



LIVEVOX

The 2023 Practitioner's Guide to
Investing in AI to Improve CX

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Introduction

State of the Market

The global pandemic prompted the biggest business shakeup we have seen since the assembly line.

With service call volumes spiking and customers demanding ever-more-tailored services like contactless shopping to meet their needs, the disruption coincides with major customer service shifts that were already in motion before COVID-19 took hold. Moreover, the adoption of tools like AI and automation have become necessary, not nice to haves.

In the last year executives have seen these two seismic customer service shifts converge, with the most innovative organizations spotting an opportunity to leverage the latter trend—cutting edge CX tools—to address the former one—increasing demand for better, more convenient and personalized service. It's been an era of sink-or-swim decisions, and many that failed to adapt succumbed under the pressure.

In our survey with more than 300 contact center executives across North America, 75% of them said they'd seen increased call volume on all channels. One in five reported volume spikes of more than 50% compared to the previous year. Yet despite the obvious growth in customer demand, 37% of the firms we surveyed did not adopt any new digital communication channels to respond to the need.

Adapting to soaring demand levels is a major area of underinvestment for contact centers and a prime opportunity to make meaningful CX gains.¹

75%

said they'd seen increased call volume on all channels.

50%

One in five reported volume spikes of more than 50% compared to the previous year.

37%

of the firms we surveyed did not adopt any new digital communication channels needed despite the obvious growth in customer demand.

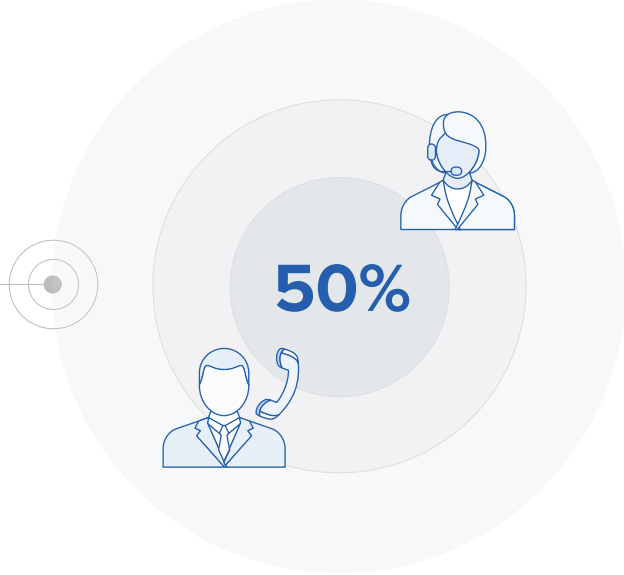
¹ https://info.livevox.com/hubfs/Survey%20Reports/Survey-Report_2nd-Edition-WFH-Report.pdf

One in five call centers saw volume spike by more than 50% compared to the previous year.

Responding to rising call volume isn't the only area of opportunity sparked by the pandemic. With an unprecedented number of agents working from home, productivity improvements are a chief concern.

Thirty-nine percent of executives we surveyed said managing agent productivity is their number one challenge. A strong agent experience is directly correlated with a positive customer experience, so investments in workflow automation tools that drive more frictionless interactions should be a priority.

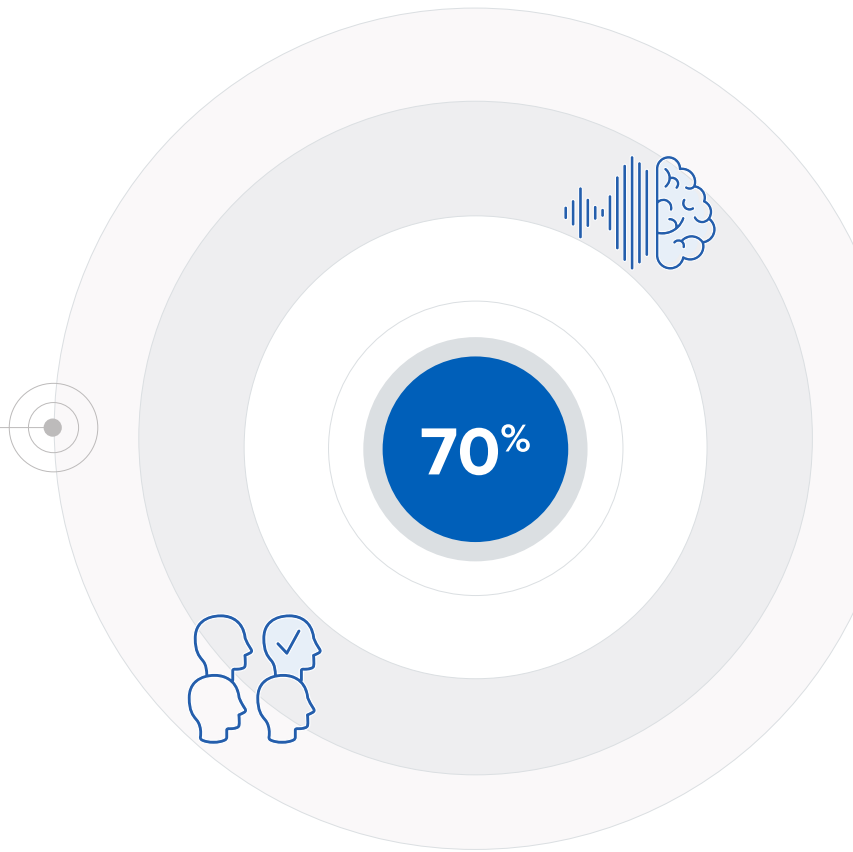
And finally, there's the trend that has loomed large in the contact center arena for years, but one that many organizations still have yet to address: artificial intelligence.



Nearly 70% of business leaders agree they need an AI strategy to keep pace with today's competitive environment, but AI implementation levels have remained virtually unchanged since 2019.²

It's hard to think of a more auspicious area of CX opportunity than that of AI adoption.

In the chapters ahead, we'll take the guesswork out of CX optimization, arming you with the investing tips you need to leverage to make substantial gains without equally substantial spending on technology infrastructure or labor.



² <https://info.livevox.com/hubfs/Survey%20Reports/LiveVox%20AI%20Survey%20Report.pdf>

Unprecedented call center volume and ultra-high customer expectations make it a prime time to invest in CX.

Chapter 1

The ROI of CX



It's hard to argue with investing in a better customer experience. In our recent survey of contact center professionals, 93% of them rated improving the customer experience as 'important' or 'very important.'³ Yet discerning where to actually make those investments isn't as obvious.

When considering the topic of customer service expenditures, you likely have one resounding question: *what's going to bring me the most ROI?* The good news when it comes to CX is that there are plentiful quick wins to be had.

The first avenue to explore is automation.

Industry analysts like Forrester have found that today's agents are bogged down by inefficient systems, with most of them having between four and ten applications open during a typical customer interaction.⁴ The time spent just toggling between windows can add minutes to a single conversation. This amounts to longer average handle times and more customers waiting on hold.

Automation can eliminate repetitive manual work and help agents do their jobs faster, improving service levels in the process. For example, bringing together all communication channels and past customer conversations into a single interface enables a number of automatic functions that make life easier for agents: necessary customer data is instantly called up without them having to search for it, past conversations are compiled in one place without having to switch between applications, and dynamic scripts guide agents to more successful resolutions.

CX automation helps agents do their jobs better and faster.

You're likely already using some forms of automation, like interactive voice response (IVR) systems that help sort and route callers. Most organizations, however, are far from leveraging automation to its full potential. We can exponentially increase its ROI by layering AI on top of it.

³ https://info.livevox.com/hubfs/Survey%20Reports/LiveVox%20Flash%20Report_Customer%20Experience.pdf

⁴ <https://info.livevox.com/hubfs/LiveVox%20Forrester%20Infographic.pdf>



The IVR system just mentioned might be supplemented with AI-powered natural language processing, which allows us to discern customers' intent without being boxed in by fixed options ("tell us the reason you're calling" instead of "press one to check your balance, press two to pay a bill"). In this way, using AI and automation together substantially expands the range of issues that can be resolved through any given channel.

AI can also prove ROI quickly through convenient self-service tools like chatbots and virtual agents. A McKinsey survey of business leaders on AI adoption produced some impressive findings in this area.

Of the executives whose companies had implemented AI in a customer service capacity:

1 in 5 of them said it increased revenue by 6-10%

— A SIZABLE INCREASE AS A RESULT OF UPDATING A SINGLE BUSINESS FUNCTION.

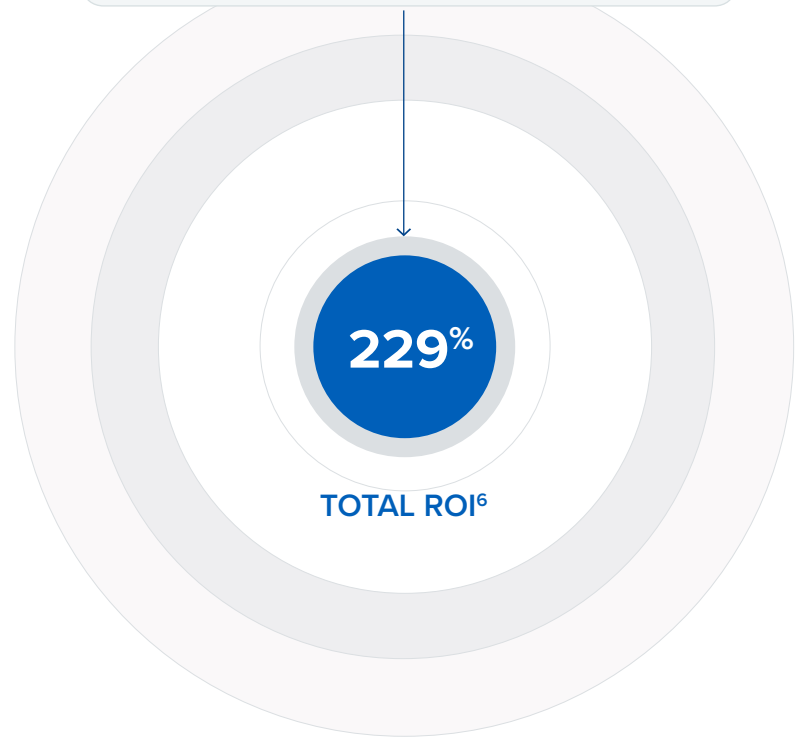
And AI's implications can be even more dramatic when it comes to cutting costs; 17% of the executives surveyed by McKinsey said their customer service AI tools had decreased their costs by between 10 and 19%.⁵ Contact center automation was among the top three use cases for decreasing costs through AI.

Perhaps the most impressive case for CX automation comes from a Forrester Total Economic Impact™ study of organizations that used a platform that combined CRM automation with AI.

Over the course of three years:

The typical firm saw costs related to outdated technology drop by

\$1.5MM AVG.



To boil it down: Investing in automation and AI to improve the customer experience pays big dividends, not only in the form of reduced wait times, increased service levels and smoother agent workflows, but in tangible revenue gains and cost reductions. It's a lucrative prospect for forward-thinking organizations.

⁵ <https://www.mckinsey.com/business-functions/mckinsey-analytics/our-insights/global-survey-the-state-of-ai-in-2020>

⁶ Forrester Total Economic Impact Study commissioned by LiveVox, June 2021

AI-enabled automation can help firms cut expenditures and increase revenue, with customer service being one of the most sizable business functions to invest in.

The DNA of CX Has Changed



In the analog age, delivering an excellent customer experience was largely predicated on hiring friendly sales associates. In more modern times, an easy-to-use website and a seamless checkout experience joined the list of requirements. Now, there's a new player in the CX game, one that can make or break the customer's perception of your brand: automation.

Automation has flipped the script on what it means to provide excellent service, enabling never-before-possible levels of personalization and even the ability to meet customers' needs before they arise. Today, the best CX is one that's so smooth and tailored that the customer doesn't even notice it—unless, of course, it's because they remember it for how much it exceeded their expectations!

At the core, the DNA of CX has changed.

The best CX is one that's so smooth and tailored that the customer doesn't even notice it.

Instead of requiring an ever-growing army of agents to meet unprecedented service demand, automation can help you manage the volume without heavy investments in staffing. Intelligent capabilities like data-driven scheduling and skills-based routing ensure the right number of agents are available at the right time and that each is tasked with the tickets that best fit their skills. Meanwhile, virtual agents and chatbots tackle the most frequent, routine issues.

Rather than relying on a core group of top-performing agents to handle difficult calls, intelligent scripting empowers all agents with real-time recommendations for the right messaging to use to arrive at a positive outcome. Automatic speech analytics tools assess 100% of interactions and give highly detailed, objective feedback, helping agents continuously learn and improve while building an ever-growing knowledge base in the process.

Finally, instead of waiting for customers to bring their service issues to you, predictive insights allow you to anticipate their needs in advance and take proactive, automated steps to address them. This not only creates a delightful customer experience, but further helps manage volume and keep your call center metrics in the green.

It's an exciting time in the CX realm, and one that holds a great deal of promise for organizations that are willing to innovate through automation.

Investing in automation expands and improves your capacity to serve more customers.



Digital activity has seen an unparalleled boom since millions of Americans were asked to shelter in place and businesses forced to close their doors in 2020, and the wave hasn't let up since. With in-person service interactions limited, the customer issues faced by call centers have grown in complexity. This means voice as a service channel is still vital—but it's no longer bound by the constraints of a finite number of live agents.

Thanks to AI, voice is no longer limited by the constraints of live agents.

With the help of artificial intelligence tools, you can enhance and expand on the capabilities of your agent-powered channels, increasing service levels and ultimately growing your business.



Virtual Agents: AI-powered virtual agents take a traditional 1:1 agent to customer service standard and exponentially increase effectiveness. With the help of natural language processing (NLP), virtual agents can parse and understand complex phrases spoken by the human on the other end of the line, then “decide” whether the issue can be resolved via a self-service channel or if it requires live agent intervention. Conversational IVR can understand context, like whether a customer is calling about an account issue or a more general inquiry, and it gets more proficient with time.

By directing callers first to self-service channels and knowledge bases before involving human agents, conversational IVR has impressive cost-saving potential. The typical organization using LiveVox to deflect inbound calls saved an average of \$4.5 million over three years.⁷



Intelligent Chatbots: With their canned responses and robotic phrasing, chatbots of the past weren't much different from their fixed-outcome phone tree counterparts. But as with conversational IVR, intelligent chatbots of the present are augmented with natural language processing which greatly expands their capabilities.

Instead of relying on pre-programmed responses, smart chatbots can discern the unique reason for a customer's inquiry and offer personalized solutions, all the while leveraging NLP algorithms to “understand” and “speak” more like a human.



Triggered SMS: Texting is the preferred method of communication among American adults, with 90% of text messages opened within three minutes. It should come as no surprise, then, that investing in your SMS customer experience is the ultimate growth hack.⁸ SMS can give you all the functions of an intelligent chatbot with the added advantage of reaching users via a channel they love (texting), on a device that's with them 24/7 (their smartphone), and one that allows your agents to be even more productive and efficient with their time.

SMS's triggering capabilities allow you to provide the kind of proactive service we discussed in chapter two, reaching customers before they even have to think about contacting you. Helpful alerts like bill-pay reminders and appointment notifications not only improve service, but drive financial gains. LiveVox's typical customer saved an average of \$2.9 million over three years with outbound customer service tools like triggered SMS.

Live agents are still your brand's front-line representatives for delivering an excellent customer experience. But by using AI to supplement their efforts, you can improve efficiency for both customers and agents while dramatically reducing costs in the process.

⁷ <https://info.livevox.com/hubfs/Survey%20Reports/Forrester-Total-Economic-Impact-Study.pdf>



Speech Analytics: AI-powered speech analytics reveals hidden insights in the calls your contact center receives. These insights help you create a better experience for your customer and a more efficient processes. Despite what many think, speech analytics is not just a conversation transcription tool. You can program it to identify and analyze words, phrases, categories, and themes within a conversation. Doing so can uncover patterns and pain points that might otherwise go unnoticed.

As you root out problems with speech analytics you'll also be able to identify root cause solutions based on customer intent. For example, if a high number of customers are calling to troubleshoot why they can't log in to their accounts, there may be a problem with your website. You can reduce the number of customers this problem affects simply by being aware of its existence.

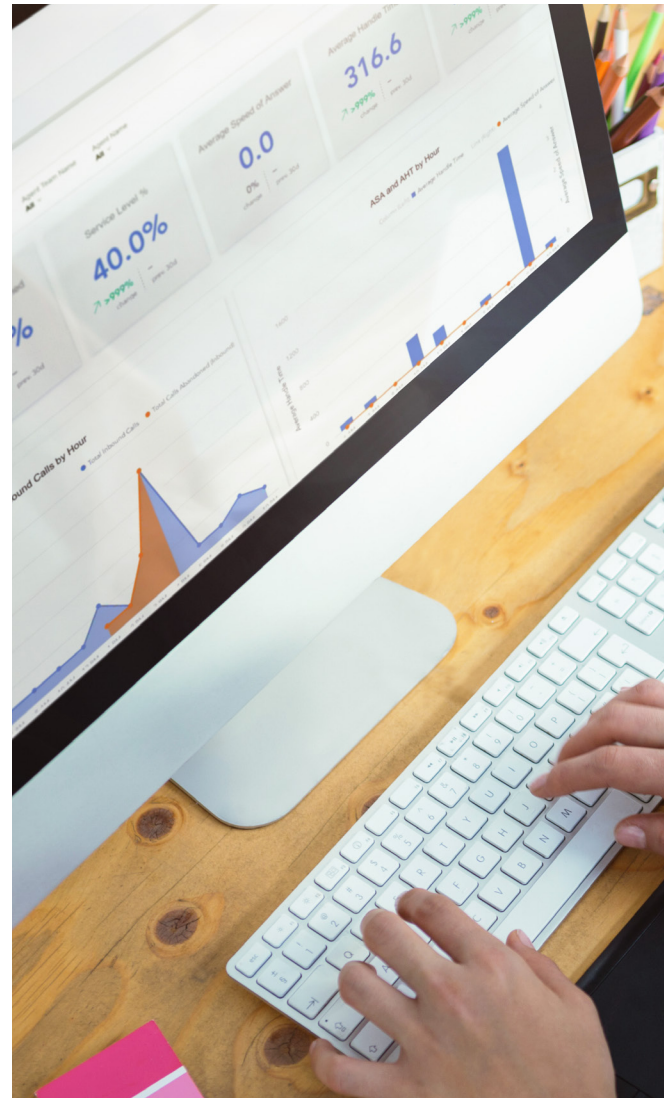


Business Intelligence (BI): Using the customer understanding uncovered with speech analytics, vast data sets are created for machine learning to work against. This information can help to churn out insights about what your customers want, how they want it, and when they want it.

BI in the contact center gives the ability to enhance specific customer service key performance indicators (KPIs).With KPIs informed by actual customer insights leaders gain visibility into how their agents and processes are performing against meaningful benchmarks, such as Average Handle Time (AHT) or Average Wait Time (AWT). You can then use these insights to inform operational decisions. For example, business intelligence can help identify repetitive and simplistic tasks that could be automated in order to gain service and cost efficiencies.



CSAT: In addition to measuring how agents and processes perform, you need to establish a baseline for how your customers are feeling when you ask. CSAT scores are the obvious metric here, and their value can be enhanced by using sentiment analysis to “read between the lines” and gain insight into what goes unsaid during service interactions. With AI-enabled speech analytics in the mix, you create a comprehensive feedback loop that incorporates your customer perspective, your business goals, and agent performance.



⁸ <https://www.pcmag.com/news/businesses-take-note-your-customers-prefer-texts>

Artificial intelligence can exponentially grow the effectiveness of platforms you're already using, like IVR, chat, and text messaging.

Everyone Can Be a Chief Innovation Officer



Gone are the days of relying on a single member of the executive team to pave the way for organization-wide innovation. Today, every member of a company from the top down can leverage technology to make incremental improvements that add up to big gains in the customer experience arena. Investing in that technology now lays the foundation for the contact center of the future.

Consumers grow more demanding with each passing year, with:

63% of them saying they would stop spending money with a brand after a single negative interaction.

It's a number that's only likely to increase as expectations for things like round-the-clock service and instant resolutions rise.

At the same time, consumers have more options than ever before. If your CX isn't cutting it, it's never been easier for them to turn elsewhere. The customer of the future won't stick around for subpar experiences. Thus, every agent holds a stake in providing the excellent service the market demands. It's leadership's role to help execute on that with the right technology, like an integrated CRM and omnichannel communication platform.

Every agent holds a stake in providing the excellent service the market demands.

Empowered Agents

A simple agent experience drives a seamless customer experience. It's a fact that contact center leaders widely recognize, with:

67% saying that improving the agent experience is an important or very important goal when it comes to implementing new technology.¹⁰

Yet agent experience is also a major pain point for contact centers.

51% of the business leaders we surveyed said integration issues like inefficient workflows and lack of automation were critical impediments standing in the way on their CX goals.

An integrated contact center platform empowers agents to resolve interactions in the best possible manner, not only with regards to the issue itself, like troubleshooting a technical glitch, but as it pertains to that particular customer based on their known data points, and agents sharing tips and tricks with each other. With back-end workflows that pull in customer data from all available sources, agents can access all of the necessary information with the click of a mouse. Automatic guidance on next steps allows agents to operate with confidence and improves the likelihood of a swift and effective resolution.

⁹ https://www.prweb.com/releases/63_of_consumers_are_likely_to_stop_shopping_a_brand_if_they_have_an_unsatisfactory_experience_according_to_new_brp_report/prweb1611128.html

¹⁰ https://info.livevox.com/hubfs/Survey%20Reports/LiveVox%20Flash%20Report_Customer%20Experience.pdf

Empowered Customers

When you think about improving CX, you might not immediately consider the customer's involvement in the process. Yet the modern customer is an active, not passive, participant in their experience with brands.

Today's customer is keen to help themselves, preferring to rely on live agents only when dealing with a complex or urgent issue. Web and mobile self-service channels overtook all other service channels in popularity among customers in 2015 and they've been growing ever since. So, having the right technology in place to empower customers on the mediums of their choice is key.

With technology like virtual agents, customers can self-serve in countless ways and across channels, not only on the phone but via text message and even mobile apps. The addition of natural language processing ensures such tools deliver meaningful, productive customer experiences rather than being merely a pit stop on the path to a live agent. Customers, as a result, are more satisfied, while agents are freed up to deal with the urgent and more complex tasks callers need help with.



Investing in CX empowers agents and customers, which drives satisfaction in both groups. Intuitive, effective CX is no longer elective; if the challenges of the past year have shown us anything, it's that meeting the customer's CX expectations is a make-or-break factor in an organization's survival. Deliberate, strategic investment in CX can transform the contact center from an option of last resort for frustrated customers to a proactive, personalized mechanism for delivering exceptional interactions now and into the future.

About LiveVox

LiveVox (Nasdaq: LVOX) is a next-generation contact center platform that powers more than 14 billion interactions a year. By seamlessly integrating omnichannel communications, CRM, AI, and WFO capabilities, the Company's technology delivers an exceptional agent and customer experience while reducing compliance risk. With 20 years of cloud experience and expertise, LiveVox's CCaaS 2.0 platform is at the forefront of cloud contact center innovation. The Company has more than 500 global employees and is headquartered in San Francisco, with offices in Atlanta; Columbus; Denver; New York City; St. Louis; Medellin, Colombia; and Bangalore, India.

To learn more, visit www.livevox.com or call one of our specialists at (844) 207-6663.