# CCAAS ADOPTION TRENDS AND CUSTOMER BUYING BEHAVIOUR

Survey Report 2024

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# Introduction

Contact center offerings used to be typically based on on-premises infrastructure that required organizations to invest in hardware, software, and maintenance services. Such centers involved significant upfront costs and ongoing management. However, Contact Center as a Service (CCaaS) or cloud-based contact centers have emerged as a game changer. CCaaS offers a multitude of appealing options for businesses that have been operating on-premises contact centers and those facing significant cost and operational hurdles in the deployment of contact center solutions.

CCaaS provides several operational and financial advantages. It allows companies to quickly scale their operations based on demand, without significant investment. It also offers advanced features and functionalities, such as omnichannel support, analytics, and integration with other business systems.

The adoption of CCaaS increased substantially during the COVID-19 pandemic, when companies had to quickly adapt their contact center operations to ensure business continuity.

The cloud-based nature of CCaaS allowed easy deployment and remote access to contact center functionalities, ensuring uninterrupted customer service. CCaaS solutions provided the flexibility to rapidly adjust capacity and support remote agents which was crucial in an uncertain and rapidly evolving business environment.

To understand these changing industry and market nuances, Tata Communications commissioned Evalueserve to conduct a survey across the global leaders in customer support and experience domain.

The report comprises of insights accumulated from sentiments of 75 respondents spread across organizations from industries like retail, healthcare, BFSI, e-commerce, and travel and transport (including cab aggregators, logistics service providers, etc.).

In-depth consultations were also conducted with the experts that provided a holistic understanding of changing market dynamics and customer buying behaviors for CCaaS offerings.

The survey respondents were split across regions: Americas - 40%, Europe - 29%, India - 14%, APAC - 9%, MECAA - 8%.

In terms of industries, BFSI - 21%, Logistics - 21%, Healthcare - 20%, Retail - 17% and Others - 21% (include e-commerce, cab aggregators, transport etc)
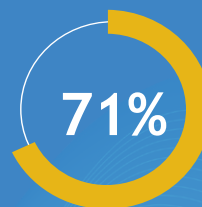
### 71% Primary Decision Makers

Personas like Head of Customer Support, VP Customer Experience, VP Contact Center, Global head - Customer Success, SVP - Customer Support are part of the primary decision makers group

### 29% Influencers

Personas like AVP Customer Support, Senior Director for Client Success, AVP Contact Center, GM Customer Service form the influencer group

# Changing market demands influence the CCaaS deployments at a global levels

Given the intricate nature of the CCaaS market and the increasing significance of customer experience (CX), it is vital for organizations to have a clear understanding of their objectives before embarking on the journey to choose a suitable vendor. In addition to detailed functional and technical requirements, it is equally important to consider a broader perspective encompassing business goals, trends, and priorities during this process.

Below highlighted are the key market trends for CCaaS deployments:

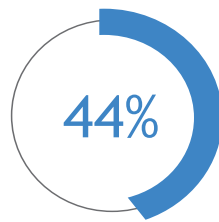**Cloud-based option for contact center deployment**

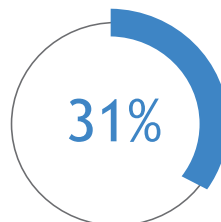**Single vendor for all CX needs**

**Rising compliance requirements**
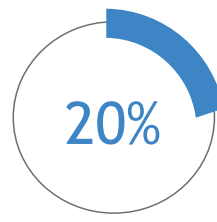
**Holistic managed service options**

## 95%

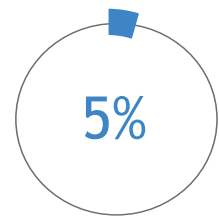of respondents currently use cloud based contact center deployments for their customer experience

**44%** Hybrid Cloud

**31%** Public Cloud

**20%** Private Cloud

**5%** On Premises

*The survey revealed that 44% of respondents use hybrid cloud deployments for their contact centers,* because it provides the best of both worlds — use of existing on-premises infrastructure and a phased approach to cloud migration. Hybrid deployment allows them to create a customized and flexible CCaaS platform.

*Of the respondents, 51% stated that they have either public (31%) or private (20%) cloud deployment for their contact center operations.* While public cloud deployments are comparatively cheaper, they also pose security challenges.

*A mere 5% of respondents have their contact center operations hosted on-premises.* When asked about the migration plans, these respondents stated that they do not intend to migrate. The key reasons for this decision include the desire for control & customization; and need for enhanced data security & privacy of critical customer data.

*Flexible cloud deployments work best for organizations – more than 93% of respondents stated that they prefer vendors with flexible cloud contact center options (including private, public, and hybrid cloud) while opting for a new CCaaS solution*

# 79%

of respondents state that it is "very important" and "extremely important" for them to choose a single vendor

The rapidly evolving technological landscape demands seamless, secure, and efficient CCaaS solution. However, implementing and managing such solutions can be complex. A single vendor approach streamlines processes, ensures cohesive support, and simplifies technology integration.

| | | |
|---|---|---|
| Simplified communication and vendor management with a single point of contact | Faster troubleshooting and problem solving with one vendor responsible | Clear ownership eliminates finger-pointing and expedites resolution |
| Easier visibility and control for better security and adherence to regulations | Fosters a deeper, more collaborative relationship with the vendorl | Streamlined integration compared to managing multiple vendors and solutions |

In this age of cloud-based communications solutions, businesses that use CCaaS solutions show a level of dedication to their legal obligation of maintaining consumer trust -

# 96%

respondents consider regulatory compliance a priority

CCaaS compliance refers to abiding by relevant legal requirements and industry laws. To protect consumer data and privacy, many online security legislations have been passed through the years to shield customers. Compliance with regulatory standards is both a legal requirement and a crucial element needed to build trust and ensure seamless operations.

Some of the most common compliance requirements highlighted by respondents:



*Europe and the Americas are highly regulated markets; compliance is already a priority for organizations in these regions. Two-thirds of ROW respondents stated that they consider regulatory compliance 'extremely important' regarding CCaaS deployment*
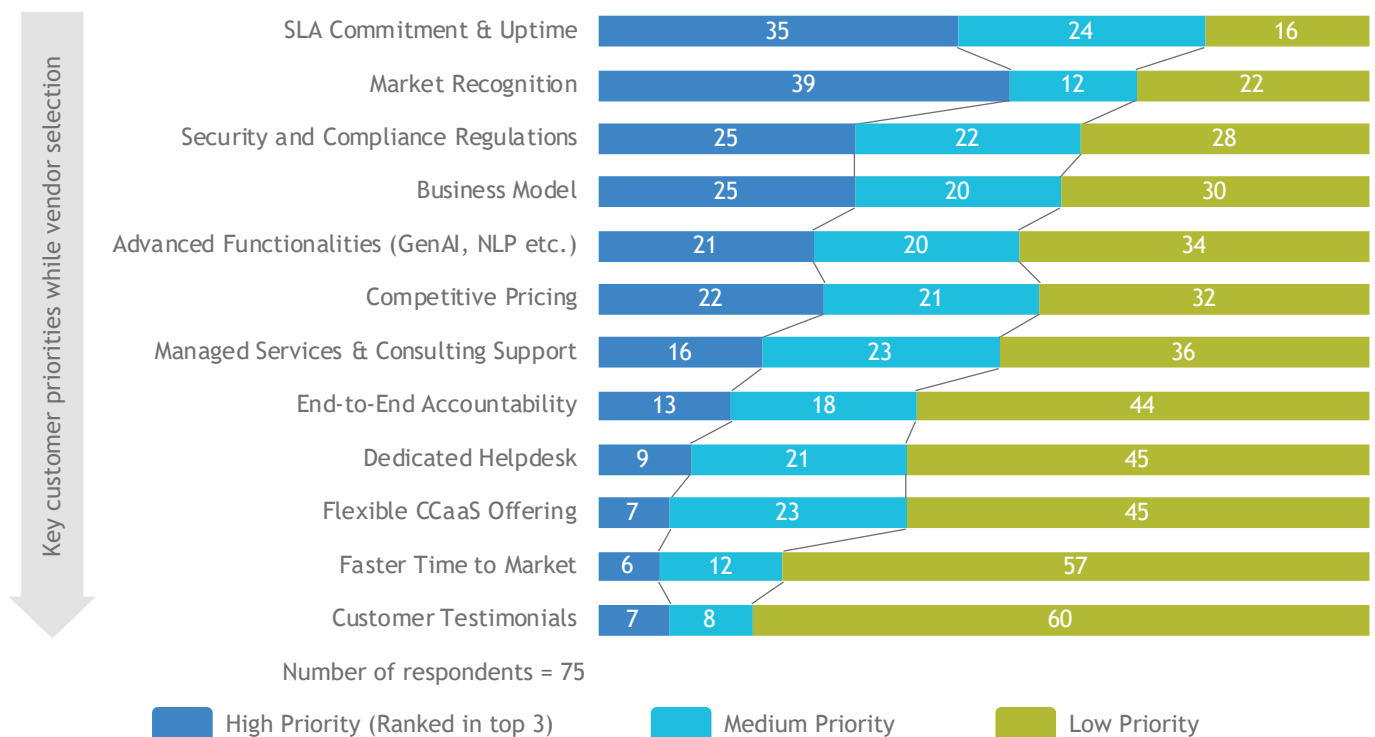
# 51%

of respondents prefer to go 'all in' on managed services from vendor while deploying their CCaaS solution

While CCaaS offers core contact center functionality, managed CCaaS provides ongoing support and integration, maximizing platform effectiveness. For organizations, choosing a vendor with robust managed services is essential. Experts emphasize several key elements for successful deployment including platform management, network connectivity to agent sites, reliable voice services and cloud direct connect options.

# SLA commitments, market recognition and security are the top parameters influencing decision-making

**Exhibit 1: Key parameters considered while choosing a CCaaS vendor**

*Key customer priorities while vendor selection*

| Parameter | High Priority | Medium Priority | Low Priority |
|---|---|---|---|
| SLA Commitment & Uptime | 35 | 24 | 16 |
| Market Recognition | 39 | 12 | 22 |
| Security and Compliance Regulations | 25 | 22 | 28 |
| Business Model | 25 | 20 | 30 |
| Advanced Functionalities (GenAI, NLP etc.) | 21 | 20 | 34 |
| Competitive Pricing | 22 | 21 | 32 |
| Managed Services & Consulting Support | 16 | 23 | 36 |
| End-to-End Accountability | 13 | 18 | 44 |
| Dedicated Helpdesk | 9 | 21 | 45 |
| Flexible CCaaS Offering | 7 | 23 | 45 |
| Faster Time to Market | 6 | 12 | 57 |
| Customer Testimonials | 7 | 8 | 60 |

Number of respondents = 75

■ High Priority (Ranked in top 3)　　■ Medium Priority　　■ Low Priority

The survey requested respondents to rank 12 factors that companies consider when selecting CCaaS vendors. Although all the factors were important to them, certain parameters were given higher preference than others.

*SLA and uptime were ranked among the top 3 by 47% of respondents.* A good SLA is crucial because it ensures reliable performance, minimal downtime, and guaranteed response time, which are essential for maintaining customer satisfaction and operational efficiency. It also provides clear accountability and metrics for service quality and issue resolution.

Vendor's market recognition and features around security & compliance regulations are other two top factors highlighted by the respondents.

- Around 20% of respondents, highlighted vendor's market presence as the most relevant criteria while choosing a CCaaS vendor

- One in every three respondents consider efficient security & compliance framework and business models as top 3 criteria while selecting a CCaaS vendor

**Market Recognition:** CCaaS vendors are recognized by Tier-1 analyst houses including Gartner, IDC, and Forrester in their market reports basis their niche features, customer base, breadth of offerings etc.

While other factors like competitive pricing and availability of dedicated managed services and consulting support are relevant; these are not a priority for majority of organizations currently.
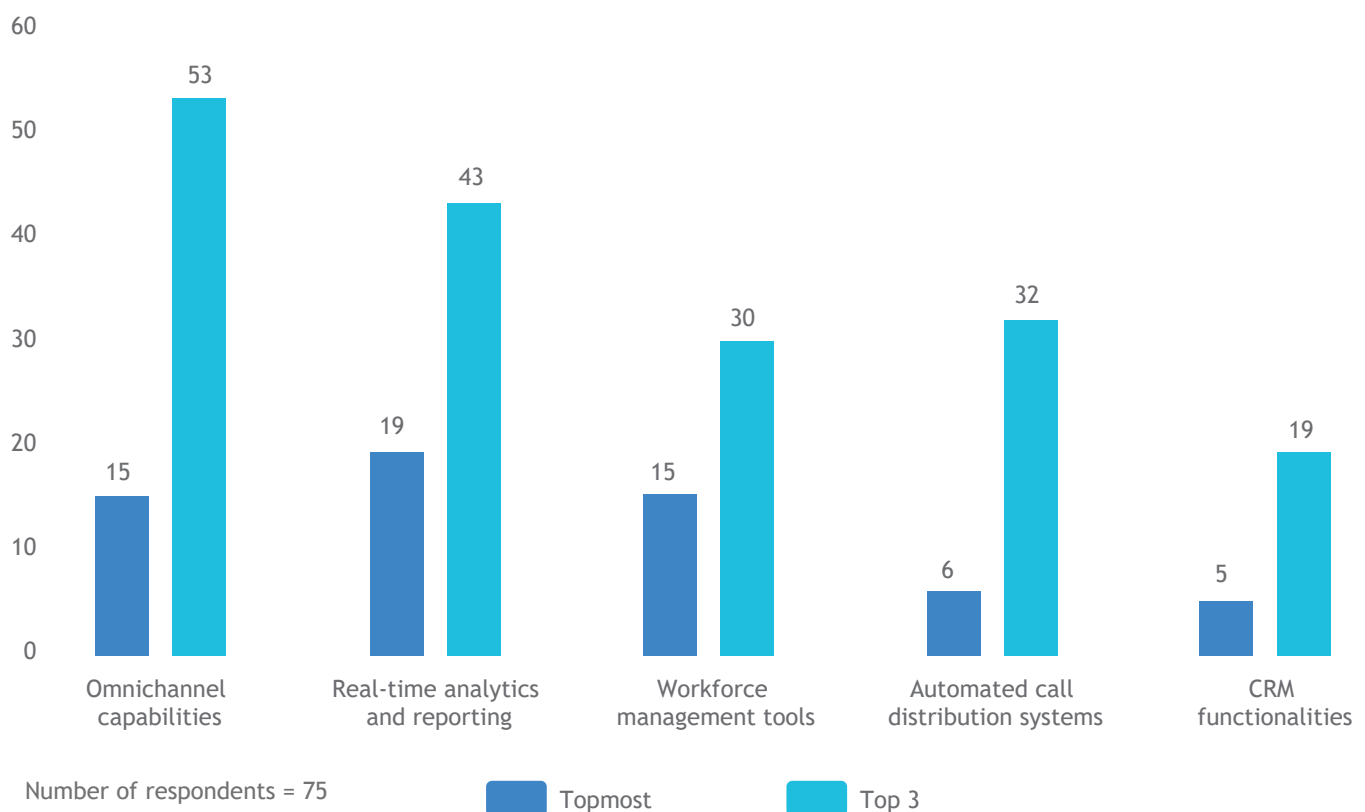
> *The seamless integration of CCaaS with our CRM system has made a significant difference in operations. Agents have quick access to customer information, enabling them to provide personalized and efficient support. Omnichannel communication is also something which is preferred enabling customers to reach through their preferred channels, and agents can provide consistent support across all platforms*
>
> *- Head of customer support, BFSI, Americas*

## Existing uptime and SLA commitments among the respondents

| 44% | 33% | 16% | 7% |
|---|---|---|---|
| SLA=>99.99% | 99.98% > SLA >=99.95% | 99.95% > SLA >=99.9% | 99.9% > SLA |
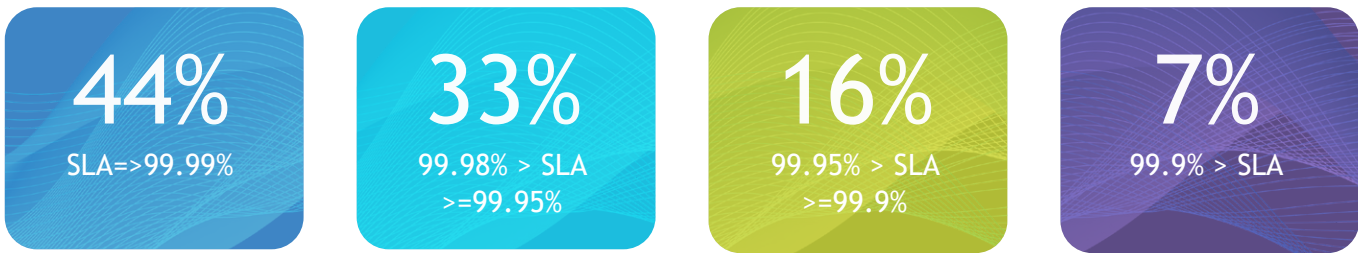
# Being tech savvy is a priority – organizations are choosing agent productivity tools while finalizing their CCaaS vendor

**Exhibit 2: Key agent productivity tools influencing decision-making**

| Tool | Topmost | Top 3 |
|------|---------|-------|
| Omnichannel capabilities | 15 | 53 |
| Real-time analytics and reporting | 19 | 43 |
| Workforce management tools | 15 | 30 |
| Automated call distribution systems | 6 | 32 |
| CRM functionalities | 5 | 19 |

Number of respondents = 75

*While respondents ranked omnichannel capabilities higher than agent productivity features, it's the top priority for only one in five respondents.*

Omnichannel capabilities, which allow the smooth integration of voice, email, chat, SMS, social media, and video channels into a platform, as well as context-aware channel routing, was the most relatable feature for respondents.

Around 25% of respondents rank real-time analytics and reporting as a top priority among the listed agent productivity features.

Real-time reporting enables better management of agent performance and workload distribution to increase productivity and prevent burnout. It also ensures that teams have access to data that paints a clear picture of agent activity, thus making sure that they offer the best service possible to consumers.

Workforce management (WM) tools and automated call distribution (ACD) are also areas of focus for organizations. *40% of respondents ranked WM tools and 43% ranked ACD tools among top 3 features they would consider while choosing a CCaaS vendor.*

# Survey shows Cisco, Genesys, and Talkdesk collectively preferred by 53% of the respondents

1. Cisco offers **Webex Contact Center** platform with key features including omnichannel routing & queue management, customizable agent dashboards, virtual agents, analytics & reporting, among others

   i. **About half** of the respondents indicated that their organization is either using or considered to use the Cisco Webex Contact Center platform for their customer service and support operations

2. Genesys offers **Genesys Cloud CX** as their CCaaS offering to provide personalized customer experiences through features including predictive routing, employee engagement channels, analytics services, omnichannel communication, among others

3. The **Talkdesk CCaaS platform** has been observed to be among the top preferred CCaaS options in Americas region. The proposition of the platform revolves around features including customer self-service, omnichannel engagement, workforce engagement, employee collaboration, and customer experience analytics, and others

4. Microsoft offers **Digital Contact Center Platform (DCCP)** as the CCaaS offering that consists of an integrated suite of different Microsoft flagship products including D365 customer service, Nuance AI, M365, Copilot, Power Platforms, Azure AI service, and Azure OpenAI service

Besides the above-mentioned vendors, organizations also considered AWS, Salesforce, NICE, Avaya, and 8*8 as key vendors when selecting their CCaaS solution for customer service and support operations.

> *Although Cisco and Genesys dominate the contact center, network providers are also coming up with value propositions that allow businesses understand the benefits of CCaaS. Customers get reliable information transport, exceptional focus on voice quality, a single point of service level agreement (SLA), and security*
>
> *- Director, Customer Experience, Retail, India*

## More than 90% of the respondents chose their current SIs (system integrators) for technology migration

SIs play a crucial role in designing and implementing resilient architectures for CCaaS solutions, with a focus on scalability to effectively handle peak service demands, thereby ensuring high availability and performance for customers. SIs also help improve the interoperability of CCaaS systems by ensuring seamless communication and data exchange between systems and platforms.

The survey highlights that organizations are inclined to use the expertise of their current SIs for technology migration tasks, which encompass end-to-end responsibilities such as data migration planning and execution, system configuration and integration, change management, and user training. Additionally, it reflects a hybrid approach in which organizations combine in-house resources with the expertise of their current SI, particularly for their ongoing customization requirements.

**48%** Current SI can continue to support customers through the transition phase
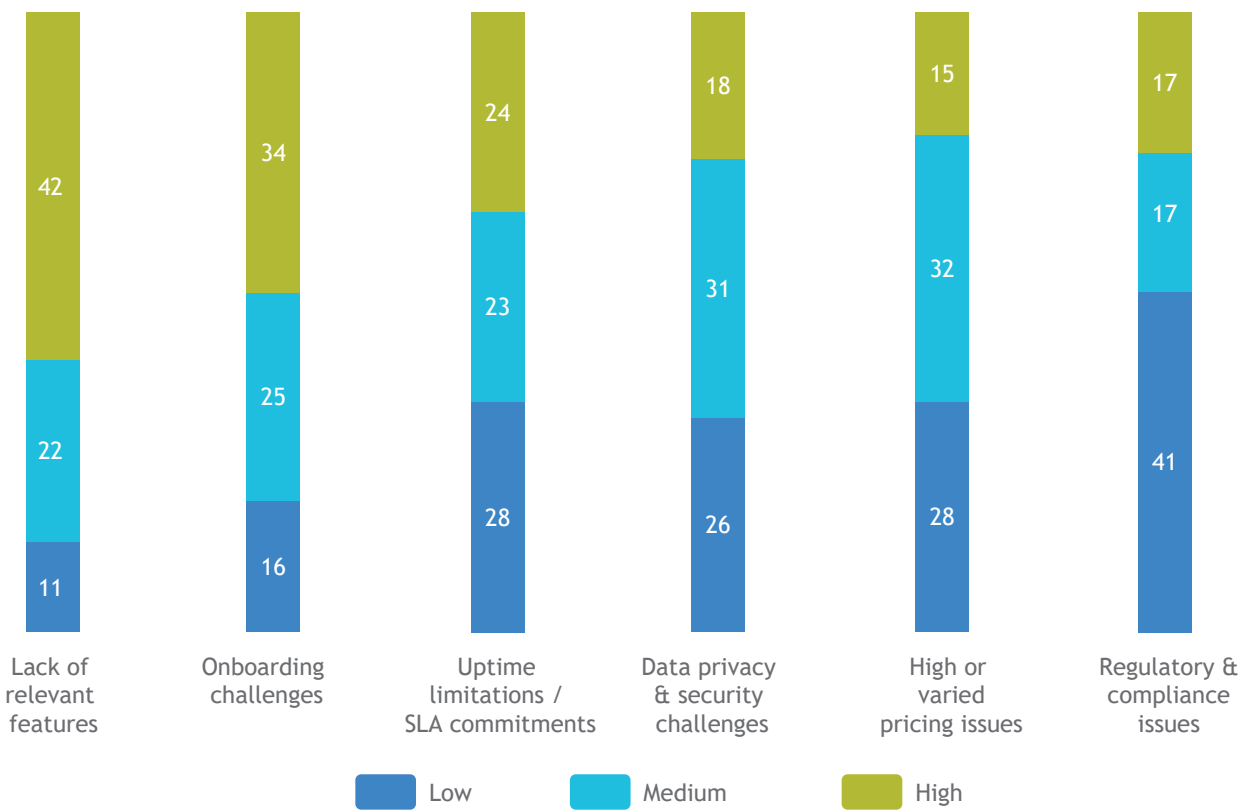
**44%** Current SI will manage certain integration components while the core technology is migrated to a CCaaS platform

**8%** Current contract with SI has a non-negotiable cut-off date

# Top CCaaS implementation challenges highlighted by respondents

**Exhibit 3: Key CCaaS vendor implementation challenges**

| Challenge | Low | Medium | High |
|-----------|-----|--------|------|
| Lack of relevant features | 11 | 22 | 42 |
| Onboarding challenges | 16 | 25 | 34 |
| Uptime limitations / SLA commitments | 28 | 23 | 24 |
| Data privacy & security challenges | 26 | 31 | 18 |
| High or varied pricing issues | 28 | 32 | 15 |
| Regulatory & compliance issues | 41 | 17 | 17 |

Legend: Low | Medium | High

*56% of the respondents highlighted a lack of relevant features as the biggest challenge while implementing a CCaaS solution from vendors.* Lack of self-service and weak omnichannel support were some of the limitations pointed out by the respondents.

*Around 45% of the respondents reported challenges related to compatibility during vendor onboarding.* Complex solution configurations and limited training were some of the key issues during onboarding.

*One in every three respondents highlighted downtime and disruptions as the top challenges during CCaaS implementation.*

While security and compliance requirements are prevalent concerns, only *around 25% of the respondents highlighted them as their most critical challenges.* CCaaS vendors are focusing on strengthening their security by adding new features, partnering with security vendors, etc.

# Most customers prefer feature-rich CCaaS platform

## 68%

Felt their current CCaaS providers lack customization capabilities. One in every three respondents stated that customization is 'highly applicable' for their users and vendors must focus on working towards adding these functionalities to their solutions

## 65%

Respondents stated inadequate trainings as biggest challenge while using their current agent desktop platform

## 59%

Pointed towards challenges in integrating their current CCaaS platform with their CRM systems. With right integration users have access to customer data which inturn enables them to enhance their customer experience

**Around 65% of the respondents prioritized flexibility in customizing a CCaaS platform interface to accommodate their requirements and enhance agent productivity**

Key recommendations to bolster agent productivity desktop for CCaaS solutions:

1. **Customizable agent dashboard with a user-friendly interface:** It allows agents to tailor the interface to their specific work priorities, thereby enabling them to access the most relevant information and tool and streamline their overall workflow

2. **Flexibility to select APIs from various third-party CRM and business tools:** This flexibility enables organizations to integrate their existing CRM, ERP, and workflow automation systems seamlessly with a CCaaS platform, thereby streamlining workflows and enhancing overall efficiency

3. **Comprehensive view of customer data along with enhanced analytics and reporting:** Organizations prefer a comprehensive, 360-degree view of customer data within the agent dashboard, which integrates historical data from multiple first and third-party sources. This unified view enables agents to gain a deeper understanding of each customer's journey, allowing them to deliver exceptional and personalized experiences

# It is imperative for organizations to measure the success of their CCaaS solution

The success and effectiveness of a CCaaS solution are evaluated by the key performance indicators (KPIs). Pre-defined KPIs allow the management to monitor agent output as well as the quality of customer service. Thereafter, companies can develop specific strategies to accomplish their objectives and evaluate their success.

## 89%
of survey respondents highlighted that "Operational Proficiency" is biggest parameter for organizations measuring the success of a CCaaS platform

**Increased operational proficiency:** CCaaS platforms provide optimal call routing options and reduce average handle time (AHT) by monitoring agents' performance and providing them with targeted training and real-time coaching. This improves operational proficiency.

**Increased agent productivity and efficiency:** CCaaS platforms modernize the way agents operate by providing tools and access to relevant information for streamlined workflows, thereby helping agents focus on providing personalized support to customers.

**Cost savings:** These platforms eliminate most of the extra cost associated with traditional contact center systems. This includes bulky hardware, inflated IT departments, and facility rental and maintenance costs. Moreover, a pay-as-you-go model helps in driving further cost savings.

**Improved customer satisfaction (CSAT) scores:** By leveraging CCaaS platforms, organizations can streamline communication between agents and customers, thereby facilitating personalized interactions and expedited issue resolution. This enhances customer satisfaction and significantly increases CSAT scores, ultimately driving business growth and loyalty.

*Around 57% of the respondents consider all four metrices as the KPIs for measuring the success of their CCaaS solutions*

# Tech add-ons are pushing organizations to increase spends and enhance customer experience

| | |
|---|---|
| **NLP and GenAI technology** | Leveraging Natural Language Processing (NLP) and Generative AI (GenAI) for tasks like transcription, summarization, and sentiment analysis empowers agents and streamlines operations |
| **Automation & Advanced Analytics** | Automating repetitive tasks and leveraging advanced analytics provide valuable insights to optimize routing, resource allocation, and agent performance |
| **Real-Time Agent Assist & Recommendations** | Real-time guidance and suggested responses empower agents to deliver exceptional customer service |

To meet new demand, companies are making digital and technology investments across their businesses. The increasing importance of technology (for both strategy and operations) is demonstrated by the fact that companies allocated more resources to digital and technology capabilities during the pandemic, even as they cut resources from other parts of their business.

Focus on technology translates into spending. Our survey shows that a large proportion of respondents expect significant growth by focusing on enhancing contact center capabilities.

**Exhibit 4: Change in spend in next 1 year on CCaaS solutions**

No change | 5% to 10% | <5% | 10% to 20%

Legend: No change | 5% to 10% | <5% | 10% to 20%
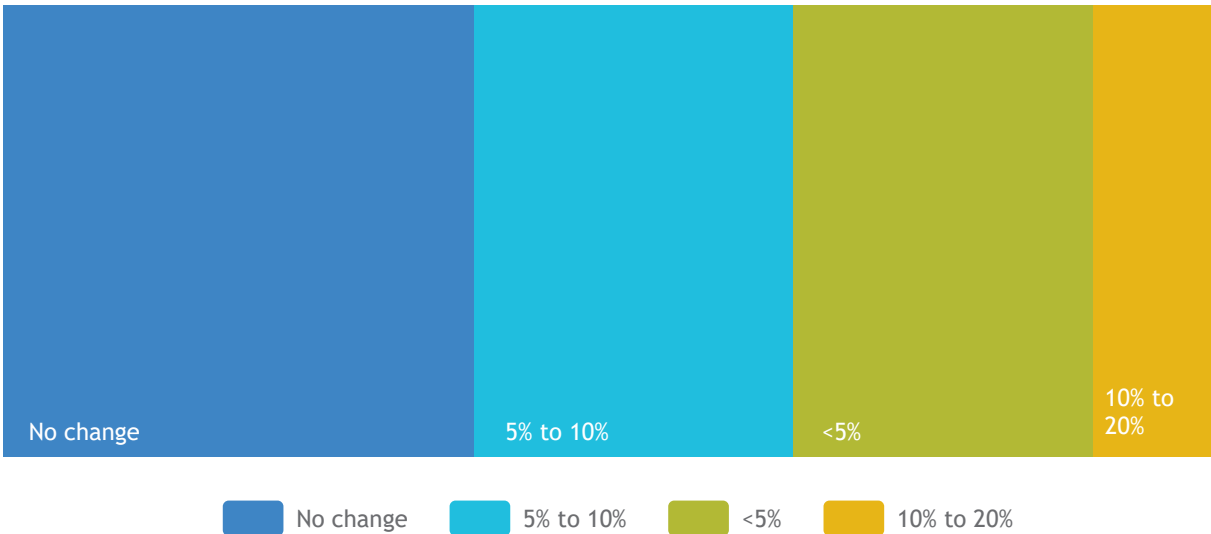
*A majority (60%) of respondents plan to increase spend on CCaaS solutions within a year.* The key reasons for increased investment include

1. **Security and compliance:** They seek to enhance data security with features like biometric authentication, blockchain technology, and other advanced authentication methods

2. **Agent productivity and efficiency:** The focus is on improving agent workflow with customizable dashboards, automated tasks, real-time performance metrics, and seamless mobile access

3. **Customer experience enhancement:** Companies aim to personalize customer interactions through omnichannel routing, real-time agent assistance, sentiment analysis, and context-sensitive information

*However, 40% of respondents have no plan to increase spend on CCaaS solutions within one year.* This is due to

1. **Integration challenges:** Refers to difficulty in integrating CCaaS with existing CRM, ERP, or other business-critical systems

2. **Vendor lock-in provisions:** Highlights vendor lock-in and concerns about limited customization options with specific CCaaS providers

3. **Cost and ROI concerns:** Based on high upfront cost or ongoing subscription fees, which may not offer adequate return on investment

> *As the CCaaS market evolves, real-time agent assist is expected to be a game-changer. With AI-powered tools providing agents with relevant information and suggestions during customer interactions, agents will be able to deliver faster and more accurate resolutions, enhancing customer satisfaction. This combination will empower businesses to deliver highly personalized and efficient customer experiences, setting new standards in customer service*
>
> *- VP, Customer Support, Healthcare, Europe*

# THANK YOU