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MOVING FORWARD: WHAT WILL 2026 BRING FOR CONTACT CENTERS?

OUR ADVISORY BOARD SHARES TIMELY INSIGHTS TO TAKE INTO THE NEW YEAR.

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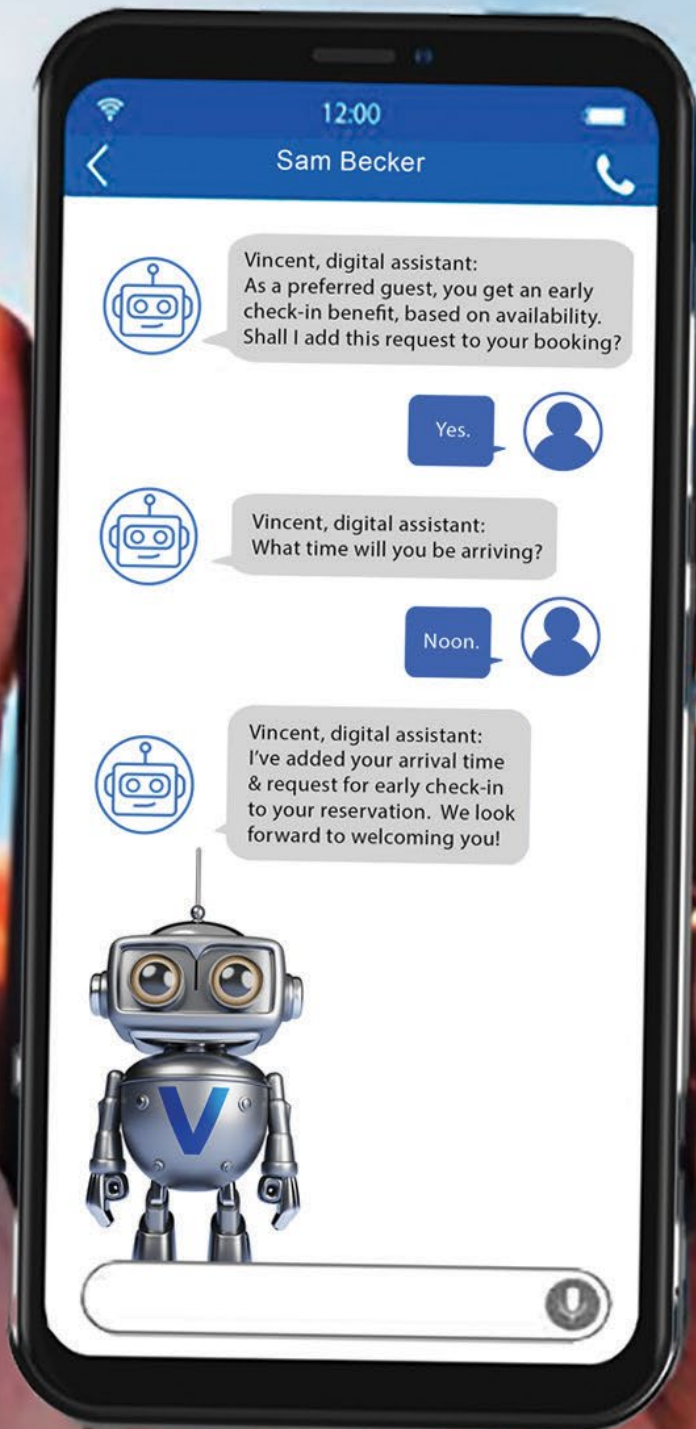
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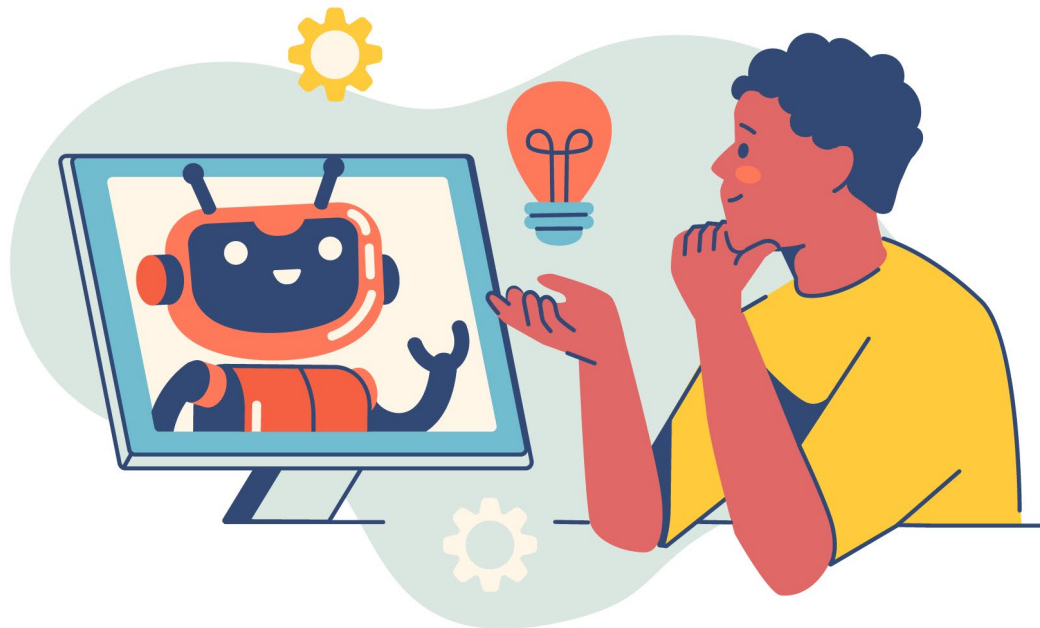
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THOUGHT YOU SHOULD KNOW

A MONTHLY DOSE OF FACTS & FIGURES FROM INSIDE THE ISSUE



70%-80%

Consider post-call work. Agents typically spend 20%-30% of their time documenting interactions, updating customer records, and creating follow-up tasks. AI can automate 70%-80% of this work within six months of deployment.

SOURCE

AI:
LOOKING BEYOND
THE AI HYPE

By Jim Iyob

#AI

\$19.27 billion

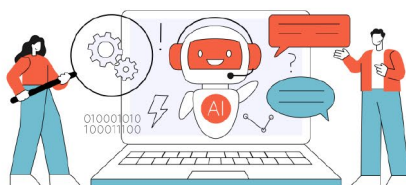
The significant expected increase in market size for virtual assistants (VAs) from approximately \$3.07 billion in 2023 to a projected \$19.27 billion by 2032.

SOURCE

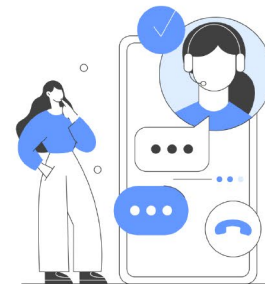
VIRTUAL ASSISTANTS:
MASTERING THE LIVE
AGENT TRANSITION

By Pranav Dalal

#VIRTUALASSISTANTS



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27%

When it comes to delivering effective trust and safety across digital channels, the primary challenge was cost.

SOURCE

CUSTOMER TRUST:
WHY TRUST IS A
MUST IN CX

By Ljubiša Velikić

#CUSTOMERTRUST

81%

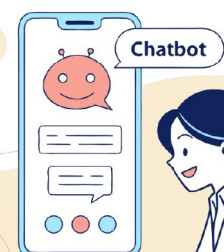
Survey says brand loyalty is fading among Gen Z and millennials. 81% of Gen Z and millennial consumers switched brands in 2024, showing how quickly poor experiences now drive churn.

SOURCE

RETAIL:
RETAIL'S LOYALTY
CRISIS

By Vasili Triant

#RETAIL



FROM THE PIPELINE



LINDA HARDEN

PUBLISHER, CONTACT CENTER PIPELINE

There is just something special about the first days of a new year. As I sit here writing my message to you for the January 2026 issue, I love that we are facing a new, blank slate. There is something special about a whole new year unfolding ahead, all 365 days!

It is time for a new beginning. Time to make your year ahead deliver professional satisfaction. Time to make your center treat your customers and employees with better experiences. Time to make our communities better places to live. It is up to us to make these things happen. They won't just happen.

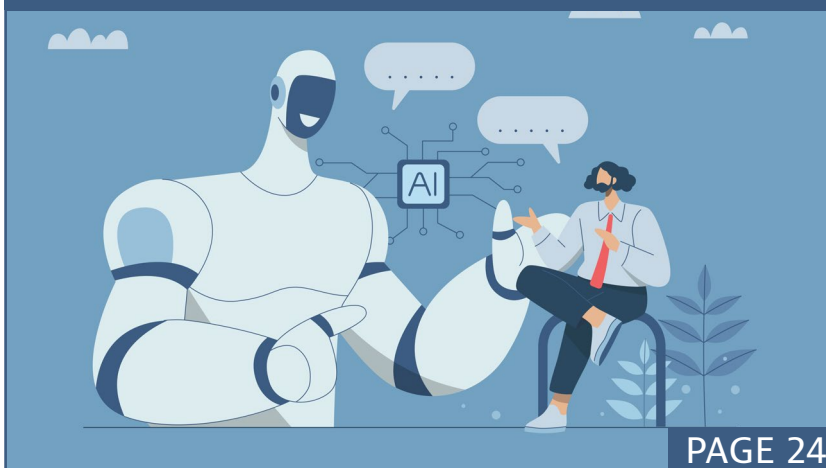
Thank you for being a part of our community. Your support means the world to us. I wish you all the best in 2026.

Linda Harden

Linda Harden
Publisher
Contact Center Pipeline

Happy
New year!

BUSINESS PROCESS OUTSOURCING



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MOVING TO BPO-HOSTED VOICE AI? RISKS, REALITY, AND THE PATH FORWARD.

BY DAVIT BAGHDASARYAN

AVAYA USERS



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AVAYA AT A CROSSROADS

WILL AVAYA MODERNIZE AS ITS ENTERPRISE
CUSTOMER USERS EXPECT?

BY TOM HANSON

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MOVING FORWARD: WHAT WILL 2026 BRING FOR CONTACT CENTERS?

OUR ADVISORY BOARD SHARES TIMELY INSIGHTS TO TAKE INTO THE NEW YEAR.

Change is the norm in contact centers. There are the customer issues, and, depending on the center, customer sales opportunities. Rarely is one day or shift like the one before it or the one afterward.

Contact centers are affected by change. Like in budgets and management policies, in products and services, marketing campaigns, new technologies, best practices, hiring and turnover, in laws and regulations, by disasters, and above all, in customer and employee needs.

But contact centers can and do create change. Like by improving the customer experiences (CX), agent and supervisor engagement and work environment, and by uncovering and fixing underlying issues. But also by uncovering opportunities and ideas for new or enhanced products and services.

This past year has been about change, at all levels. Like in customer expectations, channel preferences, agent coaching, demand, qualifications, and supply, and in technology, notably AI-driven tools.

And there appears to be every indication that this change will not only continue but accelerate in 2026.

To provide advice and guidance for contact centers, we reached out to our Advisory Board to find out what contact center trends, in this context, do they foresee in 2026? And are they the same, changed, or new as compared to 2025?

MIKE AOKI
REFLECTIVE KEYNOTES, INC.



1 HUMAN AGENTS WILL HANDLE MORE COMPLEX AND EMOTIONAL INTERACTIONS

- AI will take on more of the quick, routine interactions, which means higher percentages of the remaining questions will require human judgment.

Ironically, voice may become more important in 2026 as agents handle the complex issues that customers prefer to discuss by phone.

- Even with advanced AI, many customers will still seek human reassurance. Some will call to confirm that the AI's answer is correct. Others will have unique or unusual questions that automated systems cannot handle.
- Customer service has always been the "exception department." If a question had a standard answer, it would already be in the product design or on the FAQ page. Humans remain essential for handling unforeseen customer service exceptions.

2 TALK TIME (TT) WILL RISE EVEN AS AFTER-CALL WORK (ACW) DECREASES

- As AI handles simpler inquiries, what remains for human agents are the emotionally charged or technically complex situations that take longer to resolve.

As a result, TT may increase. That needs to be accepted and adapted to by your workforce management (WFM) team.

- On the other hand, ACW time may shrink due to stronger AI tools that summarize interactions and complete fulfillment steps.

"...CONTACT CENTER SALARIES MAY MOVE CLOSER TO THOSE OF PROFESSIONS THAT REQUIRE SPECIALIZED EXPERTISE."

-- MIKE AOKI

3 COACHING WILL SHIFT TOWARD EMOTIONAL INTELLIGENCE AND COMMUNICATION SKILLS

- Coaching will shift in 2026. Process and fact-based coaching will become less frequent because agent assist tools provide the correct steps.

Instead, team leaders will spend more time developing emotional intelligence and communication skills in their human agents, since those are the skills required for handling more challenging interactions.

4 AGENT HIRING PROFILES AND PAY EXPECTATIONS WILL CHANGE

- As simpler Tier 1 inquiries get handled by AI, human agents will take on typical Tier 2 interactions. That means emotional intelligence, problem solving, and emotional customer support skills will become the new baselines for frontline agents. That demands a higher skill set.
- There are early signs contact centers may begin hiring from fields such as social work or psychology. These backgrounds align with the rising need to calm upset customers, listen empathetically, and manage emotionally complex situations.

If this shift continues, starting contact center salaries may move closer to those of professions that require specialized expertise. These may mirror IT support salaries, where entry-level workers often start with advanced credentials.

5 DEMOGRAPHIC MISMATCHES AND COMMUNICATION PREFERENCES WILL CREATE NEW CHALLENGES

- Demographics will add complexity. Gen Z employees often prefer text and may have limited experience with phone conversations. Yet many callers, especially older customers, still rely entirely on voice.

So, you may wind up with Gen Z agents, who dislike talking on the phone, getting yelled at by Boomer customers who only want to talk on the phone!

- There is an equal mismatch in written channels. Some older agents focus heavily on creating carefully composed paragraphs in chat, while many younger customers communicate in short, rapid bursts.



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So, impatient Gen Z customers may wonder why an agent is taking forever to write complete sentences with punctuation rather than just fixing their problems.

- Broad-based industries such as banking, telecom, insurance, and utilities must support every major communication channel. That requires agents who can shift across demographics and communication styles.

The idea of a truly universal agent is appealing but difficult. Some people excel on the phone. Others excel in writing. Few excel equally in voice, email, chat, and SMS.

- Hiring, training, and coaching will need to adapt. Leaders must match the right skills to the right queues, support multiple communication styles, and ensure each channel is properly staffed with trained agents.

JON ARNOLD
J ARNOLD & ASSOCIATES



Around this time last year, I cited agentic AI as the big trend to watch for in 2025, especially for the contact center.

That has unfolded much as I expected, and it continues to drive how CX leaders are deploying AI. Agentic AI – also known as AI agents – takes automation to new levels, where these bots can manage tasks end-to-end without human intervention.

Building on this, for 2026 I expect to see voice take a more central role in how agentic AI is used. While it is still early days for agentic AI, the use cases related to CX are strong, both for customer-facing needs and internal operations.

Much of this relates to automating behind-the-scenes workflows, which frees up human agents to focus more intently on customer needs. These can largely be managed via text, but as agents and supervisors become more comfortable with agentic AI, they will be more inclined to interact via voice.

To some extent, the use of voice will grow for internal automation scenarios, especially in cases where it is easier or more convenient than text. However, it's with customer-facing scenarios that we should expect to see the biggest uptake of voice in 2026 for agentic AI in the contact center.

"...IT'S WITH CUSTOMER-FACING SCENARIOS THAT WE SHOULD EXPECT TO SEE THE BIGGEST UPTAKE OF VOICE IN 2026 FOR AGENTIC AI IN THE CONTACT CENTER."

-- JON ARNOLD

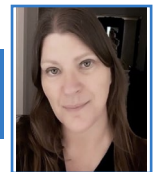
As the quality of speech recognition keeps improving, AI agents will be better able to gauge customer sentiment and intent and understand what needs to be done. This will allow them to extend self-service support to new levels, thus strengthening the business case for agentic AI in the contact center.

Similarly, for customers, as they experience better forms of self-service, the more comfortable they will be using voice to engage with AI agents.

With AI becoming normalized now across everything, it will no longer feel unnatural for customers to converse with virtual agents, and in some cases they will be hard-pressed to tell if they're speaking with a human or virtual agent.

This is exactly what contact centers want to see, as the more customers trust voice for self-service, the more impactful agentic AI can be in handling inquiries end-to-end.

DR. DEBRA BENTSON



PRIORITIZING PEOPLE: LESSONS AND OPPORTUNITIES

1 SUPPORTING REMOTE AGENTS

The COVID-19 pandemic taught us the value of adaptability and revealed how differently people respond to remote work. While some thrive independently, others need a strong support network.

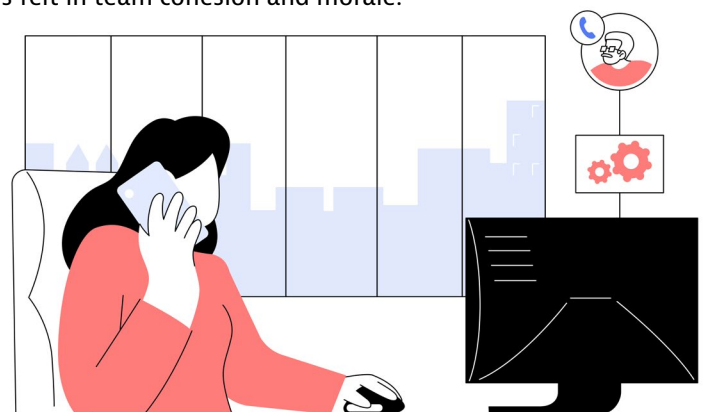
As we face ongoing pressures to do more with less—and as AI automates routine tasks—we must be deliberate in fostering the human connection. Efficiency is essential, but so is the wellbeing of our teams.

2 BALANCING EFFICIENCY WITH CONNECTION

Meetings are often targeted for streamlining. Clear agendas, concise notes, and focused action items help them run smoothly and efficiently.

Yet it's crucial not to lose the elements that build relationships. For example, starting staff meetings with "connection before content"—sharing personal favorites or memories—creates laughter, strengthens bonds, and builds trust.

These moments may be hard to measure. But their impact is felt in team cohesion and morale.



3 METRICS AND THEIR LIMITS

Time is money and we track it closely. However, relentless focus on metrics like call handling time in a contact center can backfire. Lowering targets too far may drive behaviors that harm both customer and employee experience.

It's important to recognize when efficiency goals begin to erode the quality of interactions. You then need to adjust accordingly, a lesson reinforced by past experiences in contact center management.

4 BUILDING NETWORKS AND RELATIONSHIPS

Professional and personal networks are vital for success and mental health. Think of relationships as a bank account: regular deposits—check-ins, genuine conversations, and support—build a balance you can draw on when needed.

Scheduling intentional time to connect helps maintain these relationships, keeps you informed, and supports overall wellbeing.

"AS WE FACE ONGOING PRESSURES TO DO MORE WITH LESS—AND AS AI AUTOMATES ROUTINE TASKS—WE MUST BE DELIBERATE IN FOSTERING THE HUMAN CONNECTION."

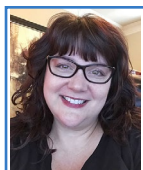
-- DR. DEBRA BENTSON

THE PATH FORWARD: PRIORITIZING EACH OTHER

Ultimately, we must make a conscious effort to prioritize each other as we navigate busy days. Therefore, prioritizing people isn't just a nice-to-have; it's a strategic imperative for resilient, high-performing teams.

By blending efficiency with authentic connection, we create workplaces where people feel valued, supported, and empowered to excel.

TIFFANY LAREAU
HUMAN NUMBERS, LLC



THE FUTURE MAY BELONG TO AI...

But it Also Belongs to the WFMers Who Know How to Fix What AI Breaks.

An unfortunate trend that we are seeing in WFM right now is the fallout from AI.

For early adopters, the exponentially fast growth and change, combined with lack of governance, have produced new problems in our field.

Overpromised as a miracle cure-all, the AI-generated "workslop" is producing more than its fair share of distorted results along with the good stuff.

We used to make fun of AI-generated pictures showing people with extra limbs, but it's not so funny when it's generating misshapen forecasts and unworkable schedules. The lack of accountability is driving a gap in our workforce and aggravating our customers.

AI continues to struggle with cause-and-effect modeling, which we always knew would be a big weakness because it was never an "Intelligent Being."

I'm still worried about AI and machine learning taking over our forecasts because even though all that historical data already lives inside its software, full of patterns that should be way easier for a machine to spot, it *still* doesn't recognize it.

We've served up giant databases full of history on a silver platter but without a proper framework of human behavior, so it doesn't know the difference between signal and noise.

THE HUMAN OPPORTUNITY IN REPAIRING AI ISSUES

It's not all bad news; it's just that our role has changed. AI has become the new normal, so it's up to us to fix what AI breaks.

First, we must understand what generative AI (Gen AI) really is, and fortunately, schools like Harvard and MIT have opened up their catalogs of free online courses to the public, regardless of background, allowing anyone to become AI-fluent!

Then, for us WFMers, knowing what to fix means a trip back to basics, starting with how contact center math works, because ultimately that's how we know if our software is doing it correctly.

It's what we should have done from the beginning; start with the WFM fundamentals, then add AI acceleration. Gen AI is still evolving, and it absolutely has the power to improve upon an existing WFM forecasting process, getting us there faster and easier.

As for the future of AI, it's becoming more interesting to read a list of the things it cannot do, rather than the things it's supposed to be able to do. For the career-WFMer that translates to Human Opportunity!

"AS FOR THE FUTURE OF AI, IT'S BECOMING MORE INTERESTING TO READ A LIST OF THE THINGS IT CANNOT DO, RATHER THAN THE THINGS IT'S SUPPOSED TO BE ABLE TO DO."

-- TIFFANY LAREAU

LAURA SIKORSKI



THE 2026 TRENDS ARE STILL THE SAME AS THE 2025 TRENDS!

- Technology: AI, chatbots, intelligent virtual assistants (IVAs), voice authentication, real-time language translation, speech recognition, predictive analytics, QA software, cloud-based systems, omnichannel, data privacy, Internet of Things (IoT).
- Operations: Remote workers, wellness programs, sustainability, social responsibility, processes, WFM, training programs, customer loyalty, customer service, CX, reports.

MY ADVICE IN JANUARY 2025:

- Get "Back to Basics" on how your center operates and identify what your customers want and how to make sure your employees have everything they require.
- Develop a three-to-five-year strategic implementation plan for technology upgrades and process enhancements that will be effective.
- Watch your pocketbooks. Some of the modern technologies are expensive and may not be worth the investment if your customers find them more cumbersome to use.
- Implement changes SLOWLY and start with a small customer demographic. Let customers know you want their opinions and feedback on the innovative technologies and processes that you will be testing.

MY ADVICE IN SEPTEMBER 2025 ABOUT THE CHALLENGES:

- Contact centers are indeed facing a wide variety of challenges. Always remember to begin your solution to a problem with "Getting Back to Basics."



- Budget pressures, evolving customer expectations, staff shortages, and turnover will always be at the forefront of your center.

WHAT TRENDS DO I FORESEE FOR 2026 WHEN NOT MUCH HAS CHANGED?

First, I am hoping that you have developed methodologies with your management teams on how to make life easier for your staff and customers.

- Are you *thinking like a customer and an employee*?
- Have you done an internal audit on your center's operation and developed plans to improve your weaknesses?

"EMPLOYEE SATISFACTION IS PARAMOUNT; THE HAPPIER THEY ARE, THE BETTER THEY TREAT YOUR CUSTOMERS."

-- LAURA SIKORSKI

Second, what enhancements have you made to your website? Every interaction is an event that impacts how your company is perceived by your customers.

Finally, remember that your employees are your company's best resource and greatest asset. Employee satisfaction is paramount; the happier they are, the better they treat your customers.

AI technology is still being discussed and not many small (75-agent seat) or medium (250-agent seat) centers are embracing this technology due to cost.

My advice is to use your current contact center-as-a-service (CCaaS) IVA technology or invest in generative AI to assist with agent coaching. Pop-ups to an agent on a live call with suggestions on what to say to a customer are gaining momentum.

Also, be careful with your chat setup. Lately I have witnessed less "live" chat agents helping customers and more confusing chatbot interactions. Chat used to be my contact route and now I rarely use it.

My best wishes for a fantastic 2026!



Brendan Read is Editor of Contact Center Pipeline. He has been covering and working in customer service and sales and for contact center companies for most of his career. Brendan has edited and written for leading industry publications and has been an industry analyst. He also has authored and co-authored books on contact center design, customer support, and working from home. Brendan can be reached at brendan@contactcenterpipeline.com.

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BY DINA J. VANCE

<https://bit.ly/4scf3b5>



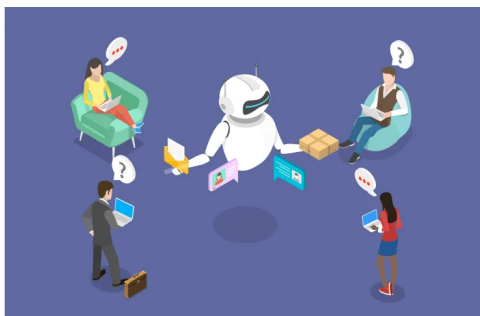
Why Learning Together is Best

BY SEAN SEGAL

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The Hidden Sales Team in Your Call Center

BY JULIE THOMAS

<https://bit.ly/49upVc7>

AI Is Coming to Your Contact Center

DAVE RENNYSON

In light of the AI Stargate project and its \$500 billion privately-funded initiative, it is worth reflecting on a recent study that looked at planned AI adoption through workforce engagement management (WEM) applications in the contact center.

<https://bit.ly/3MPa6Fe>



SMART INSIGHTS AND PRACTICAL ADVICE FOR THE CONTACT CENTER

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ILLUSTRATION PROVIDED BY ADOBE STOCK

THE "LITTLE BILL" THAT SAYS A LOT.

Whoa! Has anyone noticed an itty-bitty bill floating around the 119th U.S. Congress? It is named the **Keep Call Centers in America Act of 2025**. Yes, that is really the title. It has appeared with the rarest commodity in Washington—bipartisan support. Whether the bill goes anywhere is anybody's guess. But its very existence says plenty. *It says that Congress is noticing.* Small as it is, the bill signals that consumers want service that works. They want transparency. They want human access. And they are tired of being ignored.

FRUSTRATED CONSUMERS— LEGAL ATTENTION IS COMING

Consumers have finally had it. Years of ineffective automation, circular IVRs, unfindable phone numbers, and the slow disappearance of human help have pushed people past the breaking point. Complaints have been so loud, persistent, and universal that Congress has taken notice. That alone is remarkable.

For years, brands have quietly stripped phone numbers from their websites, buried "Contact Us" behind endless FAQs, or posted a number only to tell customers to email someone who may (or may not) reply in three days.

Digital detours frustrate consumers before a call is even made. And if they do get through, they may find themselves trapped in an IVR, yelling "AGENT!" or "REPRESENTATIVE!" at a machine that can't understand context, nuance, or urgency. That universal gesture of exasperation has become so widespread that it is practically a national pastime.

Congress is now responding to frustration that has been brewing for decades. The repeated yelling at a machine isn't just humorous—it is telling. Customers are desperate to reach people who can help and they want the transparency to make that choice.



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**"LITTLE DROPS OF WATER
MAKE THE MIGHTY OCEAN."**

--JULIA CARNEY, POET

THE IVR—WHAT COMES NEXT?

If the bill gains traction, transparency will no longer be optional. Customers may need to be told, in plain English, when they are interacting with AI (Artificial Intelligence) or if the call is being handled offshore. And they have the right to speak to a U.S.-based human. That disclosure won't be buried at the end of a queue or tucked into terms and conditions. It will have to happen up front, right in the greeting.

Imagine hearing your expectations and the brand's obligations before you even navigate any menus. What a shift! Transparency becomes operational, not optional. Every call that starts must honor the customer's right to know who (or what) they are speaking to and where that person resides.

AI—FRIEND OR FOE?

For years, organizations have poured billions into AI, often prioritizing "efficiency efforts" (it's not efficient if it doesn't work) over Customer Experience outcomes. AI is fantastic when it improves response time, scales knowledge, or predicts issues before they become problems. But Congress is sending a clear message: you cannot hide AI from the customer and you cannot force them to use it.

For Contact Center leaders, that is a double-edged sword. Transparency about AI usage may initially feel like a threat. (Will the customer refuse to interact with the bot?) But it is also an opportunity. By being honest and upfront, companies can manage expectations, create smoother human handoffs, and demonstrate that AI augments, not obstructs service.

Companies must make their bots "easy to do business with." Far too often the resistance to alternative channels, use of AI interactions, and repeated suggestions to visit the web site simply do not work. The reality is that the experience must be a pleasant one; then only the truly hard cases will need to escalate to a human.



OFFSHORING UNDER THE SPOTLIGHT

The bill creates a public "Offshore Call Center List," and being on that list could cost company access to federal grants or loan guarantees for five years. Suddenly, offshoring is no longer just a labor cost calculation; it is a reputational and regulatory decision. Consumers now have a reason to care about where their service is handled and lawmakers are prepared to enforce it.

For Contact Centers, this may require a strategic review of outsourcing arrangements, including vendor transparency, reporting, and compliance. Offshore operations must be able to demonstrate not just efficiency or cost savings, but unique capabilities, quality, and responsiveness.

RESHORING REQUIRED FOR FEDERAL CONTRACTORS

For federal contractors, the stakes are even higher. Any Call Center work performed under a federal contract must happen inside the U.S. That may require renegotiating contracts, reshoring functions, expanding domestic staffing, and redesigning routing logic. This is the most immediate operational impact for organizations that relied heavily on offshore vendors.

A NEW ERA OF ACCOUNTABILITY

This bill also reflects a broader trend. Customer Experience is becoming a measure of accountability. The era of hiding inefficiency behind automation, outsourcing, and IVRs is ending. Customers, regulators, and Congress are aligned on one thing: service must work and it must be transparent.

Contact Center leaders must audit their IVR interactions, evaluate the role of AI, ensure that U.S.-based human access is real, and examine vendor relationships for compliance and transparency. The status quo may no longer be enough.

PREPARATION FOR OUTSOURCERS

If the bill advances, outsourcers will face unprecedented scrutiny. Location transparency will be mandatory. AI usage will be disclosed. Customers will have the right to choose a U.S.-based agent. Public lists may reveal which companies have offshored work—affecting federal funding and brand perception.

“**ELIMINATION IS INFINITELY MORE POWERFUL THAN AUTOMATION.**”

FINAL THOUGHTS

Whether the *Keep Call Centers in America Act of 2025* bill becomes law or not, the warning is clear. Consumers have lost patience and their frustrations are no longer invisible. Contact Centers must prepare for a world in which transparency, choice, and accountability are mandatory, not optional.

This is the rare moment when doing the right thing aligns with public momentum. It is time to lead, modernize, and show what Customer Experience actually looks like when it is intentional, accessible, and human-centered.

As I have said for decades, "Elimination is infinitely more powerful than automation." If internal operations work well enough that the consumer does not need to call at all, there is no need for concern. There is no need for fancy IVRs, no risk of legislative attention, and no frustration for customers. The best Call Center is the one that customers never have to call. But when they do (usually as a last resort) make access easy!

This bill is a signal that operational shortcuts such as hiding location, automating without purpose, or burying the phone number will no longer be invisible. They will soon carry measurable brand risk and potentially legal consequences. The time to prepare is now, not after legislation passes! 📍



Kathleen Peterson is an internationally acclaimed Contact Center and Customer Experience expert with more than four decades of advising global organizations on organizational design, workforce management, quality assurance, performance analytics, and the practical application of technology to support scale and growth.



LOOKING BEYOND THE AI HYPE

WHAT AI CAN ACTUALLY DELIVER IN CONTACT CENTERS.

The contact center industry is drowning in AI promises. Every vendor claims their solution will revolutionize customer experience (CX), eliminate agent turnover, and boost satisfaction scores by 40%.

After implementing AI across multiple BPO operations serving Fortune 500 clients, I can tell you the reality is more nuanced than the marketing brochures suggest.

AI delivers significant value, but not where most executives expect it. The wins come from operational improvements that compound over time, not dramatic overnight transformations.

Here's what AI actually accomplishes: *when implemented correctly.*

DATA PROCESSING: THE UNGLAMOROUS REALITY

AI's biggest impact in contact centers isn't flashy chatbots or predictive analytics. It's mundane data processing that human agents hate doing but customers desperately need done correctly.

Consider post-call work. Agents typically spend 20%-30% of their time documenting interactions, updating customer records, and creating follow-up tasks. AI can automate 70%-80% of this work within six months of deployment.

**“THE [AI] WINS
COME FROM
OPERATION-
AL IMPROVE-
MENTS THAT
COMPOUND
OVER TIME...”**

That's not theoretical efficiency. We've measured it across 15,000-plus agent hours.

The AI listens to calls, extracts key information, updates CRM records, and generates accurate summaries without agent intervention. Agents focus on customers instead of paperwork.

Average handle time (AHT) decreases by 15%-20% not because calls get shorter, but because agents spend more time actually helping customers and less time on administrative tasks.

This improvement cascades through operations. Better documentation means fewer repeat calls. Accurate data entry reduces billing disputes. Consistent follow-up scheduling improves customer retention. The collective impact far exceeds what any single AI application could deliver.

QA: FROM SAMPLING TO COMPREHENSIVE ANALYSIS

Traditional quality assurance (QA) teams review 2%-5% of customer interactions. They catch obvious problems but miss systemic issues that only emerge across hundreds of conversations.

AI changes this fundamentally. Modern speech analytics platforms can analyze 100% of customer interactions across all channels. The technology identifies compliance violations, script adherence issues, and coaching opportunities that human QA teams would never find through sampling.

More importantly, AI reveals patterns that indicate emerging problems *before* they impact customer satisfaction scores. We've identified product defects, billing system glitches, and training gaps weeks before they would have surfaced through traditional quality monitoring.

The data from comprehensive analysis also transforms coaching effectiveness. Instead of generic feedback based on random call samples, managers can provide specific, evidence-based coaching tailored to each agent's actual performance patterns. Agent improvement rates increase by 35%-40% when coaching is based on comprehensive data rather than limited observations.

INTELLIGENT ROUTING: BEYOND SIMPLE SKILLS-BASED DISTRIBUTION

Most contact centers route calls based on basic criteria like language preference or general inquiry type. AI-powered routing considers dozens of factors simultaneously to optimize both CX and operational efficiency. The system analyzes customer history, interaction complexity, agent expertise, and real-time emotional indicators to make routing decisions.

With AI-based intelligent routing:

- A frustrated customer with a billing dispute gets routed to an agent who excels at de-escalation and has deep billing system knowledge.
- A technical support call about a complex product gets matched with an agent who has successfully resolved similar issues.



This intelligent routing reduces average handle time by 18%-25% and improves first call resolution (FCR) rates by 12%-15%. The improvements aren't dramatic, but they're consistent and measurable across thousands of daily interactions.

The secondary benefits are equally valuable. Agent stress decreases when they handle calls better matched to their skills. Training becomes more focused when workforce management (WFM) systems can identify specific capability gaps. Customer satisfaction improves when interactions are handled by agents best equipped to resolve specific issues.

MORE IMPORTANTLY, AI REVEALS PATTERNS THAT INDICATE EMERGING PROBLEMS BEFORE THEY IMPACT CUSTOMER SATISFACTION SCORES.

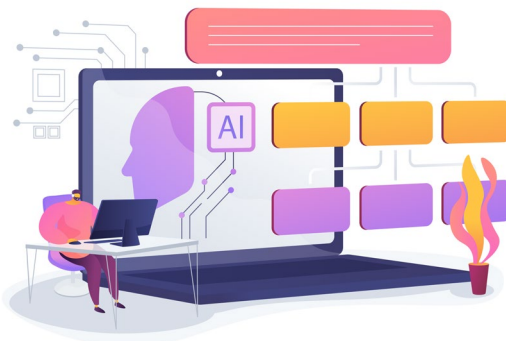
PREDICTIVE ANALYTICS: OPERATIONAL PLANNING, NOT CRYSTAL BALL GAZING

AI-powered predictive analytics may not accurately predict which customers will churn next month. But it will significantly improve workforce planning, capacity management, and resource allocation decisions.

The systems analyze historical patterns, seasonal variations, marketing campaign impacts, and external factors to forecast call volumes with 85%-90% accuracy at the daily level. This enables more precise staffing decisions, reducing both over-staffing costs and service level failures.

More sophisticated implementations predict inquiry types and complexity distributions. Knowing that Monday mornings typically generate 40% more billing questions than technical support calls allow better agent scheduling and skill distribution.

The analytics also identify operational anomalies in real time. Unexpected spikes in specific inquiry types often indicate product issues, billing system problems, or marketing message confusion. *Early detection enables proactive problem-solving rather than reactive damage control.*



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AI'S MOST SUSTAINABLE VALUE COMES FROM AUGMENTING AGENT CAPABILITIES RATHER THAN REPLACING HUMAN JUDGMENT.

AGENT AUGMENTATION: INFORMATION, NOT REPLACEMENT

AI's most sustainable value comes from augmenting agent capabilities rather than replacing human judgment. Real-time agent assistance systems provide relevant information, suggest responses, and flag potential issues during customer interactions.

The AI monitors conversations continuously, surfacing relevant knowledge base articles, customer history details, and resolution procedures based on the discussion flow. Agents get the right information at the right moment without interrupting the conversations to search multiple systems.

Advanced implementations provide real-time coaching prompts:

- If a customer's language indicates frustration, the system suggests de-escalation techniques.
- If a conversation presents upselling opportunities, it recommends relevant products or services based on the customer's profile and needs.

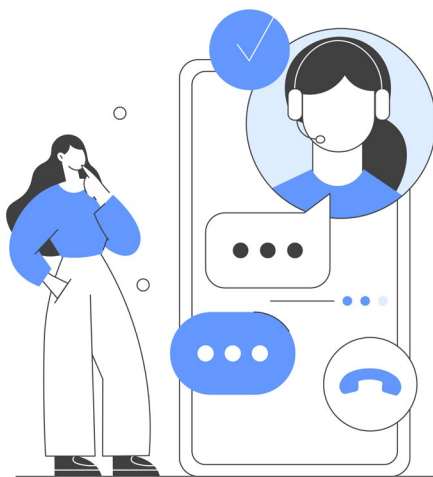
This augmentation approach preserves the human elements that customers value while eliminating the inefficiencies that frustrate both agents and customers. Agents make better decisions because they have better information. Customers get more consistent service because agents are working with comprehensive, accurate data.

IMPLEMENTATION REALITY CHECK: WHAT DOESN'T WORK

Not every AI application delivers meaningful value in contact center environments. Voice biometrics for customer authentication sounds impressive, but it creates more friction than it eliminates in most implementations. Real-time emotion detection often lacks the accuracy needed for reliable decision-making.

Chatbots handle routine inquiries effectively, but they struggle with anything requiring empathy, complex problem-solving, or policy exceptions. Organizations that position chatbots as complete customer service solutions typically see satisfaction scores decline, and escalation rates increase.

Predictive modeling for individual customer behavior rarely achieves the precision needed for specific interventions. The models work reasonably well for population-level predictions, but they break down when applied to individual customer decisions or preferences.



MEASURING TRUE IMPACT: BEYOND TRADITIONAL METRICS

AI's impact often shows up in metrics that traditional contact center measurement doesn't capture effectively:

- Customer effort scores improve when AI provides agents with comprehensive information.
- Agent satisfaction increases when administrative burden decreases.
- Compliance risk reduces when AI monitors all interactions instead of small samples.

The most significant improvements appear in longitudinal customer relationship metrics. Customers who experience AI-enhanced service show higher retention rates, increased purchase frequency, and greater willingness to recommend the company to others. These impacts take six-12 months to materialize but represent the true value of AI implementation.

THE CONTACT CENTERS THRIVING IN THE AI ERA WILL BE THOSE THAT FOCUS ON PRACTICAL APPLICATIONS WITH MEASURABLE BENEFITS...

THE PATH FORWARD

AI delivers substantial value in contact centers, but not through magical transformation. The benefits come from systematic improvement of operational processes, enhanced decision-making support, and more efficient resource utilization.

Success requires realistic expectations, proper implementation planning, and patience for results to compound over time. Organizations that approach AI as operational enhancement rather than revolutionary change typically achieve sustainable improvements that justify the investment.

The contact centers thriving in the AI era will be those that focus on practical applications with measurable benefits rather than chasing every new technological possibility. The technology is ready. The question is whether organizations can resist the hype long enough to implement it effectively. [📌](#)



Jim Iyooob is the President of ETS Labs and Chief Customer Officer at Etech Global Services. With more than 35 years in the contact center and BPO industry, Jim is passionate about innovation, helping organizations scale with people-first technology, and mentoring the next generation of leaders. Connect with him on [LinkedIn](#).



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WHEN IT NEEDS SUPPORT...

HOW AUTOMATION, INCLUDING AI, HELPS PEOPLE HELP PEOPLE.

With the ability to create and creatively employ leading-edge technologies, IT companies and departments seemingly have all the methods and answers to resolve customers' issues to provide excellent customer experiences (CXs).

But there are occasions when even the best IT firms need a little help.

Such is the case with Thrive, a Boston, Mass.-based managed services provider and managed security service provider (MSP/MSSP).

The company blends human expertise and AI-driven automation to deliver cybersecurity, cloud, and digital transformation solutions.

Founded in 2000, Thrive has a global clientele across a wide range of verticals including (but not limited to) financial services, life sciences, healthcare, education, legal, and retail.

The company services them from a network of what it calls "PODS": local service groups that understand the business and which deliver personalized contact center customer support. The PODS are made up of engineers and other highly-skilled staff, offering around-the-clock monitoring and resolution of customer issues and concerns.

Thrive has 40-plus PODS, which have an average of 12 people per POD. They are backed by a global security opera-

SCOTT STEELE



tions center (SOC) and a network operations center (NOC).

"Our POD-based contact centers are at the heart of our customer experience, and they play a vital role in connecting with our customers," says Scott Steele, chief operations officer (COO). "These centers operate around the clock, ensuring each interaction is efficient, responsive, and tailored to the customers' needs."



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FACING THE CHALLENGES

But providing fast, effective customer service and support for its understandably demanding clientele has been challenging.

Scott, who joined Thrive in 2024, says that his company had been grappling with repetitive call volume and cumbersome phone tree systems that dragged down efficiency while increasing wait times.

"The pressing need for 24/7 quick remediation by leveraging more intelligent automation was not just beneficial, but essential," he says.

In early 2024, Thrive built its NextGen platform on ServiceNow, using two solutions:

- **Advanced Work Assignment (AWA).** It automatically assigns and pushes work items to support team members, based on their availability, capacity, and skills. ServiceNow hosts the solution for Thrive through its European and Asian data centers.
- **Task Intelligence.** Powered by AI, it provides language detection, record categorization, sentiment analysis, and document intelligence.

"The ServiceNow solution was chosen not only for its automation capabilities but for its ability to seamlessly integrate with our existing platform, ensuring consistency, scalability, and enterprise-grade reliability," says Scott.

Then, as AI became more capable and customer expectations rose, Scott recognized that increased AI incorporation, or infusion, into Thrive's contact center application was critical to reshaping operations fundamentally. It also wanted to tap the capabilities of agentic AI.

"When I joined Thrive and understood that our platform was built on ServiceNow, it was clear that using AI and automation to get us closer to the customer made absolute sense and could be implemented as part of that platform," says Scott.

AI AGENT GOALS

Scott had two goals. One was to bring the company's engineering resources closer to the customers. This would solve their issues faster, thus ensuring that these interactions were as efficient and effective as possible.

Two, to improve the experience of these employees by enabling them to flex their skills and use their time more productively by handling complex, emotionally sensitive, or ambiguous cases.

In early 2025 Scott approached ServiceNow about adding an autonomous AI agent, Summarization. This agent would handle high-volume, routine requests such as balance checks and billing inquiries, specifically:

- Case summarization, condensing case details into a brief overview highlighting the issue, actions, and status, providing quicker customer interaction.
- Improved prioritization of tasks based on contextual client impact.
- Dashboards and operational level agreements (OLAs), helping to drive successful business outcomes.

"BY OFFLOADING REPETITIVE INQUIRIES TO THIS AI AGENT, WE WOULD FREE UP OUR EMPLOYEES' TIME TO FOCUS ON MORE HIGH-VALUE INTERACTIONS..."
-- SCOTT STEELE

"By offloading repetitive inquiries to this AI agent, we would free up our employees' time to focus on more high-value interactions that require empathy, judgment, and deep technical knowledge," says Scott. "Overall, we sought a smarter, more collaborative workforce model that blends automation and humanity."

IMPLEMENTATION, INCLUDING TRAINING

To deploy the new AI agent, Thrive utilized proven change management processes coupled with transparency around them, goals, and how they affect the support reps employing them.

Here are the steps the company used:

1. Communicating the project and outcomes to everyone.
2. Piloting the solution to identify any modifications needed.
3. Modifying the solution based on feedback.
4. Roll-out through defined success criteria.
5. Training all employees in the new processes throughout the rollout with touchpoints to maintain the feedback loop.
6. Monitoring to ensure the outcomes meet expectations.

"The overall flow of implementing these new processes and capabilities went well and has set both the baseline and expectation that we are on a journey of transformation," says Scott. "The integration was seamless and required minimal training for the operations teams."

RESULTS

The results of these investments, in 2024 and 2025, have been impressive, reports Scott. While first contact resolution (FCR) rates increased to **73%**, upgraded monitoring thresholds enabled a more robust alerting model. The solutions delivered faster alert generation and improved deduplication of related events, resulting in a **63%** reduction in response times and streamlined resolution.

The introduction of AI allowed Thrive to reskill 32 engineers, shifting them from administrative, Level 1 intake roles to more technical, resolution-focused positions.

This strengthened the team's ability to address complex customer issues. But it also saved an impressive **21,000 hours** of manual time within the first several months by routing over **315,000 tasks** via automated workflows.

The shift then allowed engineers to focus on high-value, emotionally complex interactions, leading to improved employee engagement and a deeper sense of empowerment.

HOW TO KEEP THE HUMAN TOUCH

• IT CX

To build a successful contact center that leverages AI without losing human touch, Scott Steele, COO, Thrive recommends that you consider focusing on three key areas:

- 1. Identify and automate repetitive tasks.** Begin by using AI to handle high-volume, routine interactions, helping to streamline workflows and reduce strain on staff.
- 2. Invest in employee upskilling.** Equip your team with the training they need to focus on more complex, nuanced roles that require human insight and judgment.
- 3. Balance automation with human connection.** Prepare your staff to manage delicate interactions and oversee AI processes, ensuring that technology enhances human output.

"This hybrid model not only improves efficiency but preserves the trust and connection that only people can deliver," says Scott.

"In the past, service representatives answered calls, gathered details, opened cases, and passed them along to the appropriate teams," says Scott. "Today, AI tools manage that front-end intake process, allowing our engineers to take calls directly. By streamlining those steps, we have brought expert support closer to the customer, delivering faster, more accurate assistance from the very first interaction."

All told, these have translated into happier customers, with customer satisfaction reaching an impressive **99%** average over the last six months.

"Not only has customer satisfaction improved, but their overall experience with our contact center has changed," says Scott. "Previously focused solely on rapid client phone interactions, it has pivoted to prioritizing technical triage. Our teams are now expertly trained to quickly resolve the most common issues, reducing unnecessary transfers and expediting resolution times."

"With this approach, our contact center has evolved into a strategic engine for both customer satisfaction and pro-

fessional growth, blending advanced technology with human insight to strengthen every interaction."

NEXT STEPS?

Thrive's next steps will focus on deepening the integration of AI while continuing to upskill employees in soft skills and AI oversight. It is now incorporating ServiceNow's new AI Control Tower and AI Agent Fabric into its contact center platform. Its roadmap includes Teams in ServiceNow integration, escalation management, task tables, and backup events consolidation.

"We hope to expand AI's role in automating more nuanced tasks, while maintaining human stewardship for critical cases," says Scott. "The ongoing objective is a sustainable, human-centric contact center equipped with intelligent automation."📞



Brendan Read is Editor of Contact Center Pipeline. He has been covering and working in customer service and sales and for contact center companies for most of his career. Brendan can be reached at brendan@contactcenterpipeline.com.

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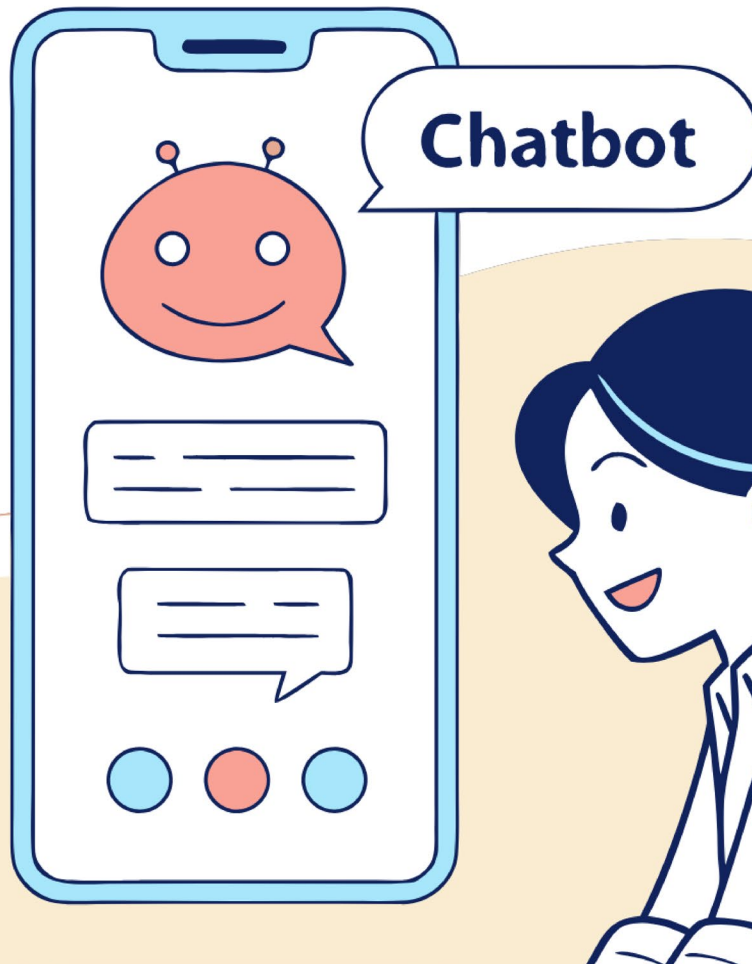
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RETAIL'S LOYALTY CRISIS

WHY EXCELLENT AI-DRIVEN CUSTOMER SERVICE IS THE NEW STOREFRONT.

Retail is in the middle of a reckoning.

- Economic turmoil, rising operating costs, and shifting consumer habits are driving a wave of store closures, cutting off many of the face-to-face interactions that once built loyalty.
- U.S. consumers are spending more selectively, trading down in categories like apparel and home goods, and looking for convenience above all else.

As the physical touchpoints disappear, rising expectations have shifted to digital channels: making the contact center the new storefront.

At the same time, virtual agents are increasingly taking on repetitive work, while human agents focus on higher-impact interactions like retention, renewals, and cross-sell and upsell opportunities. That shift is elevating the role of the contact center from a cost center to a true driver of revenue and loyalty.

MOST RETAILERS AREN'T PREPARED

Here's just one example. Our research shows that 67% have yet to digitize their customer service for the mobile era. Even though smartphones was one of the top factors influencing purchasing decisions in 2025.



THE GAP BETWEEN WHAT SHOPPERS DEMAND AND WHAT RETAILERS CAN DELIVER IS WIDENING. AND THE STAKES FOR LOYALTY AND REVENUE HAVE NEVER BEEN HIGHER.

Meanwhile, AI and other tech advancements have raised the bar for speed, convenience, and personalization. But most service platforms were designed for another era.

The gap between what shoppers demand and what retailers can deliver is widening. And the stakes for loyalty and revenue have never been higher.

CLOSURES ARE ACCELERATING THE PRESSURE

At the same time, up to 15,000 U.S. retail locations are projected to have shut down in 2025; more than double last year's total.

That leaves the burden of customer interactions squarely on digital channels. Yet many contact center systems remain optimized for speed and volume rather than empathy and continuity.

In an online-first world, that gap is glaring: customer context - past orders, loyalty status, in-app behavior - often vanishes the moment a shopper switches channels. Agents are left without visibility, and trust erodes at the exact moments when retailers can least afford it.

THE NEW FRAGILITY OF LOYALTY

Yet a shift to digital-first service has made loyalty harder to hold onto than ever. Today, a single frustrating experience can turn a customer away: and younger generations are leading the charge.

According to Salesforce data cited by an *eMarketer* article, "Brand loyalty is fading among Gen Z and millennials", 81% of Gen Z and millennial consumers switched brands in 2024: showing how quickly poor experiences now drive churn.

And according to our analysis, nearly half (46%) of customer experience (CX) leaders say mobile-friendly service will influence buying decisions: more than AI support, empathetic agents, or short wait times.

While older cohorts still place a higher value on agent empathy and shorter wait times, their expectations are converging with those of younger shoppers as digital becomes the default.

This generational shift and convergence means the tolerance for outdated, fragmented experiences is shrinking every year. What once might have been forgiven - restarting a conversation across channels or waiting days for a resolution - now costs retailers real revenue.

The problem is that most journeys still break down at the seams. Customers who begin returns in an app often must start over when they switch to voice. Agents ask repetitive questions because loyalty, purchase, and service data remain siloed.

In an era where shoppers expect instant, personalized support, that disconnect makes even the most advanced AI tools feel outdated. And with Gen Z and millennials shaping the next era of retail spending, the cost of falling short today will only grow.

AI: COST-CUTTER OR CUSTOMER SUPPORT?

Many retailers are turning to AI, even in the face of it not being as important as other factors in driving customer loyalty. That is because it promises instant support, smarter routing, and improved personalization at scale: the very things legacy systems have failed to deliver.

But in practice, AI is too often treated as a cost-cutting tool to replace agents rather than a way to close these gaps. This approach has already led to layoffs and hiring slowdowns, with AI-related workforce reductions up nearly 300% in 2025.

According to our analysis, 60% of AI deployments in the contact center remain "low maturity," limited to basic tasks, and disconnected from broader strategies. The result: more bots, fewer people, and no real gains in customer satisfaction.

The risk is bigger than wasted investment. Poorly implemented AI can frustrate customers with endless loops, lead to increased churn, and even introduce bias or privacy concerns if training data isn't managed carefully.

Yet there is a powerful opportunity for AI, especially in retail customer service. It lies in using AI to support, not replace, the human element.

THE INCOME DIVIDE AND RETAIL SERVICE

The reportedly widening income divide is driving several shifts in customer profile and expectations. It is also affecting contact center wages and turnover.

For luxury/premium retailers, the focus is on more white-gloved service, strong personalization, and prompt expert resolution for the high-value customer base.

Contact centers serving this segment need contact center agents with high emotional intelligence, deep product knowledge, and sophisticated communication skills. These are needed to handle complex issues related to expensive goods, customized orders, or premium member services.

For value/discount retailers, the focus is efficiency, self-service, and high-volume transactional support with a focus on quick answers.

These contact center agents handle a higher volume of simpler inquiries. There's a greater push for AI and automation to manage volume and control costs.

But this concentration of retail revenue at the top and squeeze at the bottom further exacerbates wage inequality within the contact center industry itself.

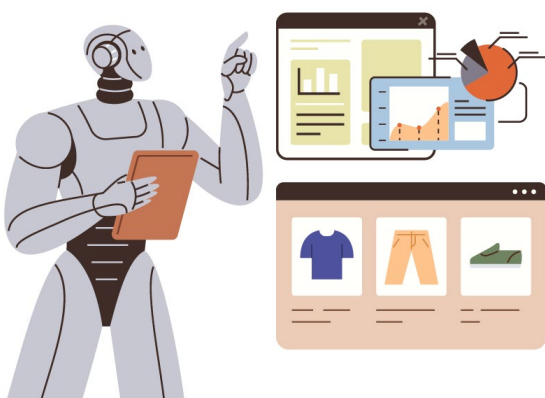
Specialized agents supporting premium bands command higher salaries, while high-volume centers for value retailers may struggle more with wage pressure and higher turnover.

When deployed well, AI can:

- Surface order status instantly, pass context seamlessly to a live agent, and free that agent to solve the real problem.
- Spot patterns in support data that predict churn or trigger proactive outreach before an issue escalates.

Real-time agent assist tools can now guide staff through next-best actions, like saving an at-risk customer or handling a renewal.

By helping agents drive revenue and resolve issues, these tools show that technology can enhance, not replace, the human touch, laying the foundation for reinvention.



THE PLAYBOOK FOR SERVICE

Amid store closures, shifting generational preferences, and rising pressure from new technology, one thing is clear. The contact center has become retailers' frontline for protecting revenue, loyalty, and trust.

To succeed, leaders should:

- **Build mobile-first channels.** Meet customers where they already are: in-app, via SMS, or through rich messaging.
- **Unify customer data.** Connect loyalty, eCommerce, and service systems so agents have context at every step.
- **Use AI strategically to empower agents.** Automate simple requests, surface insights, and route issues intelligently so agents can focus on higher-value interactions.
- **Redefine the agent role.** Train frontline staff as brand advocates who deliver empathy and context and shift the focus from handle time to outcomes such as revenue contribution and retention.

• **Design for continuity.** Ensure journeys flow seamlessly across channels, so customers never need to start over.

• **Measure what matters.** Track customer effort, resolution speed, retention, CSAT, NPS, revenue contribution, and lifetime customer value: not just call handle times or cost-per-contact.

For today's shopper, the contact center is the brand experience. Every exchange signals whether a retailer values their time and loyalty.

TRAIN FRONTLINE STAFF AS BRAND ADVOCATES WHO DELIVER EMPATHY AND CONTEXT AND SHIFT THE FOCUS FROM HANDLE TIME...



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The retailers that win will be those that treat service as core to their business model. Namely investing in mobile-first experiences, using AI to empower rather than replace agents and equip them to deliver empathy at scale.

The future of retail won't be defined only by products or prices. It will be defined by the quality of service when customers need it most: from prospecting to sale close, and to post-sale service and support.

Those that get it right will keep customers through uncertainty. And they will set the standard for loyalty in the years ahead. 



Vasili Triant is CEO, WJET. He joined the company as Chief Business Officer in 2020, becoming Chief Operating Officer and then Co-CEO before his appointment as CEO in April 2025. Vasili is passionate about empowering our customers by providing innovative tools and technology that deliver one-of-a-kind customer experiences.

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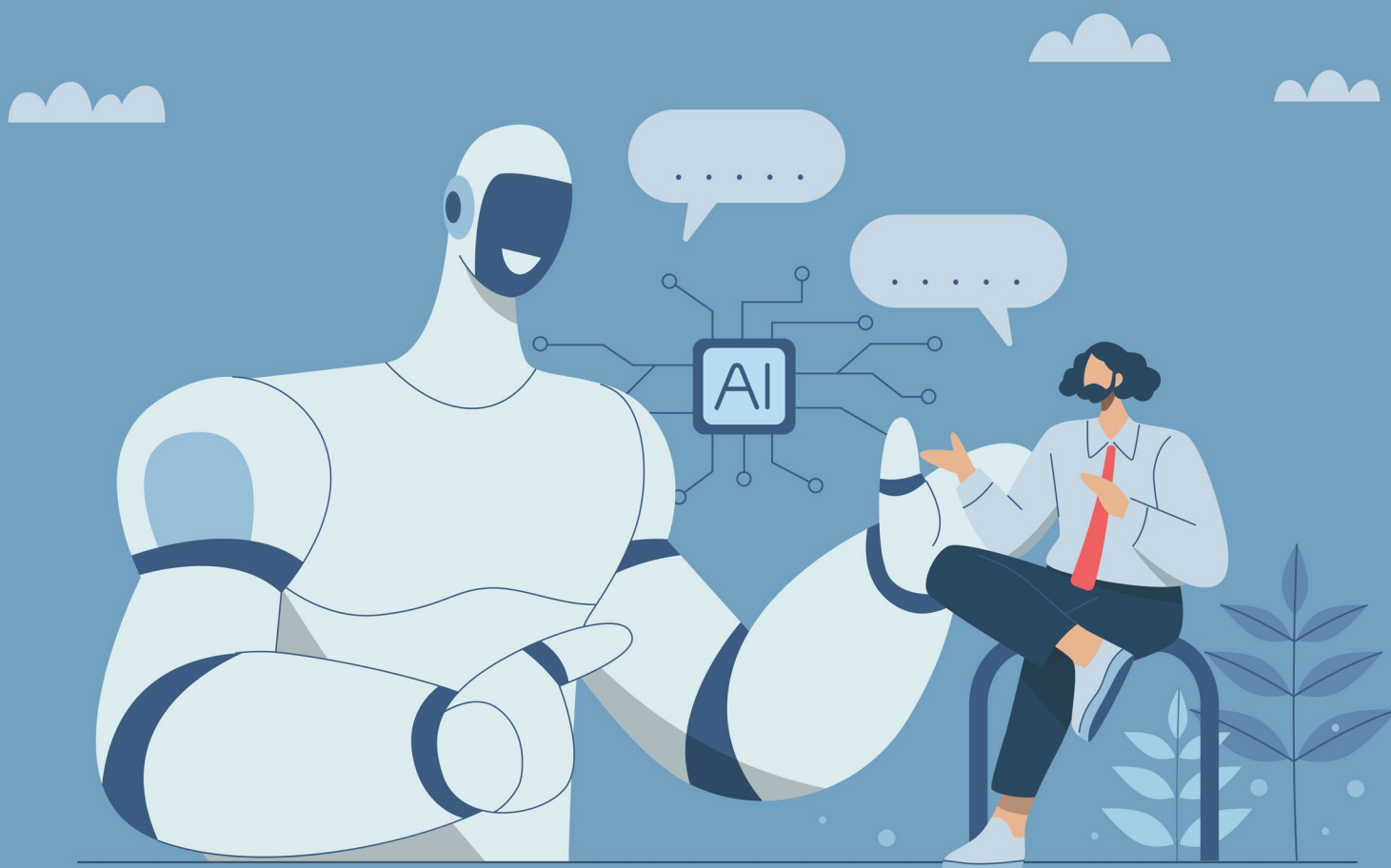


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MOVING TO BPO-HOSTED VOICE AI?

RISKS, REALITY, AND THE PATH FORWARD.

Contact centers are under pressure. Rising labor costs, customer expectations, and global language demands have made voice support the most costly part of providing excellent customer experiences (CXs).

That's why, from our day-to-day work and contacts and from our market research, many enterprises see BPO-hosted voice AI as the fastest path to modernization.

In turn, many BPOs view voice AI as a way to strengthen their value proposition. Namely, it helps clients modernize faster while improving efficiency and creating new growth opportunities in an increasingly automated CX landscape.

It's not just about noise or clarity. Voice AI today spans conversational agents, real-time translation, intelligent call orchestration, and more. But as our 2025 survey of 819 CX leaders shows, the story is more complicated: and the stakes are high.

THE ADVANTAGES AND THE CATCH

BPOs offer enterprises speed to market. A BPO can spin up AI-driven solutions quickly, offload complexity from IT teams, and deliver results without massive internal investment. That can include everything from deploying digital voice agents to layering in advanced noise suppression.

But the flip side is lock-in. If the BPO is hosting proprietary or generic tools, enterprises risk losing flexibility, paying more, and falling behind when the tech inevitably evolves.

**A BPO CAN SPIN UP
AI-DRIVEN
SOLUTIONS
QUICKLY...
WITHOUT MASSIVE
INTERNAL
INVESTMENT.**

We've seen this movie before. A decade ago, many BPOs — and even large telecom carriers — offered hosted CRM, IVR, and contact center solutions as part of their managed services.

For a while, it worked. But as software makers reasserted control with faster innovation, deeper integration, and better economics, those hosted offerings fell behind.

Enterprises that tied themselves too closely to BPO-hosted platforms often found themselves boxed in. They faced slower updates, support gaps, and higher costs as vendors and carriers prioritized their own ecosystems.

The lesson isn't that BPOs shouldn't host technology. It's that lasting success comes from partnerships, not platform ownership.

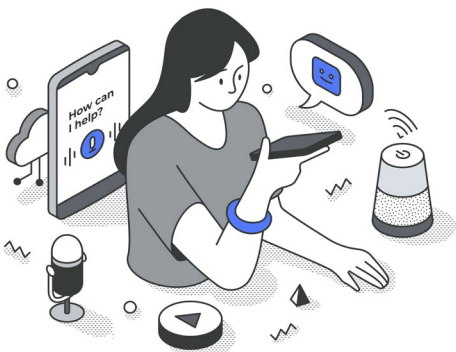
VOICE AI AND IVR

So, to understand the potential benefits of voice AI for BPOs and their customers, let's look deeper at it and how it compares with IVR systems.

Voice AI uses real-time machine learning to understand, adapt, and respond to human speech dynamically. It can handle accents, background noise, emotional tone, and multilingual interactions.

IVR systems are rules-based; they recognize pre-defined prompts or numbers and route calls accordingly. Even speech-enabled IVRs rely on fixed trees and keyword matching.

- **The key difference:** voice AI learns; IVRs follows instructions. Voice AI can engage in natural, multi-turn conversations while IVR redirects or escalates.
- **Benefits of voice AI:** Higher automation potential, better CX, and deeper insight into caller intent.
- **Voice AI downsides:** Requires quality training data, thoughtful integration, and clear governance to avoid over-automation or loss of brand tone.



The lesson isn't that BPOs shouldn't host technology. It's that BPOs shouldn't try to reinvent the tech stack. When BPOs attempt to play software vendor, they inevitably lose ground to companies designed to innovate, scale, and evolve faster.

WILL VOICE AI FOLLOW THE SAME PATH?

There's a chance that voice AI follows the same path as the other hosted technologies, like IVR for BPOs, that didn't strategically pivot. Voice AI is an infrastructure that must continuously adapt.

Some BPOs will repeat the mistakes of the past if they chase generic, homegrown solutions. But others are well-positioned to lead using partnerships with best-in-class vendors to provide enterprises with a faster, safer route to AI adoption.

The difference will come down to focus, where BPOs that anchor AI rollouts in specific use cases deliver value quickly and avoid the trap of implementing blindly.

STRATEGIC RECOMMENDATIONS

For enterprises:

- Treat BPO-hosted AI as a strategic route to modernization. When paired with the right partners, it offers a fast and effective way to deploy AI while maintaining flexibility to evolve your tech stack over time.
- Demand transparency. Is your provider building closed systems or partnering with specialized AI vendors? Knowing this determines whether you'll be able to plug into future innovations or remain stuck.
- Ensure you retain optionality to move, scale, or integrate new tools as the market evolves. Optionality protects against rapid shifts in cost, capability, and competitive advantage.

For BPOs:

- Don't try to out-build the AI vendors. Instead, elevate your offering by integrating proven voice AI platforms. This keeps you competitive without wasting resources on reinvention.

**FOR ENTERPRISES:
TREAT BPO-
HOSTED AI AS A
STRATEGIC ROUTE
TO MODERNIZA-
TION. FOR BPOS:
DON'T TRY TO
OUT-BUILD THE AI
VENDORS.**

- Differentiate not by owning the stack, but by delivering faster roll-outs, better economics, and a modernized outsource platform that enterprises can trust. Your value is in speed, service quality, and adaptability, not software IP.
- Anchor adoption in targeted use cases where AI creates measurable impact, then scale. This ensures credibility with clients and builds momentum without overpromising.



THE BOTTOM LINE

The upside is real, but so is the risk of getting it wrong. History shows BPO-hosted platforms have struggled to stand the test of time, but the opportunity is bigger. Voice AI offers transformative upside, but only for those who implement it with the right focus, partners, and pace.

Enterprises want speed. Vendors bring innovation. And the most forward-looking BPOs can fuse the two, modernizing the outsource stack with focused use cases and shaping the next era of CX. 📌



Davit Baghdasaryan is CEO and co-founder, Krisp. He is a leading voice in the future of CX, bringing deep expertise at the intersection of AI, voice technology, and customer experience. His work focuses on how AI reshapes communication, redefines agent roles, and transforms customer experience beyond automation.



MASTERING THE LIVE AGENT TRANSITION

AND HOW TO SIMULTANEOUSLY ENHANCE VA EFFICIENCY.

The significant expected increase in market size for virtual assistants (VAs) from approximately \$3.07 billion in 2023 to a projected \$19.27 billion by 2032, indicates a strong demand for VA services well into the future.

This substantial growth is likely fueled by advancements in AI and increased reliance on technology. But also by the growing need for efficient and cost-effective solutions across various industries.

Arguably, AI-powered VAs have become invaluable assets for companies looking to streamline customer interactions and administrative tasks.

They're fast, efficient, and perfect for handling repetitive, low-complexity tasks.

However, while VAs excel in many areas, there are moments when the complexity of a customer issue requires a seamless handoff to a live agent. Ensuring this transition happens at the right time and with minimal friction is crucial to maximizing customer satisfaction and overall productivity.

Leading a global outsourcing firm for two decades has allowed me to capitalize on how companies can make the most of VAs *without* sacrificing the quality of human interaction.



**...AI-POWERED VAs HAVE
BECOME INVALUABLE ASSETS
FOR COMPANIES...**

The key lies in viewing VAs as a human resource that allows businesses to optimize their workflows, creating a seamless partnership between automation and human intervention.

VIRTUAL ASSISTANTS' BENEFITS

VAs excel at managing routine tasks like answering basic queries, scheduling, and processing standard forms. Companies can optimize their customer service operations by allowing VAs to handle straightforward issues and improve overall efficiency.

When VAs manage the initial touchpoints, businesses can handle a higher volume of inquiries while maintaining quality.

This shift allows live agents to focus on more complex, value-driven matters, creating more fulfilling work environments. When agents are empowered to engage in tasks requiring deeper problem-solving, customer satisfaction, and team morale are improved.

WHEN TO TRANSITION FROM VA TO LIVE AGENT

The real art of balancing VAs and live agents lies in determining the right moment for the handoffs. While VAs are adept at managing a range of tasks, there are instances where their capabilities may be limited. ***The challenge is to make sure these limitations are identified and accounted for.***

It's not that VAs are not powerful. In fact, they can handle a significant portion of the business with speed and accuracy.

But in some instances, when an issue becomes too complex, emotionally charged, or requires a level of decision-making beyond the assistant's programming, it's crucial to escalate the matter to a live, client-facing agent.

The hardest part is determining when this transition should occur. If a handoff happens too soon, you risk overloading your live agents with tasks a VA could have easily handled. But if the transition happens too late, the customer may grow frustrated. ***Finding that balance requires smart systems, training, and a clear strategy.***

In our case, we have developed a process that involves constant monitoring and predefined criteria that trigger an escalation. This ensures that the transition is seamless and timely. It's all about making sure that when the transition happens, it feels like a natural extension of the customer's journey, not a disjointed switch.

BOTH VAs AND HUMAN AGENTS NEED TO BE PROPERLY PROGRAMMED AND TRAINED RESPECTIVELY TO UNDERSTAND THEIR ROLES AND LIMITATIONS.

ENABLING THE HANDOFFS

Both VAs and live agents need to be on the same page regarding what triggers a handoff and how the transition should be handled.

It's not enough to simply assign tasks to VAs and hope that live agents will pick up the rest. Both VAs and human agents need to be properly programmed and trained respectively to understand their roles and limitations.

- VAs should "know" when the issues are beyond their scope and when to pass them off.
- Live agents should be prepared to step in with full context, minimizing any repetition or confusion for the customers.

To ensure the handoffs happen seamlessly you also need to have a unified communication system that integrates both virtual and human interaction points.

REGULAR AUDITS AND CONTINUOUS IMPROVEMENT

Regular audits are one of the most effective ways to fine-tune the transition process. It's insufficient to set up a system and let it run indefinitely. Companies must continuously evaluate and improve their processes to stay competitive and deliver the best possible service.

Routinely audit the performance of your VAs by collecting feedback from live agents who handle the escalated cases. This feedback will help you identify areas where the VAs may have struggled or where the handoffs could have been smoother.

Use this information to update workflows, retrain staff, or refine the criteria that trigger a transition. This process ensures that both the VAs and live agents are working as efficiently as possible.

Regular audits also help businesses identify patterns that might not be obvious at first. For example, notice that a certain type of query is frequently escalated. It might be the best time to update the VAs' programming to handle that issue without involving a live agent.

A SYMBIOTIC RELATIONSHIP

As AI technology evolves, I see the relationship between VAs and live agents becoming even more integrated and symbiotic.

VAs will continue to become smarter, handling more complex tasks than they currently do. However, this doesn't mean they'll replace human agents. Instead, live agents will take on the role of specialists, focused on solving more complex problems that require deeper expertise in client-facing interactions.

This evolution will make live agents more productive. Rather than being bogged down by routine inquiries, they'll spend their time resolving high-value issues that genuinely require their skill set.

While process improvement and training are a big help, companies can actively invest in AI and automation to enhance the capabilities of their VAs and minimize their limitations: while ensuring that the transition to live agents remains seamless.

We believe that the future of customer service lies in this delicate balance between automation and human interaction. One where both elements complement each other to deliver a superior customer experience. 



Pranav Dalal, CEO and Founder of Office Beacon, began his entrepreneurial journey in 2001 when he traveled from Los Angeles to India, rented an office, hired five employees, and started Office Beacon. Now, with over 5,500 full-time employees globally, Office Beacon operates in India, the Philippines, South Africa, and Mexico.

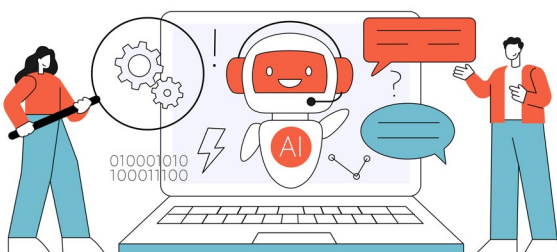




ILLUSTRATION PROVIDED BY ADOBE STOCK

THE GPS FOR THE CX

HOW JOURNEY ORCHESTRATION DRIVES CX QUALITY.

When you look at a map it shows you the geography and the routes to enable you to get to places. But does it tell you what is happening on those routes, in real time, to help you on your journey?

It's the same for the customer experience (CX).

Most CX leaders have invested time and resources into customer journey mapping. It's a valuable exercise that helps visualize how customers interact with your brand across channels and touchpoints. It helps teams identify pain points, redundancies, and opportunities for improvement.

But mapping alone doesn't improve CX quality. That's because maps are inherently retrospective. They show what has happened or what typically happens, not what's happening now or what may happen later.

Maps also tend to be drawn from the company's point of view, reflecting the way its processes flow: *not* the way customers actually behave.

In today's fast-paced omnichannel environment, customers don't follow linear paths. They jump between channels, devices, and intents. Just like when you drive and realize you needed to make a stop or see a sign pointing to an interesting landmark or town, or a

beautiful bay or lake. Or that an accident just happened and the police are rerouting traffic.

A map can't keep up with that complexity. And it certainly can't respond in real time when a customer hits a snag or needs help.

WHAT IS CUSTOMER JOURNEY ORCHESTRATION?

That's where customer journey orchestration comes in. It is the practice of using real-time data, AI, and automation to guide customers through personalized experiences across channels. It's proactive, adaptive, and deeply rooted in context.

Think of it as a GPS for CX. While a map shows all possible routes, orchestration chooses the best one based on current conditions such as traffic, weather, destination, and driver preferences. It reroutes when needed, offers helpful suggestions, and ensures the journey is smooth from start to finish.

In the CX, this means:

- Anticipating customer needs before they articulate them.
- Delivering consistent experiences across voice, chat, email, and self-service channels.
- Reducing friction and effort at every touchpoint.
- Empowering agents with context and next-best actions.

WHY ORCHESTRATION MATTERS

CX quality isn't just about satisfaction scores or resolution times. It's about how customers feel during and after their interactions. Like are they known? Helped? Valued?

Journey orchestration directly impacts these emotional outcomes by:

1. Improving personalization.

Orchestration uses data to tailor experiences in real time. Whether it's routing a customer to the right agent or offering a proactive solution, relevance drives satisfaction and loyalty.

- ### 2. Reducing effort.
- When customers don't have to repeat themselves, switch channels unnecessarily, or hunt for answers, their experience improves. Orchestration connects the dots behind the scenes, so customers don't have to.

- ### 3. Building trust.
- Consistency builds trust. Orchestration ensures that customers receive coherent, connected experiences no matter where they engage. It eliminates the "Why don't you know who I am?" moments that erode confidence.

SHIFTING FROM MAPPING TO ORCHESTRATION

Transitioning from journey mapping to orchestration doesn't require starting over. In fact, your maps provide a strong foundation. Here's how to build on them:

- 1. Connect your data.** Orchestration depends on unified, real-time data. Integrate systems to create 360-degree views of customers.
- 2. Invest in journey analytics.** Go beyond historical reporting. Use predictive analytics to understand intent, forecast behavior, and trigger timely interventions.
- 3. Automate intelligently.** Don't automate for automation's sake. Focus on use cases where automation enhances experiences, like proactive notifications, intelligent routing, or self-service escalation.

THE OLD WAY VS. THE ORCHESTRATED WAY

So, what does customer journey orchestration look like in practice? If we take a retail journey that lacks orchestration, it might look something like this:

1. Customer returns a product.
2. Customer receives a follow-up email asking how they're enjoying the product.
3. Customer receives targeted advertising for the item they returned.
4. Customer feels that the brand does not know or value them and decides not to purchase from this brand again.



Obviously, this is not an ideal CX. It's clear that there's no orchestration and that each department interacting with the customer lacks visibility into the full customer journey.

Contrast the old way with the orchestrated way:

1. Customer returns a product.
2. Reason for the return is captured.
3. Purchase history and personalized messaging adjusted automatically.
4. AI recommends a more appropriate product.
5. Follow-up includes tailored tips, discounts, or content.
6. Customer feels known, helped, and valued, and makes a new purchase with confidence.

In the second scenario, because the systems share data and personalization is guided by intent, the customer feels recognized, rather than frustrated. Even when things don't go as planned.

QUALITY IS A JOURNEY, NOT A DESTINATION

CX quality isn't a one-time achievement. It's an ongoing commitment to understanding, adapting, and improving. Journey mapping allows you to see the terrain. Orchestration helps you navigate it.

If your organization is still relying on static journey maps, now's the time to evolve. Start small by identifying one journey to orchestrate, connect the data, and measure the impact. You'll be surprised how quickly CX quality improves when you stop mapping and start moving.



Mike Bawn is vice president of digital experience transformation at TTEC Digital, a global leader in customer experience orchestration, combining technology and empathy at the point of conversation. Mike is passionate about guiding companies in navigating the digital landscape, focusing on digital strategy alignment, conversational AI, and humanizing customer experiences.



IN TODAY'S FAST-PACED OMNICHANNEL ENVIRONMENT, CUSTOMERS DON'T FOLLOW LINEAR PATHS.



ILLUSTRATION PROVIDED BY ADOBE STOCK

WHY TRUST IS A MUST IN CX AND WHY CUSTOMER SAFETY IS KEY.

Trust is the invisible currency behind every strong customer relationship, and once it is broken and lost, it is hard to earn back.

With AI driving a major increase in user-generated content and enabling more sophisticated fraud tactics, building and maintaining customer trust is increasingly challenging. A single phishing scam, a chatbot that gives biased or wrong answers, or a data breach exposing customer details can instantly undo years of loyalty.

Enterprises that do not invest in safeguarding their customer experiences (CXs) through investment in strong digital defenses risk eroding customer relationships, undermining brand credibility, damaging long-term loyalty, and creating lasting business consequences.

Leaders responsible for CX understand how critical trust and safety have become, and many are preparing to act.

A recent TELUS Digital report, *Safety in Numbers*, which partnered with Ryan Strategic Advisory to survey more than 800 decision-makers in Western Europe, North America, and Asia-Pacific, explored the opinions of these leaders around trust and safety.

The findings show that many are planning to significantly or somewhat increase investments in ID verification (68%), fraud detection (66%), know your customer (KYC) processes (60%), and content moderation (48%) over the next 12 months.

Each of these categories is critical in maintaining customer trust.

- ID verification is essential for confirming customer identities and limiting potentially fraudulent activities.
- Proactive fraud detection helps organizations protect their digital platforms through continuous transaction monitoring and threat detection for faster, more effective responses and remediation.
- KYC helps organizations make informed customer decisions in line with regulatory requirements.



- Content moderation protects customers by limiting harmful, inappropriate, or inaccurate content.

The urgency for strong trust and safety is clear, yet organizations continue to face challenges in both implementing and sustaining these safeguards.

By examining the forces behind this momentum and the challenges in the way, they can uncover practical steps to protect customers and earn their confidence long-term.

WHY TRUST, SAFETY INVESTMENTS ARE INCREASING

As technology evolves, enterprises are under pressure to align trust and safety strategies with new risks and expectations. Beyond keeping pace with innovation, several clear drivers are pushing trust and safety higher on the agenda, including regulatory compliance, rising fraud costs, and customer feedback.

According to the Safety in Numbers report, one-third (33%) of decision-makers prioritized ID verification to meet compliance requirements, while nearly a quarter (23%) pointed to the financial impact of fraud.

For fraud detection, 29% highlighted fraud-related costs and 20% cited negative customer feedback as top motivators. KYC was most often prioritized for compliance (34%) and fraud prevention (24%). Content moderation, on the other hand, was prioritized due to the availability of new technologies (23%) and compliance requirements (22%).

The consequences of falling short are significant. Regulatory gaps can trigger major fines, reputational fallout, and/or customer churn. Fraud can lead to costly remediation and operational disruption. Negative customer feedback can damage brand equity and drive customers away.

CHALLENGES TO DIGITAL TRUST AND SAFETY

Even with a strong awareness of the importance of digital trust and safety and understanding of the risks of fraud, regulatory penalties, and customer churn, CX leaders acknowledge that several challenges still stand in the way of creating secure online environments for their customers. These include:

- Compliance with government/industry regulations (44%).
- Shortage of technical talent (39%).
- Internal threats (employee error/malicious intent) (34%).
- Fraud prevention complexity (34%).

Further, when it comes to delivering effective trust and safety across digital channels, the primary challenge was cost (27%). Other challenges include technical complexity (21%), integration with existing systems/architecture (20%), lack of internal expertise (16%), and understanding/following regulations (10%).

MAINTAINING THE HUMAN ELEMENT

Overcoming these challenges requires a delicate balance between human expertise and thoughtful deployment of advanced technologies.

While automation has become a valuable tool in detecting anomalies and monitoring potential safety issues at scale, human oversight remains a critical component, particularly in handling edge use cases or highly nuanced decision-making.

Our survey shows the vast majority of trust and safety services are still delivered either solely by humans or with humans in the loop, rather than by technology alone (the following numbers are approximate and may not add up):

- **ID verification.** 79% involve humans (61% mix of human and technology resources, 18% human-led); only 22% rely on tech-only.
- **KYC.** 61% include human oversight (49% mixed, 12% human-led); 39% tech-only.
- **Content moderation.** 65% use humans (44% mixed, 21% human-led); 34% tech-only.



- **Fraud detection.** 56% involve humans (40% mixed, 16% human-led); 44% tech-only.

Although automation continues to grow, the findings highlight the ongoing importance of human oversight and judgment when it comes to managing digital risk.

For organizations constrained by budget challenges or limited internal resources, strategic external partnerships can help scale trust and safety measures effectively. These partnerships are also critical in ensuring compliance with regulatory requirements, which frequently evolve and differ across state, federal, and international guidelines.

...HUMAN OVERSIGHT REMAINS A CRITICAL COMPONENT, PARTICULARLY IN HANDLING EDGE USE CASES OR HIGHLY NUANCED DECISION-MAKING.

FUTURE-PROOFING CUSTOMER RELATIONSHIPS

Trust and safety are no longer optional. They are the proven foundation of lasting customer loyalty. Enterprises that lead in this area will protect their customers and future-proof their business.

While cost, compliance, and resource constraints remain hurdles, they can be addressed through the right blend of human expertise, advanced technology, and trusted partnerships.

Transparency is equally important. When customers clearly see that their safety is prioritized, confidence grows, loyalty deepens, and advocacy follows. Safeguarding digital interactions helps enterprises build durable relationships that fuel long-term growth.



Ljubiša Velikić is VP of Trust & Safety at TELUS Digital where he leads global teams in fraud prevention, platform integrity, and content moderation. With prior leadership roles at Facebook, Twitter, and LinkedIn, Ljubiša leverages his vast experience and technical expertise to create safer digital environments that protect users worldwide.



ILLUSTRATION PROVIDED BY ADOBE IMAGES

THE WORKFORCE IMPLICATIONS OF AI

THE BENEFIT OF AI FOR AGENTS AND SUPERVISORS.

There has been much coverage, and many blogs, posts, and press releases, about how AI will increase employee productivity, improve customer experience (CX), and at the same time reduce costs. It also includes how workforce dynamics and future hiring practices may evolve.

But what do the industry professionals who manage contact center workforces think about these complex, interrelated issues, and their implications? What is their advice for the contact center leadership who must work through them?

To understand more, and from that perspective, I had a virtual conversation with Tony Graczyk, a member of the Society of Workforce Planning Professionals (SWPP) Advisory Board.

TONY GRACZYK



Tony is employed by a Fortune 500 financial services organization, with his focus on the workforce solutions space. His views are his own and not of SWPP or the organization that employs him.

Q DO YOU THINK - AND ARE YOU SEEING - THAT AI, LIKE AGENTIC AI, WILL REDUCE THE NUMBER OF CONTACT CENTER AGENTS NEEDED, RESULTING IN LAYOFFS OR LIMITING FUTURE HIRING? IF SO, HOW AND WHY?

A: I haven't experienced that in my business areas, but I would anticipate some shifts in what the future of work looks like for contact center agents.

Initial changes could be efficiency improvements for the contact center agents, notably agent assist features such as:

- Pulling up information from separate systems and combining that information together without the need for separate independent searches.
- Providing possible scripting to relay information about the situations being discussed.
- Giving suggested information to relay to the callers in anticipation of additional questions for those subjects will potentially help to reduce future repeat calls.

To me, the natural progression, after confirming success and completeness of the information being relayed through agents, is to look for automated mechanisms for that information to be available in a self-service format. This would include things like AI-based bots for chats and calls.

Like any tool or process implemented for the contact center that reduces the average handle time (AHT), prevents follow-up calls, or even negates the need for the initial calls, there will be changes to the work that needs to be done to field those questions.

As a result, AI will *and should* cause changes in future hiring. Centers where agents are handling transactional types of calls will probably be the most impacted, as those are the easiest to build mechanisms for automation.

By contrast, agents working through complex situations or troubleshooting that are rarely alike will be more difficult to address with automation. In either case, working alongside AI tools and capabilities will be increasingly common.

Q DO YOU SIMILARLY THINK THAT AI WILL HAVE AN IMPACT ON AGENT QUALIFICATIONS AND TEAMS, SUCH AS BY DEFLECTING MORE CALLS IN SELF-SERVICE AND/OR HELPING AGENTS MANAGE CHALLENGING CUSTOMER PROBLEMS? AND CONSEQUENTLY, LOWER AGENT TURNOVER BY MAKING THE WORK MORE INTERESTING AND LESS STRESSFUL?

A: AI technology will cause a shift in qualifications for contact center agents. As the simpler transactional calls are moved into the technology space, the interactions that remain will be those situations that are more complex.

Successfully handling more complex situations requires a troubleshooting mindset and a better understanding, in most cases, of the systems involved. This has the potential to increase the AHT of each call, but at a lower volume with the simpler items being addressed by technology.

"CENTERS WHERE AGENTS ARE HANDLING TRANSACTIONAL TYPES OF CALLS WILL PROBABLY BE THE MOST IMPACTED, AS THOSE ARE THE EASIEST TO BUILD MECHANISMS FOR AUTOMATION."
-- TONY GRACZYK

I find more satisfaction in helping others through more complex tasks, so there is potential for more job satisfaction. One of the common frustrations from contact center agents is related to:

1. The number of steps/systems involved to be able to find information.
2. The stress of coming up with the right words to successfully relay that complex content to the customer.
3. The need to then capture all those details into a CRM so that the next agent can be informed of what was done, should the customer need further assistance, or that something was done to help but was not successful and why.

AI-based technology holds strong potential to address each of these challenges. While navigating the situation can still be mentally taxing, faster and more comprehensive access to relevant information can significantly reduce the cognitive load.

This makes it easier to identify patterns and begin assembling solutions with greater clarity and speed. I like to think about it as *figuring out the shapes of the pieces of the puzzle before it can start to be assembled*.

Q CONVERSELY, GIVEN HOW AI IS BEING WIDELY BILLED, WILL IT DAMPEN AGENT MORALE AND PRODUCTIVITY, DRIVING THEM TO SEEK MORE STABLE JOBS?

A: A lot of the impacts on morale and productivity will be dependent on the presentation and execution of the benefits. As with any change, there will surely be some who aren't comfortable or willing to leverage AI technology.



The capabilities of AI-based technologies are so vast that it feels like eventually nearly all jobs will have some sort of involvement. To me, it is somewhat similar to the advent of the internet. Would any of us have anticipated that there would be a situation where our refrigerator would need access to online content?

Q WILL AI AFFECT COACHING AND SUPERVISION INCLUDING TASKS, QUALIFICATIONS?

A: I'm confident that it will. Think about the scope of data available in the contact centers:

- How frequently/quickly/completely are agents handling calls? From which queues? From what types of customers?
- Are compliance requirements being met?
- What are CSAT scores on those calls?
- Are supervisors/coaches breaking apart the content from each of those perspectives, comparing the results to peers, and using that to generate a coaching plan?

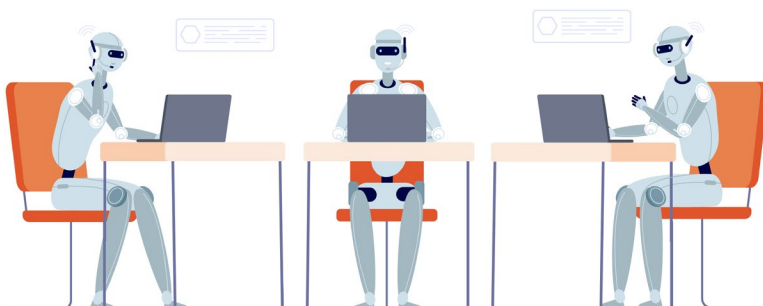
Without AI-assistance, or at least automation, it would be far too labor- and time-intensive to do all of that. But think about a coach/supervisor who does have that insight. Their effectiveness as a coach becomes much more powerful in improving the agent's skill set and the customer's experience.

At this point, then, I don't see as strong of an impact on the coach's/supervisor's skill sets to effectively lead and influence people as that still exists in both worlds.

The additional details provided through AI tools, however, give them the information to be much more influential and impactful on the topics for which they coach.

Q WILL AI ALTER THE PLANNING AND SCHEDULING OF CONTACT CENTER WORKFORCES, AND IF SO, HOW?

A: The potential is there to affect both. While I've not yet seen a fully AI-based forecasting methodology, it can be very beneficial in taking historical results and automating the testing of that data through multiple forecasting methods. Workforce planners can then identify the one(s) that have been the most consistent with the histories and use them to generate future forecasts.



It's important that forecasters know the various methods used. But rarely do they have the time to run through all of the scenarios, compare/contrast the results, and identify/leverage the best one for building the forecast for volume, handle time, shrinkage, attrition, etc.

Once the requirements are built from those combinations, generating schedules can take on different forms. Whether template-based, preference-based, or some combination, they all inject complexity that AI is well-suited to analyze and provide insights towards desired outcomes.

"...[AI] CAN BE VERY BENEFICIAL IN TAKING HISTORICAL RESULTS AND AUTOMATING THE TESTING OF THAT DATA THROUGH MULTIPLE FORECASTING METHODS."

Q WHAT ARE YOUR BEST PRACTICES RECOMMENDATIONS FOR CONTACT CENTERS IN ADOPTING AND UTILIZING AI?

A: AI is a powerful tool when used properly, but it is not fool-proof and will require our input and vigilance to continue to develop for our desired success. There is an ethical responsibility that we all should take seriously.

While concerns about job replacement are understandable, the priority is ensuring AI can first perform assigned roles reliably and effectively. Only then can we thoughtfully explore how it fits into the future of work.

If you're planning to implement AI technology for your customers to use, perhaps it would be better to leverage it as a tool for your agents first?

- Improve the accessibility of information to them, ask for their feedback, and make adjustments along the way.
- Once AI is providing consistent support with reliable results to your agents, then look to expose that to your customers as a self-help option.

I think about AI technology in a similar way to the introduction and expansion of computing power. There's no doubt that it has made processes faster and more efficient.

Have some jobs drastically changed as a result of the computer age? Most definitely! But an even bigger part of the change is the number of jobs that involve computers. AI will be similar going forward and will be a companion to many of the jobs of tomorrow's workforce. 



Brendan Read is Editor of Contact Center Pipeline. He has been covering and working in customer service and sales and for contact center companies for most of his career. Brendan has edited and written for leading industry publications and has been an industry analyst. He also has authored and co-authored books on contact center design, customer support, and working from home. Brendan can be reached at brendan@contactcenterpipeline.com.

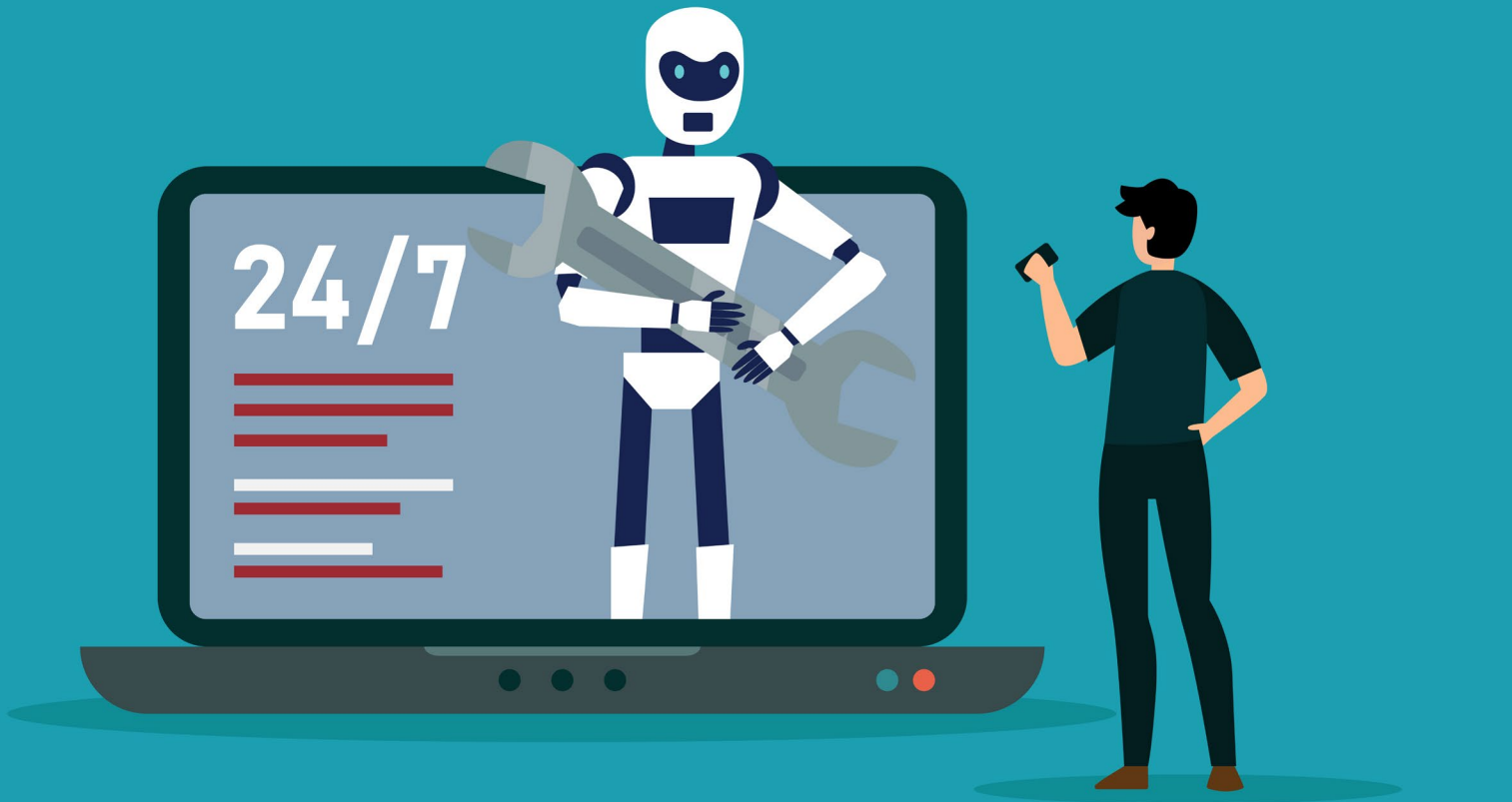


ILLUSTRATION PROVIDED BY ADOBE IMAGES

IS AI CONTACT CENTER-READY? THE ANSWER APPEARS TO BE YES: IF ORGANIZATIONS UNDERSTAND ITS TRUE VALUE.

AI has been dominating the contact center conversation (as seen by the articles in our publication): and for good reason. The technology's integration of vast data processing power with human-like learning, reasoning, and decision-making abilities, has given it considerable value. AI's attributes have the potential, now being gradually realized, to bolster organizations' bottom lines on both sides of the ledger through the contact center:

- Revenue generation by delivering enhanced loyalty-and-sales-generating personalized customer experiences (CXs). This includes with better-informed and helpful contact center agents and more accurately targeted proactive customer and prospect outreach.
- Cost reduction through successfully deflecting more customer interactions to self-service. Also by enabling agents to handle challenging issues and sales opportunities faster with greater productivity.

As with any technological change, AI has been the subject of massive hype, including "me-too" marketing. There have been – and will continue to be – errors and mistakes, and lessons learned with them as well.

To get a handle on AI in the contact center and how organizations can best benefit from it, we spoke virtually with Vigneshwaran Jagadeesan Pugazhenthhi.

Vigneshwaran is a contact center technology architect with a leading global company. He is also Chair of the Institute of Electrical and Electronics Engineers (IEEE) Computer Society, Richmond Chapter and a reviewer for the prestigious IEEE and Springer journals.



"...IT'S ONLY WITH THE MATURITY OF AI TECHNOLOGIES AND THE NEED FOR DEEPER AUTOMATION THAT CONTACT CENTERS HAVE STARTED TO EMBRACE AI AS A CORE, TRANSFORMATIVE CAPABILITY."

-- VIGNESHWARAN JAGADEESAN PUGAZHENTHI

VIGNESHWARAN JAGADEESAN PUGAZHENTHI



Vigneshwaran's projects include:

- Led SIP migration during the COVID-19 pandemic while with Accenture that enabled 5,000-plus agents to work remotely.
- Developed AI-powered testing frameworks, also with Accenture, using Cyara, IBM Watson, and AWS Lex, which improved quality assurance (QA) accuracy across IVR and CRM systems.

Here is our interview:

Q LET'S GIVE SOME PERSPECTIVE ON AI. I UNDERSTAND THAT AI IS NOT NEW. WHEN AND HOW DID AI BECOME INCORPORATED INTO CONTACT CENTER APPLICATIONS?

A: AI has been part of the contact center conversation for several years, initially more as a concept than a fully realized solution. Every time organizations faced challenges with call routing, customer satisfaction, or call containment, the ideas that surfaced often pointed toward intelligent automation: essentially early forms or precursors of AI.

The early adoption phases involved integrating smarter routing strategies, experimenting with more adaptive IVR voices, and implementing natural language understanding (NLU). These were clear signals that AI was gradually entering the picture.

However, the real adoption of AI, in the forms of machine learning, dynamic workflows, and real-time contextual intelligence has taken off only in the more recent years.

While NLU and conversational elements began emerging around 2019, it's only with the maturity of AI technologies and the need for deeper automation that contact centers have started to embrace AI as a core, transformative capability.

Q WHAT THEN HAPPENED TO BRING AI TO THE FOREFRONT AND WHEN?

A: Several factors pushed AI to the forefront in contact centers, and it really came down to a combination of business need and technological readiness.



Customer satisfaction, call containment, and cost optimization have always been core drivers. One consistent insight is that customers feel more satisfied when they can speak to someone or something that understands their issue. Traditional IVRs with rigid menu options fell short of this, so the demand for more intelligent, conversational systems naturally led to AI.

Then came the COVID-19 pandemic, which acted as a major accelerator. With the shift to remote work, organizations had to rethink how they supported customers and empowered agents. At the same time, customer expectations became more personalized; they wanted faster, more relevant, and more human-like experiences.

Finally, the rapid migration to cloud platforms, combined with leading providers offering powerful out-of-the-box AI models, made these capabilities not only possible but scalable. This convergence of business pressure and technological maturity is what truly brought AI to the center of the contact center strategy.

"UNLIKE EARLIER TECHNOLOGIES LIKE ACDs OR IVRs THAT EXTENDED EXISTING FUNCTIONS, AI IS FUNDAMENTALLY TRANSFORMING THESE SYSTEMS."

Q IS AI TURNING OUT TO BE ANOTHER ITERATION OF AUTOMATION IN A LONG STREAM OF THEM, GOING BACK TO THE FIRST ACDs SOME 50 YEARS AGO? OR IS IT DIFFERENT AND IF SO, HOW?

A: I believe AI is *not* just another step in automation but a *true* paradigm shift. Unlike earlier technologies like ACDs or IVRs that extended existing functions, AI is fundamentally transforming these systems. As examples:

- IVRs powered by generative AI are becoming conversational and context-aware, offering dynamic, natural interactions rather than repetitive prompts.
- On the routing side, AI moves beyond static, rules-based ACDs to enable real-time, intelligent call distribution and even assist agents by pulling knowledge directly from CRM applications.
- CRM software itself is evolving from task-driven tools to AI-powered assistants that reduce cognitive load and speed up decision-making.

In short, AI is redefining contact center technology into intelligent, adaptive platforms, marking a clear departure from traditional automation.

WILL AI SHRINK THE CONTACT CENTER?

Few issues around AI adoption have understandably been as hotly debated as to whether the technology will lead to workforce reductions, including in the contact center. So, we posed two related questions to Vigneshwaran Jagadeesan Pugazhenth.

1. IS IT TRUE THAT WORKFORCE REDUCTION IS THE PRIME REASON WHY THE C-SUITE IS INTERESTED IN AI? AFTER ALL, IS IT NOT SIMPLER, ACHIEVE RESULTS FASTER, AND ULTIMATELY MORE PROFITABLE TO LAY OFF OR NOT HIRE STAFF THAN TO GROW REVENUES, ESPECIALLY IN AN UNCERTAIN ECONOMY?

"It's true that workforce reduction is often a key driver behind C-suite interest in AI, especially in uncertain economic times where controlling costs is critical," says Vigneshwaran. "Automating routine tasks and increasing call containment through AI can lead to fewer agents being needed, which offers immediate cost savings and improves profitability."

"However, the story doesn't end there. Smart organizations recognize that AI's real value lies not just in cutting headcount but in enhancing CX and driving revenue growth through more personalized, efficient interactions."

"So, while workforce optimization is a prime motivator, most forward-thinking leaders see AI as both a cost and revenue lever, not just a tool for downsizing."

2. SO, HOW MUCH IMPACT DO YOU BELIEVE AI ADOPTION WILL ACTUALLY HAVE ON THE SIZE OF, AND SKILLS NEEDED FROM THE CONTACT CENTER WORKFORCE?

- NOTING THE SHIFT OF SPENDING FROM LOWER/MIDDLE-INCOME 90% OF CONSUMERS TO THE 10% ELITE BUYERS (AKA K-SHAPED ECONOMY): WHO ARE ALSO OFTEN TECHNOLOGY FIRST-ADOPTERS?
- NOTING ALSO THAT THE MARGINS FOR COVERING OVERHEAD COSTS, LIKE FOR AGENTS, ARE LESS FOR LOWER-TIERED PRODUCTS AND SERVICES AND CONVERSELY GREATER FOR HIGHER-TIERED ONES?

"AI adoption will certainly impact both the size and skills of the contact center workforce, but the exact extent remains to be seen," says Vigneshwaran. "With the current economic uncertainty and slow growth, companies will be cautious about workforce expansion."

"Additionally, as spending shifts towards the top 10% of elite, tech-savvy consumers, contact centers will need to cater more to their sophisticated expectations."

"For lower-tier products and services, where margins are tighter, AI-driven automation will likely drive greater call containment and reduce the need for large human teams."

"Conversely, higher-tier services, which have better margins and serve demanding customers, will require highly skilled agents who can handle complex and nuanced interactions, supported by AI tools."

"In summary, AI will likely shrink the overall size of the workforce in cost-sensitive segments while increasing demand for advanced skills in premium segments, creating a more specialized and efficient contact center landscape."

BOX 1

AI APPLICATION USAGE

Q GIVEN WHAT YOU SAID, DOES AI CHANGE CONTACT CENTER SOFTWARE AND IF SO, HOW? WHAT DOES IT ADD OR REPLACE? DOES AI ALTER HOW THESE PROGRAMS OPERATE? INCLUDING HOW CONTACT CENTER AGENTS USE THEM AND HOW CUSTOMERS ENGAGE WITH THEM THROUGH SELF-SERVICE?

A: Absolutely. AI is fundamentally reshaping the future of contact centers. At its core, a contact center is all about CX: and AI brings a transformative potential to elevate that experience.

Traditionally, IVR systems have been rule-based and standardized, offering limited flexibility and failing to deliver truly conversational interactions. Customers often end up navigating rigid menus that don't reflect the intent behind their calls.

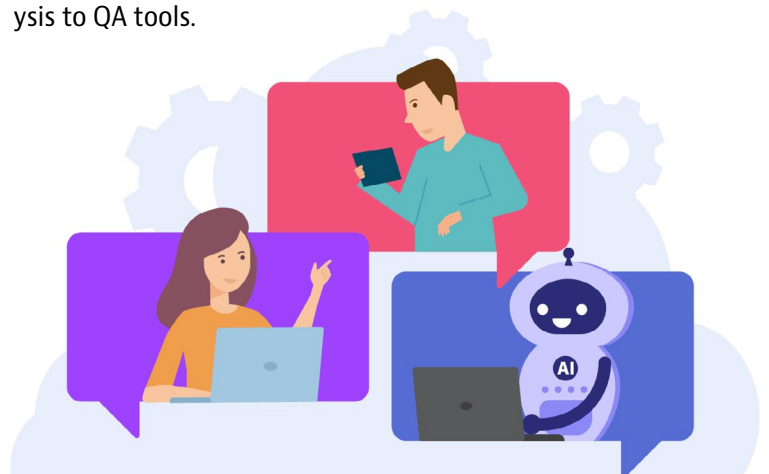
AI changes that by enabling more natural, context-aware, and dynamic conversations. Technologies like natural language processing (NLP) and machine learning allow IVRs and digital assistants to understand intent and engage in human-like dialogs, dramatically improving self-service capabilities.

From the agent's perspective, AI augments their role rather than replacing it. It can surface relevant customer profiles, suggest next-best actions, and even assist in responding while back-end systems are still loading. This not only improves productivity, but it also enables more personalized and informed conversations: something that directly impacts customer satisfaction and loyalty.

So yes, AI does change how contact center software operates -- both in how systems interact with customers -- and how agents use them. The result is a more intelligent, efficient, and customer-centric contact center.

Q HOW DO YOU SEE AI BEING EMPLOYED IN CONTACT CENTER SOLUTIONS? ADDED TO AND/OR BOLTED ONTO EXISTING PRODUCTS? OR IN A NEW CLASS OF AI-FROM-THE-GROUND-UP SOLUTIONS?

A: AI is quickly becoming embedded across the entire end-to-end flow of modern contact centers. Traditionally, AI started with add-ons to existing systems, for example enhancing IVR with natural language capabilities or adding sentiment analysis to QA tools.



But today, we're seeing AI not only enhance existing products but also create an entirely new class of intelligent systems.

In the IVR space, we're now seeing the emergence of AI agents, which are virtual assistants capable of having natural, dynamic conversations with customers. These aren't just menu-driven bots. They understand intent, access back-end systems, and provide contextual responses in real time.

AI also plays a critical role in intelligent call routing, which is much different from static skills-based routing, by enabling smart, real-time decision-making that matches the customer with the most suitable human agent based on predicted outcomes, sentiment, and agent performance data.

On the agent side, AI is being tightly integrated into CRM and desktop applications, as I noted earlier. It provides real-time assistance by surfacing relevant customer insights, suggesting responses, and even summarizing interactions, which helps agents have more meaningful and productive conversations.

So, to answer the question, AI is being deployed both within existing contact center platforms and through the creation of new AI-native solutions. Together, they are shaping a more proactive, intelligent, and customer-centric contact center ecosystem.

"...AI IS BEING DEPLOYED BOTH WITHIN EXISTING CONTACT CENTER PLATFORMS AND THROUGH THE CREATION OF NEW AI-NATIVE SOLUTIONS."

Q CONVERSELY, ARE THERE CONTACT CENTER PRODUCTS THAT YOU DO NOT BELIEVE WILL USE AI AND IF SO, WHAT ARE THEY AND WHY?

A: Basic configuration tools and agent desktop settings typically don't gain much from AI since they are more static and rule-based. However, I believe most other contact center products will increasingly leverage AI capabilities.

That said, certain industries—like healthcare—may limit the use of AI due to strict compliance requirements and the sensitive nature of customer data, such as protected or personal health information (PHI). In these cases, organizations often balance AI adoption with regulatory constraints and privacy concerns.

AI VALUE MEASUREMENT

Q IS THERE AN ADDED PREMIUM WITH THIS TECHNOLOGY TO RECOUP THE COSTS ON DEVELOPING IT ON THE PRICES OF CONTACT CENTER SOLUTIONS? OR ARE THE VENDORS PASSING THEM ON? OR ARE THEY ABSORBING THEIR OUTLAYS?

A: I don't believe there's a distinct premium charged specifically for AI in contact center solutions, at least not today.

AI capabilities are increasingly integrated as standard features across major platforms like Genesys, AWS Connect, and NICE, because companies expect these intelligent functions as part of the offering. Vendors include AI to stay competitive, so it's usually not a separate cost line item.

Q HOW CAN THE BUSINESS CASE BE MADE BY CONTACT CENTERS FROM THE ADDED COSTS/ INVESTMENT IN AI TOOLS? HOW CAN THE GAINS ATTRIBUTABLE TO AI BE MEASURED AND TRACKED?

A: From a business standpoint, the value of AI shows up in better CXs, higher agent productivity, and greater operational efficiency, which lead to cost savings and revenue growth. To measure AI's impact, companies track metrics such as average handle time (AHT), first call resolution (FCR), customer satisfaction, and self-service adoption.

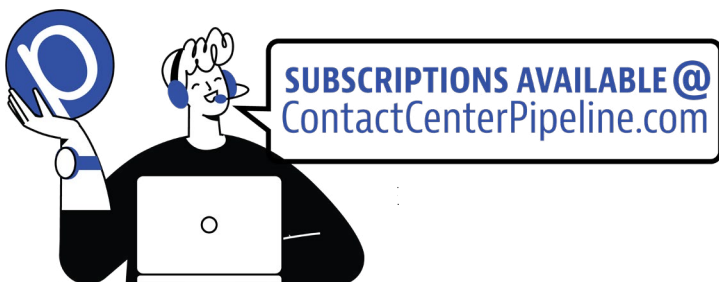
Q AI IS PROMISING AND, BY SOME ACCOUNTS, IS DELIVERING IMPROVED AGENT PRODUCTIVITY AND WORKFORCE REDUCTION (ALSO SEE BOX "WILL AI SHRINK THE CONTACT CENTER?"). BUT HOW DO YOU MEASURE AND TRANSLATE PRODUCTIVITY IMPROVEMENTS TO STAFFING E.G., FULL-TIME EQUIVALENTS (FTEs) TO PLAN AND SIZE WORKFORCES?

A: Measuring AI-driven productivity improvements and translating them into staffing needs like FTEs involves a combination of quantitative metrics and real-world observation.

Key performance indicators (KPIs) such as AHT, FCR, and call containment rates help quantify efficiency gains. For example, if AI-powered self-service or agent assistance reduces AHT by 20%, you can estimate the corresponding reduction in workload and adjust FTE requirements accordingly.

However, it's important to combine these metrics with continuous monitoring because AI's impact can vary by contact type and customer segment. Workforce planning should also consider factors like call volume fluctuations, complexity of issues, and the need for human empathy in certain interactions.

In essence, productivity gains from AI provide a strong starting point, but smart workforce sizing is an ongoing, dynamic process that blends data with human judgment.



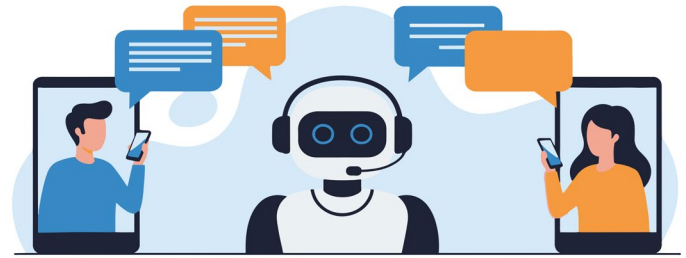
AI ISSUES

Q THERE ARE REPORTS THAT TOO MANY SO-CALLED AI PRODUCTS ARE FLUFF, GIMMICKS, REBRANDS, TO CAPITALIZE ON THE HYPE. ARE YOU SEEING THIS WITH THE AI PRODUCTS BEING PITCHED TO CONTACT CENTERS AND IF SO, WHICH TYPES? HOW SHOULD CONTACT CENTERS SEPARATE THE REAL FROM THE FAKE?

A: Yes, there is definitely hype around AI, and some products in the market feel more like fluff or rebrands trying to capitalize on that hype.

However, within the contact center space specifically, I haven't seen too many of these gimmicky solutions gaining real traction. Most vendors are focused on delivering genuine AI capabilities that add value, such as improving customer interactions or agent productivity.

To separate real AI from hype, contact centers should look for solutions with proven results, clear use cases, and measurable impact, rather than just marketing claims.



Q THERE HAVE BEEN REPORTS OF FAILING AI PROJECTS, WITH ACCURACY, BIAS, HALLUCINATIONS, PRIVACY, AND SECURITY AMONG THE ISSUES.

IS AI TRULY READY FOR PRIME TIME IN THE CONTACT CENTER? GIVEN THE RISKS OF AND BRAND, LOYALTY, AND POTENTIAL REVENUE IMPACTS OF POOR CUSTOMER SERVICE FROM AI MISHAPS, PLUS THE ADDED COSTS TO CORRECT THEM? SHOULDN'T CONTACT CENTERS HOLD OFF LIKE A YEAR OR TWO, UNTIL THE TECHNOLOGY MATURES?

A: Yes, challenges like bias, hallucinations, and privacy concerns are real, and companies are actively working to address them. But AI is evolving fast: and many contact center vendors are already building guardrails to improve reliability and accountability.

Waiting a year or two might feel safer. But by then, it could be too late. The organizations adopting AI now are learning, iterating, and pulling ahead. The better approach is to start small, implement AI where it adds clear value, and build maturity gradually: rather than sitting out and risking falling behind.

RECOMMENDATIONS FOR CONTACT CENTERS

Q WHAT ARE YOUR RECOMMENDATIONS FOR CONTACT CENTERS THAT ARE SEEKING TO BUY AND USE AI-BASED SOLUTIONS?

A: My key recommendation is don't adopt AI just because it's trending. Contact centers should first identify the specific business problem they're trying to solve, whether it's improving call containment, reducing agent workload, enhancing CX, or boosting operational efficiency.

Once that's clear, they should focus on implementing AI in that targeted area first. Start small, measure the outcomes, and expand based on results. This approach ensures that AI is aligned with real business impact and avoids unnecessary complexity or wasted investment.

AI isn't a magic solution. It's a powerful tool when applied with purpose and clarity. 



Brendan Read is Editor of Contact Center Pipeline. He has been covering and working in customer service and sales and for contact center companies for most of his career. Brendan has edited and written for leading industry publications and has been an industry analyst. He also has authored and co-authored books on contact center design, customer support, and working from home. Brendan can be reached at brendan@contactcenterpipeline.com.

AI, COACHING, AND SUPERVISION

The AI conversation in contact centers has mostly, it appears, been around agents. But what are and will be its impacts on coaching and supervision, including qualifications, skills, and how to coach, train, and supervise in an AI environment?

And finally, on how many coaches and supervisors are needed (e.g., agent-to-supervisor ratios)?

We raised these points and questions with Vigneshwaran Jagadeesan Pugazhenthii. Here are his answers:

"AI's impact extends well beyond agents: it's transforming coaching and supervision in contact centers too," says Vigneshwaran.

"With AI-driven analytics, supervisors gain deeper insights into agent performance in real time, such as sentiment analysis, conversation effectiveness, and compliance adherence. This allows for more personalized, timely, and data-backed coaching rather than relying on periodic reviews.

"Training also evolves as AI can identify skill gaps more precisely and recommend tailored learning paths for agents, making upskilling more efficient and targeted.

"Regarding workforce ratios, AI can improve agent efficiency and reduce the need for high supervisor-to-agent ratios. But the exact numbers will depend on the complexity of interactions and organizational goals."

BOX 2



ILLUSTRATION PROVIDED BY ADOBE STOCK

RELIEVING ACTIVE AND LATENT CUSTOMER PAIN

WHY CONTACT CENTERS MUST TREAT BOTH FOR HEALTHY CXs.

Every contact center leader knows the obvious pain points customers complain about: long wait times, being passed between multiple agents, and unresolved issues.

Less visible, however, are the hidden pain points that are causing the most disruption and inefficiencies while silently eroding loyalty. In an increasingly competitive and challenging market, where switching is effortless and patience is shrinking, solving only what customers can see isn't enough.

To deliver seamless customer experiences (CXs), brands must learn to recognize both *active pain*: the visible and immediate issues that frustrate customers and *latent pain*: the less obvious inefficiencies that silently erode satisfaction over time.

Critically, leaders must resist the instinct to prioritize only active pain because it's loud and measurable. But latent pain often hides the largest efficiency gains.

DEFINING ACTIVE PAIN

Active pain represents the problems customers feel in the moment, like those mentioned at the very beginning of this article.

These moments of friction are tangible, visible, and easy for customers to articulate. Because they are often measurable through contact center metrics, such as call abandonment rates, first contact resolution (FCR), or satisfaction scores, active pain tends to dominate management attention.

The urgency is clear. If left unresolved, these pain points can cause frustration strong enough to drive customers to competitors that promise a smoother service.



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While addressing active pain is critical, focusing exclusively on these immediate problems risks overlooking the deeper issues that enable them to persist.

Active pain is what customers see and feel, but it is often the symptom of larger inefficiencies beneath the surface, like operational debt.

Operational debt is the backlog of inefficiencies created when quick fixes or outdated processes are allowed to accumulate. Much like technical debt in software, it builds up over time as teams patch problems instead of addressing their root causes.

In the contact center, operational debt might appear as legacy systems that can't integrate with newer technologies, repetitive manual tasks, or inconsistent knowledge bases. The result is a fragile infrastructure that makes active pain more likely to recur.

THE CHALLENGE OF LATENT PAIN

Latent pain is less obvious but is equally as damaging. It operates quietly, often invisible to both managers and customers until its effects accumulate.

Unlike active pain, latent pain does not always generate immediate complaints or poor survey scores. Instead, it emerges in inefficiencies and outdated practices that undermine the overall experience.

Examples include siloed customer data that prevents agents from seeing the full history of an interaction, fragmented systems that create inconsistent service, or manual processes that slow down response times.

In financial services, outdated fraud-checking processes can delay resolution. In retail, inconsistent return policies across channels frustrate customers. And in healthcare, fragmented patient records slow triage. These are all examples of latent pain that silently erode trust.

These issues rarely appear as urgent, but over time they compound into serious obstacles. The result is a service environment that feels disjointed, unable to adapt, and increasingly frustrating for customers who expect effortless interactions.

Put simply, if active pain loses today's customer, latent pain prevents you from keeping tomorrow's customers.

What makes latent pain particularly risky is its invisibility. Research consistently shows that customers rarely complain about all their frustrations; for every complaint voiced, there are dozens left unsaid.

Organizations without accurate insight may assume everything is functioning well simply because no obvious complaints have surfaced.

By the time latent pain becomes apparent in customer churn or declining loyalty, it has already caused considerable damage. This is why efficiency savings aren't "nice to haves"; they're the insurance policy against tomorrow's dissatisfaction.

WHY PAIN POINTS NEED ATTENTION

To build an effective CX strategy, brands must recognize that both active and latent pain demand attention.

Solving only active pain may reduce immediate frustrations, but if structural inefficiencies (like operational debt) remain in place, the same problems will reappear. Ignoring latent pain leaves organizations vulnerable to disruption and makes it impossible to scale service effectively.

Forward-thinking organizations view CX as a connected ecosystem. Every element, whether it is a frontline interaction or a back-end process, contributes to the overall impression.

This perspective requires leaders to act with intention, focusing not just on what customers are experiencing now but also on what could undermine satisfaction in the future.

A helpful rule of thumb is to pair every "today metric" (ASA, FCR, CSAT) with a "tomorrow metric" (containment, recontact rate, journey completion, time-to-change).

This transformation also improves the employee experience. When agents have access to unified data and intelligent tools, they can work more efficiently and deliver interactions that feel personalized and empathetic.

REDUCING ACTIVE PAIN MAKES THEIR JOBS LESS STRESSFUL... ADDRESSING LATENT PAIN ENSURES THAT THE SYSTEMS THEY RELY ON ARE SUPPORTIVE RATHER THAN OBSTRUCTIVE.

Reducing active pain makes their jobs less stressful, while addressing latent pain ensures that the systems they rely on are supportive rather than obstructive.

The result is a more empowered workforce, capable of consistently delivering positive outcomes. When agents see friction removed from their day, they pay that ease forward to customers.

HOW TO RELIEVE THE PAIN

Addressing both active and latent pain begins with visibility. Without a comprehensive view of where friction exists and how it affects customers, companies are left guessing about where to invest.

Relieving active pain begins with addressing operational debt. A buildup of outdated systems, manual workarounds, and inefficient workflows makes every fix more difficult over time. Like interest on a loan, operational debt compounds until it restricts agility and drives up costs.

To reduce it, contact centers must modernize their foundations by streamlining redundant processes, consolidating overlapping systems, and automating routine tasks. Lowering operational debt not only eliminates friction for customers and agents but also frees capacity for continuous improvement.

This is where a unified, cloud-based CX solution becomes indispensable. In practice, this means both cloud-based contact center solutions and cloud-hosted data environments. Together they create a single, adaptable ecosystem that connects every channel and customer record in real time.



On-premise systems, by contrast, are often limited by physical infrastructure, slower upgrade cycles, and fragmented integrations. They make it harder to connect channels or introduce AI capabilities quickly.

Some organizations keep sensitive data on-premise for compliance reasons. But a modern hybrid-cloud approach offers encryption, regional hosting, and access controls that meet even the most stringent regulatory needs while still providing the agility and scalability that CX demands.

By centralizing data across all channels, cloud platforms provide agents with a complete picture of customer history and preferences. This reduces active pain by eliminating the need for customers to repeat themselves and increases the likelihood of resolving issues at the first point of contact.

At the same time, real-time analytics and AI-driven insights shine a light on inefficiencies that would otherwise remain hidden. Leaders can identify patterns, pinpoint bottlenecks, and address problems before they manifest in poor customer outcomes.

A cloud-based solution can also deliver agility because the systems are unified and scalable. This means that organizations can adapt quickly to changing customer expectations, launch new support channels, and innovate without being held back by legacy infrastructure.

Latent Pain

Relieving latent pain requires a combination of continuous optimization and intelligent automation. AI-driven analytics can uncover patterns of friction before they escalate, while workflow automation eliminates repetitive hand-offs and data entry.

Integrating systems through low-code connectors or open APIs reduces hidden complexity, and regular journey-mapping sessions help surface inefficiencies that employees and customers have learned to “work around.” Over time, these methods shift CX from reactive problem-solving to proactive improvement.

This flexibility makes it possible to resolve today’s issues while preventing tomorrow’s breakdowns, bridging the gap between active and latent pain.

Practically, this means faster IVR changes during spikes, agent assist that surfaces next-best actions in-call, and out-of-the-box CRM connectors that remove swivel-chair work.

WHAT RELIEF LOOKS LIKE

Here are three examples where applying methods to relieve active and latent pain has helped organizations.

- A global luxury eCommerce brand simplified workflows and tightened integrations, improving service level agreement (SLA) performance by 6%–10% and lifting CSAT by around 25%. It also held payroll growth far below workload growth.
- A high-volume background-checks provider used AI-powered self-service for common queries, achieving around 85% containment and cutting AHT by more than half, freeing agents for complex conversations.
- A multinational legal services organization saved \$750,000 by unifying telephony with CRM so agents start every call with context. It reduced verification time from minutes to seconds and enabled rapid IVR updates during case surges.

In each case, active pain, including wait times and repeat contacts, fell quickly. But the step-change in performance came from addressing latent pain, such as disconnected systems, manual steps, and brittle processes.

TURNING PAIN INTO OPPORTUNITIES

Though they may seem like challenges, active and latent pain reveal where opportunities for growth and innovation lie. They highlight the places where processes can be modernized, technologies upgraded, and strategies refined.

By addressing active and latent pain, brands can not only create smoother interactions but also build a foundation for lasting loyalty.

The organizations that will lead in the coming years are those that go beyond relieving the symptoms. They will be the ones that take a deeper look, uncover inefficiencies, and leverage solutions to build strategies that anticipate customer needs.

THOUGH THEY MAY SEEM LIKE CHALLENGES, ACTIVE AND LATENT PAIN REVEAL WHERE OPPORTUNITIES FOR GROWTH AND INNOVATION LIE.

By transforming pain into progress, every interaction becomes an opportunity to strengthen relationships, improve satisfaction, and drive growth.

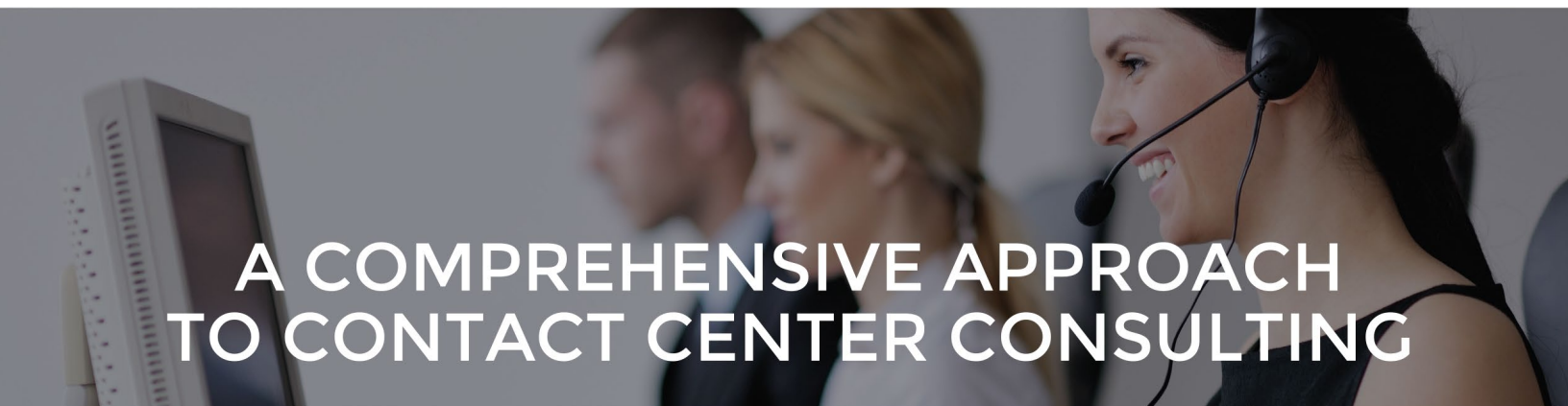
In a world where customer expectations continue to rise, recognizing the difference between active and latent pain is no longer optional. It is essential. Brands that act decisively to resolve both will be positioned not just to compete but to lead in the CX era.

Active and latent pain aren’t just challenges to solve; they’re signals of where to innovate. The organizations that lead will be those that see beyond relief, use data to anticipate needs, and empower agents with AI-driven, cloud-native tools to improve the outcome and quality of customers’ experiences.

In the next era of CX, leadership will be defined by the ability to transform pain into progress. The payoff is tangible, faster resolution today, scalable efficiency tomorrow, and loyalty that lasts. 



Jason Barr is Senior Director of Enterprise Sales, EMEA at Talkdesk. He oversees Talkdesk’s GTM and enterprise growth for the company’s Contact Center as a Service (CCaaS), Customer Experience (CX), and Artificial Intelligence (AI) business across the UK, Ireland, Nordics, and South Africa, supporting organizations in transforming their customer operations.

A background image showing a blurred view of call center agents working at their stations.

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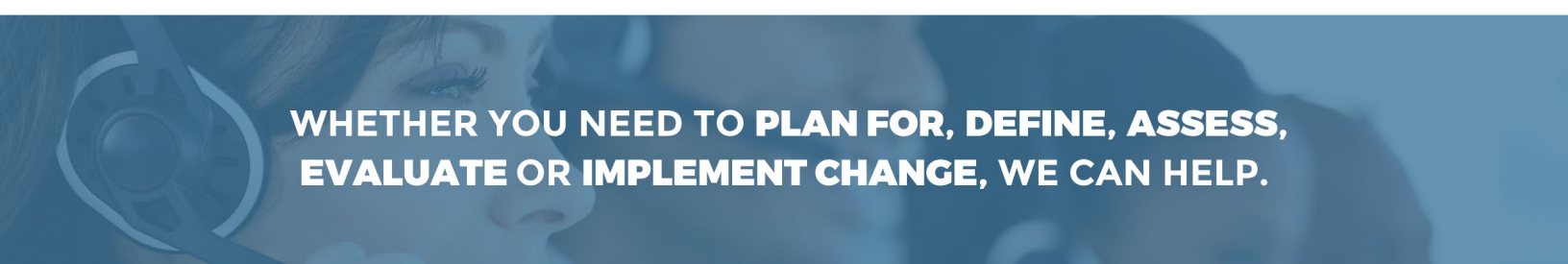
IMPLEMENT

Project Plan
Design/Development
Testing
Pilot and Rollout



OPTIMIZE

Operations
Technology
Support Models
Monitoring & Management

A background image showing a blurred view of call center agents working at their stations.

**WHETHER YOU NEED TO PLAN FOR, DEFINE, ASSESS,
EVALUATE OR IMPLEMENT CHANGE, WE CAN HELP.**



ILLUSTRATION PROVIDED BY ADOBE STOCK

AVAYA AT A CROSSROADS

WILL AVAYA MODERNIZE AS ITS ENTERPRISE CUSTOMER USERS EXPECT?

Ed. Note: Avaya has long been a leading supplier of contact center solutions with a large customer base and a history going back to when it was a part of AT&T 25-plus years ago. Here are the perspectives of its users who belong to the International Avaya User Group (IAUG).

Every year, the International Avaya User Group (IAUG) offers one of the clearest windows into how enterprise customers view the Avaya ecosystem.

In 2025, this perspective was, and is, more valuable than ever. Avaya is in the midst of repositioning its business toward a more cloud-forward strategy, while simultaneously serving one of the most entrenched and loyal customer bases in enterprise technology.

The 2025 IAUG State of the Market Survey, conducted in collaboration with Swampfox Technologies, captured the

views of 434 Avaya enterprise contact center leaders and practitioners across a wide range of industries including utilities, healthcare, financial services, education, and government.

Nearly nine in 10 respondents are current Avaya Aura Elite Contact Center customers, meaning the results strongly reflect the voice of Avaya's core enterprise base.

With 18 questions spanning cloud migration, AI adoption, customer experience (CX) priorities, and Avaya brand sentiment, the survey reveals both a stable foundation and growing tension.



**ENTERPRISES
WANT TO
LEVERAGE CLOUD
CAPABILITIES...
WHILE
PROTECTING
THEIR MISSION-
CRITICAL AVAYA
INVESTMENTS.**

Customers remain committed to their Avaya platforms but are no longer content with stability alone. They demand modernization, flexibility, and a roadmap that balances innovation with cost predictability and risk management.

This article examines the survey's major findings, the themes they reveal, and what they mean for both Avaya and its customers. The message is clear: *Avaya is entrenched, but modernization is now expected.*

AVAYA'S CONDITIONAL LOYALTY

The first conclusion from the survey is unmistakable: Avaya remains the backbone of its enterprise contact center customers.

For many enterprises, Avaya still represents unmatched uptime, scale, and compliance readiness. In industries where regulatory requirements are strict and downtime is unacceptable, Avaya's reputation as the "safe bet" continues to resonate.

Yet this loyalty is conditional.

While respondents described Avaya as a "trusted partner" and the "gold standard of contact center tools," they also made clear that reliability alone is not enough. Customers expect visible modernization in areas like AI, advanced speech technologies, and hybrid flexibility.

This sentiment reflects a broader truth: in the contact center market, *heritage is no longer a differentiator.*

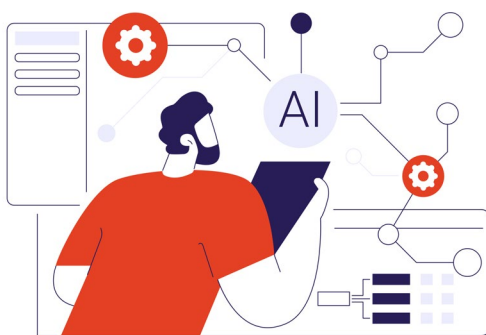
Avaya's history of technical depth and reliability provides credibility, but it *must* be translated into leadership for the next era of CX. Enterprises want proof that Avaya can evolve as fast as customer expectations and competitive pressures demand.

For Avaya customers, the message is equally clear. They can continue to trust Avaya as a viable long-term platform, but *only* if they proactively demand modernization and integrate innovation layers into their current environments. Legacy strength alone will *not* sustain competitive advantage.

THE CLOUD DILEMMA: INTEREST HIGH, HYBRID PREFERRED

Cloud migration remains one of the most complex and pressing topics for Avaya customers. The survey reveals both high interest *and* deep caution.

- **42% of respondents are evaluating competitive contact center-as-a-service (CCaaS) providers** such as Genesys, Five9, and NICE/inContact.
- **30%–32% are considering Avaya Infinity options** for either private or public cloud.
- **29.5% are exploring hybrid models.**
- **Only 11% reported a hard on-premise stance** with no interest in cloud.



This distribution reveals a pragmatic reality: *cloud benefits are attractive, but wholesale migrations remain too risky for most enterprises.*

The clear trend is toward staged, hybrid adoption. Enterprises want to leverage cloud capabilities, particularly for AI, analytics, and digital channels, while protecting their mission-critical Avaya investments.

In other words, cloud is less about "rip-and-replace" and more about selective modernization.

This finding also underscores why the phrase "Innovate in Place", resonates so strongly with Avaya customers.

This method, developed by Swampfox, transmutes their older, legacy technologies into integrated building blocks and synchronously platformed to create more scalable, adaptable, and powerful business solutions.

This ability to extend existing investments, integrate cloud services incrementally, and preserve operational continuity is far more appealing than a disruptive migration.

AI AND SPEECH: FROM OPTIONAL TO ESSENTIAL

If there is one area where the survey results leave no room for ambiguity, it is AI and advanced speech. These capabil-

ities are no longer "future projects" but are immediate priorities.

- Generative AI conversations (43.6%) and intelligent virtual assistants (43.6%) topped the list of advanced speech applications enterprises want to implement.
- Natural language understanding (NLU), at 35.9%, also scored highly, signaling intent recognition and conversational AI are now mainstream expectations.
- More than 40% already use third-party NLU tools like Google Dialogflow, IBM Watson, or Microsoft Azure.

Perhaps most telling: AI topics were among the top priorities respondents identified for IAUG Converge 2025, the community's flagship event. This signals that AI integration is now seen as baseline for modern CX strategies.

The implication is urgent. Enterprises *cannot* afford to delay AI adoption until after cloud migration.

Instead, the smarter move is to integrate AI within existing Avaya environments *now*, using solutions to deliver transcription, NLU, and text-to-speech. By doing so, organizations gain immediate efficiency and CX improvements, without waiting years for a full platform shift.

But for Avaya, this finding is a double-edged sword. On one hand, it validates that AI demand is real and immediate. On the other hand, it highlights the competitive risk: *if Avaya cannot deliver AI capabilities quickly enough, customers will source them from third-party vendors, weakening Avaya's centrality.*

DECISION DRIVERS: COST, COMPLIANCE, AND INTEGRATION

When it comes to technology decisions, the survey shows that Avaya customers are guided less by hype and more by pragmatism, as noted earlier.

For those committed to staying on-premise:

- Integration with existing systems (45.5%) is the top driver.
- Security and data privacy (40.9%) are equally critical.

- Cost of change (40.9%) underscores the financial risk of large migrations.

For those evaluating cloud:

- Scalability (37.2%) and business continuity (30.8%) are the most important motivators.
- Compliance, cost savings, and agility also appear frequently, but always weighed against risk.

Across both groups, three priorities stand out: integration, compliance, and predictable cost models. Enterprises are looking for modernization that fits seamlessly with existing workflows, aligns with regulatory requirements (HIPAA, PCI, CJIS [Criminal Justice Information Services]), and avoids unpredictable consumption-based expenses.

The message: *enterprises will modernize, but only when the business case is clear, the risk is controlled, and the cost model is predictable.* Vendor hype or industry trends alone are *not* persuasive.

AVAYA'S BRAND HEALTH: TRUSTED, BUT UNDER PRESSURE

Question 12 of the survey asked respondents an open-ended question: *"What is your organization's perspective of Avaya?"* The responses provide a nuanced picture of Avaya's brand health.

- **45% expressed positive sentiment**, describing Avaya as a "trusted partner" and "gold standard of contact center tools."
- **35% were neutral**, often acknowledging Avaya's history and technical depth without highlighting innovation.
- **20% were critical**, citing lost loyalty, slow innovation, and rising competitive threats.

The takeaway: *Avaya still carries significant goodwill, but loyalty is not unconditional.* Customers want Avaya to succeed, but patience is finite. Competitors are actively winning attention, and if Avaya fails to deliver modernization, customers are prepared to explore alternatives.

For Avaya, the brand remains stable, but vulnerable. Stability is a valuable asset, especially in regulated industries. But without proof of leadership in AI, automation, and hybrid strategies, stability risks being overshadowed by perceptions of stagnation.



INDUSTRY VOICES: UTILITIES, HEALTHCARE, FINANCIAL SERVICES

One of the most valuable aspects of the IAUG survey is its industry diversity. Respondents represent a wide spectrum of verticals.

- Several industries emerge as especially prominent: education (17.9%), government (15.4%), technology/telecom (14.1%), and financial services (11.5%).

THE CLOUD SHIFT AND AVAYA CUSTOMER LOYALTY

One of the long-reported benefits of shifting software like contact center routing, IVR, and outbound dialing from on-premise installations to the cloud is the greater flexibility to add, change, and update applications.

But does that also mean that contact centers can more easily change suppliers than in the past?

For Avaya, with its install base including many rugged, reliable, but aging legacy on-premise applications, does that mean its customer base is becoming less "sticky"?

If customers can now migrate without the disruption and cost of a full rip-and-replace, doesn't that make it easier for them to leave Avaya? Thereby putting the company on notice that it does need to modernize to keep its users?

Here are the responses to these questions, posed by *Contact Center Pipeline* Editor Brendan Read, from Tom Hanson, Swampfox Technologies who authored the article "Avaya at a Crossroads" that drew on the results of the 2025 International Avaya Users Group (IAUG) survey.

"The notion that cloud migration automatically reduces customer stickiness oversimplifies the reality of enterprise contact center operations," says Tom.

"While the cloud may remove certain infrastructure constraints, the operational and integration dependencies that define an enterprise contact center remain just as complex, and just as sticky.

"Avaya customers have decades of operational logic, data integrations, and performance expectations built into their systems.

"Moving those workflows to any new platform, even within Avaya's own cloud environment, requires redevelopment, reintegration, retraining, and re-validation of reporting and business rules. That's disruptive and costly, regardless of where the software runs.

"What's more, many cloud platforms replace one form of lock-in with another. Once you adopt a provider's proprietary ecosystem, you're tied to their roadmap, pricing, uptime, and integration limits. You gain elasticity, but you lose independence.

"That's why there is a strategy to 'Innovate in Place,' transforming existing legacy technologies, precisely to counter this trap. This methodology enables Avaya customers to modernize, extend capabilities, and even integrate cloud-based technologies: without abandoning the proven core of their operations.

"This approach preserves the customer's investment, minimizes disruption, and lets them innovate at their own pace while maintaining technology independence.

"In short, moving to the cloud doesn't eliminate stickiness: it just shifts where it resides. Avaya customers can now evolve on their own terms rather than being forced into another vendor's box."

- Utilities and healthcare also show strong representation.

Each sector brings unique modernization pressures. Here are some examples.

- **Utilities:** Focused on outage management, storm handling, callbacks, and fraud prevention. Predictable cost models and compliance drive their cautious approach to cloud.
- **Healthcare:** Prioritize HIPAA compliance, EPIC/EMR integration, and multilingual support. Incremental modernization is critical to avoid disruption to patient services.
- **Financial Services:** Strong emphasis on security, fraud prevention, and personalized service. AI-enabled authentication and voice biometrics are particularly appealing.
- **Government and Education:** Often constrained by budgets and compliance frameworks, these sectors require modernization paths that align with public accountability and long procurement cycles.

Across all industries, the theme is consistent: *modernization is necessary but disruption is unacceptable*. This explains the strong interest in hybrid strategies and AI adoption within existing Avaya environments.

WHAT THIS MEANS FOR AVAYA, CUSTOMERS

Taken together, the survey paints a picture of an enterprise community that is committed, pragmatic, and impatient.

For Avaya customers:

- They remain invested in Avaya but they must demand visible modernization.
- AI, speech, and omnichannel innovations should be integrated now, not delayed until cloud migration.
- Cloud adoption should be staged and hybrid, aligning benefits with immediate business needs while protecting mission-critical investments.

- Loyalty should be hedged with optionality; customers should prepare contingencies to avoid vendor lock-in.

For Avaya:

- The company must accelerate delivery of AI, speech, and hybrid capabilities or risk losing customers to competitors.
- Stability is valuable but insufficient. Innovation is non-negotiable.
- Avaya's path forward depends on proving it can evolve quickly enough to meet customer expectations, not just as a safe option, but as a leader.

KEY TAKEAWAYS AND RECOMMENDATIONS

The 2025 IAUG Member Survey confirms that Avaya is at a crossroads. Its base remains strong, but as this article has outlined, demands for modernization are clear and urgent.

Key Takeaways:

1. Avaya remains core, but competitive threats loom. Many of the respondent customers are exploring competitors.
2. Hybrid is the practical reality. Cloud adoption is attractive, but staged, hybrid strategies dominate.
3. AI and advanced speech are no longer optional. Enterprises expect these capabilities *now*.
4. Decisions hinge on compliance, integration, and predictable cost models. Risk and cost control outweigh hype.
5. Avaya's brand is stable but vulnerable. Customers trust Avaya, but patience is finite.

Recommendations for Enterprises:

- Modernize without disruption. Add AI, automation, and speech capabilities to Avaya *today*.
- Adopt hybrid selectively. Move workloads to the cloud where it adds immediate value.

- Control your destiny. Avoid lock-in by integrating flexible, vendor-neutral solutions.
- Hedge loyalty. Trust Avaya for stability but prepare contingency strategies.

Recommendations for Avaya:

- Deliver AI and hybrid capabilities faster.
- Preserve stability while proving innovation.
- Reframe brand perception from legacy to leader.



AVAYA'S PATH FORWARD DEPENDS ON PROVING IT CAN EVOLVE QUICKLY ENOUGH...

CONCLUSION

The 2025 IAUG Member Survey provides a candid snapshot of where Avaya stands in the enterprise contact center market. Customers still trust Avaya, but they expect more. They want AI now, hybrid flexibility soon, and a clear path forward that balances innovation with cost and compliance.

Avaya's future will not be defined by its past. The company's ability to retain and grow its enterprise base depends on proving it can innovate as reliably as it has historically delivered uptime and scale.

For Avaya customers, the opportunity is to modernize on their own terms, without disruption, without unnecessary risk, and with full control over their technology destiny.

The next chapter of Avaya's story depends on how quickly and credibly it delivers modernization.



Tom Hanson, VP of Product and Marketing at Swampfox Technologies, leads product strategy and innovation. With 30-plus years in contact center technology at AT&T, Avaya, and RightNow (Oracle CX), Tom shaped Avaya Experience Portal and now drives Swampfox ICX and CX framework evolution and holds 10 patents.

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