

Customer engagement

Customer engagement predictions 2023: Strategic priorities for CX leaders

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It's the time of year when we reflect on the lessons of the last 12 months and look ahead to predict what's coming next. Here's our guide to the customer engagement trends that will define the shape of the contact center in 2023 and beyond.

Despite what you might read in the headlines, there are many reasons to be optimistic as we head into 2023. For example, in my conversations with customer engagement leaders, I've been struck by how focused they are "doing more with less" given the current economic climate. "Do more with less" may be the CFO's mantra during economic uncertainty, but CX leaders are also prioritizing on sustainability. They're taking "doing more with less" to another level by consuming fewer resources and focusing on the environment.

But how can you plan for technology investments that accelerate future growth, minimize environmental impact but also deliver immediate cost savings?

In the coming year, we'll see more contact centers focus on three key areas: automation, cloud, and digital customer engagement.

Deploy automation everywhere

As contact volumes continue to rise, more organizations will need to use conversational IVRs and intelligent virtual assistants to create powerful self-service experiences across voice and digital channels. Automating customer interactions will allow organizations to scale their service by guiding customers toward lower-cost channels and increasing containment.

At Swedbank, for example, a [virtual assistant handles more than two million conversations a year](#) and answers around 80% of customer questions. That's a huge reduction in the number of routine inquiries agents have to handle.

Contact centers will also boost agent productivity and effectiveness by automating many of their manual workflows, such as post-call summarization, so they can handle more customer contacts with less effort. Many contact centers will provide [real-time AI coaching](#), including next best response recommendations and best practice guidance, so that even new hires can perform like the best agents. And AI-powered sentiment analysis will enable agents to offer more empathetic and efficient interactions, guiding the conversation through the fastest path to resolution.

In addition real-time AI coaching, business process automation will also be a priority next year, as organizations use AI to automate backend processes, helping them uncover new efficiencies throughout the contact center and across the business. Widespread automation will help organizations identify and eliminate wasteful processes and duplicated effort, and optimize workflows to support greater efficiency.

What's more, by [replacing lengthy authentication processes with biometrics](#), organizations will significantly reduce average handle time—we've seen savings of 89 seconds per call at contact centers using voice biometrics. Organizations using biometric authentication also dramatically reduce their fraud losses, often by 90% or more.

Move customer engagement to the cloud

The [rapid rise of the cloud contact center](#) will continue in 2023 as organizations look for ways to differentiate on customer experience, increase business agility, and reduce operational and capital expenditure. In fact, industry analysts are [predicting the market for cloud-based contact center solutions to grow at a CAGR of 26.1%](#) from 2022 to 2027, as more organizations make the move to the cloud.

On-premises contact centers are built to handle the busiest day of the year—a classic case of expensive overprovisioning. But in the cloud, organizations can use elastic resourcing to respond to peaks and troughs in demand. With more scalable and resilient cloud contact centers, it's much easier for organizations to consistently deliver the high standard of service customers expect, and that has a real impact on critical metrics like NPS and CSAT scores. Cloud contact centers also help organizations reduce their environmental impact by only consuming the resources they need, when they need them.

Moving to the cloud helps simplify the agent experience by unifying numerous applications on a single agent desktop, making their jobs much easier. The cloud also gives contact centers a platform to enable secure, productive remote working for both agents and managers. At Vodafone, for example, contact center managers use an intuitive dashboard to monitor remote agent performance metrics like average handle time and customer queue durations in real time. They can [react quickly to changes in service levels](#) and advise agents on how to respond, creating a positive impact on AHT and CSAT.

The shift to remote working, enabled by the cloud, also means fewer commutes and lower real-estate needs, reducing vehicle emissions and office energy consumption.

Double down on digital

Creating engaging, conversational experiences in digital channels will help organizations meet their customers where they are today, increasing customer satisfaction and retention while also deflecting more calls. There's an impact on costs here too, as it's far cheaper to retain a customer than to acquire a new one.

In 2023, we'll see more organizations build compelling customer experiences in digital channels, enabling more customers to access support, whenever and wherever they want. That will increase satisfaction and loyalty, and it will reduce the need for customers to travel to brick-and-mortar locations, helping shrink the overall carbon footprint of serving a large customer base.

As contact centers double down on digital, it will be essential to connect channels so they maintain the context of customer conversations and offer a seamless experience as customers move between voice and digital. Organizations will increasingly look for a unified AI platform that supports an end-to-end approach to omnichannel customer engagement, allowing them to deliver consistent experiences and secure every interaction across automated and human-assisted conversations.

Over the coming year, we'll also see organizations expand their digital capabilities by using asynchronous abilities in messaging channels to empower agents to handle multiple concurrent conversations. For example, a top North American telco has enabled asynchronous conversations on its website and in messaging channels, like its mobile app and Apple Messages for Business. In addition to providing a better customer experience, the company has achieved significant efficiency gains. An AHT reduction of 26% has increased agent availability, helping the telco reduce its missed opportunity rate to just 5.8%. As a result, it's projecting an [annual revenue increase of \\$4.7 million](#).

This year, we'll also see the beginning of the Large Language Model (LLM) revolution. LLMs promise to reinvent how voice and digital chatbots are deployed in the enterprise. While the technology is still in its infancy, we're looking at how LLMs can be applied to customer service. Initially, this will involve some level of human supervision, with LLMs generating responses in real time for live agents to validate, edit, and send. In the future, however, it's possible that LLMs could handle almost all of the contacts that currently fall to agents.

Prepare now for the future of customer engagement

It's true that 2023 will bring many challenges, but by making smart choices about technology investments and prioritizing high-impact initiatives, customer engagement leaders have every reason to be excited and confident heading into next year. Our industry is full of bold, capable leaders, and I fully expect them to rise to the challenges while laying the foundation for sustainable, profitable business growth.

Tags: [Digital transformation](#), [Customer engagement solutions](#), [Contact center strategy](#), [Predictions](#)

More Information

Plan your route to CX success

Explore our full portfolio of contact center AI solutions to see how you can deliver quick wins in 2023—and real business value long into the future.

[Learn more](#)



About Tony Lorentzen

Tony has more than 25 years of experience in the technology sector, spending the last 17 with Nuance where he is currently the SVP of Intelligent Engagement Solutions within the Enterprise Division. Before that he served as the leader of several teams at Nuance including Sales Engineering, Business Consulting, and Product Management. A proven leader in working with the cross-functional teams, Tony blends his in-depth knowledge of business management, technology and vertical domain expertise to bring Nuance's solutions to the Enterprise market, partnering with customers to ensure implementations drive true ROI. Prior to Nuance, Tony spent time at Lucent and Verizon where he led teams that applied the latest technologies to solve complex business issues for large enterprises. Tony received a B.S. from Villanova University and a MBA from Dowling College.



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