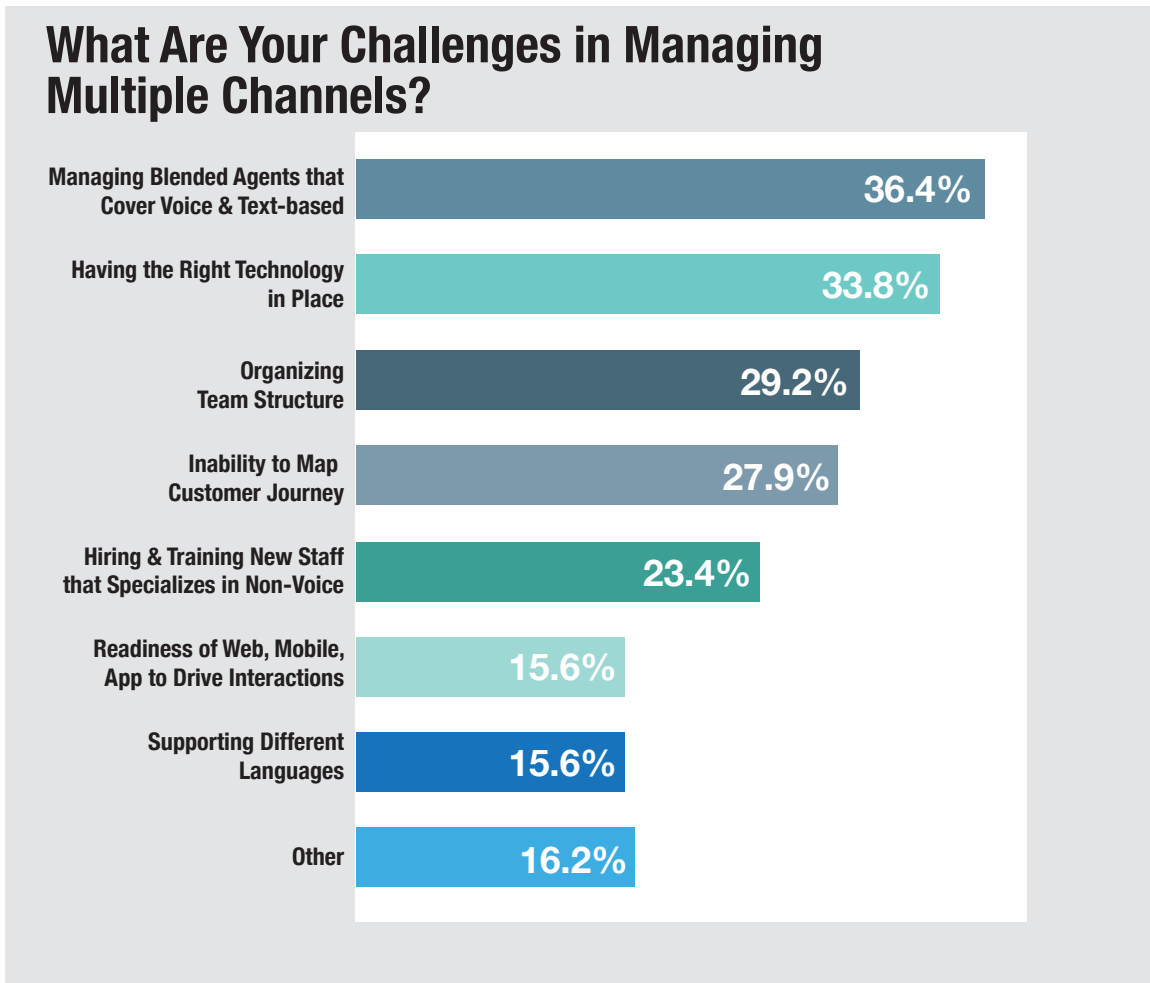
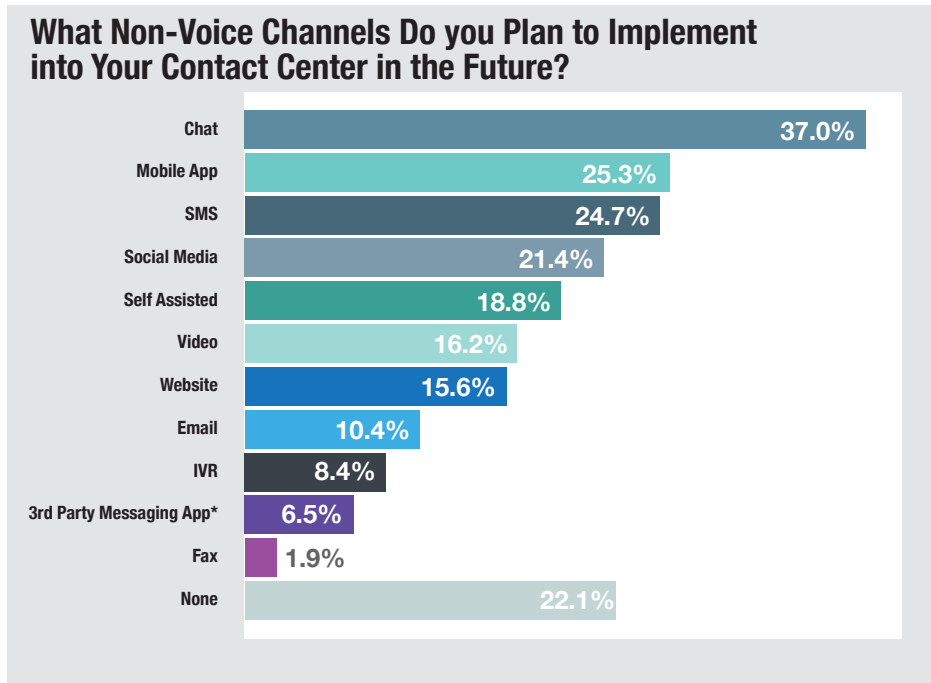


Figure 13

Looking into the future, we asked companies what additional non-voice channels they plan to integrate into their contact centers. The most popular non-voice channels cited are chat at 37%, mobile applications at 25%, and SMS (text messages), also at 25% (see Figure 14).



* e.g. Facebook Messenger

Figure 14

Conclusion

The 8x8-CCNG survey highlights some of the major trends sweeping the contact center industry. The most powerful trend is the steady move from on-premises to cloud-based contact centers. The survey suggests three quarters of companies have recognized the value of the cloud, with 25% of contact centers having fully deployed cloud today and another 28% partially transitioned. In addition, 21% have plans to migrate within the next year.

A second important trend is the growth of remote working, also known as the distributed or “virtual” contact center. Implementing distributed contact centers enables operations to tap a wider talent pool with diverse skills and experience. However, it poses management, technology and accessibility challenges. New features in cloud contact centers, the ability to scale up or down, and quality management technologies to better measure agent performance can enable operators to meet these challenges and maintain high performance as they implement distributed solutions.

Analytics play a key role in helping operators manage their contact centers, and improve quality of service while achieving higher productivity. However, a significant percentage of respondents are still using outmoded tools and methods, such as spreadsheets, notes and informal discussions, to measure and improve agent performance and contact center success. Integrated cloud-based contact center and quality management systems can help companies solve this gap.

Finally, multi-channel solutions are gaining broad traction with contact center operators. They are moving aggressively to incorporate chat, mobile, and social media capabilities to support omni-channel solutions for their customers. The technology to enable multi-channel customer experiences is available in a growing number of cloud contact center solutions today.

To learn more, call **020 7096 6000** or visit **8x8.com/uk**

