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Generative AI: Practical Applications for the Contact Center

Leading companies are enhancing customer experience with streamlined interactions and quick problem resolution, among other measurable benefits

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Table of Contents

Executive Summary _____	3
From AI to Generative AI as Business Essential _____	4
Generative AI’s Promise for CX Transformation _____	4
Optimizing customer experience _____	5
Improving the Agent Experience _____	6
Empowering Supervisors _____	6
Optimizing Knowledge Management _____	7
Operational Analysis and Efficiency _____	7
Understanding AI’s Impact on Staffing _____	7
Supporting Generative AI Initiatives _____	9
Achieving Value and Meeting with Success _____	11
Conclusions & Recommendations _____	12

Executive Summary

The last two years have ushered in a significant shift in how companies perceive the use of artificial intelligence (AI) in their workplaces, resulting in a rapid pace of adoption, especially for customer experience (CX) use cases. Generative AI has come on strong, with a sizable increase in use for CX between mid-2023 and early 2024. CX leaders who aren't capitalizing on the opportunities generative AI provides to enhance the customer experience by streamlining interactions and resolving issues more quickly than ever while also boosting agent efficiency may soon find their companies at competitive disadvantage.

As CX leaders plan for or evolve their use of generative AI, they should consider the following:

- Most companies already use AI for customer interactions, or plan to in 2024
- Most companies roundly agree that AI will impact CX, and positively so; spending increases will support AI build-up
- Generating content, whether for customers to read in self-service, marketers to use in creating customer campaigns, or agents to use during customer engagements, is a common starting place for many companies
- Generative AI has a role to play in optimizing customer experience, empowering contact center agents and supervisors, improving knowledge management, and driving up operational analysis and efficiency
- The use of AI, including generative AI, leads to measurable improvements across a wide range metrics, including average handle time, attrition, customer satisfaction ratings, and more

From AI to Generative AI as Business Essential

Not too long ago, many companies balked at the idea of bringing AI into the workplace for a variety of reasons: complexity, cost, lack of expertise, data issues, ethical concerns, to name a few. But my how the tides have shifted. As Metrigy has seen in its latest research, most companies no longer shy away from AI. In our *AI for Business Success 2024-25* global research study, conducted December 2023 through January 2024, 82.3% of 697 participating companies say they've become more accepting of AI's use in their workplaces. Indicative of the growing acceptance, most companies either use AI for customer and employee interactions or plan to do so this year.

To be fair, most are only dabbling with AI at this point. For example, 42.8% of those companies that have applied AI to customer interactions are using it extensively. That's not an insignificant percentage, but it does leave the remainder using AI in just a few areas (43.8%) or running pilots (11.8%). The breakdown is similar for AI's use for employee interactions: 38.4% are using extensively, 46.0% in a few areas, and 12.9% in pilot mode only. Consider this, however: Companies comprising this study's success group (as determined by higher-than-average improvements in business success metrics through the use of AI) are twice as likely to be using AI extensively for these use cases than others. There's value to be had in going all in on AI.

Research success group nearly **2x** as likely to use AI **extensively** for customer and employee interactions

Looking more deeply at the use of AI for CX, 2022 was the big starting point, for all companies as well as those having the most success with AI today. No surprise that adoption tracks to OpenAI's release of its ChatGPT generative AI tool, first for developers in 2020 and for public availability in 2022. With ChatGPT, the idea of using generative AI, a category of techniques and models that respond to natural language prompts to produce text, images, audio, software code, or other media from data on which they've been trained, has become the topic of the day, from the company cafeteria to the corporate boardroom. Google introduced Bard (now Gemini), Microsoft launched Copilot, and so on, and suddenly, the thought of using AI became far less onerous—although certainly not without complexity—and the power and potential became far more evident. Fast movement on the provider front has led to a rapid pace of generative AI adoption. In Metrigy's *AI for Business Success* study, more than 46% of companies say they are actively using generative AI for CX today, up from 27.3% in June 2023. Meantime, 31.3% are planning to begin using generative AI as early as this year or are evaluating use cases.

Generative AI's Promise for CX Transformation

Even with generative AI in its early days, companies already are applying the technology for a wide variety of uses, including these for CX as shown in Metrigy's study:

- Generating content for customers to read in self-service (51.7%), for marketing (50.4%), and for agents to use during conversations (47.0%)

- Text-to-speech/speech-to-text conversions (49.4%)
- Summarizing customer calls (49.0%)
- Coding/application development (47.9%)

Already, most companies Metrigy has studied recognize generative AI as being extremely valuable for everything from optimizing management and administration of applications and devices to generating sales proposals, as shown in the chart below.

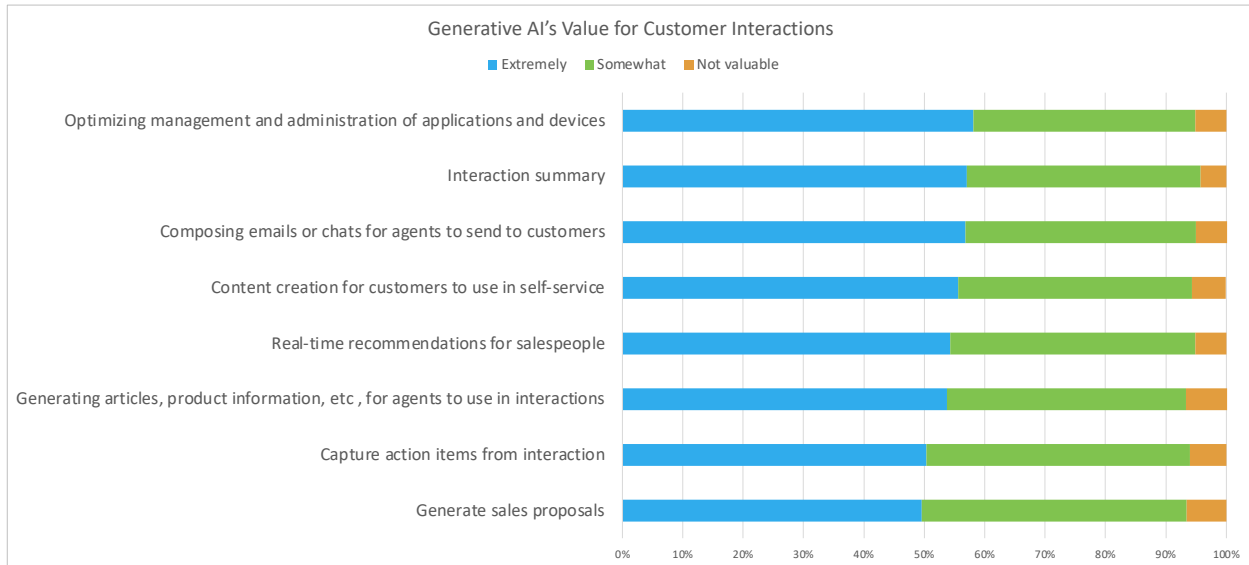


Figure 1: Generative AI's Value for Customer Interactions

But this is just the beginning. Opportunities abound for the use of generative AI throughout the CX ecosystem. For example, 38.8% of companies say they should be using generative AI to review and analyze open-ended comments from customer feedback. Companies that review and analyze customer free-form feedback using AI can more speedily detect issues or common threads than those that require action. Generative AI typically categorizes open-ended feedback and highlights issues that require attention. Moving forward, as machine learning analyzes successful next steps, companies will rely on it to suggest action plans. For common threads, generative AI might suggest how to create a marketing campaign to capitalize on rising interest. Additionally, generative AI could be used to create personalized messaging for customers who provide feedback, whether positive or negative, or to jazz up surveys to increase engagement.

Generative AI has a role to play in optimizing customer experience, empowering contact center agents and supervisors, improving knowledge management, and driving up operational analysis and efficiency.

Optimizing customer experience

Slightly more than 49% of customer transactions start in self-service channels today. However, a significant portion require escalation to live agent: 46.3% by voice and 38.6% by text, according

to Metrigy's research. Adding AI to self-service increases the containment rate. Those who use AI in self-service see about 41% of their interactions resolved within self-service. Generative AI, specifically, has the potential to elevate the self-service experience for customers in a number of ways, thus better enabling resolution without help from a live agent. This starts with support for easy-to-formulate conversational queries that return information, such as knowledge articles or FAQs, or recommendations that aren't just contextually relevant but also personalized based on specific requirements and previous interactions. In addition, when generative AI spots behavior during a self-service interaction that is leading to the likelihood of a required escalation to live agent, it can proactively intervene, making suggestions or issuing alerts. Should a transfer to live agent be required, generative AI keeps working to improve the experience, providing to-the-moment summaries of the interaction for both the customer to verify and agent to review.

Improving the Agent Experience

As noted above, nearly half of companies already use generative AI to create content agents can use during and after customer engagements, as well as for call summaries. This saves agents the time required to write out responses, for delivery during an interaction or in a follow-up email or text, and on post-call work. It also reduces the opportunity to introduce human error.

Additionally, generative AI can elevate onboarding and training:

- Generative AI can tailor onboarding materials to an agent's experience, learning style, and role.
- Analyzing each agent's performance and assessing feedback, generative AI can further personalize training, zeroing in on where an individual needs to improve and creating a program that caters to that person's learning style. As the agent progresses, generative AI can update the training plan.
- For coaching, generative AI can curate learning content particular to each agent's needs. For coaching during live interactions, generative AI can suggest next questions for an agent to ask or actions to take. It can also analyze interactions, and create summaries of an agent's behavior, with feedback on what is working, and what needs improvement.

Empowering Supervisors

Just as generative AI creates post-interaction performance summaries for agents themselves, it can provide similar reports for supervisors, streamlining the review process while spotlighting areas to focus on for coaching. Rather than listening into a handful of calls for each agent each day, AI can listen to all calls. Generative AI then can produce summary reports for supervisors, highlighting areas of focus based on every interaction. It drastically improves quality management.

Additionally, generative AI can assist supervisors in writing agent evaluations, as well as issuing real-time alerts when agents need their guidance. Supervisor assistance is an increasingly important technology, with more than three-quarters of companies saying they would see some value in improved supervisor functions (43.9%) or that they have a significant need to improve supervisor capabilities (31.6%).

Optimizing Knowledge Management

Many companies face a conundrum around knowledge management—they've long known they need to improve their knowledge management discipline, but have not done so, at least not fully. In Metrigy's *AI for Business Success* research, 22.2% of companies say their knowledge management system (KMS) needs upgrading, yet they haven't. Others, 32.3%, have started, but they're still in process; only 30.2% say they've already upgraded their KMS. However, 72.2% of companies say their AI-enabled apps pull content from their KMS.

Companies must get their KMS squared away if they're to optimize the value of generative AI. With a strong knowledge management foundation, companies can then use generative AI to self-curate content on topics that arise during customer interactions, creating new knowledge base articles and FAQs, for example.

As vetted content increases, generative AI has more and more fodder for personalized messaging for customers and guidance for agents. Similarly, generative AI can be applied for identifying knowledge gaps or errors, as well as suggesting additions or updates.

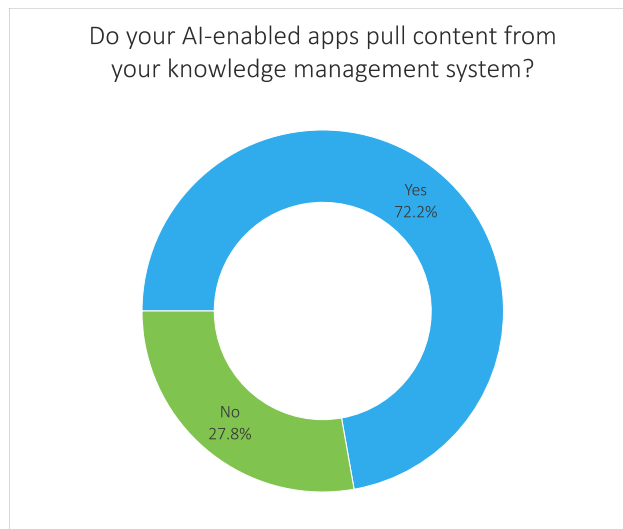


Figure 2: Do your AI-enabled apps pull content from your knowledge management system?

Operational Analysis and Efficiency

Generative AI also can have positive impact on operational analysis and efficiency, including how companies gather and summarize customer feedback, as noted above, and in generating creative ideas. Additionally, generative AI can detect automation opportunities, simplify bot-building activities, and simulate conversations for bot testing.

Understanding AI's Impact on Staffing

Considering the mission criticality of the contact center, optimizing around the use of AI, including generative AI, is crucial—especially considering the state of contact centers today. On average, contact center agents comprise 11.5% of a company's overall workforce. Historically, this segment of the workforce has been highly volatile—and little has changed to date. Our data shows that:

- Contact center turnover/attrition rates are rising, from 21.8% in 2022 to a projected 31.2% in 2024
- Layoffs in the contact center, whether for performance, operational, or other reasons, averaged 24.1% in 2023

But attrition and layoffs aren't the only issues. Factor company growth into the equation, and the situation can worsen. Of the 38% of companies experiencing an agent shortfall, 64.4% attribute the shortage to company growth, whereas 40.0% say they can't find the right people (hence layoffs for some), and 35.0% can't retain existing staff.

Good news, though, comes in the form of AI. Among those companies experiencing an agent staffing shortage due to company growth, 84.2% say AI is filling the gap. AI is augmenting contact center staffing in a variety of ways, including reducing the number of interactions requiring live agent support, shortening the time of calls/interactions, and reducing the time required for after-call work, as shown in the chart below.

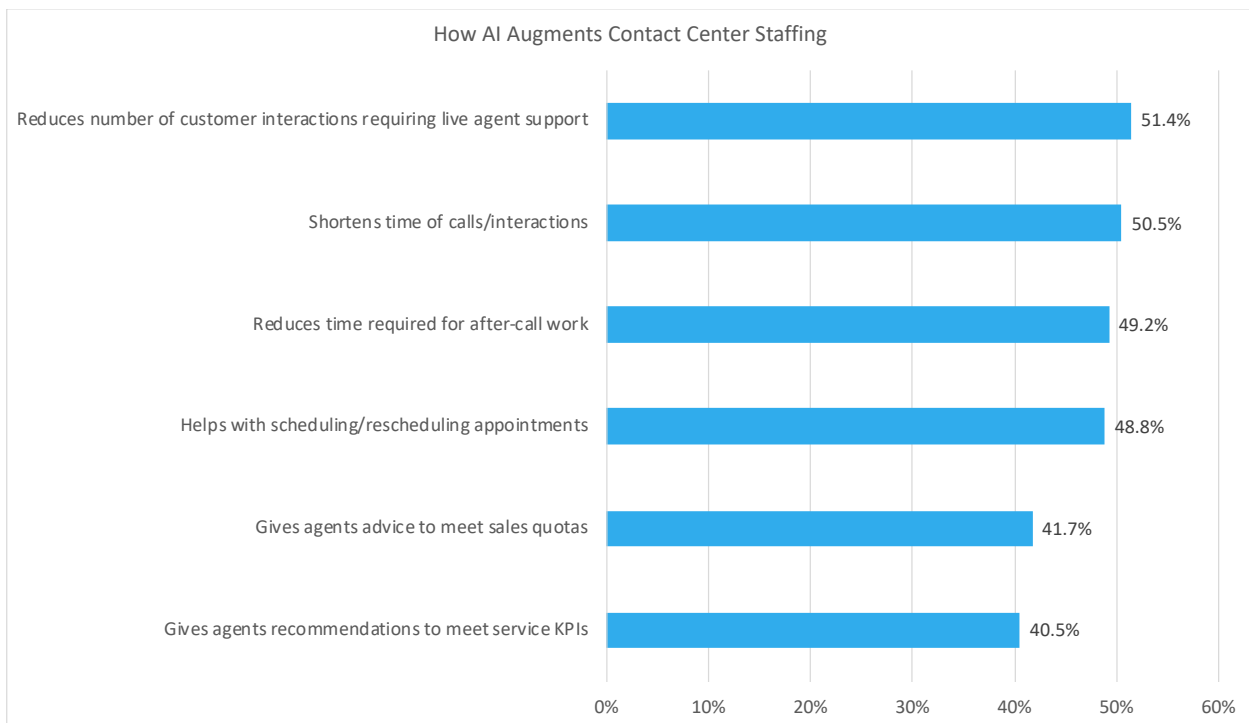


Figure 3: How AI Augments Contact Center Staffing

Additionally, when a company uses AI for CX, its hiring needs in the contact center may very well shrink, as they have for 55.7% of companies Metrigy studied for *AI for Business Success*. In 2023, those who did not use AI hired 89% more agents than those who did use AI. The savings on new hires is particularly noteworthy for the largest companies, with more than 2,500 employees, but companies across the board have benefitted, as shown in the chart on Page 9. However, CX leaders cannot assume that AI will reduce the number of new hires needed. Depending on a company's individual circumstance, it may find no impact on staffing from AI, as 28.7% reported, or it may realize an opportunity to reduce headcount, as 36.8% did—the largest percentage ever tracked in our research.

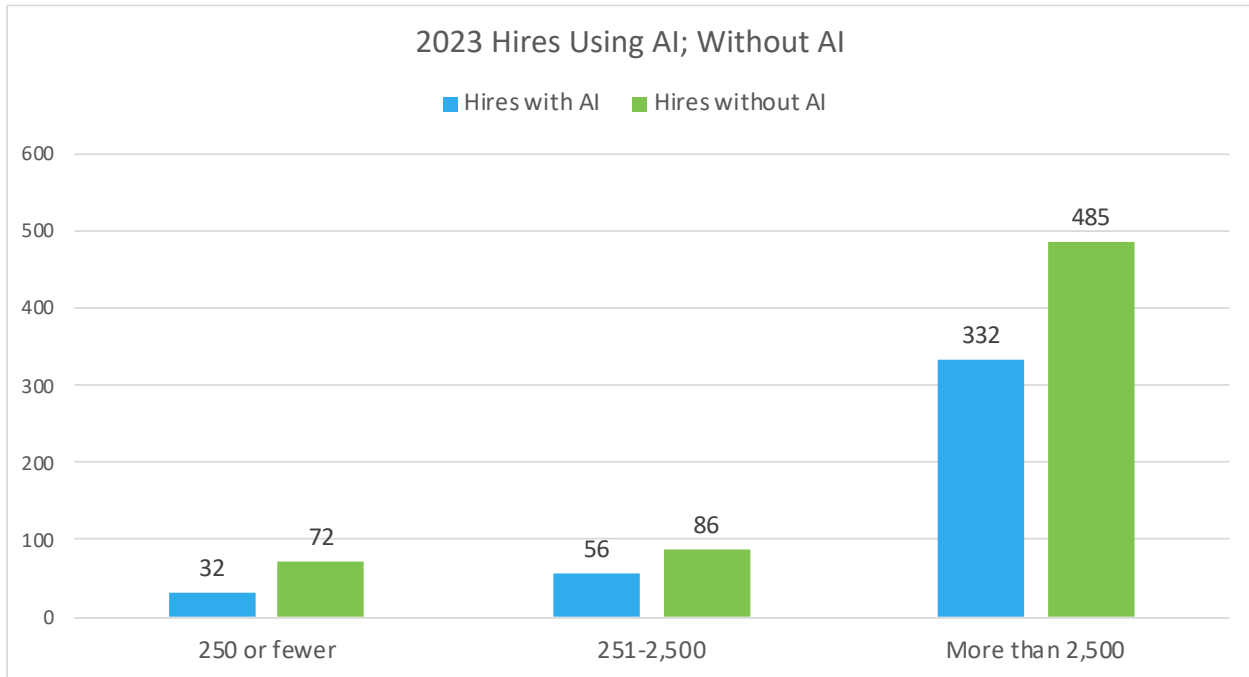


Figure 4: 2023 Hires Using AI; Without AI

Importantly, AI brings about other staffing trends besides a reduction in agent hiring needs and layoffs. It also gives rise to new job opportunities, whether company newcomers or for existing agents, or other personnel, looking to try out new roles or uplevel their responsibilities. Two-thirds of companies say they’re planning to increase the number of data analysts they have on staff, while more than half are doing the same for security analysts, programmers, and data scientists. Increased hiring for content managers is on the horizon for 38.2% of companies. These professionals may be charged with overseeing content created by generative AI, among other responsibilities.

Supporting Generative AI Initiatives

When it comes to the hard-core AI experience, 61.0% of companies Metrigy studied say they already have experts on board. But, 51.7% also rely on their technology platform providers to provide them with AI know-how—and 32.5% even prefer presenting their problems and opportunities to their technology partners and trusting them to figure out the best solution. It behooves CX leaders to take considerable care in deciding which vendors they’d like to work—or rather partner—with as they weigh the addition of generative AI to their portfolios. Options vary, from AI development platform to contact center-as-a-service (CCaaS), communications platform-as-a-service, specialty application providers, and others. Evaluation points should include factors such as availability of analytics tools that show accuracy of AI response, which is a top consideration for 59.5% of companies, as well as experience training models, integration with

multiple data sources, service-level agreements, published data use policies, ethics policy and staff, and interoperability with popular large language models, as shown in the chart below.

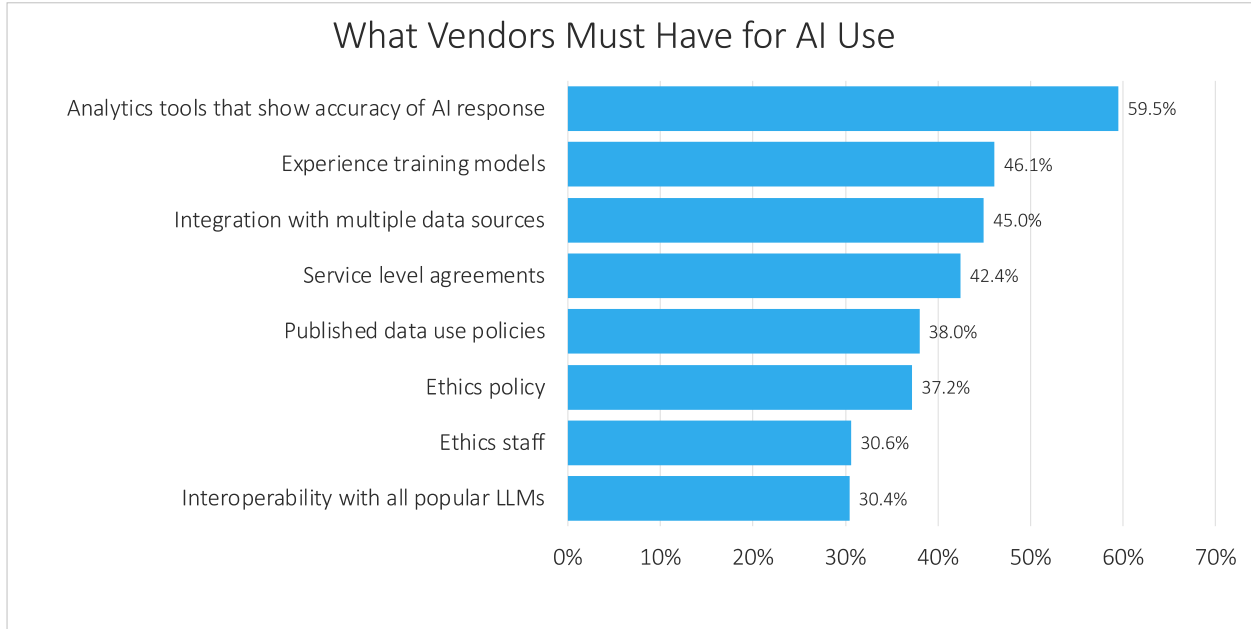


Figure 5: What Vendors Must Have for AI Use

Today, 57.6% of companies are buying or planning to buy AI technology directly from AI platform providers like Amazon Web Services, Anthropic, Google Cloud, Microsoft, and OpenAI. With such a platform, CX tech teams can develop, test, deploy, and update the AI models in use to support customer interactions. Metrigy’s research shows Google Cloud to be the top provider in use today, for 60.8% of companies as well as 72.6% of this study’s success group. In addition, Google Cloud is best positioned to be a trusted advisor for AI for CX, selected as such by 27.4% in an open-ended question simply asking for their one, top-of-mind provider. Google Cloud’s Vertex AI is designed for developing and using various machine learning models, including generative AI applications, and therefore comes with a library of pre-built generative AI models. The study shows, too, that using Google Cloud’s AI platform correlates with success: 27% more successful companies selected this platform vs. unsuccessful companies, as shown on the chart on page 11.

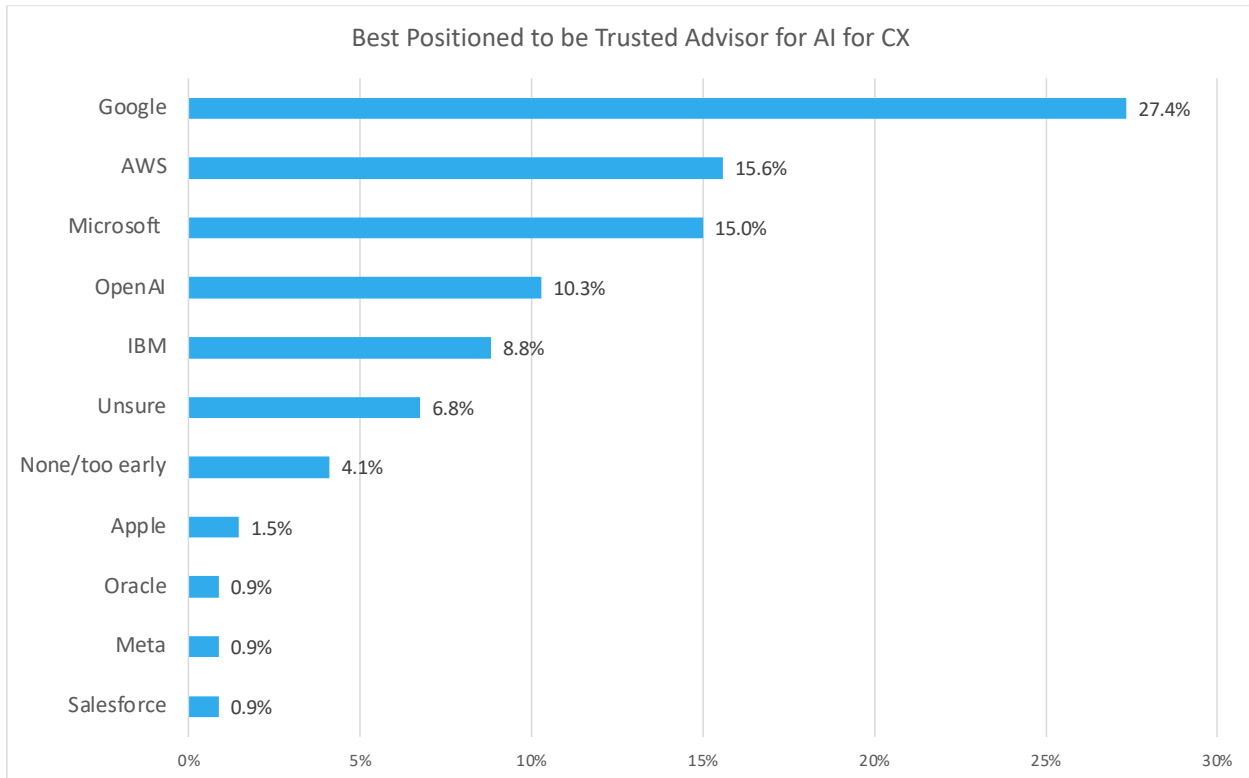


Figure 6: Best Positioned to be Trusted Advisor for AI for CX

Achieving Value and Meeting with Success

As they evolve their AI strategies, the majority of companies plan to increase AI technology spending (not staffing)—spending that Metrigy’s research shows already tallies \$3.3 million, on average, for customer interactions and employee interactions. For CX, top areas of increased spending include agent assist, bots for customer self-service as well as for triaging and intelligently routing customer inquiries to best agent; customer feedback; identity verification/authentication for customers; and workforce engagement management. For the majority, 75.4%, the promise of achieving greater efficiency is the top driver for an increase in AI spending. Meantime, 68.9% want to improve customer satisfaction, and half are driven to increase AI spend as a means of, ultimately, increasing revenue. For all companies, but particularly those in this latter group, the good news is that among those already utilizing AI, nearly half already see a return on investment (ROI). Additionally, another 23.6% expect to realize ROI by the end of this year.

No doubt, AI is poised to impact CX: Nearly 91% of companies say they expect AI’s impact to be at least minimal (38.9%) if not extensive (52.0%). Their biggest expectation for AI’s value for CX is in enabling the ability to respond to customer opportunities and inquiries quickly, followed by assisting humans to be more productive, as shown in the chart on page 12.

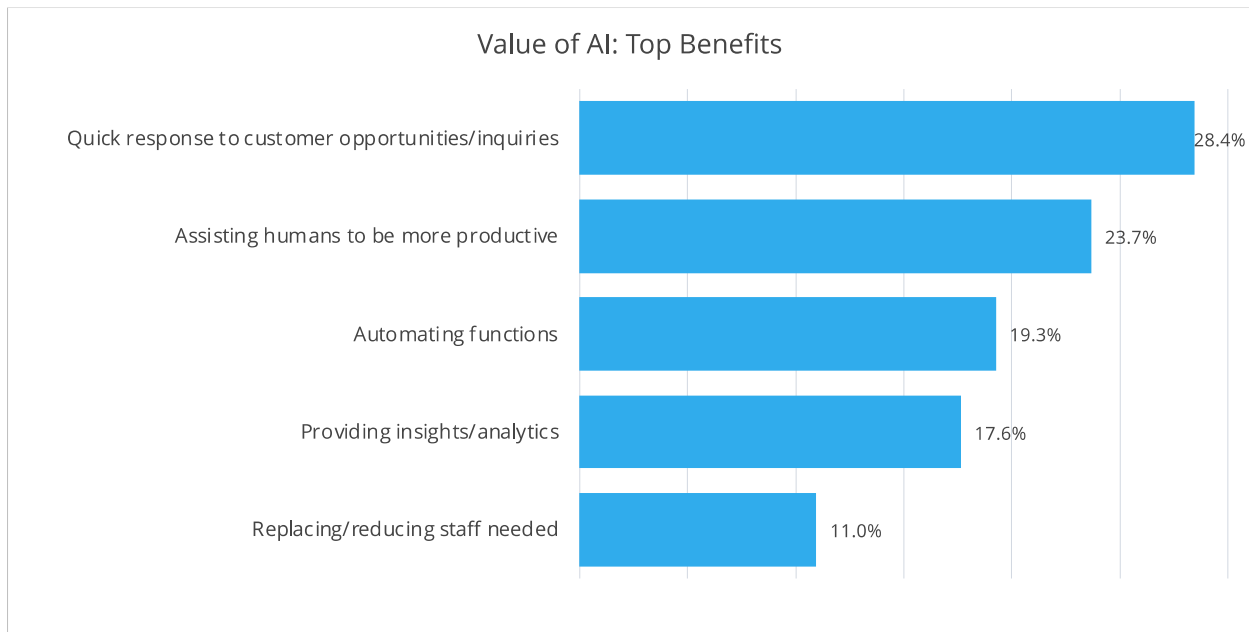


Figure 7: Value of AI: Top Benefits

Metrigy’s research clearly shows that with a well-thought-out strategy and smart decision making on AI technology, including generative AI, businesses will be able to deliver on these goals. Use of AI netted measurable improvements in a variety of metrics, as reflected in the following averages for all companies and minimums for inclusion in the success group:

- 31.0% reduction in time spent on after-call work
- 29.5% improvement in average handle time
- 35.6% bump in sales
- 28.8% drop in attrition
- 39.2% improvement in customer satisfaction rating
- 41.1% interactions resolved

Little wonder, then that overall, 95% of companies say the impact AI has had on their companies is positive.

Conclusions & Recommendations

Generative AI promises to usher in far-reaching change within the contact center, be that in allocating spending; adjusting hiring requirements and rethinking roles; forging partnerships with AI providers; or realizing significant improvements to business metrics. Leading companies are not shying away from use of generative AI, and others shouldn’t, either. CX leaders must take the opportunity generative AI affords them today to adopt technology and implement processes that will help them achieve two dominant, and all-important goals: quickening the pace at which their companies are able to respond to customer opportunities and inquiries, and boosting the efficiency of their contact center agents, while also improving their experience.

Metrigy recommends the following:

- Companies that haven't yet begun using AI of any kind need to reassess their strategy and find entry points—i.e., identify business use cases, vet the current contact center provider's offerings and alternatives, and begin small pilot tests.
- Companies already using AI but not generative AI should strategize around how to evolve their strategies to include the latter. Content generation, for customer self-service and agent assist use cases, is a good starting point, as is post-interaction content summarization.
- Think beyond optimizing the customer or agent experience. Generative AI also has a role to play in improving knowledge management and driving up operational analysis and efficiency.
- If your company hasn't revisited its knowledge management system for the new age of generative AI, initiate and fast-track plans to do so. Don't shortchange your company's ability to deliver on generative AI goals by not addressing knowledge management system shortfalls.
- Closely assess AI budget against near- and short-term plans for AI applications and adjust spending plans accordingly. Don't scrimp on spending; most companies are planning to increase spending on AI for CX, and the research success group spends more than the non-success group.
- Understand how AI can impact staffing requirements, not only for agents but also other roles, such as data analysts and content managers.
- Measure for success! The use of AI, including generative AI, leads to measurable improvements across a wide range metrics, including average handle time, attrition, customer satisfaction ratings, and more. Having solid metrics to share can ease the budgeting process.

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