

The logo for 8x8 Essentials Intelligence Research Series. It features a red square with the text '8x8' in white, followed by the word 'Essentials' in a large, bold, white sans-serif font, and 'Intelligence Research Series' in a smaller, white sans-serif font below it.

8x8 Essentials
Intelligence Research Series

State of Conversational AI in the Contact Center

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Introduction

Increasingly, customers are turning to digital channels for information, purchases, and support. But even after decades of innovation, the efficiency and effectiveness of customer self-service continues to be a point of contention. Ineffective menus, limited options, and/or being forced to connect with a live agent—only to have to repeat information multiple times—are just a few examples of why self-service often disappoints.

The good news is that conversational AI is advancing in its capabilities and is now able to enhance and progress customer interactions while reducing friction and frustration.

Contact centers are on the precipice of a new era as artificial intelligence (AI) begins to deliver the convenience, consistency, and interaction simplicity that customers demand. In this report, we reveal how contact center and IT leaders are thinking about automation through the use of conversational AI, both today and into the future.

Read on to explore the results from this fascinating, forward-looking survey of 300+ business leaders across the United States, the United Kingdom, and Canada.

Today's customer support landscape

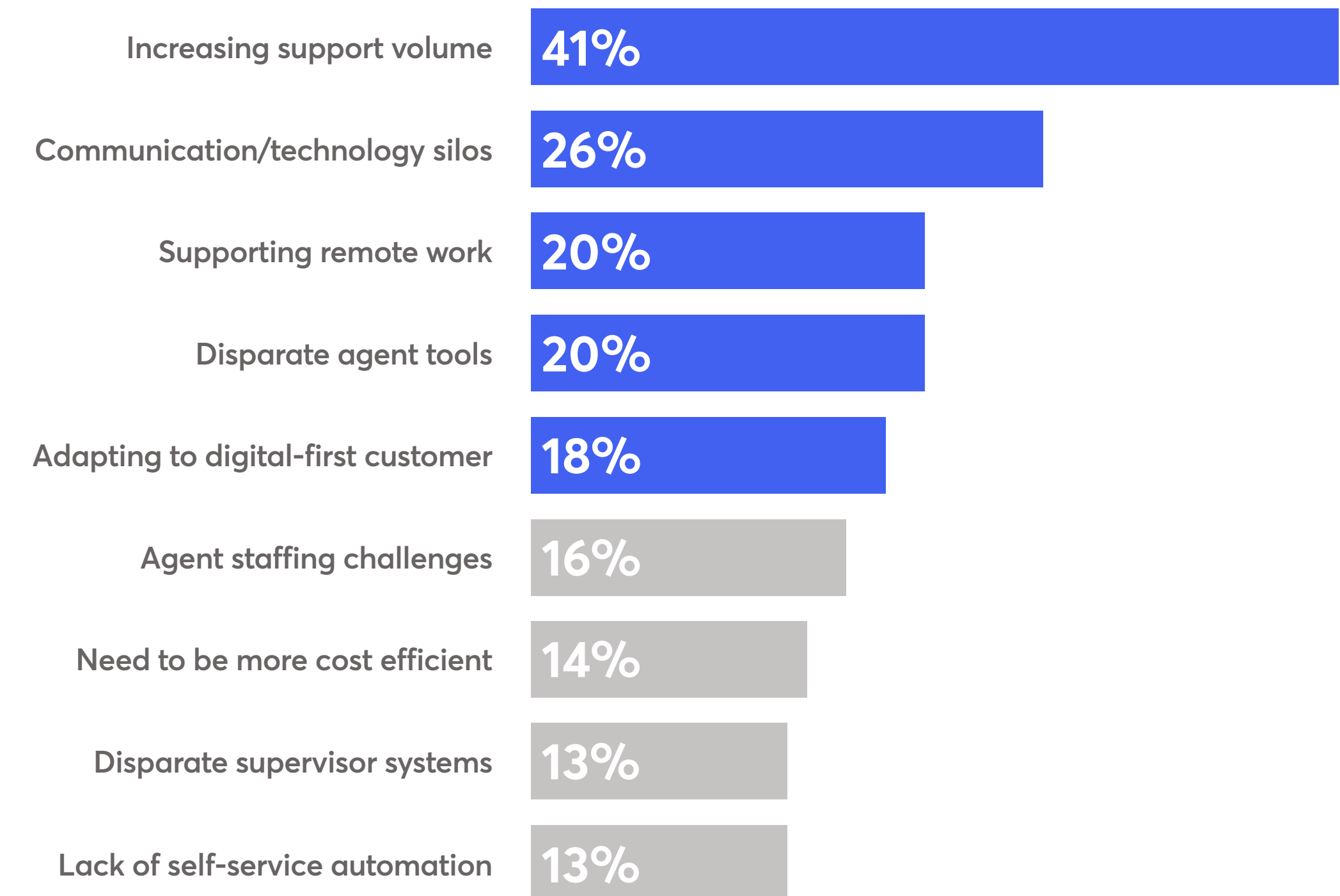


Contact centers have weathered unexpected and unyielding change since the start of the decade. But the more things change, the more things stay the same.

In 8x8's survey of more than 300 contact center and IT leaders, increasing support volume, communication and technology silos, disparate tools and systems, staffing challenges, plus the need to be more cost-efficient remain key challenges (figure 1).

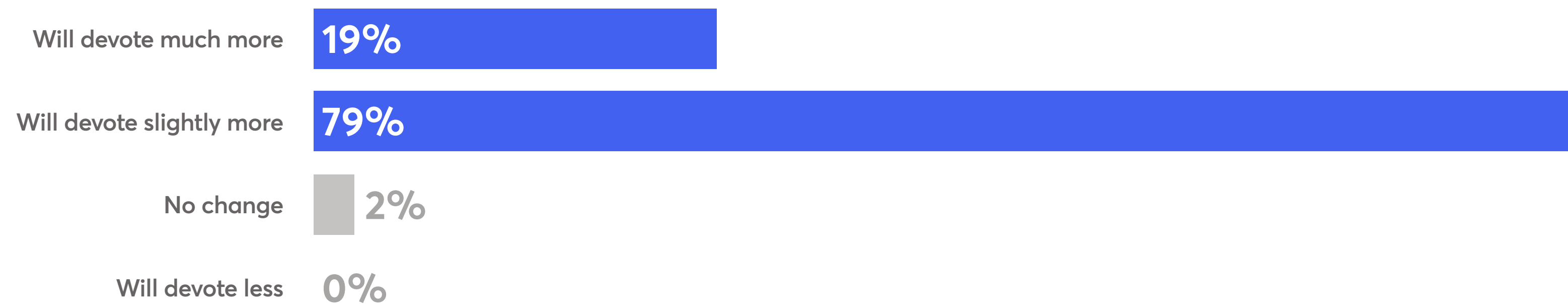
Yet new hurdles have also been introduced, such as supporting remote and hybrid work. And increasingly, spurred by the pandemic along with Gen Z and millennial customer expectations, there is an accelerated focus on moving to a digital-first approach when it comes to customer support.

Figure 1: What are the top challenges facing your organization's contact center/customer support operations?



In fact, an impressive 98% of business leaders surveyed say that their organization plans to devote more resources to migrating service volume to digital and self-service channels in the next 12 months (figure 2).

Figure 2: Is your organization planning to change the amount of resources devoted to migrating service volume to digital and self-service channels in the next 12 months?



Investing in contact center innovation

The good news is that contact center and customer support operations are finally seeing the innovation investment they deserve. The business upheaval, brought on by the pandemic at the start of the decade, rapidly and decisively brought the contact center to the forefront of the leadership agenda.

Businesses were so disrupted that investments in the contact center and other customer-facing areas became a board-level focus practically overnight.

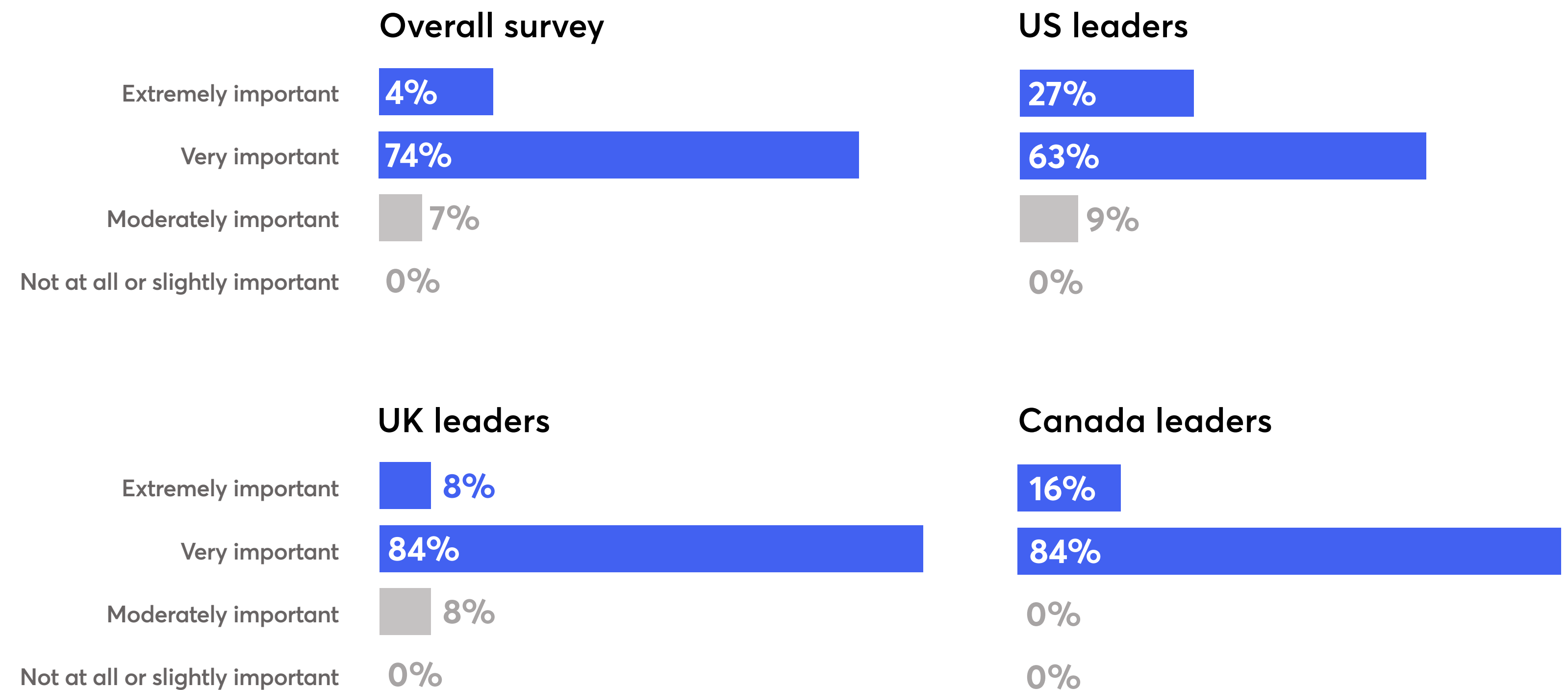
99% of organizations plan to dedicate more spending on contact center operations over the next year.

Ever since, CIOs, CTOs, and IT leaders have been increasingly charged with how to arm agents—and all employees across the organization—with the best and most innovative communication tools to deliver an optimized customer experience (CX).

As such, 8x8's survey reveals that 99% of organizations plan to dedicate more spending on contact center operations over the next year. The percentage jumps to 100% when it comes to larger organizations with more than 50 contact center agents. Without a doubt, much of the planned investment will go toward adopting or increasing automation which helps to solve many of the challenges contact center and IT leaders cite in figure 1.

Ninety-three percent (93%) of contact center and IT leaders consider contact center automation a very or extremely important focus (figure 3), and that percentage rises to 95% among organizations with larger contact centers. In the United States, respondents were more likely to consider automation extremely important (27%), versus their UK (8%) and Canadian counterparts (16%).

Figure 3: How important is adopting or increasing automation for contact center/customer support operations in the next 12 months?



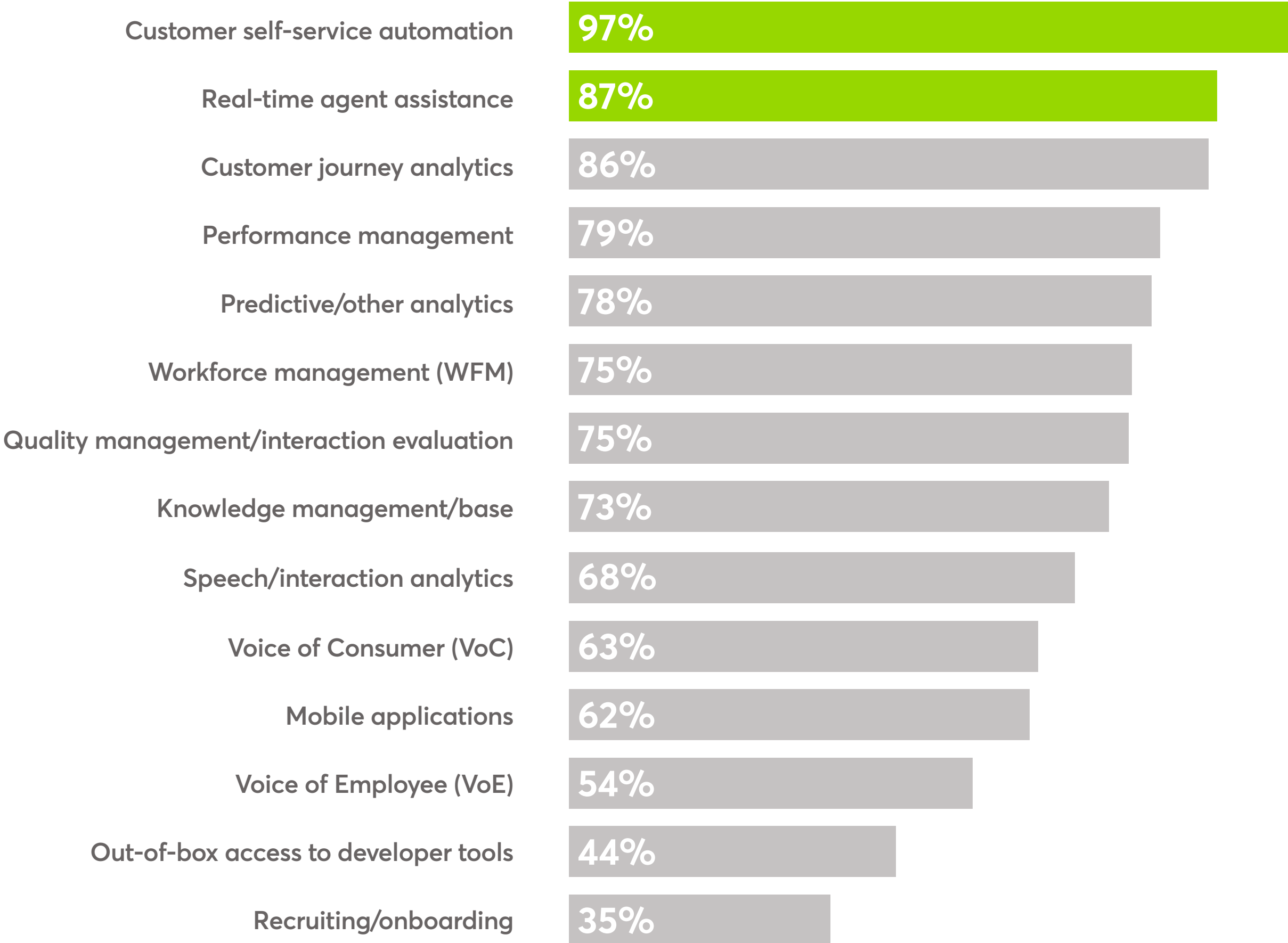
Expectations of automation



To assist with key challenges such as increasing support volume, staffing challenges, and the need to be more cost-efficient, contact center and IT leaders are turning to AI and automation. The top two interests in using AI, according to 8x8's research, are for customer self-service automation (97%) and for real-time agent assistance (87%) (figure 4).

Interestingly, 93% of UK respondents list workforce management as a top-two interest compared to 65% in the US, and 63% are using AI to support WFM compared to 30% in the US.

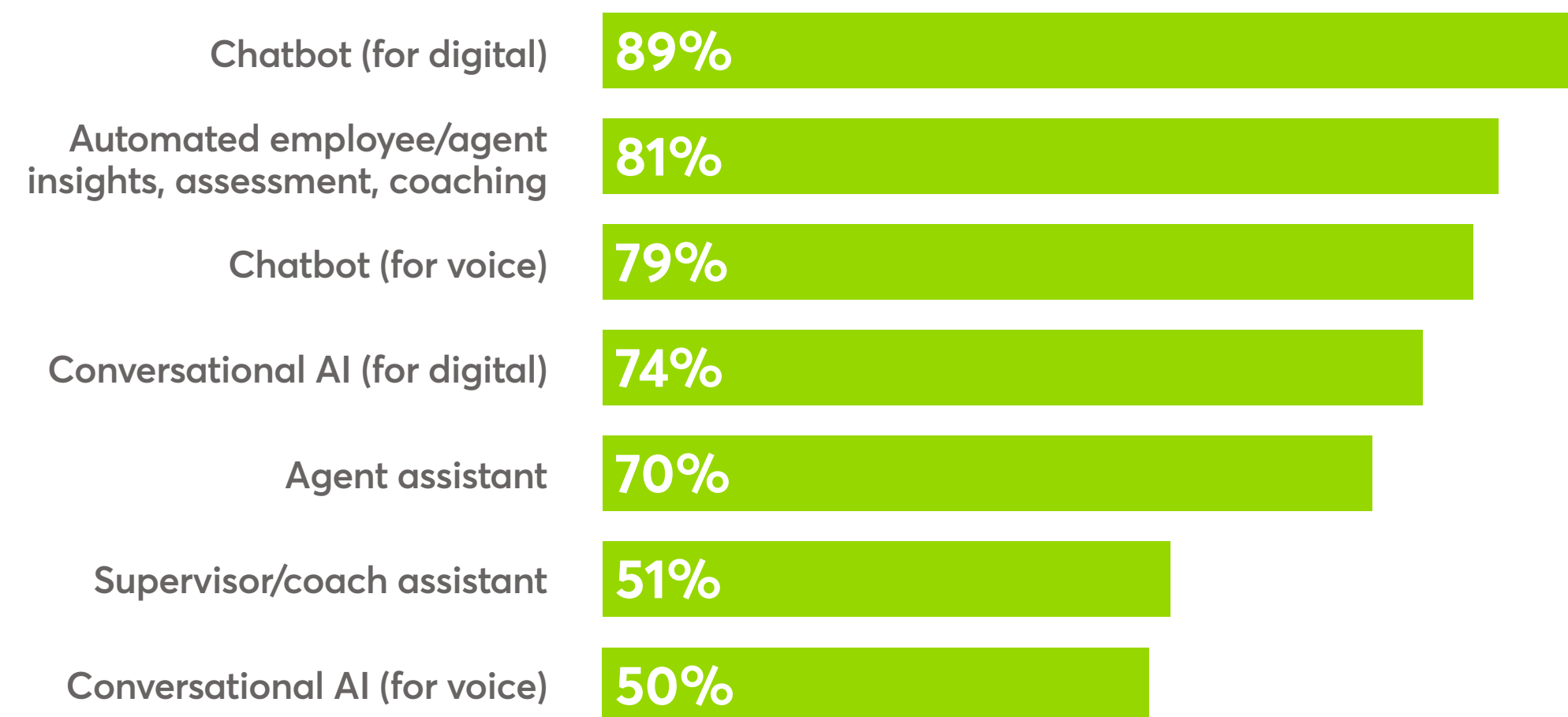
Figure 4: How interested is your organization in applying AI capabilities to the following?



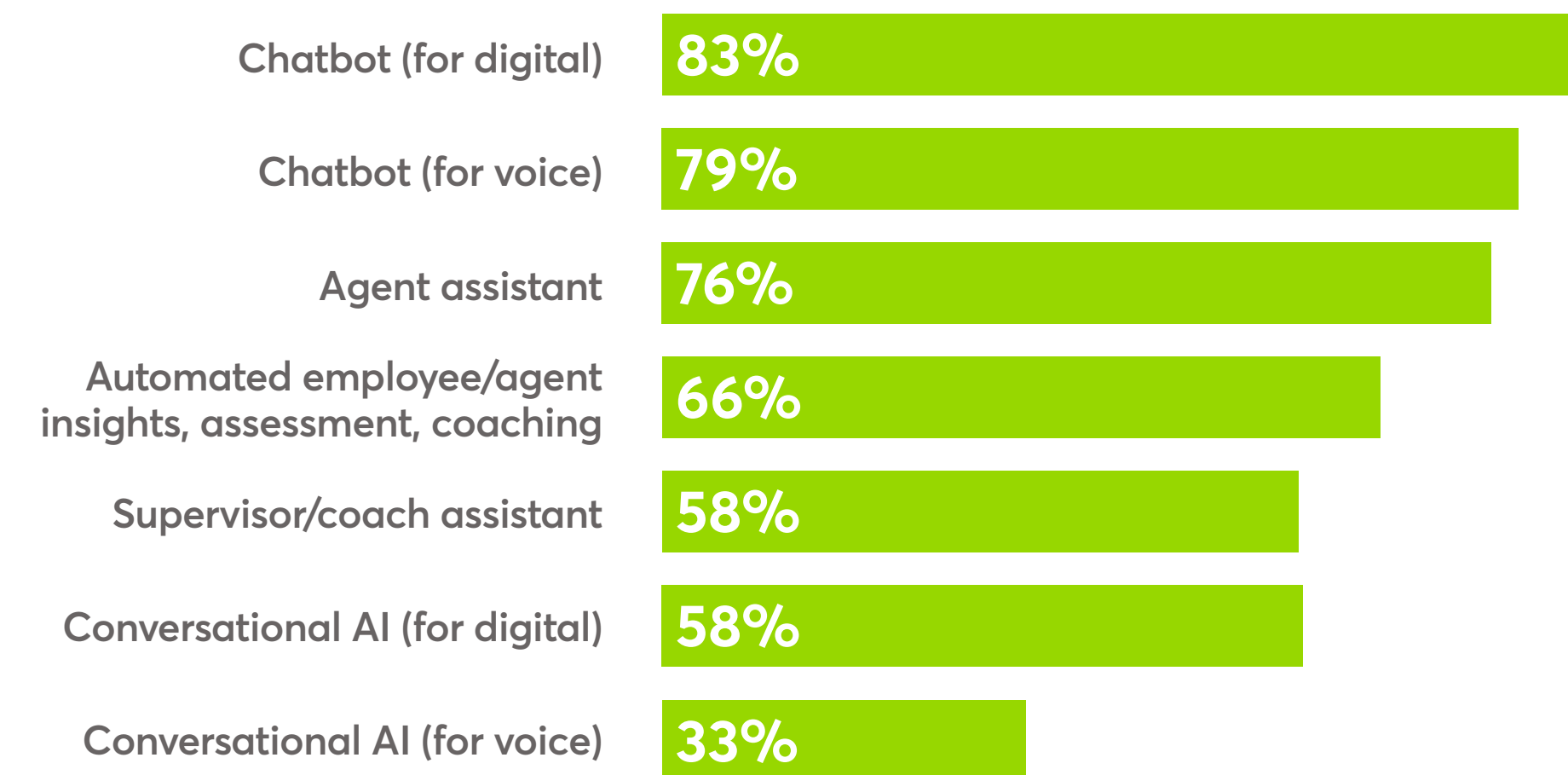
Other key uses focus around analytics, performance management, quality management (QM), and workforce management (WFM), and business leaders see this type of automation as valuable both inside and outside of the contact center (figure 5). Interestingly, 94% of UK respondents rate chatbots for voice as very or extremely valuable and 65% are currently using them. In the US, 68% of respondents find them very or extremely valuable and 44% are currently using them.

Figure 5:

Value of AI-based capabilities for contact center (considered "very" or "extremely" valuable)



Value of AI-based capabilities for uses outside the contact center (considered "very" or "extremely" valuable)



Conversational AI for the win

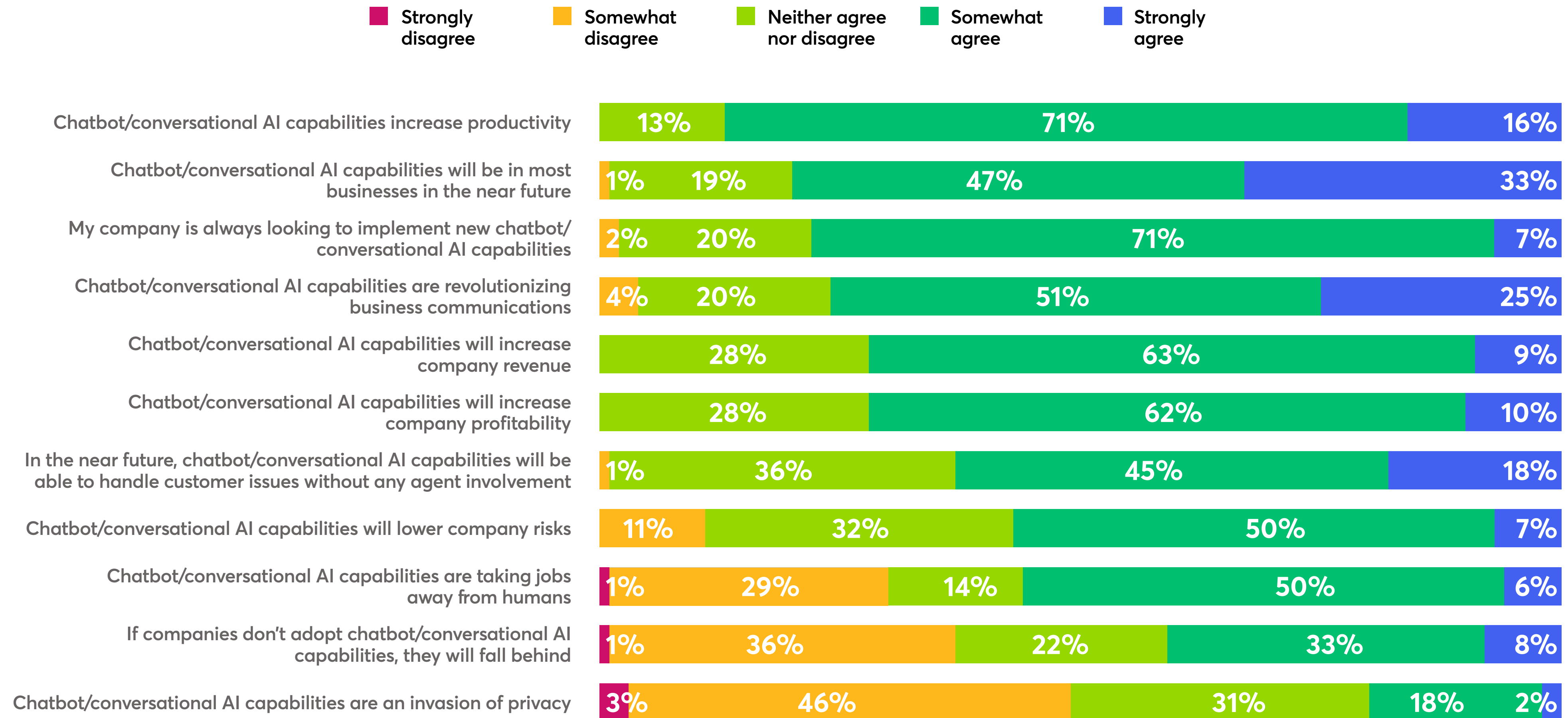
Contact center and IT leaders have great expectations for conversational AI, in particular:

- 87% believe that conversational AI/chatbots increase productivity
- 80% say these capabilities will be table stakes in the near future
- 41% say that if companies don't adopt these capabilities, they will fall behind

Seventy-six percent (76%) say conversational AI/chatbot capabilities are revolutionizing business communications, and 72% believe these capabilities will increase company profitability and revenue and lower company risks (57%) (figure 6).



Figure 6: How strongly do you agree with the following statements about the impact of conversational AI/chatbots?



Complementing the human touch

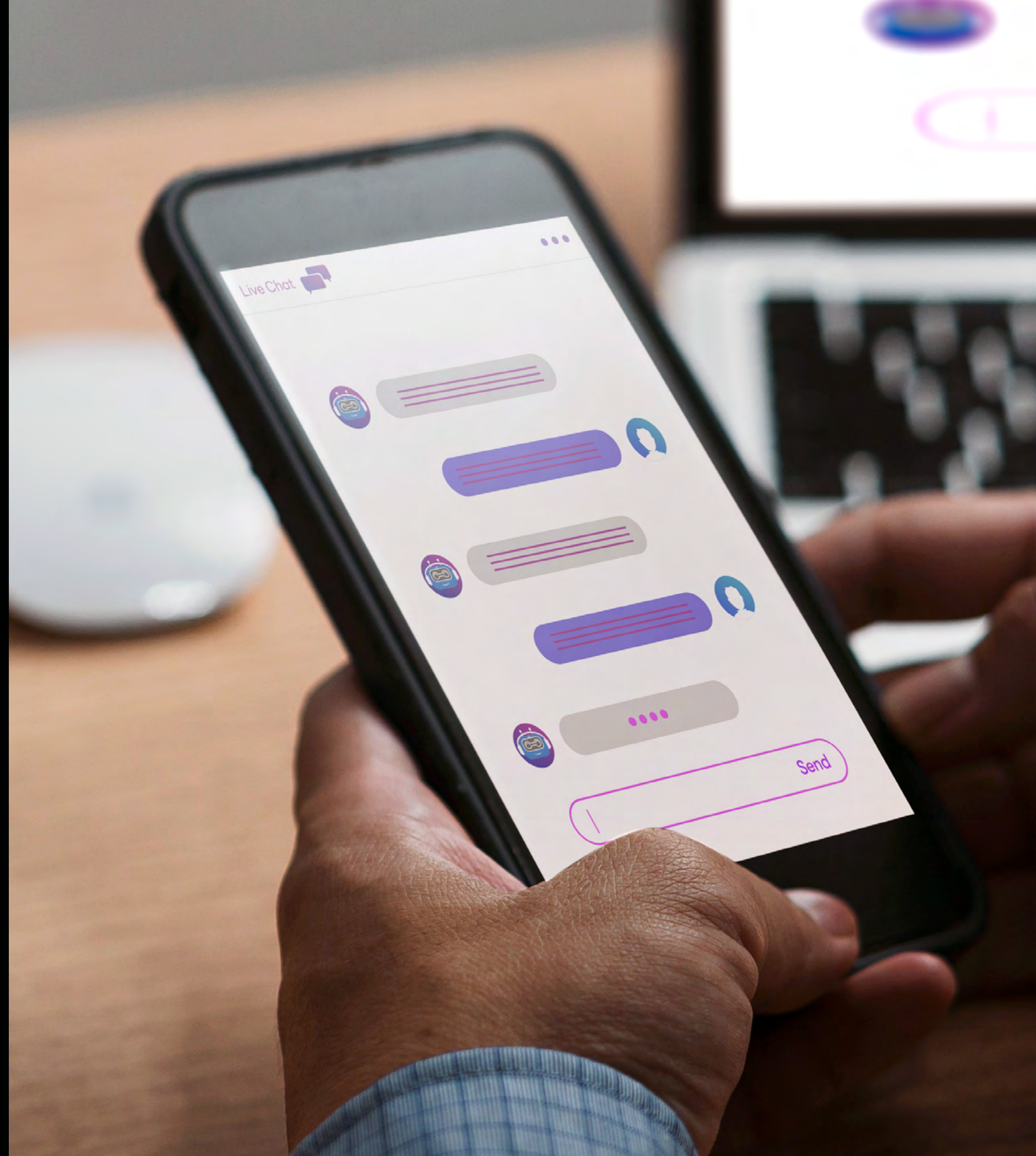
Gartner predicts that conversational AI will reduce contact center agent labor costs by **\$80 billion in 2026**. "Gartner estimates that there are approximately 17 million contact center agents worldwide today," says Daniel O'Connell, Research Vice President at Gartner. "Many organizations are challenged by agent staff shortages and the need to curtail labor expenses, which can represent up to 95% of contact center costs. Conversational AI makes agents more efficient and effective, while also improving the customer experience," notes O'Connell.

\$80B Gartner predicts that conversational AI will reduce contact center agent labor costs by **\$80 billion in 2026**.

While 8x8's research reveals that 55% of contact center and IT leaders believe chatbots and conversational AI will take jobs away from humans—and 63% believe that soon, chatbots will be able to handle customer issues without any human involvement at all (figure 6)—8x8 believes a healthy, win-win relationship can be forged between the two.

In most cases, at least in the near future, conversational AI and chatbots will be used to quickly resolve or assist agents with resolving repetitive and mundane requests while conserving the contact center's most valuable resource, live agents, for more complex, high-value transactions and engagements.

Conversational AI usage and adoption



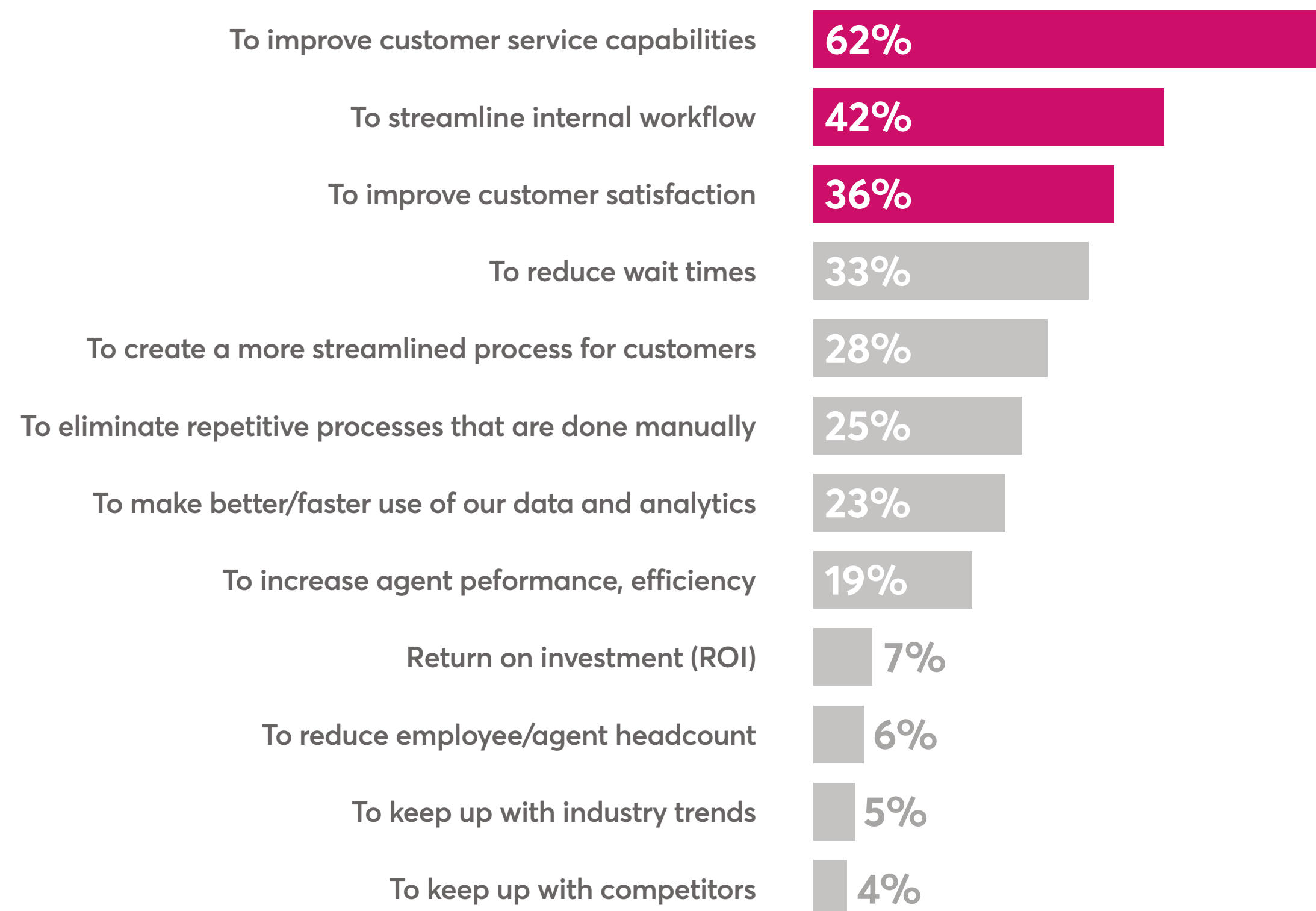
According to 8x8's research, a little more than half (52%) of organizations have already invested in conversational AI capabilities, with 44% planning to adopt and only 4% with no plans to do so (figure 7).

Figure 7: What is your company's experience with conversational AI capabilities for its contact center/customer support operations?



Those currently using conversational AI in the contact center are doing so to improve customer service capabilities (62%), streamline internal workflows (42%), improve customer satisfaction (36%), and reduce customer wait times (33%). It's important to note that just 6% adopted it or are currently using it as a means to reduce employee and agent headcount (figure 8).

Figure 8: What are the main reasons your organization adopted/plans to adopt conversational AI capabilities for your contact center/customer support operations?



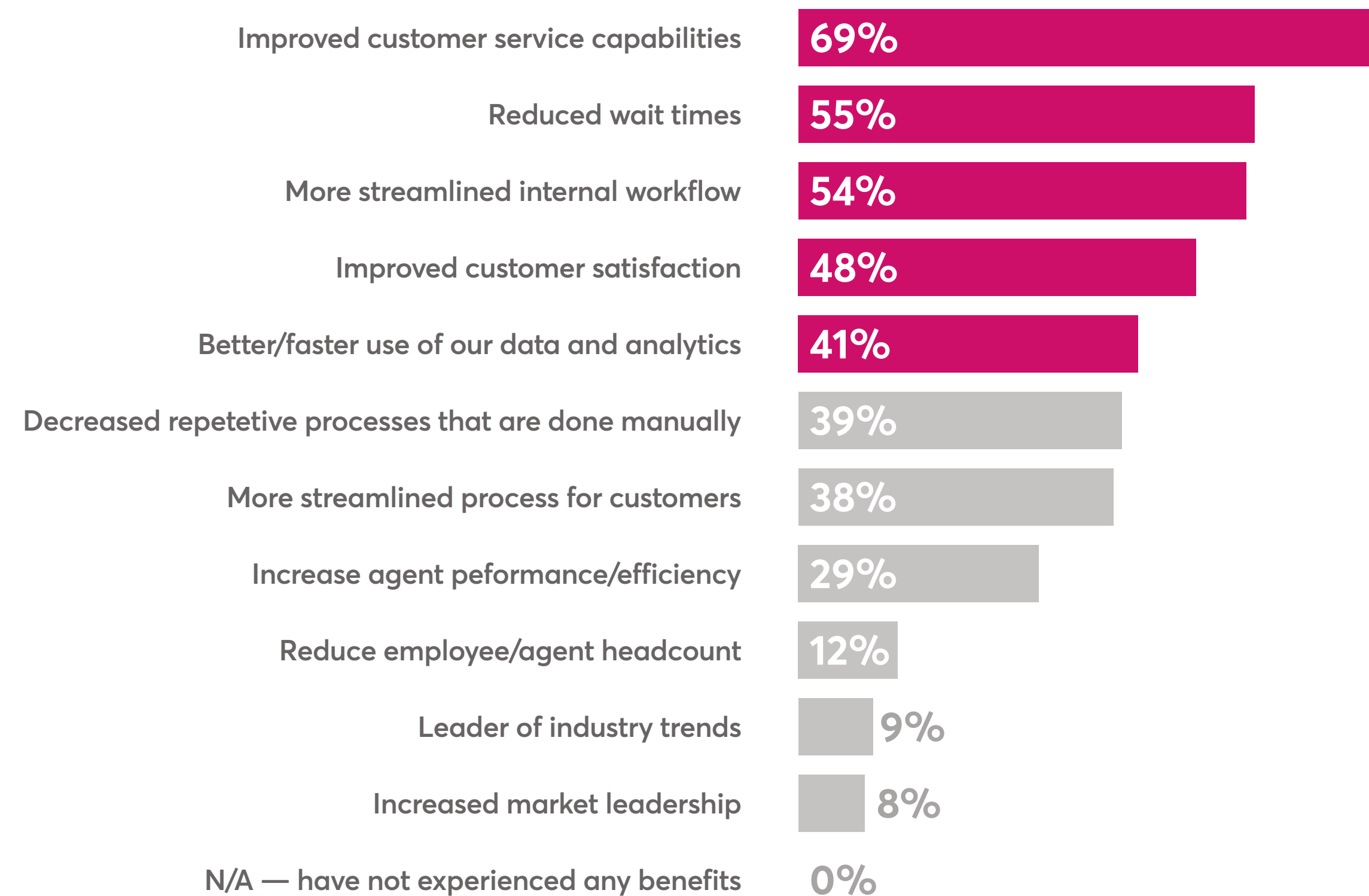
Has AI proven its value?

Of those organizations that have already adopted AI capabilities for the contact center, overall, 91% say they are somewhat or completely satisfied with the results. Benefits their organization has witnessed (figure 9) include:

- Improved customer service capabilities (69%)
- Reduced customer wait times (55%)
- More streamlined internal workflows (54%)
- Improved customer satisfaction (48%)
- Better and faster use of data and analytics (41%)

Interestingly, when it comes to general satisfaction with AI capabilities for the contact center, the percentage drops to 82% in small contact centers, but jumps to 100% with medium and large contact centers, as well as respondents representing the retail and manufacturing industries.

Figure 9: What benefits has your organization seen from the use of AI for contact center/customer support operations?



Returns for early adopters

In addition to the benefits already mentioned from the overall use of AI in the contact center, surveyed contact center and IT leaders already using conversational AI and chatbots say their implementations have improved agent productivity (94%), resolved customer issues faster (92%), reduced effort for agents (87%), and lowered costs through improved agent efficiency (65%).

More than half of those surveyed (53%) say these capabilities have reduced the overall cost of operations at their contact centers (figure 10).

Figure 10: What benefits has your organization realized from its current conversational AI or chatbot capabilities?



That's not to say there haven't been implementation challenges. The top five issues cited include:

- Training support (30%)
- Professional services support (27%)
- Ease of/time spent integrating solutions (23%)
- Lack of needed features (19%)
- User-friendliness (14%)

To a lesser extent, pain points discovered in some implementations included privacy and data security issues, glitches in the transition from conversational AI to a live agent, and poor customer support.



Fast followers have adoption in their sights

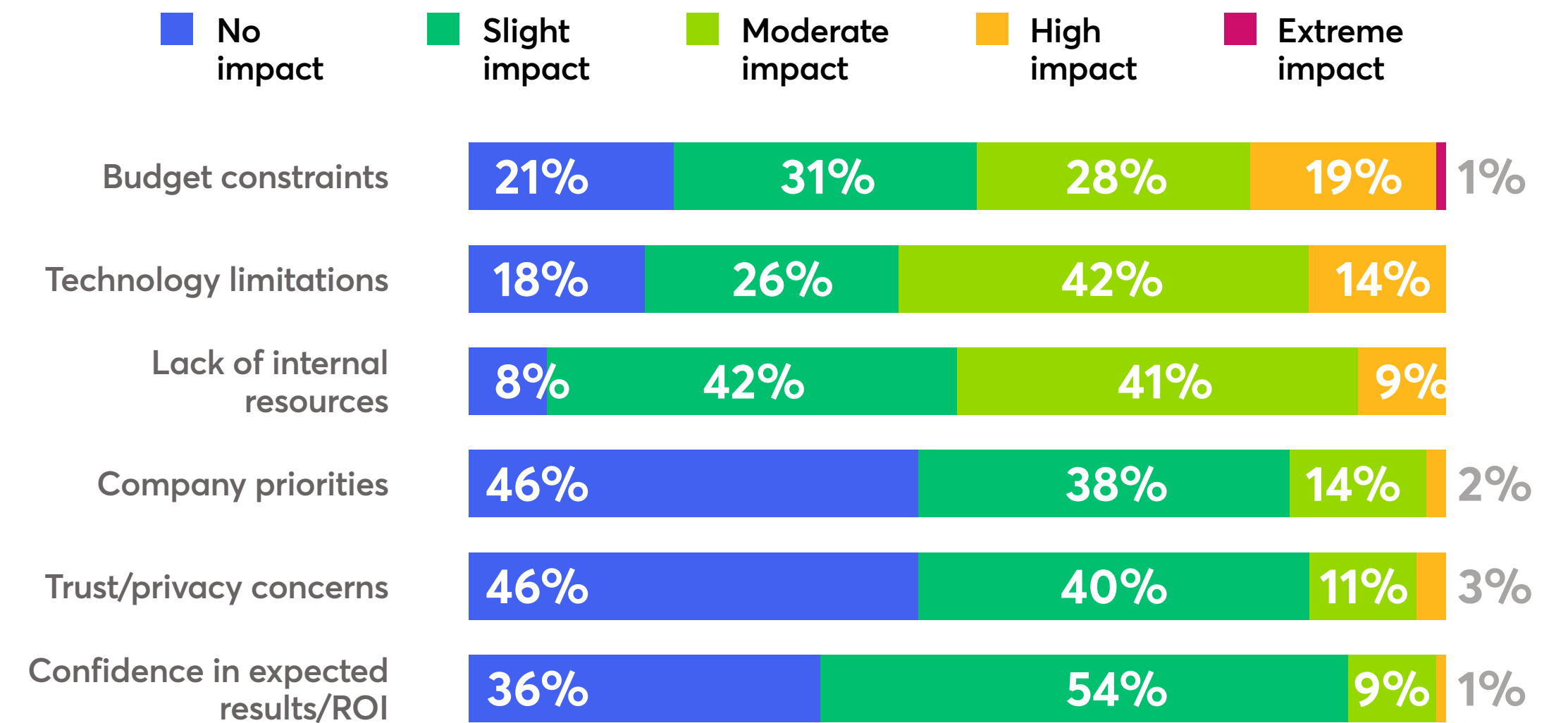
For those organizations that haven't yet adopted conversational AI capabilities in their contact center, 11% plan to do so within a year, 63% within two years, and 27% more than two years from now.

Reasons for not yet implementing these capabilities include:

- Lack of internal resources (91%)
- Technology limitations (82%)
- Budget constraints (79%)

Confidence in the expected results and ROI is a concern for 64% of respondents with 54% citing trust and privacy concerns (figure 1). Just one percent (1%) said they don't trust AI to meet customer expectations or don't understand the benefits of AI.

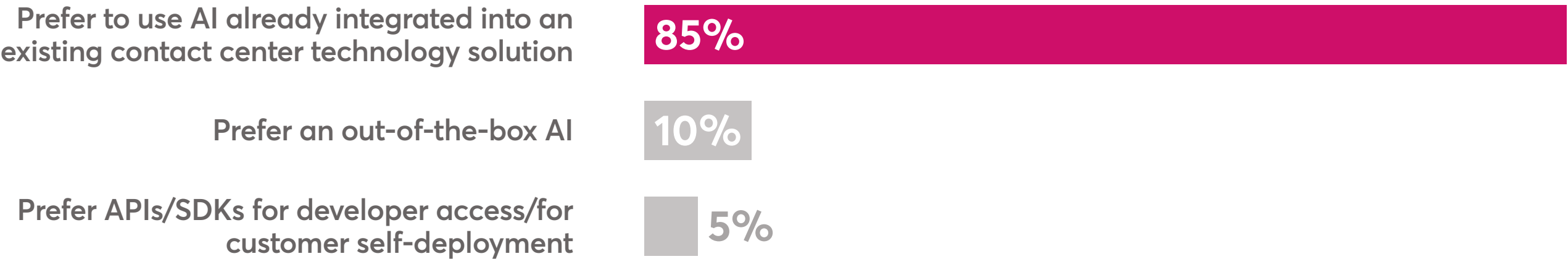
Figure 11: What impact has the following had on your company's ability to adopt conversational AI or chatbot capabilities for your contact center/customer support operations?



For those that said technology limitations were holding their organization back, reasons included the lack of advanced data to feed AI (76%), lack of knowledge management (48%), and lack of integrations (46%).

Across the board with those organizations that have adopted or are planning to adopt, 85% prefer to use AI capabilities that are already integrated into an existing contact center solution (figure 12).

Figure 12: Which of the following best describes the type of AI for contact center/customer support operations that your company is using or would prefer to use?



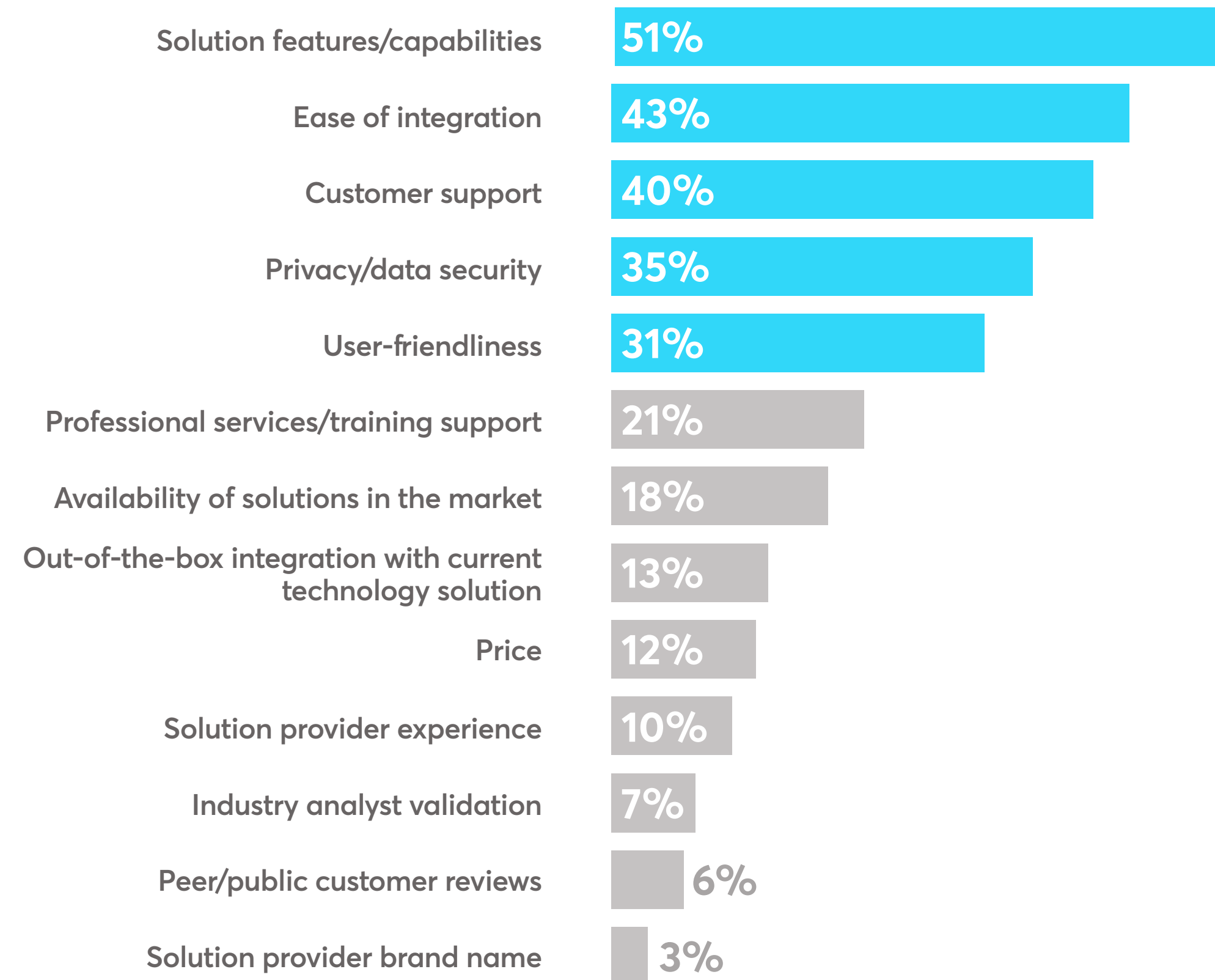
Conversational AI evaluation and measurement



Contact center and IT leaders responding to 8x8's research survey shed light on what they consider most important when evaluating AI technology in general for the contact center (figure 13). Rounding out the top five are:

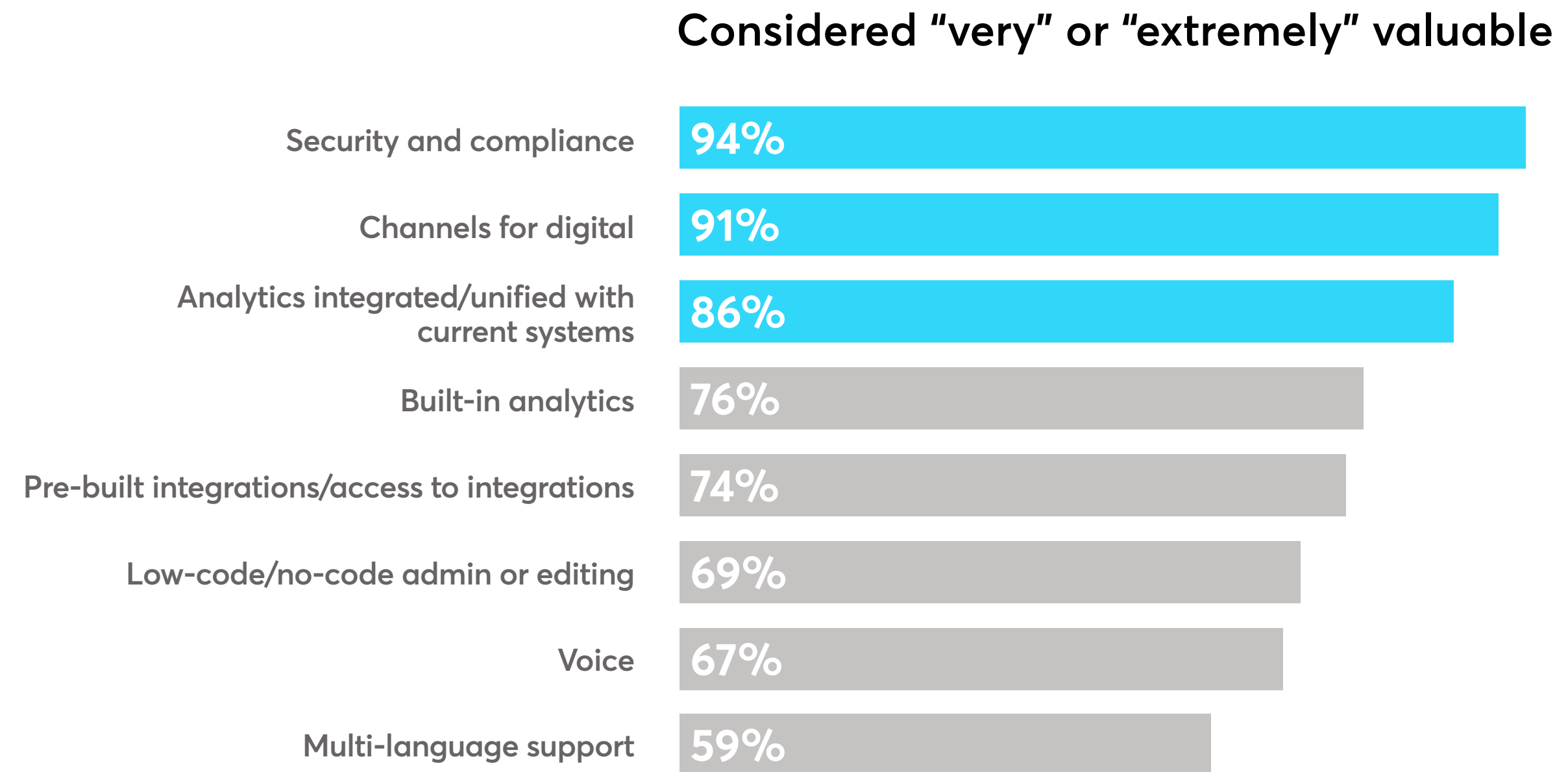
- Solution features and capabilities (51%)
- Ease of integration (43%)
- Customer support (40%)
- Privacy and data security (35%)
- User friendliness (31%)

Figure 13: Which criteria is important to your organization when evaluating AI for contact center/customer support operations?



When it comes to conversation AI and chatbot-specific capabilities, respondents ranked security and compliance (94%), digital channel coverage (91%), and analytics that could be integrated with current systems (86%) in their top three evaluation criteria (figure 14).

Figure 14: How important are the following capabilities when evaluating conversational AI or chatbot capabilities for contact center/customer support operations?



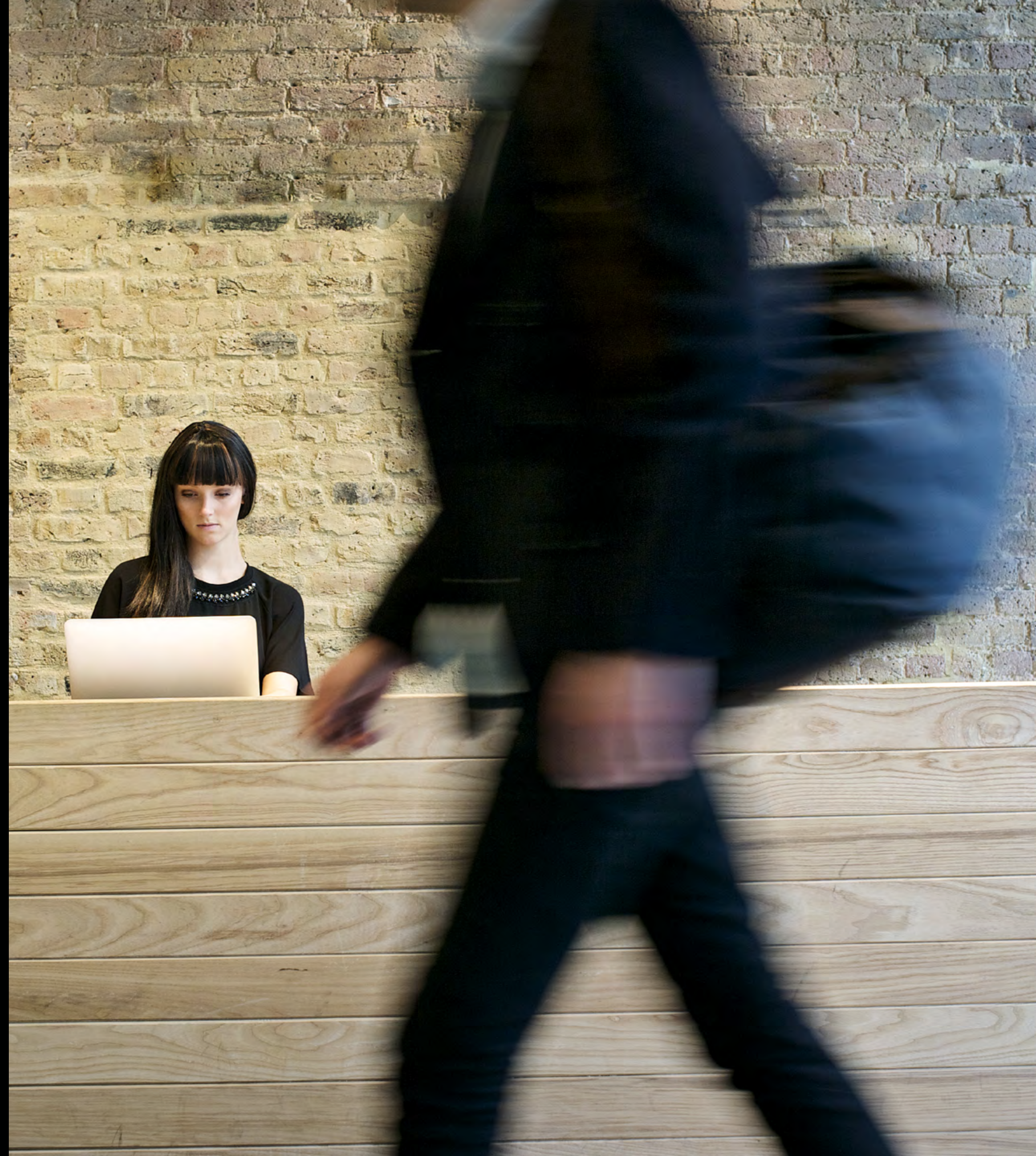
Measuring value takes many forms

Metrics used to measure the value and return on investment varied between respondents, but the six most common in determining if conversational AI moved the performance needle are as follows:

- Customer effort reduction
- Customer satisfaction (CSAT), Net Promoter Score (NPS) improvement
- Hold time reduction
- Average handle time (AHT) reduction
- Call/case deflection
- Service level agreement (SLA) achievement



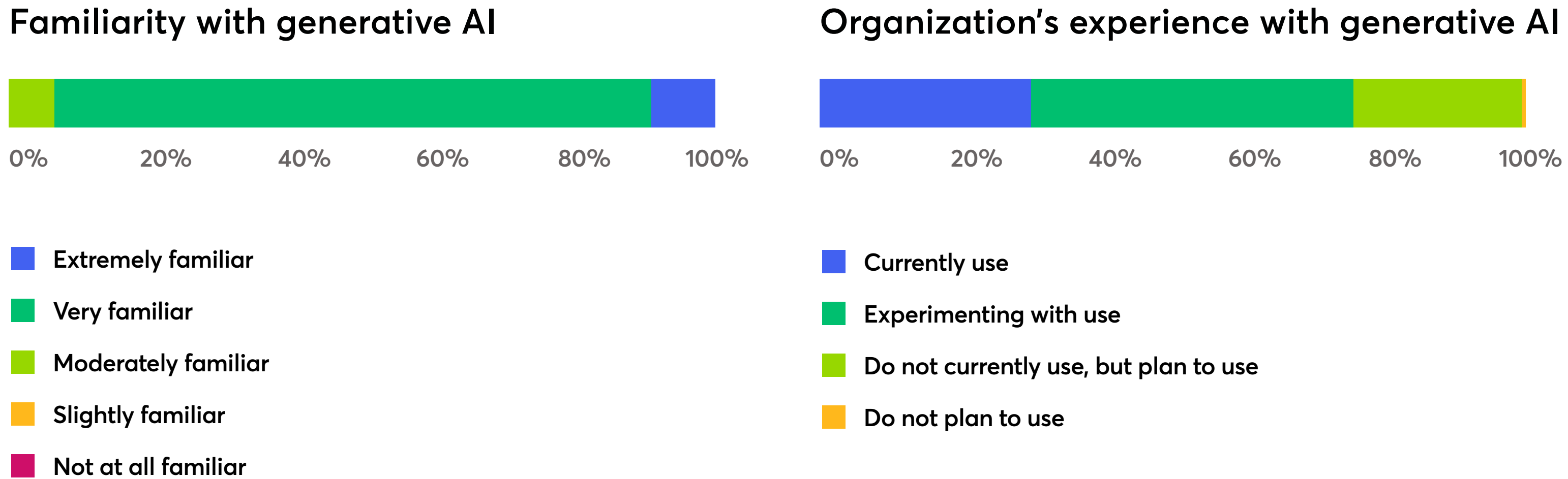
Generative AI usage and adoption



We were curious about contact center and IT leaders' current use of generative AI (e.g. OpenAI, ChatGPT, Google Bard) in the contact center. The hype has been widespread with 100% of respondents saying they are familiar with generative AI.

Current usage numbers in the survey proved surprisingly high, with almost a third of organizations reporting that their organization currently uses generative AI in the contact center and an even greater number are experimenting with its use (figure 15).

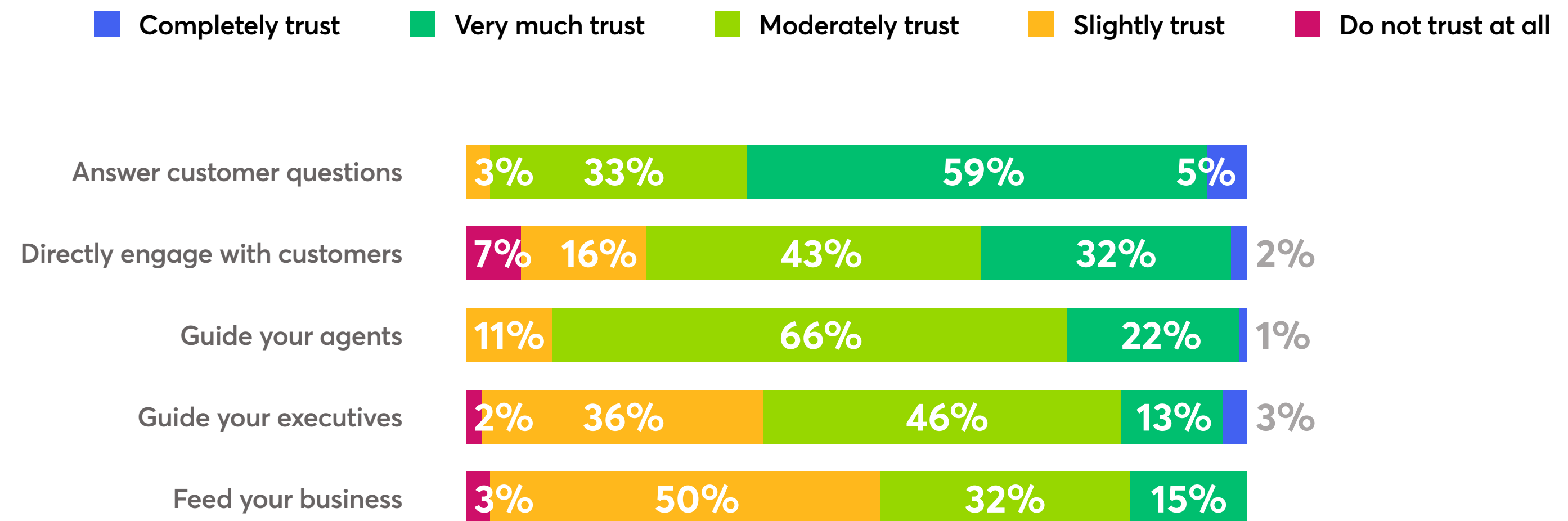
Figure 15: What is your level of familiarity with generative AI and what is your organization's experience with its use?



Trust remains an issue

8x8's research shows that organizations are struggling with fully trusting generative AI at this stage. Sixty-four percent (64%) said they would very much or completely trust generative AI to answer customer questions, but from there, percentages dropped significantly, with just 34% putting their full trust in the technology to directly engage with customers and 23% trusting generative AI to guide their contact center agents (figure 16).

Figure 16: How much do you trust a generative AI model to perform the following activities?



Taking the next step

Whatever your precise needs for the contact center, 8x8 can help you tailor a flexible, powerful, cloud-based solution with an integrated contact center, voice, video, and chat. The **8x8 Experience Communications Platform™** powers engaging, responsive communication experiences that delight customers and make your business more agile.

Unlike point solutions, 8x8 delivers personalized experiences that boost employee productivity, guarantees platform-wide uptime, and lowers costs.

In addition, 8x8's offering delivers a number of innovative AI-driven platform enhancements to transform customer engagement including **8x8 Intelligent Customer Assistant** and **8x8 Supervisor Workspace** for **8x8 Contact Center** as well as a platform-wide integration with OpenAI.

By infusing deeper AI/ML, natural language understanding models, and performance capabilities into 8x8 Contact Center, and across the **8x8 XCaaS™** (Experience Communications as a Service™) integrated cloud communications and contact center platform, 8x8 enables customer-obsessed organizations to build exceptional customer journeys, enhance team productivity, and empower leaders with advanced real-time insights.

Beyond the platform's own AI-driven innovation, 8x8 also offers a **Technology Partner Ecosystem** to easily integrate best-of-breed AI solutions.

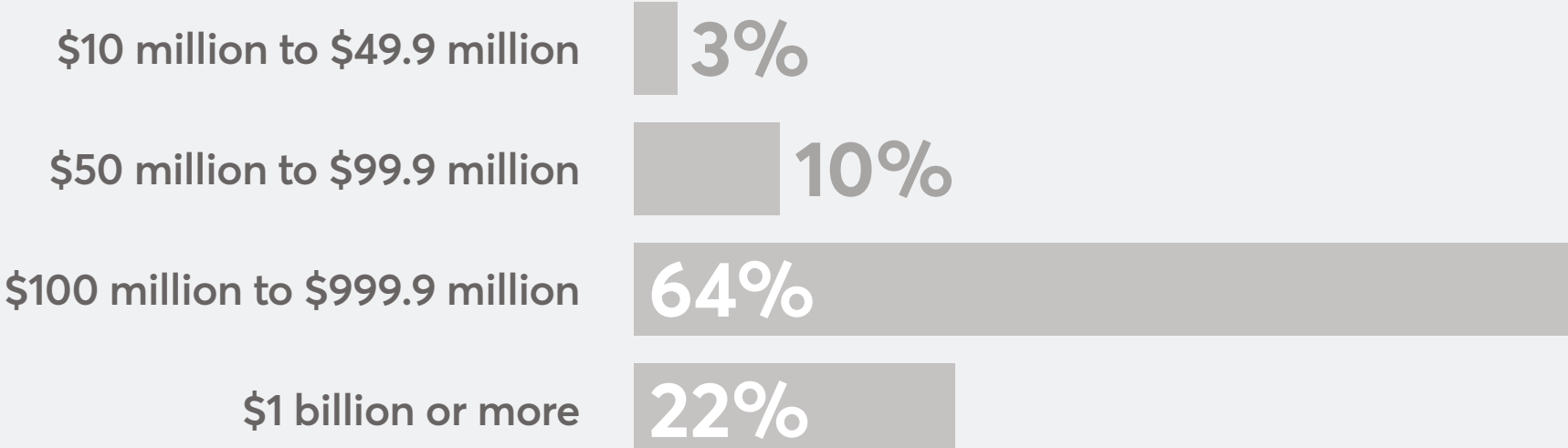
Interested in taking the next step? Talk to one of our experts now. Visit 8x8.com.

Survey methodology



Respondent characteristics

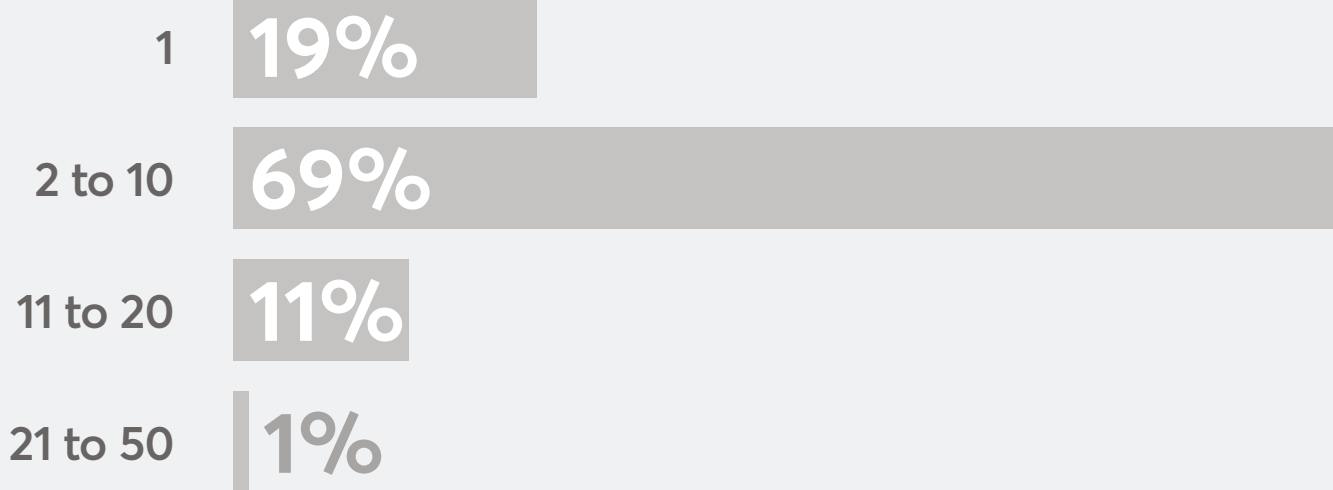
Company revenue (n=325)



Company size (n=325)

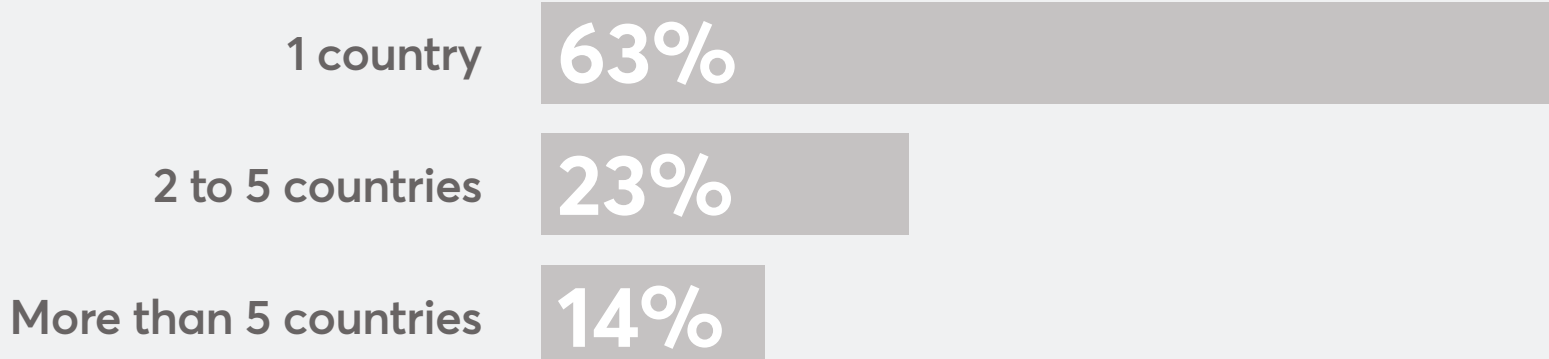


Contact center locations (n=325)

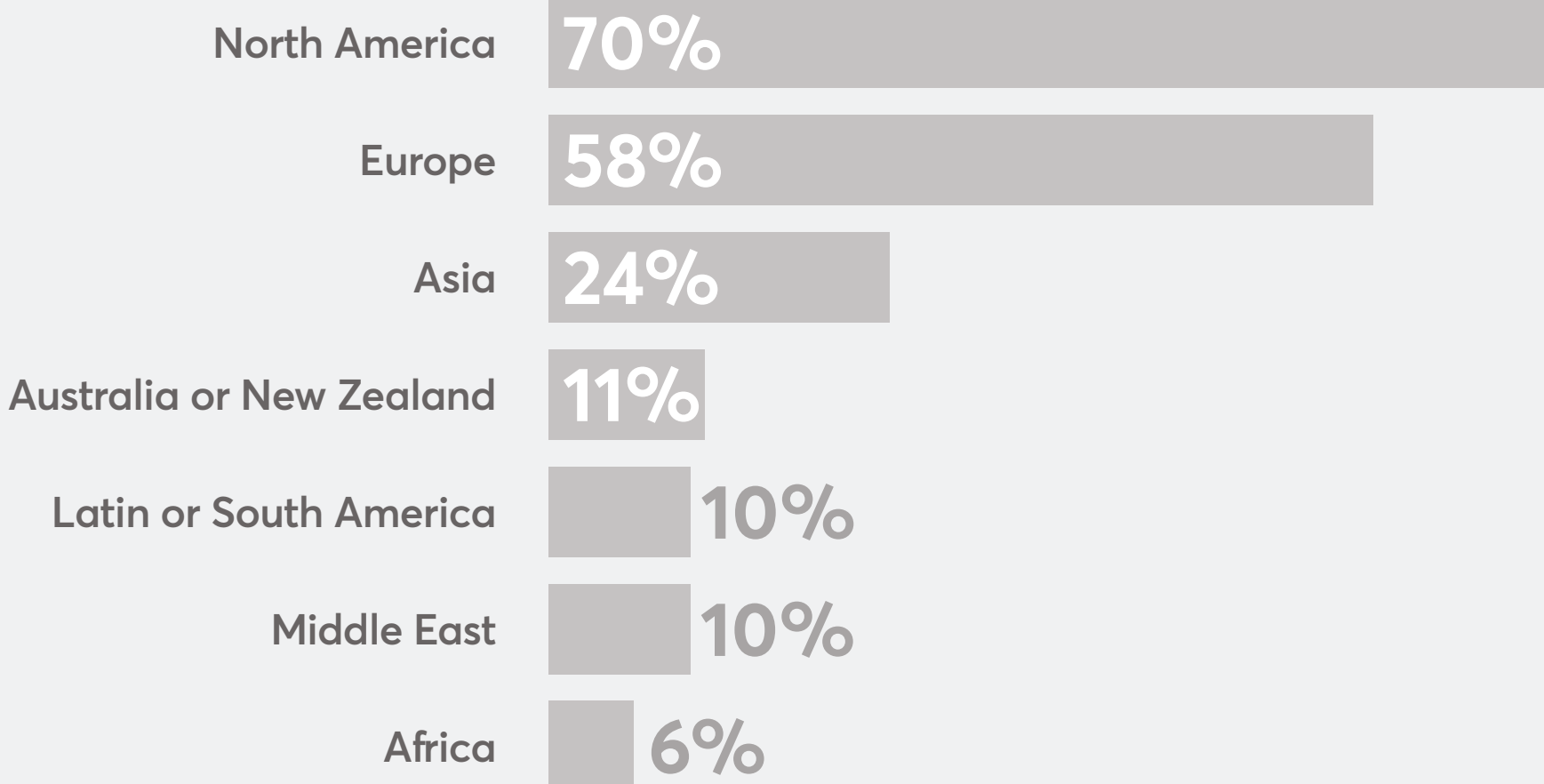


Respondent characteristics

Communications conducted (n=325)



Regions of operations (n=325)



Number of FTE agents (n=325)

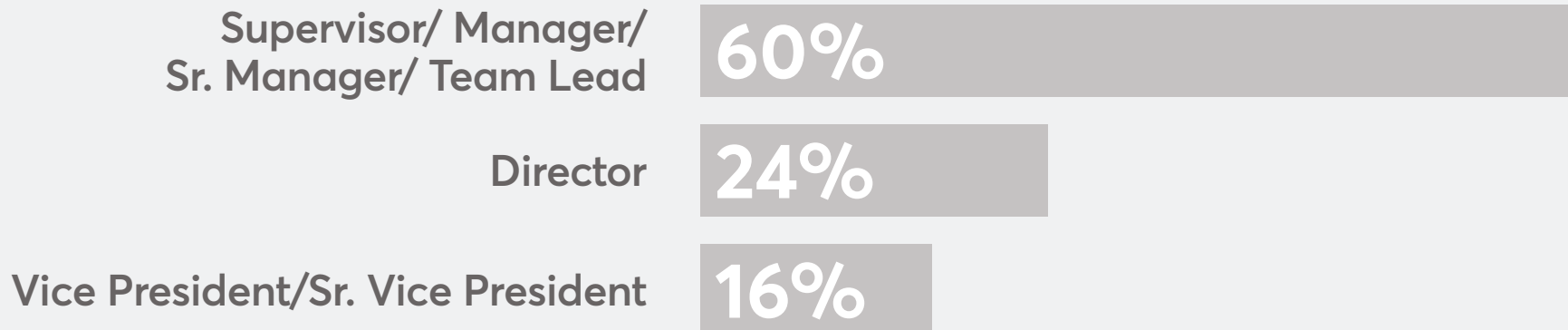


Respondent characteristics

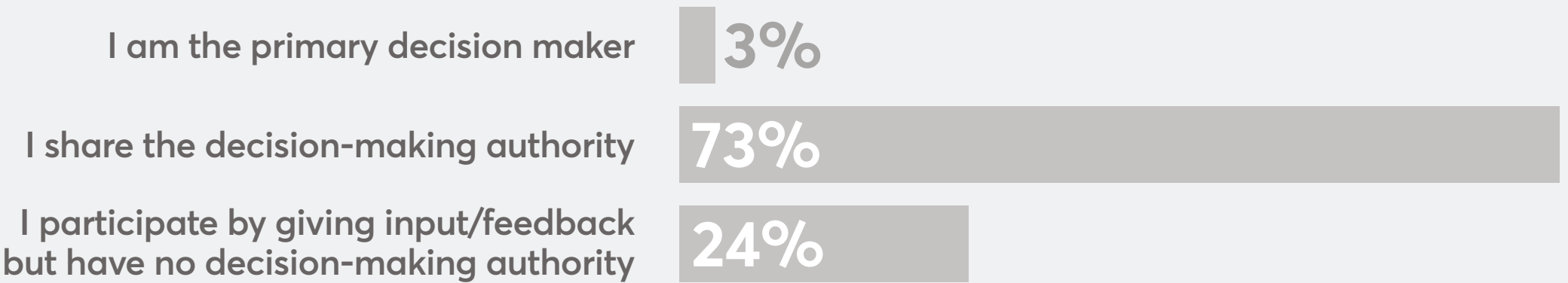
Age (n=325)



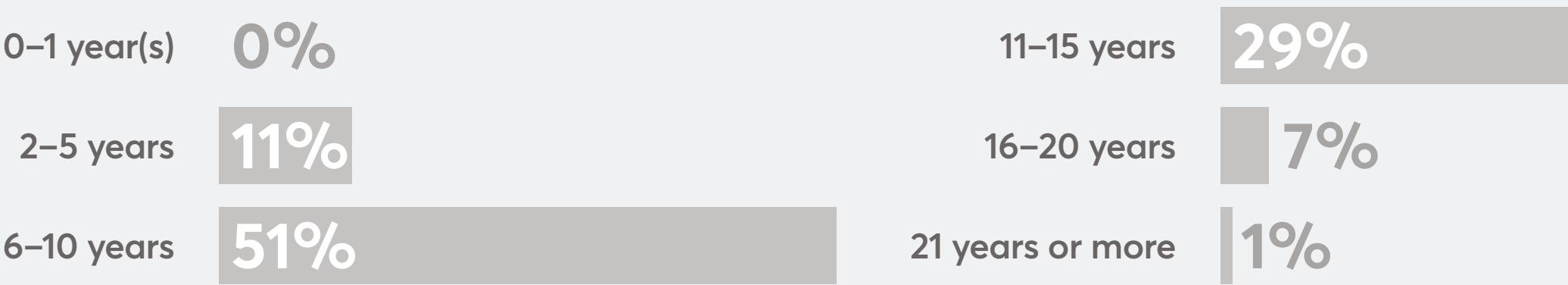
Job role (n=325)



Decision making status (n=325)



Years experience (n=325)



Familiarity with AI solutions (n=325)

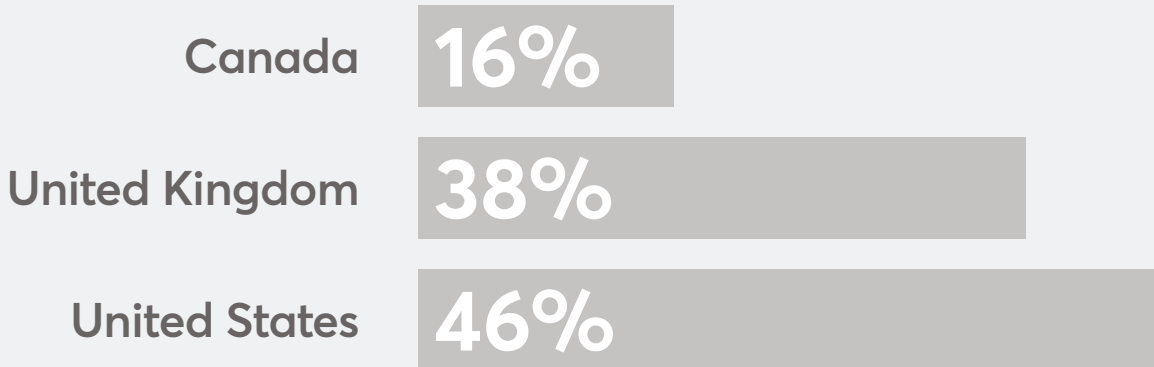


Job function/department (n=325)

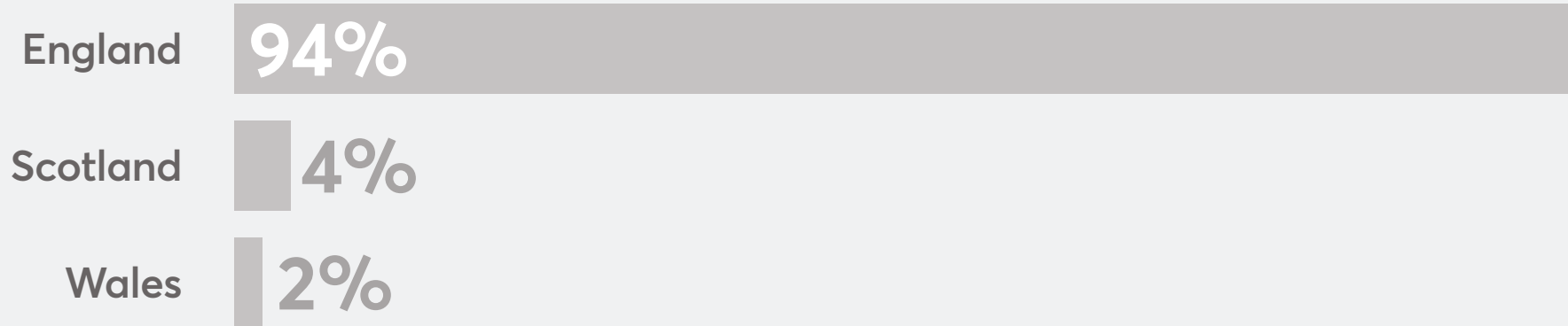


Respondent characteristics

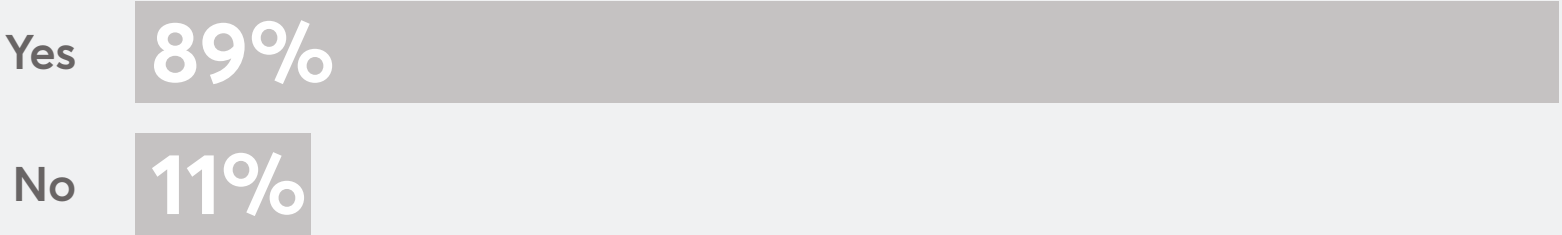
Country headquarters (n=325)



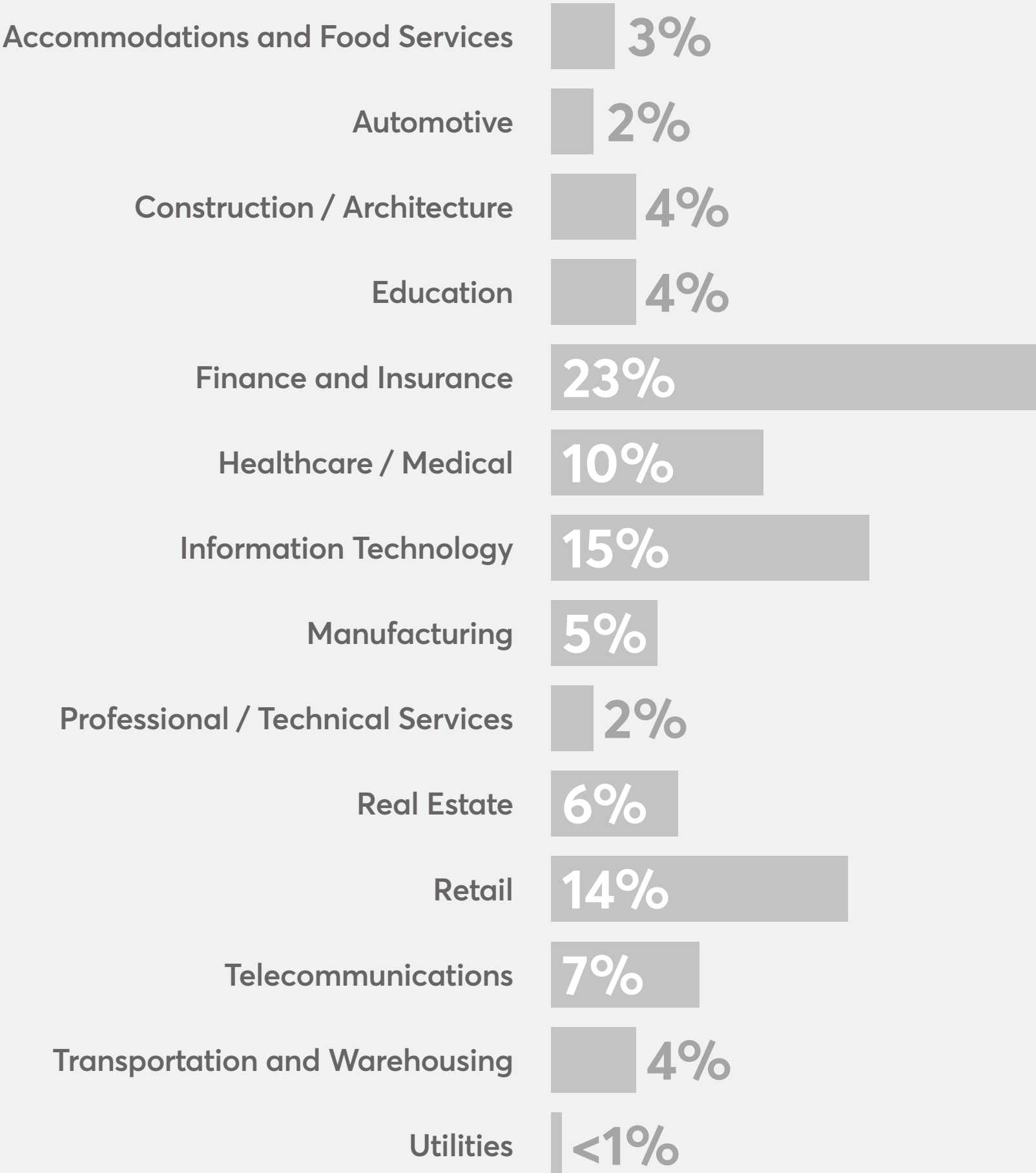
UK headquarters (n=325)



Dedicated IT team (n=325)



Industry (n=325)



Communications for the Customer Obsessed

The companies that get ahead today are truly customer-obsessed. Business leaders know they can't settle for good-enough customer experience or just-okay employee engagement scores. To go above and beyond, they know they need a communications platform built for them. One that unites contact center, voice, video, chat, and SMS and delivers it with the reliability, integration, and expert services only a customer-obsessed company can provide.

At 8x8, we know that it takes great experiences to make new connections, to bring teams together, and to turn prospects into loyal customers. Communications for the customer-obsessed means that we believe in our obligation to provide incredible communications experiences, every time.

[Read more here](#)

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