

FROST & SULLIVAN

Contact Center Buyer's Guide

Executive Summary: BRIGHT PATTERN

2023

Frost & Sullivan Profiles Bright Pattern as Top Vendor in Latest Contact Center Software Report

Bright Pattern has ranked as a top vendor in the latest Frost & Sullivan Contact Center Software Buyers Guide for the **FOURTH** consecutive year. As a solutions provider, Bright Pattern is identified as providing state-of-the-art omnichannel conversations across various channels, omnichannel QM, ease of use and fast deployment, world class customer satisfaction, AI innovation, and the world's first Omni-Enterprise CX™ platform.

Bright Pattern Strengths as Recognized by Frost & Sullivan Include:

Breadth of Platform Capabilities

"All channels are native to the platform and **enable true omnichannel conversations, including QM and Omni-Enterprise CX™**. Having all channels native enables a single conversation across channels, provides omnichannel reporting, enables omnichannel QM, and eliminates the time and cost of setting up and maintaining separate communication channels and separate QM systems for each channel."

"Bright Pattern is one of the first providers to offer customer service messaging apps, particularly in an omnichannel environment, for use in regions such as Europe and Latin America, where messaging apps like WhatsApp are rapidly becoming a preferred interaction channel."

"Best Fit: Omnichannel. Bright Pattern's target customers are companies looking to easily offer true omnichannel capabilities without significant license or professional services expense. Companies that should also consider Bright Pattern for emerging channels, such as messengers."

"Best Fit: Omni-Enterprise. Companies looking at connecting employees outside the contact center to improve CX can deploy Bright Pattern's Omni-Enterprise CX™ capabilities with Bright Pattern Mobile."

Ease of Use/Deployment

"Because of the platform's simplicity, Bright Pattern offers **low license costs and professional services at a fraction of the price compared to other cloud-based vendors** (less than 2% of Bright Pattern's revenue comes from professional services)."

High Customer Rankings

"In 2022 and 2023, TrustRadius rated Bright Pattern #1 per customers in four categories (contact center platform, IVR, sales dialer, and CX Platform), where it scored a perfect 10/10 in every category."

"Bright Pattern's Omni-Enterprise capability within its larger platform is now bringing voice and digital communication to any employee via mobile devices to improve CX...Simple platform with fast setup times - half the industry average."

Nancy Jamison,
Senior Director,
Frost & Sullivan



Solution Provider Showcase

Bright Pattern

Company Background and Current Performance

Bright Pattern was founded in 2010 as a SaaS-based contact center solutions provider. The company name came from its idea of “making customer service brighter, easier, and faster than ever before,” with a focus on enterprise scalability, true omnichannel capabilities, and a goal to offer the greatest simplicity and lowest cost in the industry. Its founders are from the contact center industry and include some of the original engineers who created enterprise contact center software at Genesys and engineers who developed CRM solutions at FrontRange. Aspect (now Alvaria) was an early investor and encouraged solution development on a cloud-based platform. Based in South San Francisco, California, Bright Pattern has additional offices in California, Australia, Belgium, Colombia, Russia, and Japan. The company has two data centers in the United States and one each in Ireland, Australia, Japan, Singapore, and South Africa.





During its first few years, Bright Pattern primarily focused on product development and sales were handled via partners such as Aspect (Aspect originally white-labeled Bright Pattern as Zipwire, Aspect's first cloud contact center). Over the last four years, the company has made a strategic shift to accelerate growth from a sales and marketing standpoint, creating an inside sales team, adding new regional sales leaders, aggressively expanding partnerships, and greatly accelerating revenue growth. It brought on board member and former Genesys CEO Michael McCloskey as the new CEO, as well as Ted Hunting, who joined in 2018 after 14 years as Genesys's senior vice president of marketing. Both remain at the company today.

At the start of this shift, Bright Pattern saw its strongest annual revenue growth to date with the acquisition of enterprise accounts such as Toyota and Kaiser Permanente; innovative unicorn companies such as Canary and Weebly/Square; many large, global BPOs such as TTEC; and reseller partners in North America, Asia-Pacific, EMEA, and Latin America. It has since landed numerous marquee customers, including Pepsi; the world's largest global shipping company, MSC (Mediterranean Shipping Company); and Officeworks in Australia, with more sales coming direct via partners.

Company growth has accelerated since it increased focus on sales and marketing, as evidenced by **SaaS revenues increasing 41X from 2013 to 2022**. More recently, from 2016 to 2022, SaaS revenues increased with a **compound annual growth rate (CAGR) of 70.4%**. The company is showing predictable and consistent growth, hitting a record every quarter during the last four years.

By the end of 2022 the company clocked 10 straight quarters of profitability and has held strong amidst the shifting economic headwinds that have had many of its competitors reducing headcount.

Bright Pattern now has 500 customers around the globe and is growing. International expansion is a primary goal for 2023. While North America remains its biggest market, it has more than doubled its installed base in Latin America. To continue its EMEA expansion, it brought on a new head of business development and new partners, including Matrix42, Sogedes, Teleconnect GmbH in Germany, CX Factory in France, Bizmatica in Italy, and B&L and Brightskies in the Middle East. Customers with a European presence include Randstad (the world's largest HR firm), Sodexo, Bentley, and MSC. Bright Pattern ended 2022 with significant growth potential in international markets, as evidenced by 2022 revenues breaking down to 64% in the US, 20% in APAC, 9% in LATAM, and 7% in EMEA.

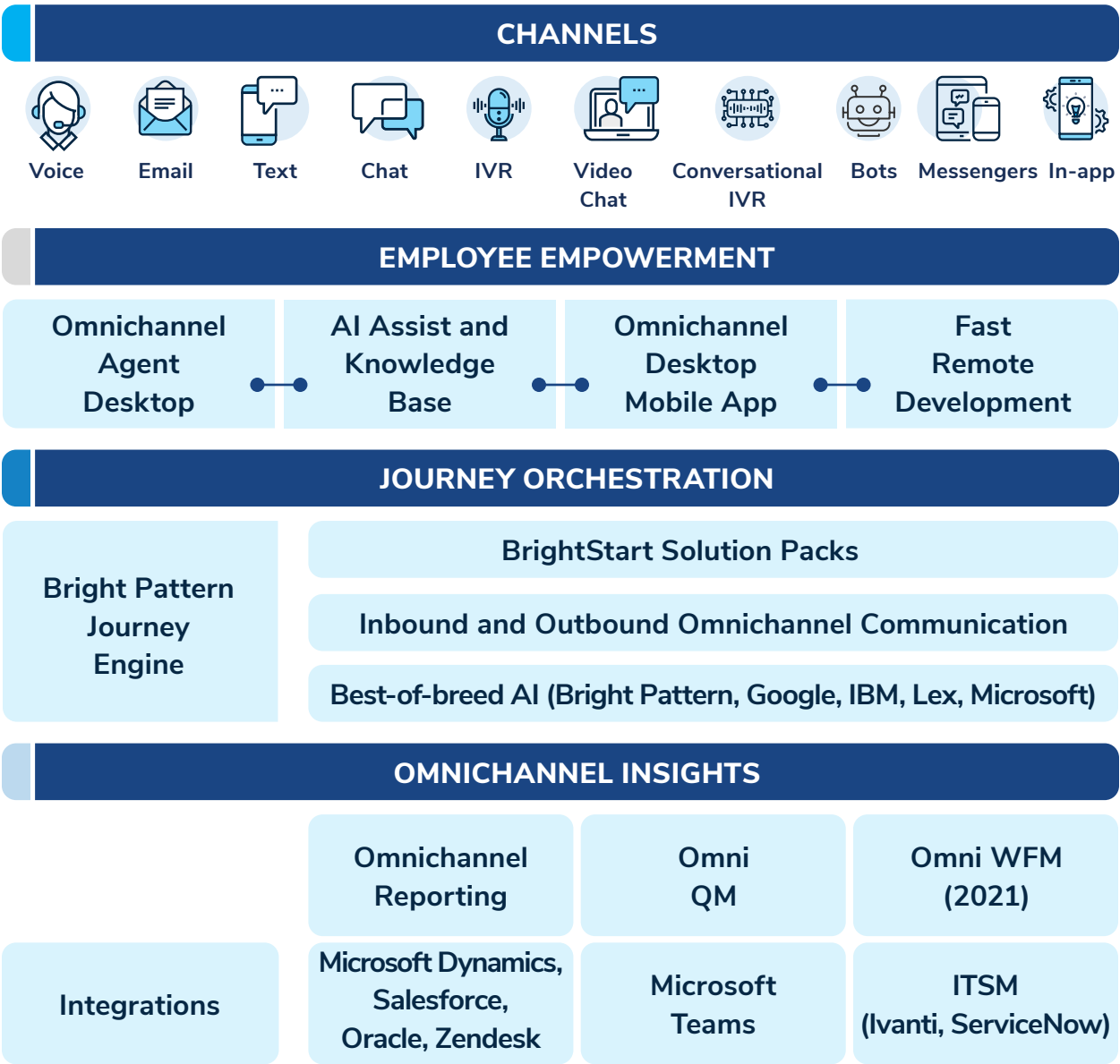


Portfolio Description and Analysis

Bright Pattern Contact Center

The Bright Pattern Contact Center is a natively built omnichannel, multitenant platform targeted at midsize to very large enterprise customers. Built on microservices architecture with all channels native to the platform (versus add-on purchased technologies), it provides omnichannel customer contact, reporting, and quality management across legacy and emerging interaction channels, such as messengers or conversational IVRs. The Bright Pattern platform is illustrated in exhibit 1.

EXHIBIT 1: Bright Pattern Platform



Source: Bright Pattern



Bright Pattern provides **100% global availability** and an active-active topology with more than **10,000 concurrent users** in a single instance.

Bright Pattern has data centers in all major regions providing global availability (apart from a few countries such as China). The system chooses which connections to make, providing solid business continuity and disaster recovery. The system complies with regional data security regulations, routing to local agents and storing data locally if needed.

The company claims to be the first cloud-agnostic platform allowing customers to utilize Amazon, Azure, Oracle, Rackspace, or their own data centers. Bright Pattern runs its own data centers in the United States and primarily uses AWS globally, with other instances being run in partner or customer data centers. The company also boasts a measured uptime of 99.999% for the 12-month period ending 31 December 2022. Bright Pattern makes upgrades without any downtime to users.

The platform design, combined with drag-and-drop configuration, enables Bright Pattern's customers to get up and running very quickly with minimal IT support. Typical deployment windows are one to two weeks for small- to medium-sized businesses and one to two months for large enterprises. This includes pre-integration with third-party software such as CRM applications (e.g., Salesforce, MS Dynamics, ServiceNow, Zendesk) or Microsoft Teams. The administrative interface is designed to let companies change configurations on the fly, such as modifying business rules and journey workflows, without involving excessive time and added IT or professional service costs. The simplicity of the platform's setup is reflected in company service revenues of 1.9%—a small fraction of the professional services revenues of other cloud contact center vendors.

Bright Pattern Contact Center provides a unified omnichannel agent desktop for agents and supervisors, a contact center administrator application for admins, a system management application for service providers, and supporting web applications for building custom forms, chat widgets, automated scenarios, and wallboards. For ease of use, Bright Pattern's remote assist feature enables contact center administrators to remotely access an agent's desktop and assist or takeover, or coach agents.

Bright Pattern also has integrations with IT service management (ITSM) and enterprise service management (ESM) vendors, including ServiceNow and Ivanti, to bring omnichannel communications capabilities to existing ITSM/ESM solutions. This market sits adjacent to the contact center market and is primarily focused on internal helpdesks at large companies (e.g., IT support desks, HR helplines) that have traditionally been voice-focused but are now making a move to digital channels, such as webchat, SMS, and self-service options (e.g., conversational IVRs and IVAs) to reduce costs.



Platform features of note:

- ▶ **Bright Pattern Journey Engine** is the heart of the platform. It provides business workflows to orchestrate journey flows for inbound, outbound, IVR, video, email, chat, mobile in-app, SMS/text messaging, bots, and messengers. The system does capacity-based routing that works on top of skills-based routing, enabling customers to define different communication channels and how much work an agent can handle. The engine also allows for seamless channel switching and escalation, and a full range of monitoring, reporting, and quality management consistent across channels. Advanced call handling features include callback, conversation continuity for dropped calls, and in-call and stand-alone SMS messaging between agent and customer.
- ▶ **Bright Pattern AI** utilizes numerous technologies, including natural language understanding (NLU), voice transcription, meaning extraction, and AI and machine learning (ML), to drive intelligence into applications. The company also has integrations to the best-of-breed AI-based products of companies such as IBM, Google, Amazon, and Microsoft. Blending these technologies enables bots and humans to work as one unit—with bots for basic triage and agents added in as needed with context. The singular Bright Pattern AI engine allows a customer to use any commercial bot or build custom bots, supports desktop automation, and helps agents develop responses over text, phone, email, chat, and messengers.
- ▶ **Conversational IVR** is a natural language, AI-powered IVR solution using best-of-breed AI technology from Google, Microsoft, Amazon, and IBM. By using AI, natural language processing (NLP), and speech analytics on customer calls, it continually learns to improve customer interactions.
- ▶ **Bright Pattern Outbound Communication** contains a breadth of outbound campaign functionality, including key features for sales and marketing campaigns, customer service, accounts receivables management, and multichannel capabilities. New outbound capabilities were added for sales and marketing campaigns. Bright Pattern provides numerous dialing modes including predictive, progressive, and preview dialing, and automatic IVR modes with robust campaign and list management capabilities such as call scripting, web callback, screen-pop, and automation.
- ▶ **Omnichannel Quality Management (Omni QM)** is a fully featured quality management solution that measures quality across all channels and every interaction, then scores interactions and provides coaching suggestions for supervisors. It provides an intuitive, easy-to-use way of monitoring and coaching agents, and includes call recording, screen recording, transcripts, supervisor coaching, and end-of-interaction surveys. Omni QM can be applied to any



channel so that a supervisor can work with the agent in real time regardless of channel or after the fact by going through scorecards. Call and screen recording is multichannel—for calls it provides speaker separation and automatic transcription can be turned on and off. It also offers multiscreen recording and full control over where data is stored. Omni QM facilitates a supervisor's ability to monitor and coach remote agents. Omni QM is embedded into the desktop and customers can operate in a single desktop interface. Because Bright Pattern's channels are all native to the platform, companies can quickly view quality across all channels and see quality management scores such as CSAT and NPS, sentiment by channel and by journey type (e.g., mortgages versus credit cards versus support), or customer segment in simple QM dashboards. Also, using the journey manager engine, interactions that fall below given thresholds can be immediately routed to retention specialists or supervisors for real-time follow-up. Bright Pattern claims to be the first in the industry to provide these metrics across all channels and interactions.

The January 2020 release of Omni QM was enhanced with the use of AI technologies, including sentiment detection, keyword analysis with escalation and routing to right-skilled agents or supervisors (e.g., cancel service), and word-cloud visualization to allow supervisors to see top trending topics over any channel (e.g., "Vizio sale" on chat or voice channels). This allows for the automatic identification of key interactions for an in-the-moment response, automatic detection and routing of interactions to quality managers for scoring and training, and automatic detection and routing of poor interactions to retention specialists to resolve customer issues as they happen. The new release also provides micro-level QM for individual interactions and macro-level QM to monitor by channel, journey type, and customer segment.

- ▶ **Omni WFM** is an omnichannel WFM solution for all channels and agent skill sets scheduled for release in 2023. Bright Pattern also provides integrations to all major WFM applications.
- ▶ **Bright Connect APIs** are a set of prebuilt APIs or connectors to all leading CRMs and databases, such as MS Dynamics, Salesforce, and Zendesk; leading WFO and WFM solutions such as Aspect, Money, NICE, and Pipkins; Microsoft Teams; and existing IT service management platforms such as ServiceNow, Ivanti, and BMC.
- ▶ **Bright Pattern for IT Service Management** provides digital omnichannel capabilities to service management platforms. Bright Pattern's AI-powered omnichannel communication interaction platform enables service management solutions to communicate on all voice and digital channels while providing advanced automation of incidents, problems, changes, and requests. It uses automation and AI to increase the ROI of existing solutions without requiring a rip and replace by extending the capabilities of these assets with new digital



capabilities (e.g., digital channels, conversational IVRs). Feature highlights include automated password reset, automated incident creation and resolution, status updates and notifications, voice self-service, and automated routing of all communications.

- **Bright Pattern Mobile** provides a lite mobile version of the Bright Pattern desktop so employees outside the contact center can handle voice, chat, messenger, and SMS interactions directly from their mobile devices (iPhone or Android). The app, as a client of the Bright Pattern Platform, provides contact center-type metrics via Bright Pattern dashboards so that productivity metrics of these non-contact center employees can be measured across the entire company for anyone using the mobile app. Remote contact center agents can also use Bright Pattern Mobile, but it is targeted at non-contact center employees.

Bright Pattern positions this as Omni-Enterprise CX, enabling any employee in the organization to impact CX. Just as omnichannel communication breaks down *channel* silos, Omni-Enterprise CX breaks down *organizational* silos. The first major enterprise customer to deploy the solution was Officeworks, the largest office supply chain in Australia. Officeworks deployed Bright Pattern Mobile to all in-store associates in 167 stores in two months. These stores handle 6 million store calls per year, and the solution increased answer rates by 267% in two months. While this installation started as a non-contact center deployment, the company eventually replaced its legacy contact center with Bright Pattern.





Sales and Services Model

Bright Pattern now sells directly and through partners, although its primary revenue channel has historically been through partners. While still the primary channel, significant new business with large enterprises and midsize companies occurred in 2022 through its direct sales channel, particularly in the Americas.

Bright Pattern's partnership program includes resellers, BPOs, CRM vendors, and technology partners. The company's partner direction is to remain open to all key technologies (e.g., CRM, WFO/WFM, AI partners) so that customers can choose their own best-of-breed solutions. Bright Pattern is also available on all cloud infrastructure partners (AWS, Azure, and Oracle).

Because of the simplicity of its platform (automation in deployment, configuration), Bright Pattern can be implemented with minimal professional services. Ongoing changes (e.g., operational changes such as updating or modifying journey workflows or business rules) can typically be made by business users with minimal or no PS support.

The simplicity of its configuration and minimal professional service requirement has enabled Bright Pattern to address the needs of companies of all sizes. For instance, while enterprise is an increasing share of bookings for the company, a significant portion of its revenue comes from underserved SMBs that typically have fewer IT resources. The company reports that many SMB installations are done by business users without assistance in less than a day. Because of this, Bright Pattern will soon provide the capability of complete self-provisioning contact center modules for very small companies with auto setup.





| STRENGTHS | CONCERNS |
|--|--|
| All channels are native to the platform and enable true omnichannel conversations, including QM and Omni-Enterprise CX with integrated knowledge management. Having all channels native enables a single conversation across channels, provides data normalization for omnichannel reporting, enables omnichannel QM, and eliminates the time and cost of setting up and maintaining separate communication channels and separate QM systems for each channel. | Bright Pattern offers capabilities through integrations with all leading WFM vendors. It has delayed the release of its own WFM offer to 2023, so it does not yet offer a native WFM solution. |
| The ability for customers to choose their own network provides an added layer of flexibility that many cloud providers do not offer. | |
| Bright Pattern is one of the first providers to offer customer service messaging apps, particularly in an omnichannel environment, for use in regions such as Europe and Latin America, where messaging apps like WhatsApp are rapidly becoming a preferred interaction channel. | |
| Because of the platform’s simplicity, Bright Pattern offers low license costs and professional services at a fraction of the price compared to other cloud-based vendors (less than 2% of Bright Pattern’s revenue comes from professional services). | |
| In 2022 and 2023, Trust Radius rated Bright Pattern #1 per customers in four categories (contact center platform, IVR, sales dialer, and CX Platform), where it scored a perfect 10/10 in every category. For three consecutive years on per Capterra, G2 Crowd, and other not-for-pay customer review sites, Bright Pattern customers have ranked it higher than virtually every other cloud contact center in categories from customer support to feature content. In winter 2019, G2 Crowd noted that Bright Pattern had the highest ROI in the industry according to customer reviews and had the fastest deployment at half the industry average. | |

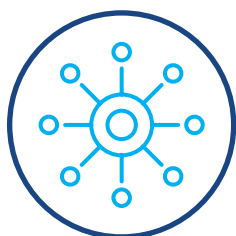


Customer Recommendations

Best Fit



- ▶ **Omnichannel.** Bright Pattern's target customers are companies looking to easily offer true omnichannel capabilities without significant license or professional services expense. Companies that should also consider Bright Pattern are customer care organizations looking at emerging channels, such as messengers or apps with mobile capabilities, including chat, video chat, or document sharing. The company adopted a mobile-first strategy and integrated mobile messaging with apps, such as WhatsApp and Facebook Messenger, into its platform. Messengers such as WhatsApp are growing significantly in Latin America and Europe, and Bright Pattern is being deployed using WhatsApp with customers including Pepsi in Latin America and Mediterranean Shipping Company.



- ▶ **Omni-Enterprise.** Companies looking at connecting employees outside the contact center to improve CX can deploy Bright Pattern's Omni-Enterprise CX capabilities with Bright Pattern Mobile and the Bright Pattern platform, and can track interactions by applying similar metrics to their contact center. Use cases include customers interacting with retail associates, patients communicating with nurses, pharmacy staff or lab technicians, and customers interacting with insurance or financial services employees outside the contact center when processing loans or claims. Although this is a new use case not yet widely seen by most companies, it reflects the increasing overlap between the UCaaS and CCaaS markets—something Bright Pattern sees as the next contact center evolution beyond omnichannel communication.



- ▶ **AI in the Contact Center.** For companies looking to infuse AI into customer contact, Bright Pattern's Bright AI provides a plethora of choices regarding how to do so, including desktop automation (and integration with other RPA vendors), intelligent bots, and messaging applications. In fact, the various technologies can easily be combined (e.g., creating a messaging application that provides instant access to a chatbot for assistance).



- ▶ **IT Service Management and Service Management Enrichment.** Bright Pattern has a growing base of enterprise customers utilizing its service management capabilities, which include the ability to automatically create incidents and provide problem management. For companies that want to extend investments in legacy service management platforms while enriching service management through the addition of digital channels, AI, and automation, Bright Pattern for Service Management would be a good fit and provide solid ROI.



- ▶ **Financial Stability.** Bright Pattern continues to be profitable quarter-over-quarter, with constant growth and with no outside funding or headcount reductions. It continues to invest in its product roadmap and go-to-market initiatives, reinvesting all profits toward continued growth.

Caution



- ▶ **Brand Recognition.** Bright Pattern still does not share the same brand recognition as many cloud contact center providers that previously built out strong go-to-market strategies. However, the company's recent investment in sales and marketing have been paying off with expanded trade show presence, industry presentations, and digital marketing campaigns. Despite not having pockets as deep as some competitors, it has seen a strong uptick in prospects and recognition since 2019 and continues to grow. For instance, it received runner-up for "CX Solution of the Year" at the CCW Excellence Awards in June 2022 in Las Vegas and was recognized as "Omnichannel Solution of the Year" at CCW's largest global event in June 2021.



F R O S T & S U L L I V A N



Orchestrating Omni-Enterprise Customer Experience

A Frost & Sullivan CX Trends Excerpt

CUSTOMER EXPERIENCE GROWTH OPPORTUNITIES FOR 2023

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Changing Customer Experience Trends

Since 2018, Frost & Sullivan noted three primary trends driving the contact center (CC) industry: the adoption of cloud as standard, the continuing move toward omnichannel delivery in the context of digital transformation, and a provider focus on developing solutions that address the needs of a changing workforce. While these trends continued unabated into 2023, the prominence of several important subthemes grew and new ones began to emerge. Here is where we stand today.

Innovation Acceleration

Frost & Sullivan's *Customer Experience Trends Driving Growth in 2022* report (February 2022) noted that the perfect storm of innovation occurs when unforeseen events or circumstances challenge human nature. Fall down a hill into a hole and you will find your way out. Find yourself with a truckload of lemons and you might go into the lemonade business.





That perfect storm of innovation from 2020 to 2021, initiated partly by the COVID-19 pandemic, accelerated the trends we see today. These include multiple long-simmering threads of information and communication technology (ICT) advancements, including:

- The rise of cloud development and storage
- Advancements in automation and artificial intelligence (AI)
- Improvements in omnichannel service delivery
- Cross-organizational support for the customer experience (CX)
- Digital transformation
- Intelligent self-service
- Development of agent tools to improve CX and customer satisfaction (CSAT)
- Focus on solutions that improve the employee/agent experience (EX) and engagement
- The blending of unified communication and collaboration (UCC) and the contact center
- The emerging importance of communication platforms as a service (CPaaS)

Before 2020, the adoption of new technology in the CX arena and others accelerated across traditional contact center segments, such as performance and workforce management, as dictated by customer needs. However, the rapid adoption of new technology (e.g., the cloud or AI) lacked a strong catalyst and was deterred by:

- Companies trying to get the most out of existing premises-based investments
- Reluctance to invest in untried technology
- Lack of understanding of capabilities and benefits
- Inertia driven by a company's perception that systems in place were sufficient
- Budgetary restraints and a lack of priority despite interest

COVID-19 Provides the Fuel for Rapid Innovation and Adoption

In a flash, the COVID-19 pandemic changed all aspects of customer care and accelerated rapid adoption and innovation across both UCC and the contact center landscape. Backburnered business continuity and disaster recovery (BCDR) plans suddenly looked appealing as millions of agents rapidly moved to work-from-home (WFH) environments. More capable and intelligent self-service solutions already used



by younger consumers were adopted regardless of generation. Additionally, the fact that agents were no longer under the watchful eye of supervisors initiated the desire to find novel methods to monitor, manage, measure, and engage remote employees. The combination of a sudden need for new ways to work and the need for better communication and collaboration between businesses and customers pushed the envelope of digital transformation and increased UCC and CC suite adoption

Market Growth

This sudden transition to WFH and the resulting need for more capable workforce optimization (WFO) and workforce engagement management (WEM) solutions spurred market growth. The global CCaaS market generated revenue of \$4.99 billion in 2021, a 21.6% increase from 2020. Frost & Sullivan projects that revenue will increase at a 13.2% compound annual growth rate to reach \$9.29 billion by 2026. The North American CCaaS market contributed \$3.03 billion of that 2021 amount (representing 14.2% year-over-year growth) and is expected to reach \$5.22 billion by 2026.

2022 CX Trends

While dozens of maturing trends can be seen in customer care, Frost & Sullivan notes seven that are having a positive CX impact in 2023 and beyond.





1 The Infusion of AI across the Customer Contact Landscape

The infusion of AI across the customer contact landscape moved to first place in 2023, beating out #2, digital transformation, because of a groundswell of innovation. AI technologies have already been integrated into every category in the contact center, overlapping and enhancing each other. AI is everywhere because you can't have digital transformation without it. AI is affecting the contact center at all levels, including CX, performance management, quality management, and workforce management (WFM). It fuels our ability to combine massive amounts of unstructured data with contact center interaction data and produce data-driven insights that can fundamentally change business outcomes. This trend has spawned multiple sub-trends and many smaller areas of impact.

For instance, the term conversational AI (CAI) took over in 2022 and continues to spread. [Project Voice](#) notes that more than 400 companies claim to be in the conversational AI space today.

CAI is focused on providing a conversation between a human and their digital counterpart. With multiple names, including bot, chatbot, agent assist, virtual agent (VA), or intelligent virtual assistant (IVA), CAI provides self-service options for customers and assistance to employees across the front and back office, creating a hybrid digital/human workforce.

But the development that raised AI to first place for 2023 trends was the launch and aftermath of ChatGPT and generative AI. First introduced in the fall of 2022 with great fanfare, generative AI (or large language models [LLMs]) refers to AI that can quickly generate content in the form of text or images based on input. Since launch, dozens of contact center vendors have announced solutions or research and development (R&D) roadmaps taking advantage of the technology. When blended with CAI, it holds great promise in applications such as:

- Generating myriad responses to queries that chatbots and live agents can then use to assist in customer inquiries, saving development time and making IVA interactions less robotlike and scripted agent responses sound less scripted
- Improving customer conversations by tailoring and personalizing content
- Authoring new bots in a fraction of the time currently required
- Creating personalized recommendations for sales and marketing engagement

For now, the generative AI arms race is on and numerous prominent tech titans have announced near-term solutions, such as Google's Bard chatbot and Microsoft's refreshed Bing search engine. This is just the beginning of contact center solution providers integrating generative AI into product stacks.



2 Digital Transformation

The #2 CX trend for 2023 is the maturation of digital transformation, fueled by greater adoption of digital channels across generations. This includes traditional channels of voice, email, chat, social, mobile, and virtual assistants (VAs) and bots, as well as more capable and intelligent versions of existing channels, such as interactive voice response (IVR), intelligent virtual assistants (IVA), robotic process automation (RPA), video kiosks, wearables, and the Internet of Things (IoT).

Although it has been in play for almost a decade, digital transformation's execution is still lagging. In Frost & Sullivan's *Navigating Digital Transformation in Contact Centers—A Customer Perspective, Global, 2023 to 2024*, only 40% (n=751) of companies deliver omnichannel customer experiences. This simply doesn't meet customer demand for seamless interactions across channels. Businesses cite the cost of implementation and system integration difficulties as top hurdles.

To remain competitive, companies must revamp old interaction channels, add new, intelligent self-service channels infused with conversational AI and analytics, and deliver on the promise of omnichannel CX.



3 Hyperautomation

Process automation is a critical subset of AI and a trending growth area. Twenty years ago, process automation was primarily RPA for the back office. Now, with the explosion of R&D in AI, process automation has evolved to hyperautomation and is enabled through the judicious blending of AI, machine learning, RPA, and IVAs. Hyperautomation is part of a cross-organizational workflow that brings intelligence to digital interactions and enhances analytics for data-driven business insights and continuous improvements across quality and performance management.

This trend has real teeth and will separate the laggards from the innovators. Successful cross-organizational automation strategies move an organization from viewing CX in application silos to holistically viewing workflows and customer journeys as opportunities for automation. They will also bring older, rule-based self-service automation up to date. Strategies include building automation layers that use libraries of reusable automations so that systems, applications, and third-party software can be accessed and easily woven together to create solutions. For example, RPA bots can access, retrieve, and update disparate systems; complete tasks and workflows; and reuse the same automations in other areas. This greatly reduces time, costs, and errors and



helps maintain regulatory compliance and data consistency. Adding an automation layer enables developers to more quickly build new applications and additional automations and to rapidly test and execute new components. With generative AI coming into play, automations will be created using AI to assist with development as well.



4 Improving the Employee Experience

Improving the employee experience (EX) has been a longstanding effort within customer care, particularly because the contact center industry has traditionally had high employee turnover (agent churn). Efforts were well underway to address churn for multiple reasons, including the cost of replacing and training agents, the loss of more seasoned and knowledgeable agents (and that knowledge with them), and the direct impact that unhappy agents can have on customer interactions. However, the pandemic highlighted the need to improve EX across all business sectors, not just the contact center.

Several EX sub threads or trends center on employee empowerment, productivity, and performance. One key trend is features and applications under the umbrella of workforce engagement management WEM, which is a broad category that embraces both mindsets and solution sets. The mindset springs from the realization that EX and CX are equally important and interdependent—all areas of the contact center impact WEM. For instance, enhancements to self-service channels that deflect live agent interactions or reduce agent effort during more complex calls improve agent engagement. WEM enhancements target:

- Performance management (PM) (AI tools to assist agents, gamification of the agent/supervisor workday)
- Quality management (QM) (training, coaching)
- Forecasting and scheduling
- Hiring solutions

Improvements are rapidly accelerating. For instance, myriad solution providers are marketing virtual agent assist bots that construct real-time transcriptions and perform analytics to guide agents during interactions and create post-call summaries. These same tools can also automatically pinpoint training and coaching opportunities in real time. Gamification, which was previously generally thought of as a nice-to-have feature, has grown in capabilities and popularity due to its demonstrable benefits in and outside the contact center with a solid return on investment (ROI).



Bolstering WEM solutions was already a heavy investment area before the pandemic, but it has become more critical in the years since. The pandemic forced a broad swath of industries through shutdowns, layoffs, and an unpredictable workforce due to the unknowns of who might not be able to work at any given time. This dovetailed with the Great Resignation, as thousands of workers who were laid off or experienced the benefits of WFH chose to leave their positions for retirement, a sabbatical, or greener pastures. While the contact center rapidly shifted to WFH models, it also placed contact centers on notice to make the workplace a better place to stay.



5 Flexible Business Models

One thing the pandemic tested was our resiliency, which requires flexibility. Businesses had to design new business models, particularly in-person and customer-facing ones. Frost & Sullivan's *Business Model Innovation Post COVID-19 Growth Opportunities Report* (November 2021) highlighted five business models: as-a-service, ecosystem, customer-based, circular economy, and crowd-based. Many of these impact CX and the contact center, including as-a-service models and factors such as personalization, business outcome-based, and flexible payment options. The contact center also witnessed new business models in the areas of:

- ▶ Innovative customer engagement
- ▶ Labor and hiring
- ▶ Hybrid work environments
- ▶ Consumption and deployment models





Innovative Customer Engagement

To remain competitive, businesses strive to find new ways to connect with customers, significantly increasing creativity and innovation. The retail industry is a prime example of this effort, as the pandemic scared off in-person shoppers and created the need for contactless delivery, social distancing, and more tightly enforced hygiene. It further increased demand for more enhanced eCommerce and mCommerce models. Businesses with few eCommerce capabilities had to add them to compete, and retail disrupters greatly enhanced offerings such as new concept stores, contactless pick-up lockers, and touchless checkout solutions. As the pandemic eased and global economic challenges increased, retailers had to innovate even faster to bridge the digital and physical customer realms. This led to phygital experiences, such as smart mirrors and shelves; in-store, interactive mobile apps with conversational AI and knowledge management; and in-store smart carts.

Labor and Hiring

Amid a shifting labor market and uncertain economic times, more help with hiring, onboarding, and retaining workers is key. AI-powered recruiting and hiring tools that assist in finding the right agents for the right jobs are already in play, and these have the downstream effect of reducing churn due to poor worker fit. These tools include onboarding assistance, such as components in gamification packages, and AI-powered tools that pinpoint and deliver targeted training and feedback.

Training is a central subtheme and occurs not just in the company training programs, but also in performance management and gamification packages that use AI-infused analytics to uncover in-the-moment options for training and targeted training based on groups or individual agents.

Nourishing a Hybrid Workforce

Creating a hybrid workforce means different things to different people. It could refer to where people work, such as having some people in the office and others remote, or to a mixed work schedule with people working some days in the office and others remotely. It also could refer to the blending of live and virtual agents. Regardless, the trend is to nourish a hybrid work environment, whether that is bringing the best attributes of working in the office to home offices (or vice versa) or helping live and virtual agents work in harmony.

Proactive, automated workflows are possible for hybrid virtual and live agent workforces by averting the need for agents to switch between applications or re-enter and update data input into one area. This can be done for them, along with prompting, when a field needs to be completed or new data is required. With automated



transcribing and analytics, post-call wrap-up and summaries can also be automated and then curated by live agents or subject matter experts. These are just some of the benefits of using virtual and live agents together. This is part of the hyperautomation trend discussed above but presents specific factors that warrant consideration when designing business models.

Expect to see more emphasis on AI-enhanced tools used to understand customer sentiment, behavioral analytics, and real-time interaction dynamics, as well as a more intense focus on developing omnichannel WFM tools for forecasting, scheduling, and managing a hybrid workforce.

Consumption and Deployment Models

Hybrid cloud remains a hot topic and has become a gateway to full cloud deployment. Hybrid deployments and smooth migration paths and tools to get to the cloud have been particularly attractive in the past several years, especially in the large and very large enterprise markets. Companies are using the cloud to host contact center services and gain a head start on innovation when rip and elevate isn't yet an option.

In the realm of offering customers choice, there has been an increase in innovative pricing strategies. Businesses continue to play with freemium, pay-as-you-go, and subscription-based models. Within customer contact, variations of these have increased and hybrid versions that blend SaaS-based cloud and premise-based licensing have been introduced. This includes packages that allow businesses to purchase seats/minutes and mix and match usage based on need. For instance, this could include using some for live agents and others for virtual agents and self-serve application use.





6 Connected Work and the Continued Blending of UC and CC

Trend #6, which has also been developing over several years, is businesses embracing the combination of UCC and the contact center to better serve customers. This has recently been supported by a large increase in contact center providers either developing their own UCC capabilities or partnering with top-tier UCC providers. The growing awareness of this combination's benefits has helped remove barriers to adoption, such as a single bill and presence visibility across platforms.

Recently, solution providers have developed platforms and platform strategies that enable providers to deliver various natively integrated services, including UCC and the CC but also video and group chat, application programming interfaces (APIs), and communication-as-a-platform service (CPaaS) capabilities. Multiple services natively supported on the same platform provide additional benefits: analytics and AI running across all services; all services being managed through a single administrative portal; and automatic interoperability regardless of the technology road maps across the different services (e.g., new features on the UCC side automatically integrating with the CC features and/or are available to both enterprise and contact center users).

While not every business will adopt the full functionality of both, another silver lining from the pandemic was the increased adoption and acceptance of a subset of UCC capabilities: collaboration and video. Consumers and workers alike were compelled to use video in lieu of in-person experiences and had more need for tools to make up for lack of in-person collaboration. This lowered the barrier to entry for contact center use cases without the need to buy entire UCC suites.



7 Sustainability and Circular Economy

Sustainability and corporate social responsibility (CSR) remain major executive priorities because they are ethical concerns that consumers and investors demand. In Frost & Sullivan's 2023 Global Contact Center Survey of 791 contact center stakeholders, conducted in January 2023, 60% of respondents considered sustainability very important or crucial. In fact, according to a 2023 report from Circana and the New York University Stern Center for Sustainable Business, sustainability-marketed products increased 2022 market share by 17.3% of purchases. Despite being 26.7% pricier than conventional products, the report estimates a 9.48% five-year compound annual growth rate compared to 4.98% for conventional.



Alongside the number of corporate-wide sustainability and circular economy initiatives, the number of chief sustainability officers (CSOs) is increasing. The CSO's role is to work with a company to reduce its environmental impact. Sustainability has risen as a top trend in customer care and CX because it is the right thing to do and because customers are becoming more thoughtful about the companies with which they do business. Sustainability and the circular economy are also subsets of the broader goals under the umbrella of environment, social, and governance (ESG) initiatives, adding a spotlight to things that can be done for the environment. Companies that embrace these strategies will have a competitive advantage.

While recycling, green buildings, and initiatives to reduce waste, water use, carbon footprint, and energy consumption are well known, how does that specifically apply to the contact center and the customer experience? Broadly, in the contact center industry, it means solution providers are actively working on achieving sustainability goals internally, with the suppliers they choose, and in cooperation with customers. It also applies to creating a company culture that embraces these goals. Sustainability initiatives incorporate an extensive array of actions that include:

- Developing and deploying digital technologies that help customers and suppliers minimize their carbon footprint
- Designing for sustainability
- Reducing the carbon footprint in data centers used by contact centers
- Repairing, reusing, and recycling premises-based hardware and contact center equipment, such as desk phones and headsets
- Continuing and improving the use of WFH models to reduce physical contact center real estate and worker commuting
- Using video and collaboration tools to reduce travel and customer support truck rolls
- Incorporating automation to support data center monitoring, measuring, and reporting, and taking subsequent action to lower energy consumption, such as powering down data centers and brick-and-mortar contact centers during times of non-use
- Employing green and biophilic designs in offices and buildings
- Using automation to reduce paper use
- Pressuring supply chain partners to create similar initiatives



The Last Word

The seven trends above are just a few evolving in 2023. While the pandemic affected all business sectors, geopolitical chaos and global economic uncertainty drove the contact center industry further and, in some ways, it benefited from it. One benefit was a swift, forced migration to the cloud as contact centers instituted and honed WFH models. It increased demand for more and better customer interaction channels, and it pushed many companies to investigate and implement AI and process automation to streamline operations, improve operational efficiencies, and reduce costs.

However, many lessons learned were more nuanced and will impact these trends going forward. For example, while we've talked for years about automation taking off layers of work, it wasn't until recently that we began to see the need for knowing when to intervene by inserting a live agent when self-service begins to falter. The pandemic laid this bare. Just because people prefer self-service over live assistance doesn't mean they don't want to talk to a real person. With COVID-19 and the acute sense of isolation it caused in so many, understanding the virtual/live agent dynamics has never been more important. With the development of generative AI, which has the prospect of much more lifelike (but not quite real) self-service options, discerning when to use virtual versus real will be of utmost importance.

Companies need to take advantage of the myriad tools now available to improve contact center performance, but they need to keep a keen eye on the impact on CX. This means investing in relationships with solution providers to jointly create smart, strategic plans for hyperautomation, omnichannel service delivery, and hybrid work. Rapid change is not over yet. The next unforeseen event may be just around the corner and businesses need to be prepared.