

DMG
CONSULTING LLC

2024



Contact Center and AI Goals and Investment Priorities for 2024 Summary of Findings

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I. Executive Summary


For the past 9 years (except for 2019), DMG Consulting LLC (DMG) has conducted a worldwide survey of enterprise, customer experience (CX), contact center, and customer service executives and managers to identify their top business and technology investment priorities for the coming year. This survey was conducted in December 2023 to capture business leaders' current plans for the new year. The findings from this year's survey reflect the ongoing commitment of company executives and leaders to enhance the CX, but with an increased emphasis on automation and improving productivity. Company and contact center leaders are turning to artificial intelligence (AI) to achieve these mutually essential corporate goals. This primary research study shows that most global companies are already investing in AI or plan to by the end of 2024, as leaders see it as their path to enhancing the CX while reducing operating expenses and improving employee engagement.

II. Study Findings

The findings and charts in the *Contact Center and AI Goals and Investment Priorities for 2024* study tell a positive story about the future of contact centers. While the pace of investment will continue to be influenced by economic conditions, the study shows companies do plan to invest in AI and automation. This will enable enterprises to change the trajectory of their contact centers and service organizations to better position them to achieve essential corporate goals, including improving the CX and reducing operating costs.

For the first time in DMG's annual survey results, the number one contact center business goal and technology investment priority for calendar year 2024 is to enhance self-service systems, which tied with improving the CX. It helps that self-service capabilities are both a top request from customers, who increasingly prefer to help themselves instead of interacting with an agent, and a proven way to reduce operating costs. Tied for the top contact center business goal for 2024 is improving the customer experience. This item has been the first business priority in each previous year's survey results; however, its equal standing with enhancing self-service reflects an acknowledgment by contact center leaders that more tactical, operational, and system changes are necessary to alter the course of their contact center.

The second business goal is improving productivity, and the third is reducing operating costs. This aligns perfectly with planned technology investments in workforce management (WFM), knowledge management (KM), and interaction analytics (IA), the second-, third-, and fourth-place priorities, respectively. In order to efficiently support digital and asynchronous interaction handling, contact centers need enhanced and AI-enabled WFM solutions that are able to address the unique characteristics of these types of inquiries. Knowledge management applications are essential for supporting self-service capabilities, live agents, and AI initiatives that require a large repository of



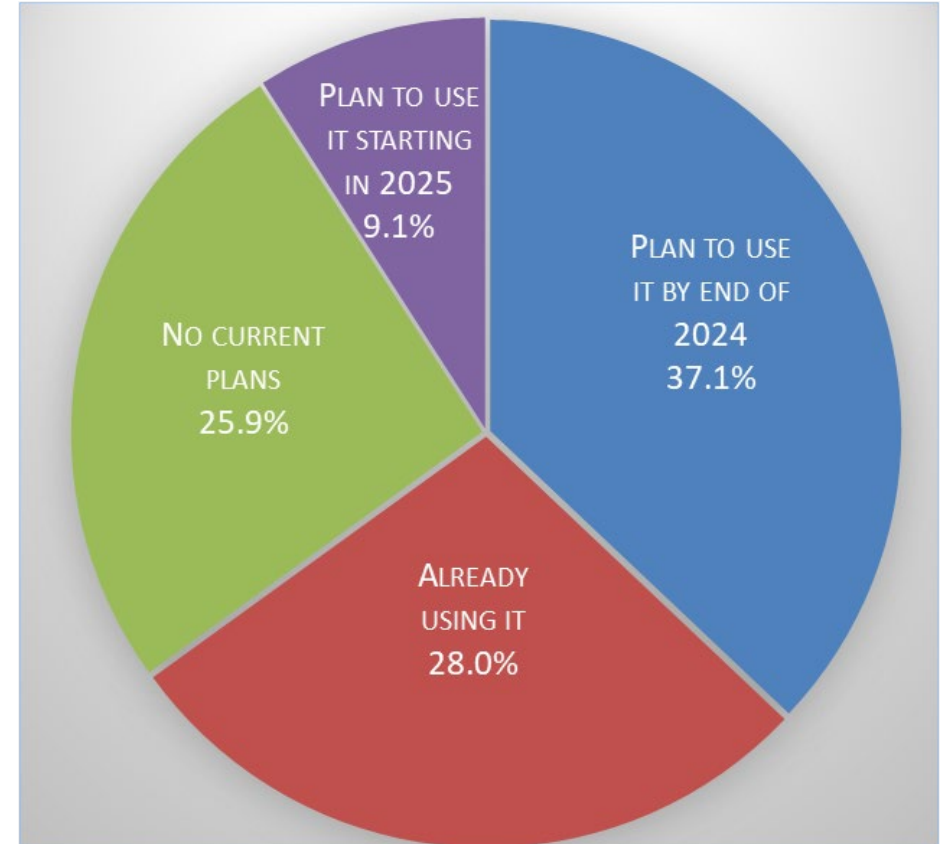
corporate knowledge and information to address customer inquiries. IA, another AI-based application, is viewed as mission-critical to providing insights into customer intents, needs, wants, emotions, and much more. It is also an underlying technology for an emerging group of AI-enabled solutions including real-time guidance, next-best-action, analytics-enabled (automated) quality management, and post-interaction summarization. 2024, and the following few years, are expected to be transitional for contact centers, as they make the investments to build a new generation of servicing infrastructure based on AI technology.

II.1 Are Contact Centers Ready for AI?

Artificial intelligence is the leading topic of conversation for business executives and IT leaders due to its untapped (and unknown) potential to change the world as we know it. This is what makes it both potentially great and very risky. When AI is used in conjunction with intelligent business automation/workflow, it can perform many CX, customer service, and contact center tasks that were previously reliant on live employees. Of equal importance, AI can improve the accuracy, quality, and speed at which these activities are completed, and it is more reliable and less expensive than its human counterparts. This is not to say that the goal of AI implementation in contact centers and other people-intensive customer-facing operating areas is to reduce the need for live employees. However, it delivers a welcome outcome and benefit for many companies by positioning them to scale these departments to address the ever-increasing and demanding need for service and support.

Figure 1 answers an important question about the state of AI readiness in contact centers. It shows that as of the end of calendar year 2023, 28% of contact centers were already using AI technology, e.g., for self-service, customer relationship management (CRM), WFM, IA, KM, etc. Another 37.1% of contact centers plan to invest in AI to enhance their operating environment by the end of 2024, bringing the total percentage of contact centers using these emerging capabilities to a very significant 65.1% within a few short years. This represents the fastest adoption of any technology in the over-45-year history of contact centers.

Figure 1: Contact Center AI Readiness



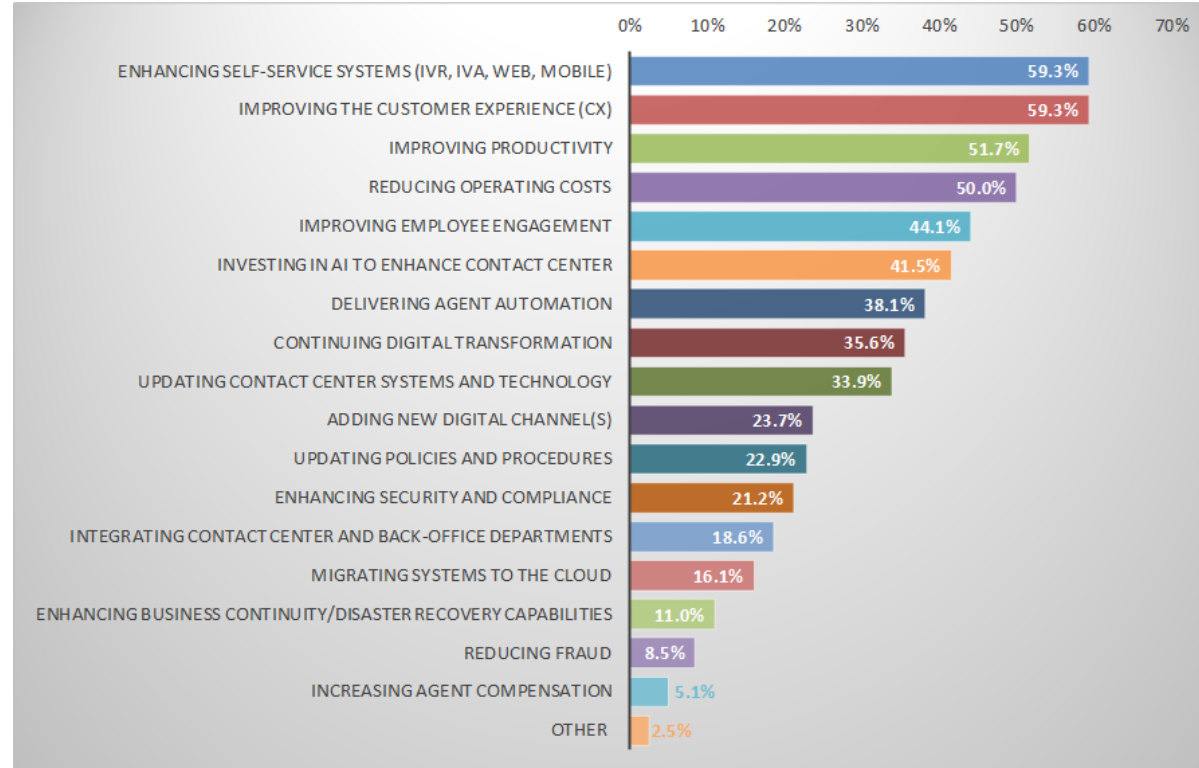
Source, DMG Consulting LLC, January 2024

II.2 Contact Center Goals/Priorities for 2024

Enhancing self-service systems to enable customers to help themselves is tied for the top contact center business goal in 2024, as reflected by 59.3% of survey respondents. This item sets the stage for contact centers and customer service organizations for the year. Customers are choosing to self-serve as long as the systems work, and enterprises strongly prefer that customers take care of their own issues as it reduces the need for live agents, who are substantially more expensive and challenging to staff and manage than automated bots. It makes sense that improving the customer experience tied as the first-place goal in 2024, as executives appreciate that delivering a highly effective and accurate self-service experience is a top requirement these days.

The next three goals may initially appear contradictory, but they are 100% aligned given the complexity and scale of contact centers. Improving productivity came in second, with 51.7% of responses. Reducing operating costs, which has always been paired with improving productivity in DMG’s annual goals surveys, came in third place, selected by 50% of respondents. And improving employee engagement was ranked as the fourth priority in 2024, selected by 44.1% of respondents. Agent engagement is enhanced when simpler inquiries are automated, as they can spend their time helping customers with more complex issues. This is another reason why self-service is a priority for contact centers. Plus, it delivers the added benefits of increasing agent productivity and reducing the cost of service. See Figure 2.

Figure 2: Top Contact Center Goals/Priorities for 2024

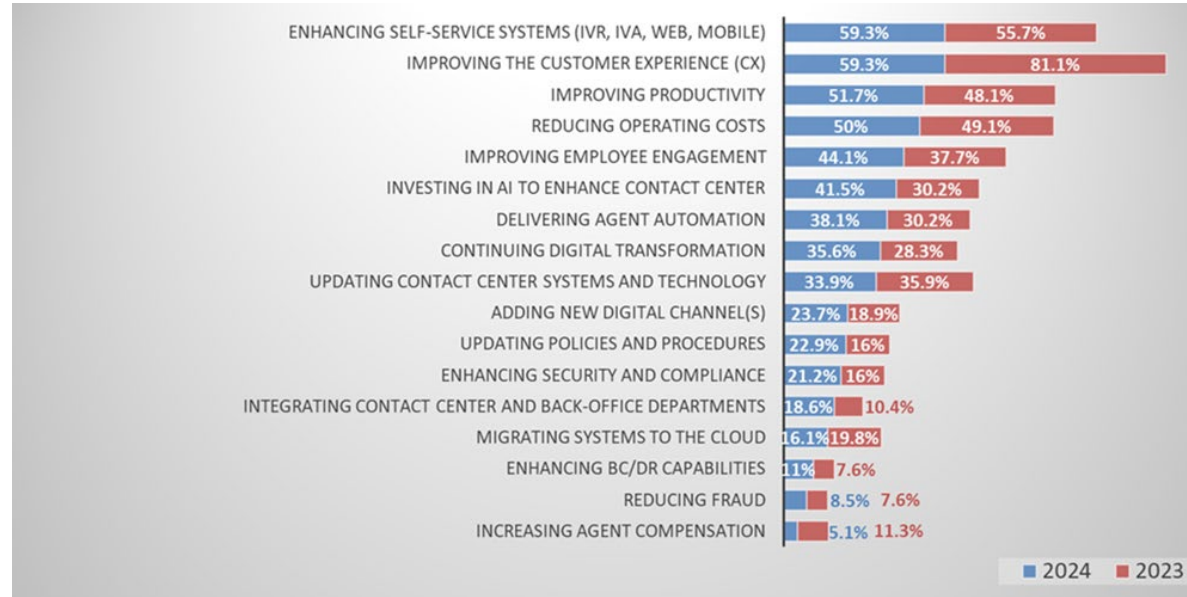


Source, DMG Consulting LLC, January 2024

II.3 Changing Contact Center Goals/Priorities, 2024 vs. 2023

Executives are dedicated to improving the CX, but after years of making similar investments without substantial and sustained improvement, it is clear that a new approach is needed. Figure 3 reflects the reality of the situation, as the top priority for contact centers in 2024 is to enhance self-service systems and improve the CX. Each of these goals was selected by 59.3% of respondents, indicating their interdependency. But this is only part of the story; improving the customer experience was the clear priority for executives for the past 8 years in which DMG conducted this survey, and it really stood out in 2023 when it was selected by 81.1% of respondents. For 2024, a substantially smaller 59.3% of survey participants selected it as a goal. At the same time, enhancing self-service increased year-over-year from 55.7% to 59.3%. This dual shift reflects an appreciation of the need for contact centers to change their approach to delivering great service, particularly now that AI and automation are giving them new tools to address this challenge. The next two priorities, improving productivity and reducing operating costs, are ranked slightly higher in 2024 than in 2023, indicating that executives continue to appreciate the need to achieve these goals. The fourth priority for 2024 is improving employee engagement, which was identified as a goal much more frequently for the current year, 44.1%, as opposed to 37.7% in 2023. Of the fifth and sixth goals in Figure 3, investing in AI to enhance the contact center, was selected by 41.5% of survey respondents in 2024 vs. 30.2% in 2023; delivering agent automation was chosen by 38.1% of survey participants in 2024 compared to 30.2% in 2023. Executives are going to use AI and automation to help them achieve their highest-rated goals for the year. See Figure 3.

Figure 3: Contact Center Goals/Priorities, 2024 vs. 2023

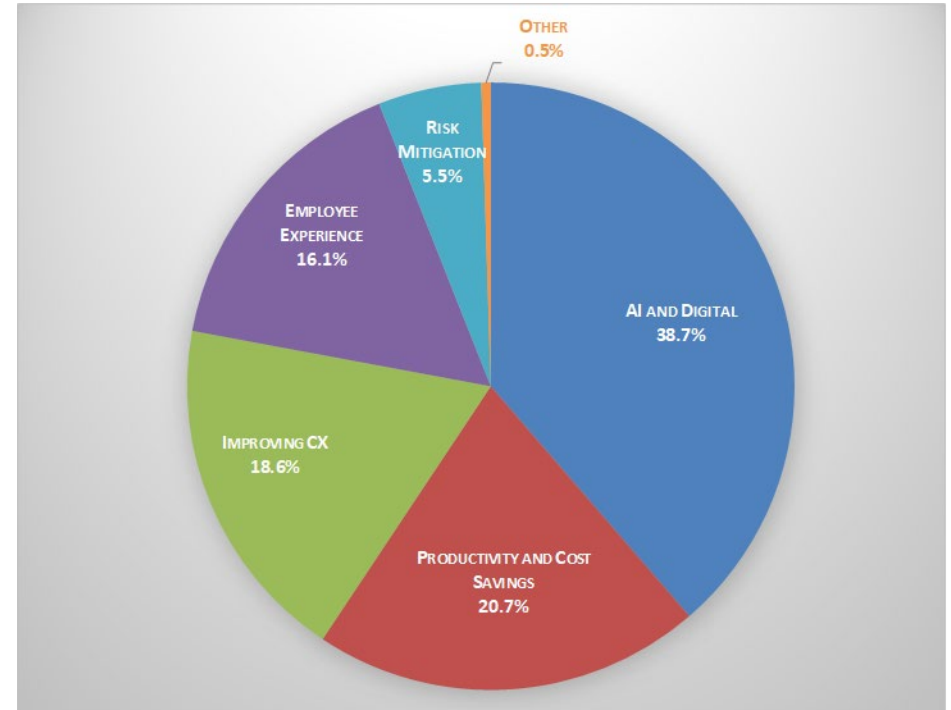


Source, DMG Consulting LLC, January 2024

II.4 2024 Contact Center Goals/Priorities, by Category

Enterprise and contact center leaders are committed to improving the CX, but many of the initiatives they tried during the past few years have not delivered the desired results. In 2024, executives are taking a broader approach to improving the service experience. Contact centers plan to concentrate on addressing the following 5 goal categories during the year: AI and digital (38.7%), productivity and cost savings (20.7%), improving CX (18.6%), employee experience (16.1%), and risk mitigation (5.5%). See Figure 4. The overarching focus is on using AI and digital initiatives to drive improvements in productivity, cost, the CX and EX, and to mitigate risk. (See Appendix A for a breakdown of goals included in each of the categories in Figure 4.)

Figure 4: Top 2024 Contact Center Goals/Priorities, by Category

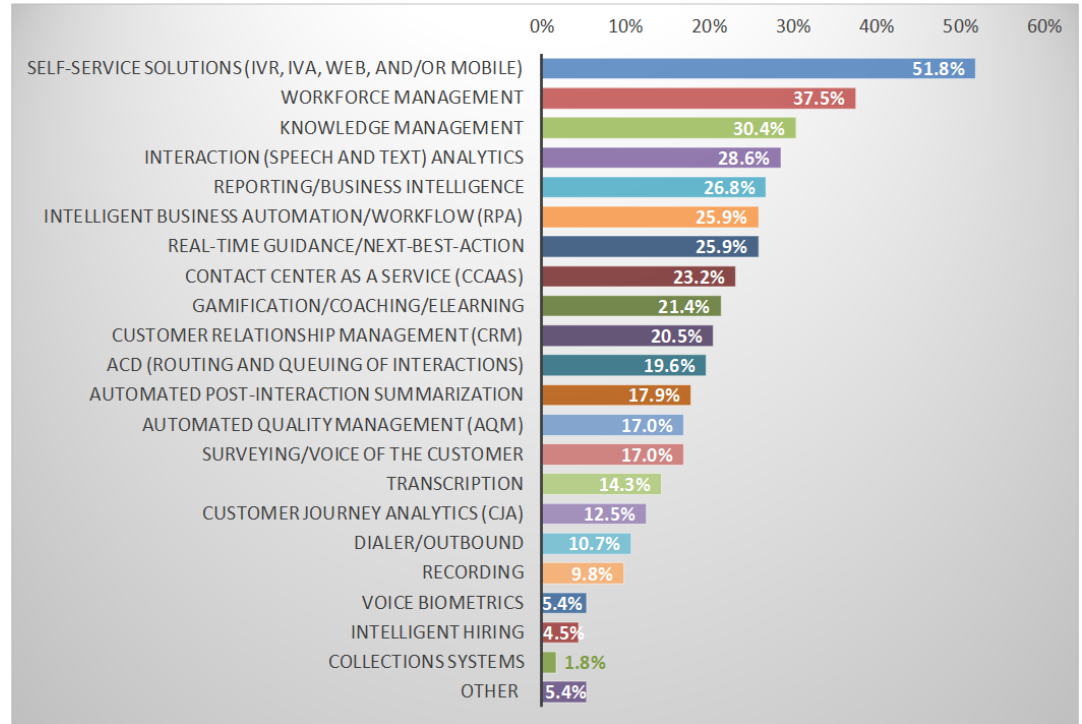


Source, DMG Consulting LLC, January 2024

II.5 Contact Center Technology/Application Investment Priorities for 2024

Figure 5 shows that contact centers have over 21 technology and application investment priorities in calendar year 2024, most of which are AI-enabled. Self-service solutions are the top requirement for the year, identified by 51.8% of survey participants. Enterprise and contact center leaders are committed to delivering a greatly enhanced generation of conversational AI (CAI)-enabled omnichannel intelligent virtual agents (IVAs). Workforce management, in second place, was selected as an investment priority by 37.5% of survey participants. Contact center digitalization is driving many new system needs, and WFM is key as these departments strive to effectively forecast and schedule agents to handle both synchronous and asynchronous interactions. Knowledge management came in third place, selected by 30.4% of survey respondents as a top application requirement for calendar year 2024. These solutions help agents, particularly the new generation of KM applications that are context-sensitive and AI-enabled. They are also used as an information source to support self-service and AI initiatives. Interaction analytics, another AI-based solution, was selected by 28.6% of survey participants, making it the fourth-highest system priority for the year. 26.8% of respondents indicated they plan to invest in reporting/business intelligence enhancements. This is an evergreen topic that appears in the top 10 list of contact center investments most years. Intelligent business automation/workflow and real-time guidance/next-best-action, two more AI-based applications, tied for sixth place, with 25.9% of survey responses.

Figure 5: Top Contact Center Technology/Applications for 2024



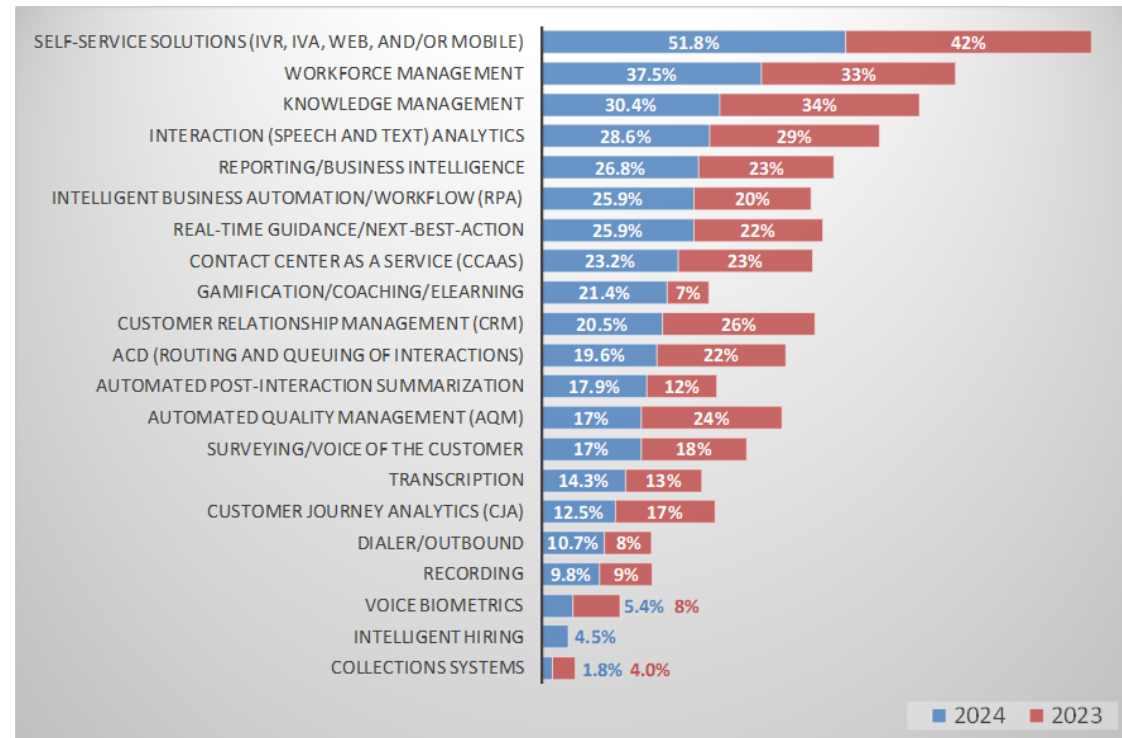
Source, DMG Consulting LLC, January 2024

II.6 Changing Contact Center Technology/Application Investment Priorities, 2024 vs. 2023

Due to economic concerns, many enterprises delayed technology investment decisions in calendar year 2023, reflected by extended buying cycles which are now 9 to 18 months for large-ticket items, compared to 6 to 12 months in the prior year. However, since companies are counting on the anticipated benefits from investments in AI-enabled systems, DMG expects to see a greater and slightly more rapid deal flow in 2024 than 2023. Most investments will be in AI and digital technologies, and in many cases, the combination of the two. As seen in Figure 6, interest in enhancing self-service solutions continues to grow, as reflected by the number of survey respondents selecting this category, 51.8% for 2024 vs. 42% for 2023. Incorporating digital and asynchronous channels into contact centers means WFM vendors need to deliver enhanced solutions to support interactions that start and stop over an extended period, pivot between channels during the same conversation, and ones in which agents respond to multiple concurrent interactions. It's for these reasons, and more, that interest in purchasing an enhanced WFM solution has increased to 37.5% for 2024 from 33% in 2023. Anticipated investments in intelligent business automation/workflow and real-time guidance (RTG)/next-best-action (NBA), two AI-enabled systems, have grown substantially in the past year. All four of these applications, self-service, WFM, intelligent business automation/workflow, and RTG/NBA are designed to improve the CX and productivity, along with enhancing the employee experience (EX). The survey also shows a strong increase in gamification/coaching/eLearning tools since 2023, when only 7% of survey respondents identified these types of solutions as a priority, compared to 21.4% for 2024.

Investments in contact center as a service (CCaaS) came in seventh place, having been identified as a system priority by 23.2% of survey participants. Based on discussions with many contact centers and vendors, DMG expects to see continued adoption of CCaaS, despite its position in this survey.

Figure 6: Contact Center Technology/Application Investments, 2024 vs. 2023

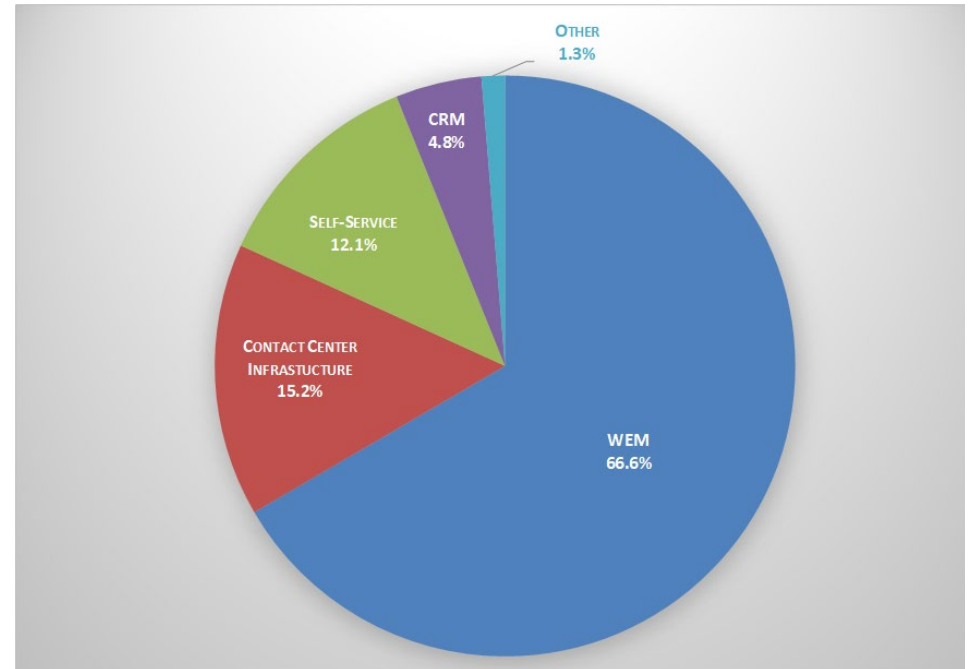


Source, DMG Consulting LLC, January 2024

II.7 2024 Contact Center Technology/Application Investment Priorities, by Category

Figure 7 combines the planned contact center technology/application investments for 2024 into 4 primary categories: workforce engagement management (WEM), contact center infrastructure, self-service, and CRM. 66.6% of survey respondents plan to invest their contact center technology budget in WEM-related systems and applications to help them achieve their business objectives during the year. This category includes 14 different WEM applications; the top 5 for the year are WFM, KM, IA, reporting/business analytics, and intelligent business automation/workflow. (See Appendix B for a complete list of 2024 technology/investment priorities, by category.) Planned investments in contact center infrastructure, which includes automatic call distributor (ACD), CCaaS, recording, collections, and dialer/outbound solutions, is the second-largest category for technology/applications in 2024, as reflected by 15.2% of survey respondents. Self-service, which survey respondents identified as their top technology/application investment for 2024, as seen in Figure 5, drops to third place, when viewed from the category perspective. (Self-service is the only solution in this category.) And CRM comes in fourth place, selected by 4.8% of survey respondents. It is also the only system in its category.

Figure 7: Top 2024 Contact Center Technology/Application Investment Priorities, by Category

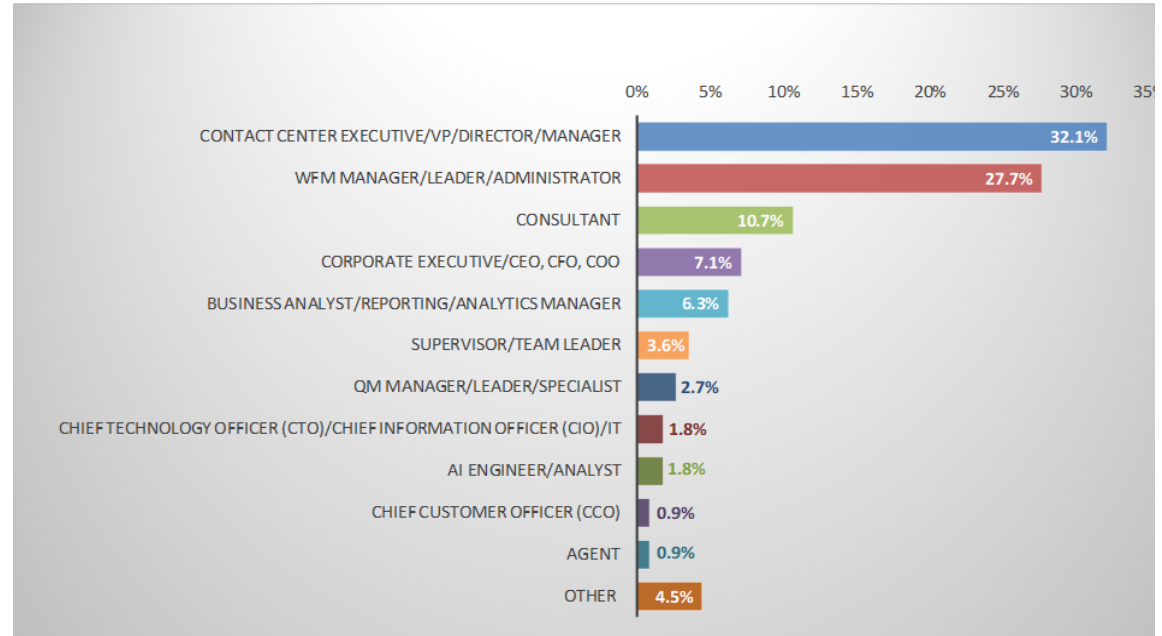


Source, DMG Consulting LLC, January 2024

III. Survey Demographics

The survey asked participants to specify their role to provide perspective into the value and validity of the findings. (In prior years, we also asked for input regarding each participant's industry, but eliminated this question to reduce respondents' time and effort.) Figure 8 displays the job responsibilities of the individuals who participated in this study, underscoring the relevancy of the findings. 32.1% of survey participants were a contact center executive/VP/director/manager; 27.7% were a WFM manager/leader/administrator; 10.7% were consultants; 7.1% were a corporate executive/CEO/CFO/COO; 6.3% were a business analyst/reporting/analytics manager; 3.6% were a supervisor/team leader; 2.7% were a QM manager/leader/specialist; 1.8% were a chief technology officer (CTO)/chief information officer (CIO)/IT; another 1.8% were an AI engineer/analyst; 0.9% were a chief customer officer (CCO); another 0.9% were agents; and 4.5% fell into another personnel category.

Figure 8: Role of Survey Respondents



Source, DMG Consulting LLC, January 2024

IV. Final Thoughts

Contact centers are entering the most exciting period in their 50-year history, driven by AI, automation, and digitization. In the past, new and enhanced technologies and applications came to market to help contact center and customer service leaders and managers achieve specific goals, which is why there are now 45 – 50 different systems that can be deployed in these operating areas. Each system contributed to the operation, but none changed the departments' overall trajectory and performance. As volumes scaled, channels expanded, and contact center requirements grew more sophisticated, it became increasingly difficult to alter the performance of these critical customer-facing departments that are held responsible for delivering a great CX.

In late 2018, artificial intelligence technology started to enter the contact center industry, and it quickly became clear there were many ways in which it could benefit these departments. Soon after, DMG recognized that AI and automation could provide the framework, intelligence, and an overarching group of applications to enable contact centers to better utilize existing systems to achieve their mission of cost-effectively delivering a great CX. The concept of the AI brain/hub was born, positioning companies to begin reimagining the possibilities for contact centers and the role these mission-critical functions play. For the first time, it wasn't about optimizing one contact center component, function, or system; instead, there was an opportunity to put a mechanism in place to better orchestrate most operational aspects. AI together with automation are key to next-generation contact centers that should look very different than they have for decades.

The findings from DMG's study of contact center/customer service/CX goals and technology/application investment priorities for 2024 show that companies are coming into the year with a fresh perspective and an appreciation that improving the CX requires an alteration of their contact centers' underlying infrastructure and capabilities. After years of saying that delivering a great CX is their top goal, companies are doing a better job of listening to their customers and planning to make investments to achieve this objective. It helps that the gap between what organizations and customers want is narrowing, as both would like better self-service capabilities, albeit for different reasons. Contact center and service managers and leaders are prioritizing the delivery of enhanced self-service capabilities for their customers (and agents), an important step in improving both the CX and EX while increasing productivity. AI technology and automation are enabling a new generation of intelligent virtual agents and related systems to automate a growing volume of the work that previously had to be handled by live agents. This provides companies with a practical and cost-effective alternative to hiring additional employees to address the expanding number of inquiries that have consumed much of their attention and resources, giving them an opportunity to reimagine and revamp their contact centers and service organizations.

Appendix A: 2024 Contact Center Goals/Priorities for Each Category

Below is a breakdown of the contact center priorities that comprise each of the 5 major goal categories for calendar year 2024.

<i>Top 2024 Contact Center Priorities, by Category</i>	
Category	Percent
AI and Digital	
Enhancing self-service systems (IVR, IVA, web, mobile)	
Investing in AI to enhance contact center	
Continuing digital transformation	
Updating contact center systems and technology	
Adding new digital channel(s)	
Migrating systems to the cloud	
Subtotal	
Productivity and Cost Savings	
Improving productivity	
Reducing operating costs	
Enhancing business continuity/disaster recovery capabilities	
Subtotal	
Improving CX	
Improving the customer experience (CX)	
Updating policies and procedures	
Integrating contact center and back-office departments	
Subtotal	
Employee Experience	
Improving employee engagement	
Delivering agent automation	
Increasing agent compensation	
Subtotal	
Risk Mitigation	
Reducing fraud	
Enhancing security and compliance	
Subtotal	
Other	
Other	
Subtotal	
Total (rounding errors may occur)	100.0%

Source: DMG Consulting LLC, January 2024

Appendix B: 2024 Contact Center Technology/Application Investment Priorities for Each Category

Below is a breakdown of the contact center technology/application investment priorities that comprise each of the 4 major goal categories for calendar year 2024.

Top 2024 Contact Center Technology/Application Investment Priorities, by Category	
Category	Percent
WEM	
Workforce management	
Knowledge management	
Interaction (speech and text) analytics	
Reporting/business intelligence	
Intelligent business automation/workflow (RPA)	
Real-time guidance/next-best-action	
Gamification/coaching/eLearning	
Automated post-interaction summarization	
Automated quality management (AQM)	
Surveying/voice of the customer	
Transcription	
Customer journey analytics (CJA)	
Voice biometrics	
Intelligent hiring	
Subtotal	66.6%
Contact Center Infrastructure	
ACD (routing and queuing of interactions)	
CCaaS	
Recording	
Collections Systems	
Dialer/outbound	
Subtotal	
Self-Service	
Self-service solutions (IVR, IVA, web, and/or mobile)	
Subtotal	
CRM	
Customer relationship management (CRM)	
Subtotal	
Other	
Other	
Subtotal	
Total (rounding errors may occur)	100.0%

Source: DMG Consulting LLC, January 2024

About NICE

With NICE (Nasdaq: NICE), it's never been easier for organizations of all sizes around the globe to create extraordinary customer experiences while meeting key business metrics. Featuring the world's #1 cloud native customer experience platform, CXone, NICE is a worldwide leader in AI-powered self-service and agent-assisted CX software for the contact center – and beyond. Over 25,000 organizations in more than 150 countries, including over 85 of the Fortune 100 companies, partner with NICE to transform – and elevate - every customer interaction.

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About DMG Consulting

DMG Consulting LLC provides expert guidance, industry reports, and primary research that influence the critical decisions made by businesses, technology providers, and investors in the dynamic and rapidly transforming contact center and back-office markets. Driving the strategic direction of the customer experience (CX) is at the core of DMG's extensive consultation and collaboration with executives, leaders, and industry innovators. DMG's methodologies and in-depth understanding of people, process, and technology create outstanding business outcomes and position organizations to deliver the next generation of customer and contact center experiences in an AI-driven digital world. Learn more at dmgconsult.com.

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The logo for DMG Consulting LLC features the letters 'DMG' in a large, bold, white serif font. Below 'DMG' are two horizontal white lines, and underneath those lines, the words 'CONSULTING LLC' are written in a smaller, white, all-caps sans-serif font. The logo is set against a dark blue background with abstract, flowing shapes in shades of red, purple, and blue.

6 Crestwood Drive
West Orange, NJ 07052

(973) 325-2954
www.dmgconsult.com
info@dmgconsult.com