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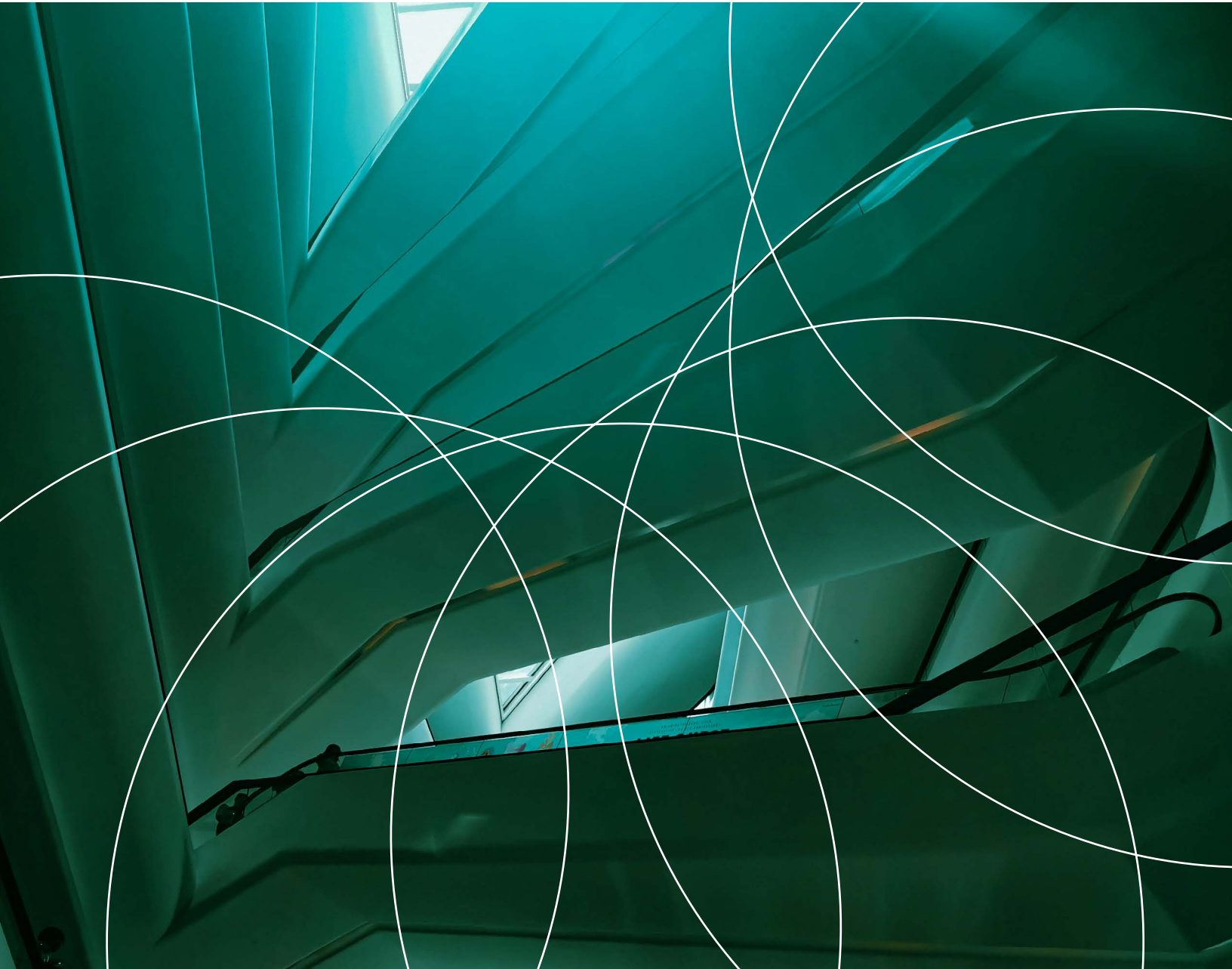
A Recipe For Resilience In The Contact Center

Bring Together Generative AI And CCaaS To Drive Improved Customer Experience And Business Growth

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Executive Summary

Contact centers play a crucial role in determining customer experience (CX) and creating happier, more loyal customers.[1] That makes improving contact center performance imperative for business growth.

To help achieve their CX goals, many organizations have deployed contact-center-as-a-service (CCaaS) solutions. However, those solutions haven't always delivered the desired outcomes. Leaders need to understand the causes of underperforming CCaaS solutions and how to direct their efforts to achieve better results.

Tomorrow's top-performing contact centers will blend careful action with the right vendor solutions to make the most of the CCaaS opportunity. They'll also use generative AI (genAI) to improve CX, efficiency, and operational agility. Doing so will enable them to keep pace with constant changes in customer demands and fuel business growth.

In Q3 2024, Microsoft commissioned Forrester Consulting to investigate the gap between expectations and outcomes with CCaaS and identify what drives success. Forrester conducted an online survey of 475 decision-makers at enterprise companies already using or currently implementing CCaaS solutions to uncover their key challenges and success factors.

Key Findings

Organizations know they must focus on CX but constantly battle budgetary pressures. Leaders know their ability to compete depends not just on reducing costs but also on delivering truly superior customer experiences. However, budget constraints and infrastructure complexities obstruct CX improvements.

CCaaS solutions currently fall short, hampering CX quality and customer service rep productivity while increasing costs. Contact center legacy systems and CCaaS complexities limit organizations' ability to serve customers. They can overcome these hurdles with greater access to advanced analytics, integrated intelligence, and AI.

Organizations must get their CCaaS foundation right. To prepare for genAI, organizations must ensure that they have a solid foundation. This includes a composable, flexible infrastructure to support the rapid deployment of new genAI-powered capabilities across voice and digital channels. A robust approach to data privacy, security, and responsible AI governance is essential. Strong knowledge management is also required, as genAI solutions rely on accurate data.

GenAI will accelerate contact center and CCaaS transformation. GenAI use cases in areas like summarization, analytics, and service rep assistance are already bringing valuable business benefits. However, leaders must tread carefully amid genAI uncertainty and risk. A trusted vendor can help guide organizations forward while enabling greater payoffs from genAI innovation and CX improvements.

**Organizations Want To Focus On Better CX,
But Budget Restrictions And Complex Infrastructures Get In The Way**

Customer service has long been an early target for budget cuts. However, organizations stand to receive significant revenue gains from delivering great customer service.[2] While economic conditions mean that reducing costs is an important priority for most organizations, customers are clamoring for businesses to improve CX. In Forrester's Customer Experience Benchmark Survey, 2024, average CX quality in the US dipped for an unprecedented third year running, coming in at an all-time low.[3]

Organizations must do more to attract, delight, and retain customers. To remain competitive, they must balance pragmatism and spending justifications on the one hand with innovation and better customer service on the other.

IMPROVING CONTACT CENTER OPERATIONS IS CRITICAL FOR ENHANCING CX

In our survey of 475 global contact center decision-makers, 65% of respondents said they are currently expanding or upgrading the existing implementation of their CCaaS solutions to improve their customer service. Decision-makers said they are focusing their contact center efforts over the coming year on better CX, security, and operational efficiency (see Figure 1).

Security is a constant critical need in the contact center that leaders must address. Robust data security is essential, not just to comply with regulations but also to ensure that the genAI systems that interact with customers are safe and trustworthy.

CCaaS solutions put the contact center in the cloud, connecting customers with the best available service representative while providing reporting and analytics to manage rep performance and improve CX.[4]

FIGURE 1

The Top Contact Center Objectives For The Coming Year

Improve CX — 1

Improve security — 2

Improve operational efficiency/productivity — 3

Base: 475 global call center decision-makers at enterprise organizations
Note: Top three responses shown.
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, July 2024

However, when asked to name their top challenges with contact center solutions, one in four respondents said they require too much effort to maintain internally or that they're too expensive to maintain or consume. Excessive infrastructure costs and complexity may be preventing organizations from realizing the full business value of CCaaS solutions.

Perceptions are different at a strategic level: Respondents generally feel good about where their contact center stands. Nine in 10 respondents said their organization is satisfied with its contact center strategy and that its customers are satisfied with their contact center experience. Yet about one in four respondents also said they currently do not feel prepared to use key CCaaS solution features (see Figure 2). We already know that CX scores across industries are exceptionally low, signaling a gap between perceived and measured success. It appears that most organizations still have work to do to better understand their CCaaS capabilities and the operational issues they encounter.

FIGURE 2

Organizational Preparation To Use CCaaS Solution Features

● Prepared   ● Very prepared

Support customer interactions on several different digital channels as well as voice interactions | 44% | 38% | **81%**

Customer journey tracking and reporting | 43% | 34% | **77%**

An open platform with powerful APIs that can fit in any environment and integrate with many different systems, such as CRMs or analytics tools | 47% | 30% | **77%**

AI-driven agent assist tools | 44% | 33% | **77%**

Advanced supervisor support tools | 46% | 30% | **76%**

Advanced routing and rules support | 41% | 35% | **75%**

AI-driven analytics capabilities | 41% | 34% | **75%**

Outbound automated dialer with campaign management and compliance tools | 43% | 32% | **75%**

AI-driven customer self-service | 41% | 33% | **74%**

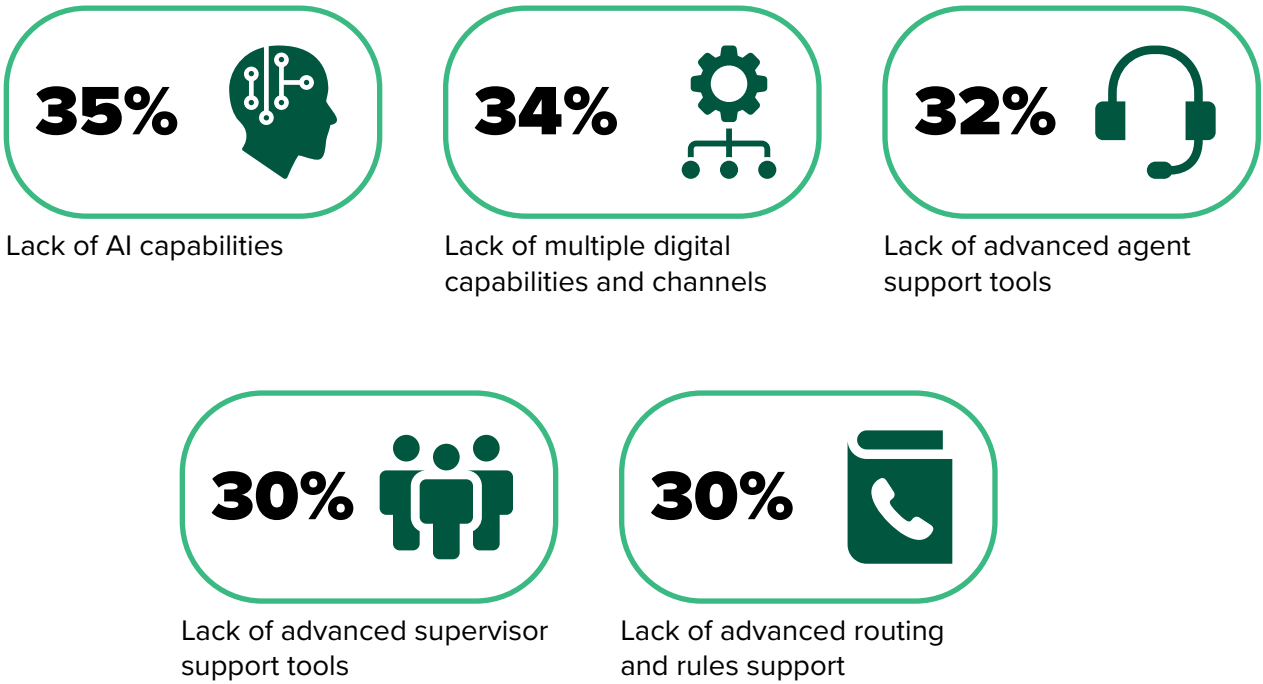Base: 475 global call center decision-makers at enterprise organizations
Note: Percentages may not total because of rounding.
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, July 2024

CCaaS Limitations Adversely Affect CX, Customer Service Reps, And Contact Center Costs

Although all of our respondents said they have implemented or are currently implementing CCaaS solutions, many are starting to grasp that they won't achieve all of their contact center goals just because they're in the cloud. Respondents said their current CCaaS solutions lack AI capabilities, multiple digital capabilities and channels, advanced tools to support customer service reps and supervisors, and advanced routing and rules (see Figure 3).

FIGURE 3

The Largest Capability Gaps Or Shortcomings Of Current CCaaS Solutions

35% Lack of AI capabilities

34% Lack of multiple digital capabilities and channels

32% Lack of advanced agent support tools

30% Lack of advanced supervisor support tools

30% Lack of advanced routing and rules support

Base: 352 global call center decision-makers at enterprise organizations that currently have a CCaaS solution
Note: Top five responses shown.
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, July 2024

This suggests that CCaaS solutions don't provide what organizations need. The limitations of current CCaaS solutions have consequences for the business, including (see Figure 4):

- **Inferior CX.** The top consequence of CCaaS solutions' limitations is that they hinder CX. Respondents also said limited CCaaS capabilities hamper customer journey orchestration across the entire lifecycle, which critically undermines the delivery of superior customer service. For example, organizations may be extremely focused on cost and thus want to implement chatbots for tasks that may be better suited to customer service reps. Although this may reduce costs in the short term, it could be a false economy: Ineffective and unempathetic bots will provide a poor customer experience and harm customer loyalty, with a long-term impact on revenue generation.[5]

- **Inadequate customer service rep productivity.** The second negative impact that decision-makers called out is lower employee productivity. Complex systems and a lack of easily accessible documentation limit rep productivity and frustrate customers waiting for an answer. This complexity also extends the onboarding process — costing brands a great deal in training processes and lost labor while agents come up to speed. Labor is by far the biggest cost in the contact center: When agents are inefficient, they take fewer customer inquiries, so more reps need to be hired, driving up costs. This inefficiency also has consequences for employee well-being, and higher customer service rep satisfaction is essential for delivering superior customer experiences.

- **Increased costs.** Third, decision-makers said that it takes time and capital to maintain and fix issues with contact center systems. This is especially true for organizations that rely on legacy systems, highly customized setups, and outdated software.[6] When systems frequently experience performance issues and downtime, it stops reps from solving customer problems and the business from achieving its growth goals.

FIGURE 4

The Impact Of Contact Center Challenges On The Organization

Impacts CX negatively **1**	Reduces employee productivity **2**
Requires more time/ cost to maintain/fix **3**	Hampers customer journey orchestration across the entire lifecycle **4**

Base: 475 global call center decision-makers at enterprise organizations
Note: Top four responses shown.
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, July 2024

Organizations Need The Right CCaaS Foundation

Organizations are beginning to address the shortcomings of their contact centers by fundamentally changing their structure and operations.[7] As technology ecosystems rapidly change, leaders must keep pace by looking to modern, innovative CCaaS solutions that integrate with existing enterprise systems and use genAI to enable better, more efficient customer experiences.

However, for genAI to transform customer service, organizations must have a CCaaS foundation that automates customer experiences across channels and equips reps to provide empathetic, efficient, and effective service. This requires a combination of automating more tasks and directing customers to reps who can access answers easily and resolve issues quickly. Organizations that don't harness the power of the cloud and AI are in for a rude awakening; this is a good moment for them to reevaluate their contact center capabilities. Survey respondents who are planning to adopt CCaaS solutions in the coming year said they expect to achieve important benefits, including:

- **Greater access to AI capabilities.** The top benefit respondents expected from their CCaaS investments is increased access to AI capabilities, such as integrated intelligence, advanced analytics, and genAI. Respondents said they want capabilities that help them better understand customers' challenges, offer effective self-service options, and enable customer service reps to resolve issues quickly.

- **Improved customer support.** Respondents said enhanced customer support experiences would be a top benefit of better CCaaS functionality. Increased automation in voice and digital channels allows customers to resolve more issues themselves, improving their experience while reducing contact center costs. When conversations are escalated to a customer service rep, AI-powered CCaaS solutions can act as a copilot, guiding reps along the fastest path to resolution. Fast, effective

resolutions in their channel of choice provide customers with rapid answers and remove the need for future contact, saving the business additional money.

- **Advanced omnichannel capabilities.** Respondents expected to improve their ability to serve customers in multiple digital channels, such as email, SMS, and social messaging. Seamless transitions between digital and voice channels are also important for offering the level of CX that customers expect. Modular CCaaS platforms that integrate easily with enterprise systems and engagement channels offer composability, allowing organizations to add innovative capabilities where they're needed most — and to grow those capabilities over time.

To take your contact center to the next level, consider syncing your CCaaS solutions with unified-communications-as-a-service (UCaaS) solutions to maximize consolidation and support effective collaboration.

Using the same cloud provider as your CCaaS provider can also help optimize your contact center, maximizing system integration and interoperability, and enabling the entire organization to support your customers.
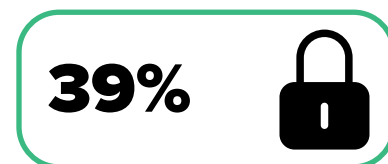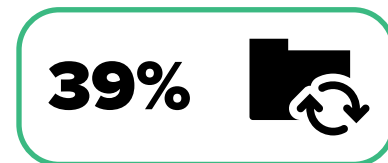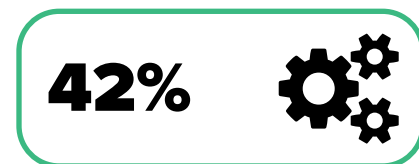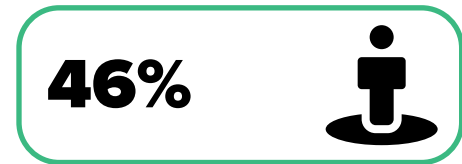
In addition to updating processes and adopting cloud and AI technologies to enable better CX, respondents said their organizations are supporting their people. They're empowering novice customer service reps with the insights and support to serve customers as effectively and efficiently as their more experienced colleagues. Collectively, these contact center investments stand to support organizations' top priorities for this year, leading to (see Figure 5):

- **Improved CX.** Nearly half of respondents said they expect to improve CX in their contact center. Two in three who selected improved CX expect this outcome to have a major impact on their organization, suggesting that substantial payoffs await those who can optimize their CCaaS solutions and modernize their contact centers.

- **Better efficiency.** Two in five respondents said they expect improved productivity and business continuity from their investments, reducing costs. This is largely the result of automating key processes and providing easier access to accurate answers, which enables faster customer solutions and saves the company money. For example, if calls sent to a customer service rep with the right information save 30 to 60 seconds per call, multiplied by 50 calls a day for hundreds of service reps, organizations will potentially save millions of dollars per year.

- **Stronger security and privacy.** Two in five respondents also anticipated less risk from improving their contact centers. Shifting to the cloud — and the right CCaaS partner — mitigates the threat from bad actors while helping keep sensitive data secure for business continuity, so companies can focus on driving sustained growth.

FIGURE 5

Expected Organizational Outcomes From CCaaS Investments Over The Next Year

46%

Improved customer experience

42%

Improved organizational efficiency/productivity

39%

Improved business continuity

39%

Improved security and privacy

Base: 475 global call center decision-makers at enterprise organizations
Note: Top four responses shown.
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, July 2024

Leaders are beginning to incorporate genAI into their contact centers to transform how they engage with customers.[8] Our survey respondents said the greatest potential for CCaaS solutions involves using genAI to improve the customer and service rep experience.

Decision-makers agreed that genAI will only grow more crucial to the contact center — highlighting the need to act now. While 19% of respondents considered genAI to be critical for CCaaS functionality today, 44% anticipated that it will be critical in three to five years' time (see Figure 6).

FIGURE 6

**The Importance Of GenAI For Current
And Future CCaaS Functionality**

(Showing "Critical" responses)

19%	34%	44%
Current	Short term (one to two years out)	Long term (three to five years out)
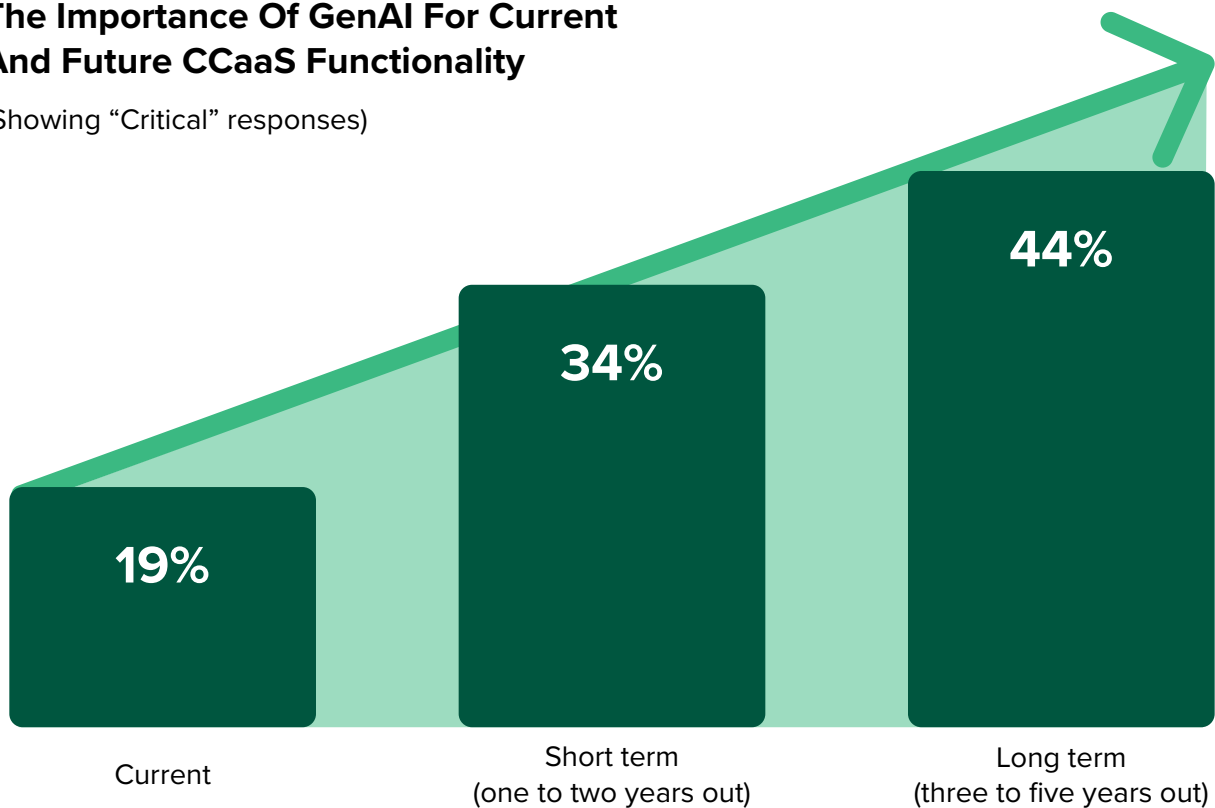
Base: 475 global call center decision-makers at enterprise organizations
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, July 2024

Leaders must prioritize staying on top of genAI developments, as it's no longer a "nice to have" but a critical necessity in the modern contact center. However, only 36% of those responsible for AI strategy are deeply involved in making key decisions, leaving organizations at risk of missing AI's full potential. To drive impact, companies need an AI roadmap that incorporates a flexible, composable architecture that allows for scalable integration, empowering contact centers to adopt genAI seamlessly across channels. Yet, flexibility alone isn't enough; organizations must also ensure that their CCaaS solution emphasizes responsible AI and robust security. Together, these elements form the foundation for rapid, trustworthy AI implementation and innovation that positions organizations for future success.

As organizations ride the wave of genAI, they'll need to reconcile the uncertainty about the technology with the urgency to act. Placing chatbots in front of customers and securing sensitive data are real risks. This is where trusted AI vendors, strategic partners, and partner consolidation can help, ensuring companies minimize risk and maximize business value for key genAI contact center use cases, including:

- **Reporting and analytics.** Fifty-six percent of decision-makers said their organization is currently using genAI to assist with customer service reporting and analytics. For example, AI can analyze call and chat transcriptions and produce data-driven insights to improve contact center operations and rep performance. GenAI can also help product and marketing teams identify and remediate the issues that prompt customers to seek support.

- **Tools to support customer service reps.** Half of decision-makers said their organization is using capabilities like translations and sentiment analysis to assist reps. For example, AI copilots can monitor a customer's sentiment during an interaction and give the rep real-time recommendations for next best actions, such as offering a frustrated customer a coupon.

- **Personalization.** Nearly half of respondents said they leverage genAI to personalize customer experiences. AI can synthesize data from a variety of sources to provide insights that help reps and chatbots offer more personalized and helpful service. For example, if someone is flying the

same day they reach out to the airline's contact center, the system can say, "Are you calling about your flight today?" The system can then pass this information on to a rep if necessary, saving time and improving the customer experience.

According to Forrester's research, there are two other use cases where genAI is already making a big difference to customer service experiences — and which stand to save the world's brands billions of dollars annually:[9]

- **Automated call summarization.** Automation is a natural fit in the contact center.[10] Automated call summarization is a great first step into genAI for any customer service team. It doesn't require major contact center changes, and shifting a mundane task that reps dislike improves their satisfaction and frees them to spend more time providing great service. GenAI can also create clearer, more useful call summaries than reps can produce.

- **Infrequently asked questions.** With genAI, you no longer need to anticipate every customer question. GenAI can leverage retrieval-augmented generation to find answers in specific, trusted datasets, such as product manuals and corporate webpages. This helps automate responses to the long tail of customer inquiries and gives reps ready access to information — accelerating issue resolution.
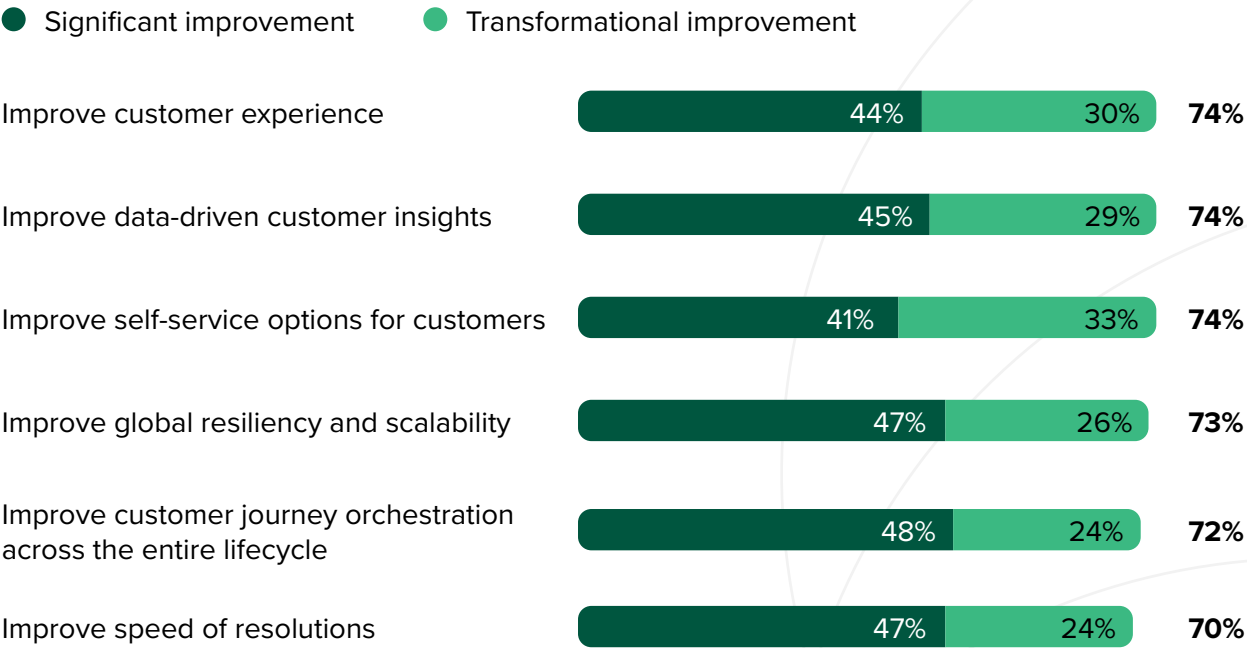
As contact center leaders look to the future, they'll increasingly turn to genAI to improve how they deliver customer service. Over the next three to five years, 74% of decision-makers said they see genAI having a significant or transformational impact on their organization's ability to improve CX, uncover data-driven customer insights, and enhance customer self-service options (see Figure 7).

In the future, contact center leaders will use a mix of genAI capabilities to augment customer service reps' knowledge and skills — and to work alongside them or autonomously perform a broad range of key contact center tasks.

Seizing this opportunity will enable leaders to meet their customer-centric and cost-cutting objectives while positioning their organization for sustained competitive advantage.

FIGURE 7

"Over the next three to five years, how much do you see genAI deployment into your contact center improving your organization's ability to:"

● Significant improvement   ● Transformational improvement

	Significant improvement	Transformational improvement	Total
Improve customer experience	44%	30%	**74%**
Improve data-driven customer insights	45%	29%	**74%**
Improve self-service options for customers	41%	33%	**74%**
Improve global resiliency and scalability	47%	26%	**73%**
Improve customer journey orchestration across the entire lifecycle	48%	24%	**72%**
Improve speed of resolutions	47%	24%	**70%**

Base: 475 global call center decision-makers at enterprise organizations
Note: Top six responses shown. Percentages may not total because of rounding.
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, July 2024

Key Recommendations

Forrester's in-depth survey of 475 global contact center decision-makers yielded several important recommendations:

Look for ways to reduce customer effort and increase efficiencies. Simplicity and efficiency are essential for positive customer experiences. At the same time, efficient interactions that automate tasks that don't require the human touch provide significant cost savings. Look for a CCaaS platform that supports human-assisted and automated interactions across digital and voice channels.

Every self-service resolution saves money, as customer service representatives are the most expensive component of any contact center interaction. Smart handoffs to the rep from self-service save reps' time and accelerate resolution, which keeps customers happy and drives down costs.

Understand the guardrails required to protect customer data and avoid hallucinations. Data encryption, clear AI trust policies, and adherence to appropriate customer data protection standards are critical to ensure the protection of data. Tools like retrieval-augmented generation are crucial to ensure that genAI is restricted when answering customers' questions to topics that are appropriate for the brand and customer.

Get your house in order to prepare for genAI. As genAI transforms the contact center, empower your organization with a robust AI knowledge management strategy. Equip customer service reps with an evolved workspace and tools that integrate AI-driven insights to streamline workflows and reduce effort. Invest in training that enables service reps to leverage AI effectively while providing empathetic, human-centered interactions for complex cases that require a personal touch.

Look for a CCaaS platform that will support your contact center into the future. Identify solutions that simplify contact center operations so that your team can focus on CX instead of their tools. Prioritize modular, AI-integrated solutions with strong usability, flexibility, and interoperability that

can evolve with genAI. Prepare for innovations like autonomous agents, intelligent routing, and real-time insights that will position your contact center to adapt and thrive as customer service advances.

Find a vendor that can act as a partner and mentor for your contact center efforts. GenAI can introduce a lot of change and complexity, and customer-facing organizations have a lot at stake. A trusted mentor that can provide flexible solutions and ongoing support is important for success.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 475 global call center decision-makers to evaluate contact center initiatives at enterprise organizations. Survey participants included respondents at the manager level and above who have influence or decision-making ability over contact center technology implementation, operations, and strategy and investments at their organization. Questions provided to the participants asked about contact center priorities, challenges, and benefits. Respondents were offered a small incentive as a thank-you for time spent on the survey. The study began in June and was completed in July 2024.

Appendix B: Demographics

REGION	
EMEA	**35%**
North America	**33%**
Asia Pacific	**32%**

TOP FIVE INDUSTRIES	
Financial services	**23%**
Agriculture and food	**7%**
Media and leisure	**7%**
Healthcare	**7%**
Government	**7%**

DEPARTMENTS	
IT/technology	**43%**
CX/support	**31%**
Operations	**27%**

CONTACT CENTER AGENTS	
1,000+	**30%**
500 to 999	**31%**
250 to 499	**24%**
100 to 249	**13%**
<100	**2%**

TOP FIVE COUNTRIES	
US	**33%**
Australia	**15%**
UK	**12%**
Germany	**12%**
France	**11%**

REVENUE (US$)	
$5B or more	**41%**
$1B to $4.99B	**43%**
$500M to $999M	**16%**

RESPONDENT TITLE	
C-level executive	**7%**
Vice president	**28%**
Director	**48%**
Manager	**17%**

CCAAS PLAN	
Expanding/upgrading	**65%**
Implemented	**9%**
Implementing over the next six months	**26%**

Note: Percentages may not total 100 due to rounding.

Appendix C: Supplemental Material

RELATED FORRESTER RESEARCH

The Forrester Wave™: Conversational AI For Customer Service, Q2 2024, Forrester Research, Inc., May 14, 2024

The Conversational AI For Customer Service Landscape, Q4 2023, Forrester Research, Inc., November 15, 2023

ADDITIONAL RESOURCES

Christina McAllister, Contact Centers Are Leaving Money On The Table, Forrester Blogs

Appendix D: Endnotes

[1] Source: Money On The Table: Proof That Customer Service Drives Revenue, Forrester Research, Inc., January 29, 2023.

[2] Ibid.

[3] Source: The US Customer Experience Index Rankings, 2024, Forrester Research Inc., June 16, 2024.

[4] Source: Come Together: Combining UCaaS And CCaaS Unlocks New Customer Value, Forrester Research, Inc., July 21, 2023.

[5] Source: Max Ball, Our New Conversational AI Forrester Wave™: GenAI And LLMs Drive A Vendor Revolution, Forrester Blogs.

[6] Source: Generative AI Is The Catalyst For Change In The Contact Center, Forrester Research, Inc., June 20, 2024.

[7] Ibid.

[8] Ibid.

[9] Source: Max Ball, Is GenAI Falling Short? Not In The Contact Center, Forrester Blogs.

[10] Source: Max Ball, Our New Conversational AI Forrester Wave™: GenAI And LLMs Drive A Vendor Revolution, Forrester Blogs.