



# **Redefining Customer Experiences with Cloud & AI-Enabled Contact Centers**

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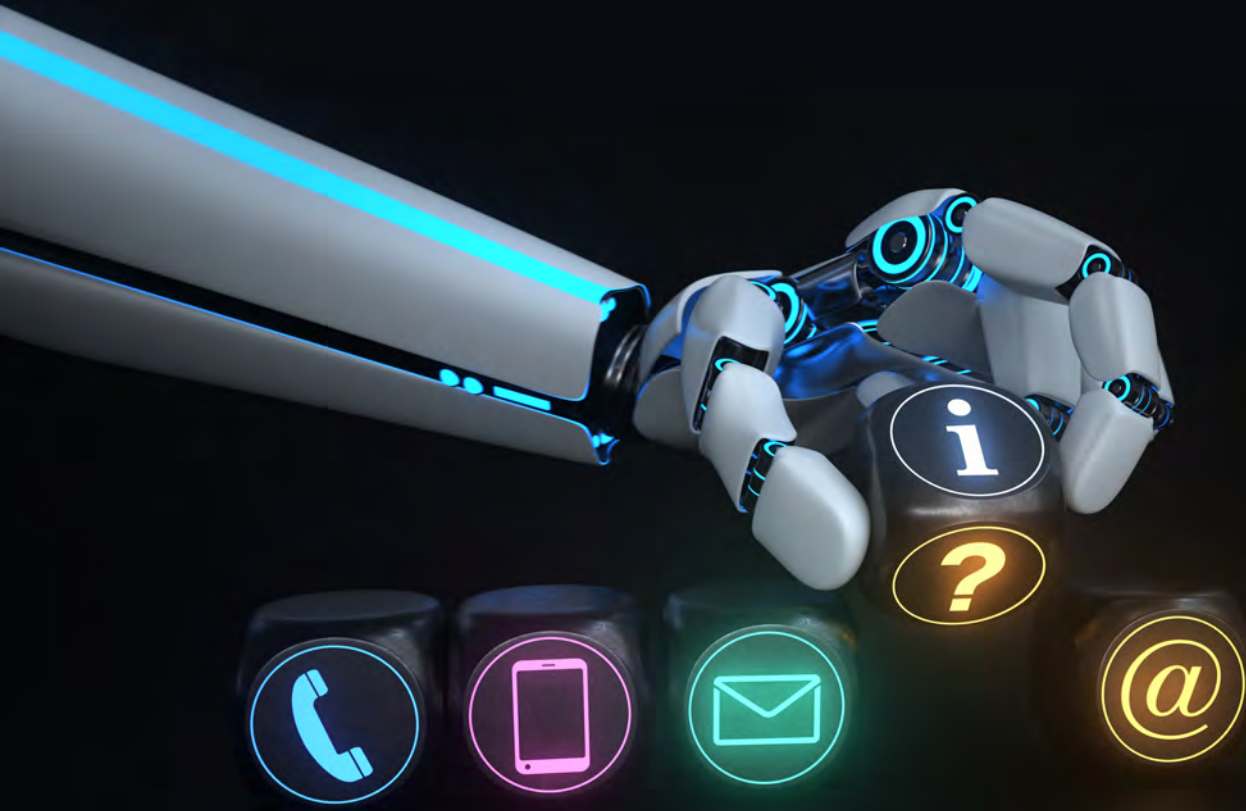
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# Redefining Customer Experiences with Cloud and Artificial Intelligence-Enabled Contact Centers



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## Executive Summary

Organizations in the Middle East are increasingly investing in technology to gain an advantage in an increasingly competitive environment, adopting structured and results-oriented digital plans to improve business results. Enhancing customer experience (CX) through digital transformation (DX) is the top business priority for organizations of all sizes across all industries.

Notably, companies are also incorporating cloud deployments into their digital adoption plans. In fact, most public and private sector organizations in the region are overwhelmingly adopting cloud platforms. High priority business areas — such as CX — both benefit from and accelerate cloud deployments.

IDC believes cloud will transform the way contact centers operate. According to IDC research, cloud solutions are supplanting on-premises contact center solutions as the main types of deployments in the CX software domain. The COVID-19 pandemic has not only catalyzed this adoption and utilization of cloud solutions, but it has also elevated the use of Big Data analytics, mobility, artificial intelligence (AI), robotic process automation (RPA), and social technologies in the Middle East. Companies are using these

solutions and technologies to innovate and improve performance. The adoption of cloud-based customer engagement solutions further allows organizations to enhance business continuity and improve customer care processes.

The increased use of AI in the CX domain is a notable trend within the region. More than ever before, organizations today are using AI applications to boost CX and improve productivity of call center agents. Organizations have highlighted that the use of AI has not only streamlined and improved CX processes (e.g., by allowing for more accurate service delivery); it has also reduced costs and optimized use of company resources. However, increasing security concerns, poor quality of service (QoS), and an inability to integrate internal systems with third-party applications remain the key challenges that organizations face with respect to cloud-based customer engagement solutions.

This white paper highlights some key findings from the latest IDC research and examines the current market dynamics of cloud-based customer engagement centers in the Middle East.

***AI has not only streamlined  
and improved CX;  
it has also reduced  
costs and optimized  
use of company resources.***

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## Situation Overview

Digital adoption in the Middle East is gaining momentum as governments in the region execute multiple national DX initiatives. Although the COVID-19 pandemic has caused a global economic slowdown, it has also accelerated the adoption and use of digital and 3rd Platform technologies (cloud, Big Data analytics, mobility, and social technologies) in the Middle East. Companies are realizing they can use such technologies to innovate and improve performance. This adoption is quite apparent in the Middle East, given the region's strong focus on technology-led transformations and CX.

Improving CX via DX is the top priority of organizations of all sizes across all industries. In fact, according to the results of an IDC survey of CEOs in the Middle East and Africa (MEA), 57% of organizations in the region aim to improve CX and strengthen customer engagements via DX initiatives, while 55% intend to develop innovative products and services through DX. Indeed, when their expectations about a product or service are met or exceeded, customers become loyal and subsequently allow the business to prosper. As customer interactions with organizations are increasingly digital, companies will have to establish an omnichannel presence. They will also need to utilize agile customer intelligence applications and tools embedded with advanced analytics and AI to deliver a superior CX.

Within the Middle East region, most organizations are striving to meet customer expectations and provide differentiated experiences. The preventative policies enacted by MEA governments in the wake of COVID-19 — such as complete lockdowns, partial curfews, and social distancing measures — have played a key role in increasing customer reliance on online platforms. Consequently, robust, agile, and efficient digital channels have never been more important. The rising utilization of these channels implies that organizations across industries need to accelerate their DX programs to improve agility,

efficiency, productivity, and speed — all of which are prerequisites for success in the “new normal.”

### Adoption of Cloud-Based Customer Engagement Solutions in the Middle East

Cloud is impacting every business across industry verticals. In the recent past, demand for and uptake of cloud-based solutions in the Middle East has risen, as evidenced by the region's increasing software as a service, platform as a service, and infrastructure as a service deployments. As a result of their investments in local datacenters, multiple hyperscalers have had a positive impact on cloud perception in the region, particularly as such datacenters address in-country data residency requirements and other regulations. Regulated industries such as government, healthcare, banking, insurance, and finance have embraced subscription-based solutions in order to be more agile and scalable. Cloud-based customer relationship management (CRM) tools, especially digital platforms, customer service applications, and contact center applications, allow businesses to be mobile and agile enough to be always connected to customers, enabling them in turn to offer superior user experiences. Cloud, being a foundational platform, also enables organizations to embed other disruptive technologies such as AI, machine learning, Internet of Things (IoT), and Big Data and analytics. Collectively, these technologies allow companies to improve time to market, accelerate responses to customer queries, monitor changing customer preferences, and gain visibility and control of their financial resources.

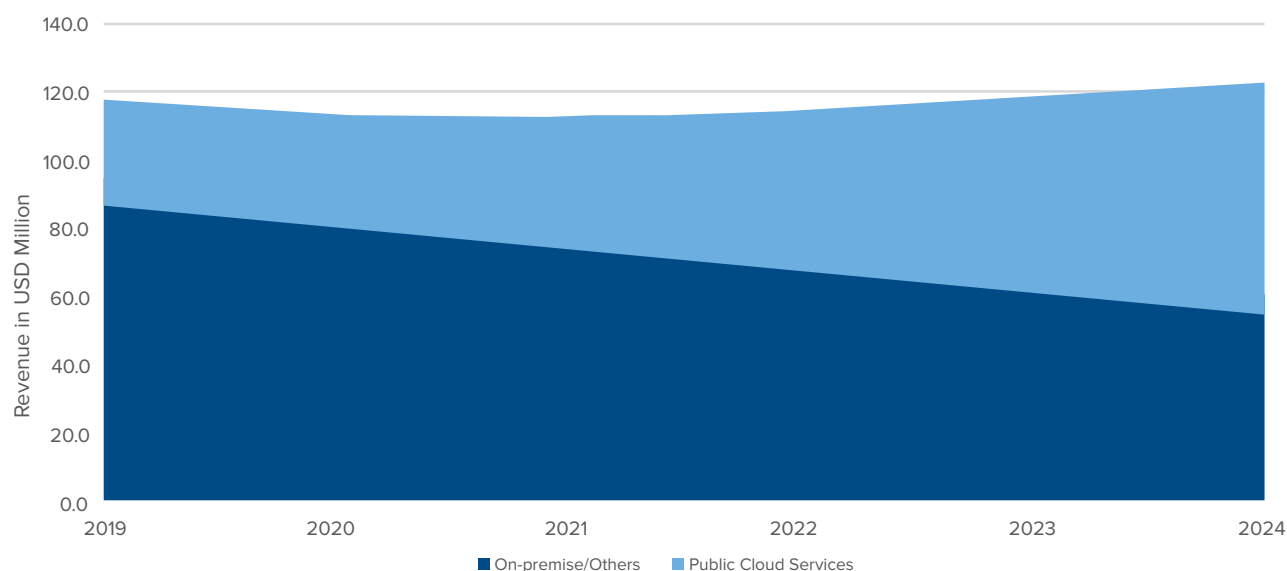
### Cloud Drives Growth of Contact Center Software in MEA

Many organizations have started investing in cloud contact centers. These centers provide

their customer care and after-sales support agents with quick and easy access to various customer engagement solutions that allow them to manage customer communications in an omnichannel environment. According to IDC's latest software and public cloud services forecast, the value of the MEA contact center market is expected to reach approximately \$123 million by 2024. The on-premises software to public cloud software ratio is forecast to change from 80:20 in 2019 to 50:50 by 2024. This shift signals the strong and accelerated growth of cloud-based contact center applications in the region in comparison to on-premises applications. Notably, the cloud-based contact center applications market is expected to expand at a compound annual growth rate (CAGR) of 21.06% between 2019 and 2024. This shift is expected to continue as organizations migrate from legacy systems to

cloud platforms. With cloud contact centers, businesses can stay connected to customers across multiple digital and voice platforms (such as Facebook, WhatsApp, and email) at all times and from all locations. The COVID-19 pandemic has further accelerated the adoption of cloud-based applications as companies need to quickly scale up or down, ensure IT deployments are elastic, maintain business continuity, and enable employees to work in remote environments. Organizations that are following social distancing norms and completely shutting down their offices have leveraged cloud contact center solutions to enable their agents to work from home. Cloud-based contact centers have also allowed public and private sector organizations to maintain operational efficiency and optimize CX during the ongoing pandemic.

Figure 1: MEA\* Contact Center Applications Software Revenue by Deployment Type, 2019–2024



Source: IDC's Worldwide Semiannual Software Tracker, May 2020  
 \*Middle East and Africa (includes Turkey, excludes Israel)



### *Inclination towards Cloud Contact Center Solutions*

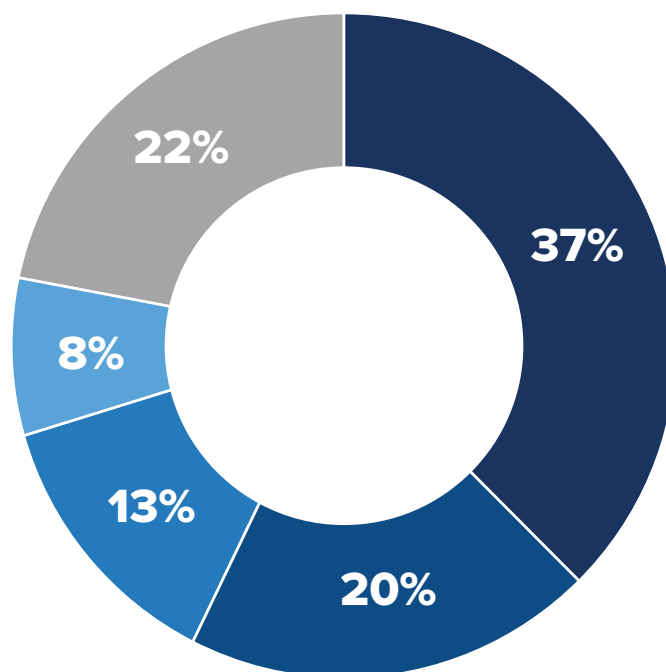
The recent IDC customer engagement survey validates the above market trends where some 58% of businesses across Middle East (namely Saudi Arabia, the UAE and Egypt) are either already using cloud-based contact center solutions or are engaged in the process of implementation. Additional 20% of the organizations highlighted their plans to adopt a cloud-based solution within their contact centers in the next 12 to 24 months.

Large (with 1000-4999 employees) and very large (with 5000 employees or more) organizations in the region are way ahead in terms of their existing usage of cloud-based customer engagement solutions. At a country level, Saudi Arabia ranked better in current adoption of these cloud-based solutions. Egypt, on the other hand, shows the lowest current adoption, however, it has the highest percentage of organizations planning their adoption in the upcoming 2 years.

**Figure 2: Current & Planned Adoption of Cloud Based Contact Center Solutions**

Q: Which of the following statements best describe your plans for using cloud-based contact center solutions?

- Already using
- In the process of implementing
- Planning to use within 1 year
- Plan to use in next 1-2 years
- Not using and not planning in the next 2 years



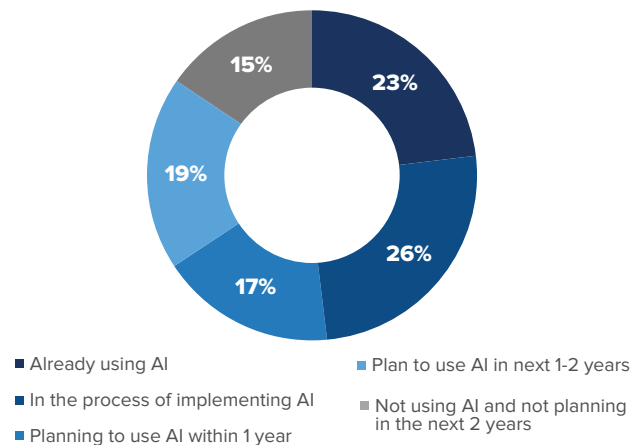
Source: Contact Centers Survey Middle East (n=166), IDC, June 2020

# Increasing importance of AI in Customer Experiences

In order to improving customer experience and operational efficiencies, contact centers are increasingly blending AI with cloud where both machines and human are working together for a better result and greater user experience. Survey results show that majority of companies are in some stage of AI adoption in their contact centers, with around half of companies (49%) having already adopted AI or engaged in the process whereas the other 36% of organizations are planning to leverage AI in the next 1-2 years' timeframe; indicating that AI and process automation will become of complementary nature to any customer experience platform within the upcoming 2 years.

**Figure 3: Adoption of AI in Customer Experience Platforms**

Q: Do you currently use or plan to use Artificial Intelligence (AI) in your customer experience platform?



The organizations are using AI, machine learning and cognitive solutions to automate self-service interactions, bring process automation—especially using robotic process automation (RPA), and enhance workforce management within their contact centers. These applications support in rationalizing the need of additional agents while optimizing the use of current resources by boosting agents' efficiency. Using these AI enabled solutions not only offers offer cost reduction, but also translate into enabling a faster service and delivery, more personalized conversation, reduced call volumes and improved resolution cycle; ultimately help achieve better customer experience.

**Figure 4: AI Use Cases in Contact Centers**

Q: For which of these uses / areas are you currently using AI / are you planning to use AI, in your contact center?



Source: Contact Centers Survey Middle East, IDC, June 2020

Base (All, excluding companies not using or planning to use AI in the next 2 years): 141

## Impact of COVID-19 on Contact Center Investment Strategy

During the current pandemic, businesses have increasingly inclined towards the cloud-based customer engagement applications to enable the remote work environment. KSA, UAE, and Egypt have all followed a social distancing approach to thwart the spread of COVID-19, implementing curfews and lock downs across the country and on multiple businesses. These restrictions have forced around 60% of organizations to have over 50% of their contact center employees work from home. However, cloud-based contact centers have allowed companies not only improve organizational flexibility by enabling agents to work from home or elsewhere, without affecting the quality of services but also helped the businesses to continue offering their customer services to attain a better customer experience.

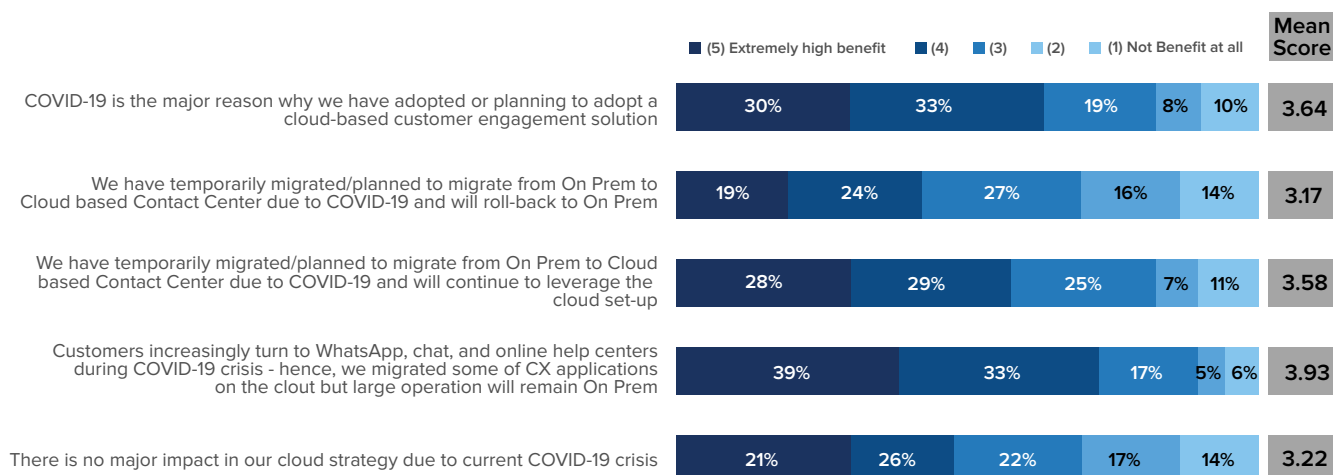
COVID-19, in many ways, has not only changed the way contact center leaders used to look at the remote working environment but has also

influenced their technology preferences. Some 63% of the organizations surveyed completely agreed or somewhat agreed that COVID-19 is the key reason why they have adopted or are planning to adopt cloud-based customer engagement solutions. At the same time 57% of the organizations stated that they have either temporarily migrated or are planning to migrate from on-premise to cloud based solutions due to COVID-19 and would remain on cloud post pandemic.

The most important finding from the research shows that almost 72% of organizations said that their customers are increasingly turning to WhatsApp, chat, and online help centers during COVID-19 crisis and this was the primary reason they migrated some of their CX applications on the cloud, however said that the large operation will remain on premise.

**Figure 5: Impact of COVID-19 on Investment Strategy of Cloud Customer Engagement Solutions**

Q: To what extent do you agree or disagree with each of the following statements regarding the impact COVID-19 has on your strategy towards cloud customer engagement solutions?



Source: Contact Centers Survey Middle East (n=166), IDC, June 2020

## Current Deployment of Specific Customer Engagement Applications

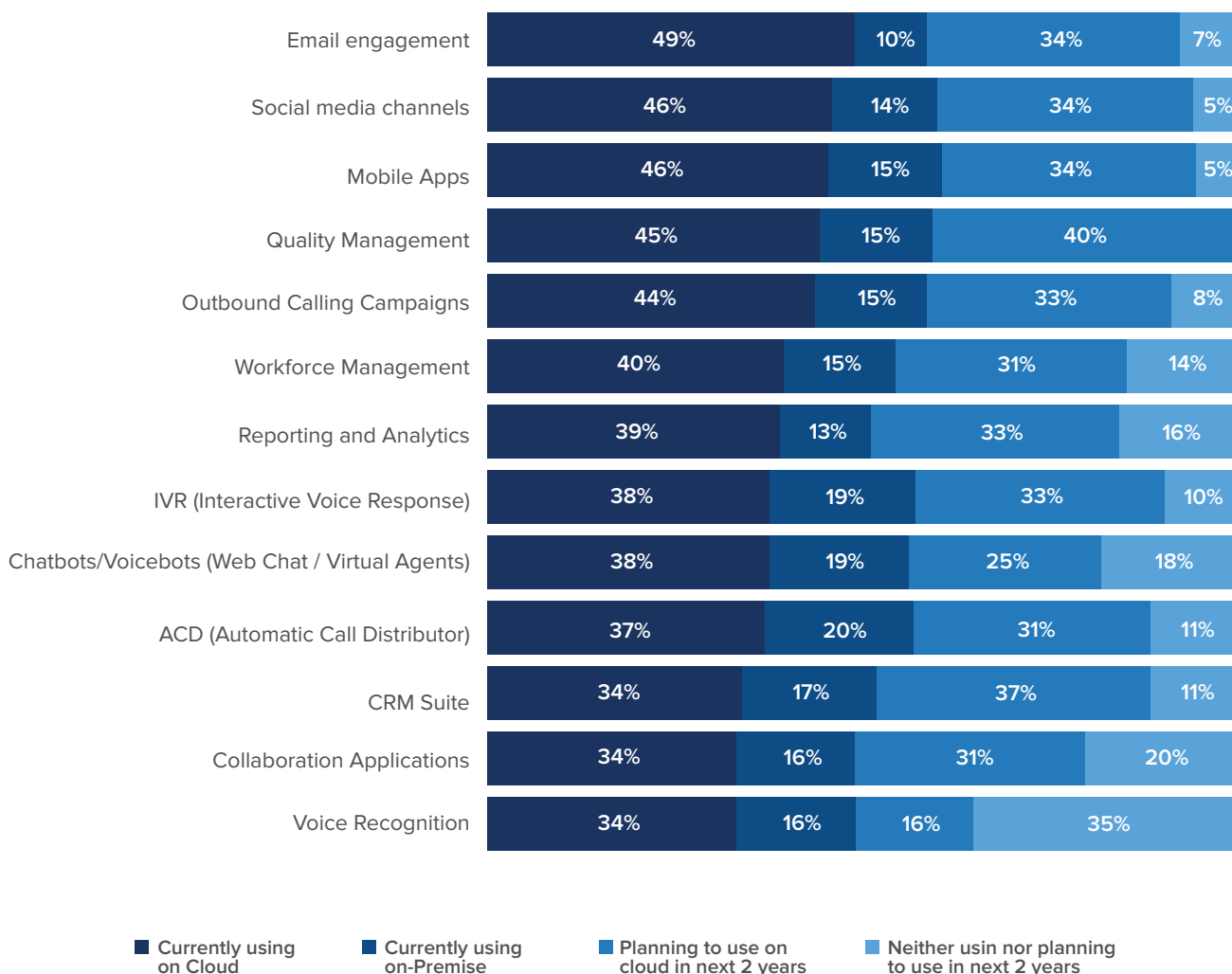
According to the survey, email engagement, social media channels, mobile apps and quality management are the top customer engagement workloads which organizations are currently using in the cloud. On the other hand, automatic

call distributor (ACD), interactive voice response (IVR), chatbots, CRM suites, and collaboration applications are the critical workloads which organizations in the region are planning to deploy on cloud within the next 2 years.

**Figure 6: Customer Engagement Application Workloads Deployment**

Q. Which of the following customer engagement applications (on-premise/cloud-based) are you using currently?

Q. Are you planning to use any of these cloud-based applications within the next 2 years, in your organizations?



Source: Contact Centers Survey Middle East (n=166), IDC, June 2020

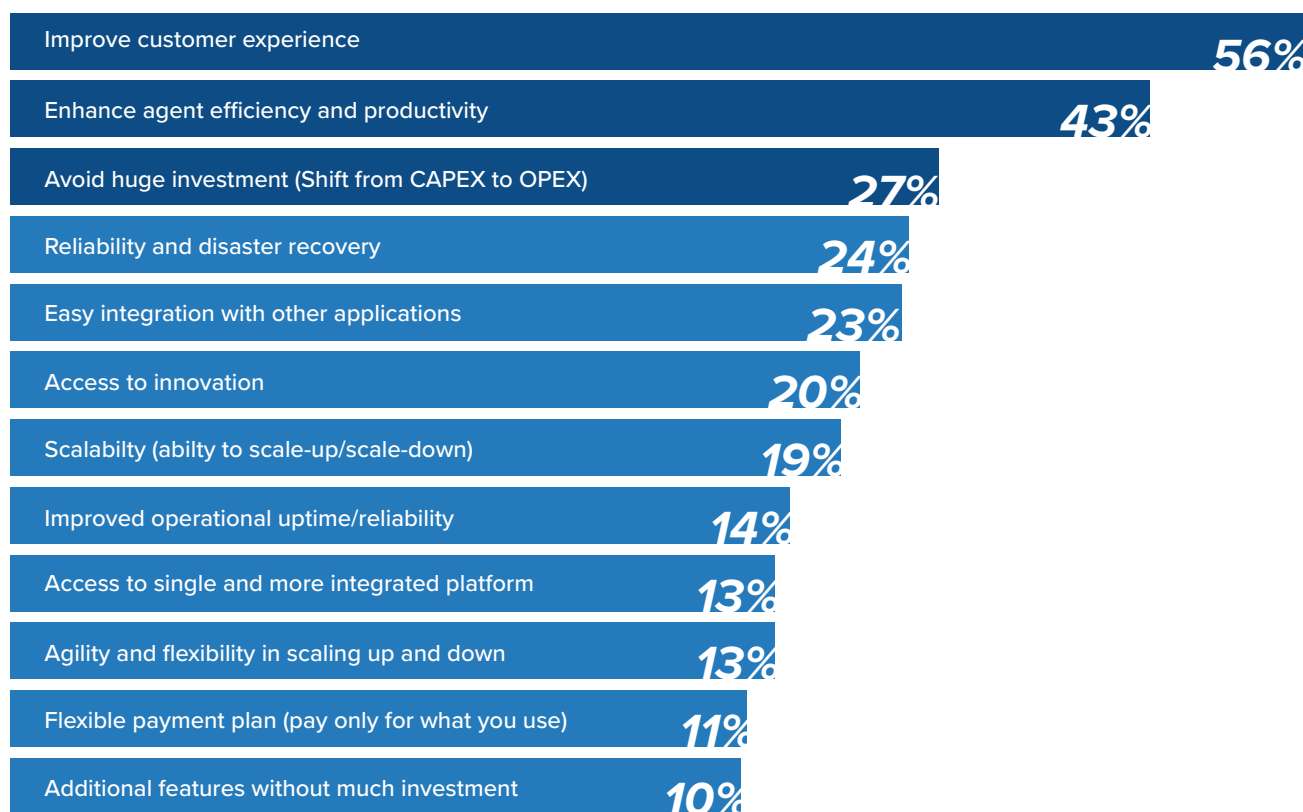
## Drivers and Benefits of Cloud-based Customer Engagement Applications

Various customer engagement centers within the region have increased their adoption of cloud-based solutions which enables them to move from a Capex to Opex business environment. Cloud based customer engagement centers makes it easier to scale up or scale down depending on the seasonality of the demand, makes it highly customizable if they need to add or remove features or functionalities, and enables the workforce to

work from home or any remote area, i.e. supporting the remote work environment and help organizations improve customer satisfaction. During the current crisis, increasing number of organizations strengthened their digital platform for a better customer interaction, enabling a means to better assist their customers through personalized responses and prompt resolutions to their queries, complaints, and feedback.

**Figure 7: Drivers for Cloud-Based Deployment**

Q: What would you say are the top three drivers for cloud-based deployments in your Contact Center?



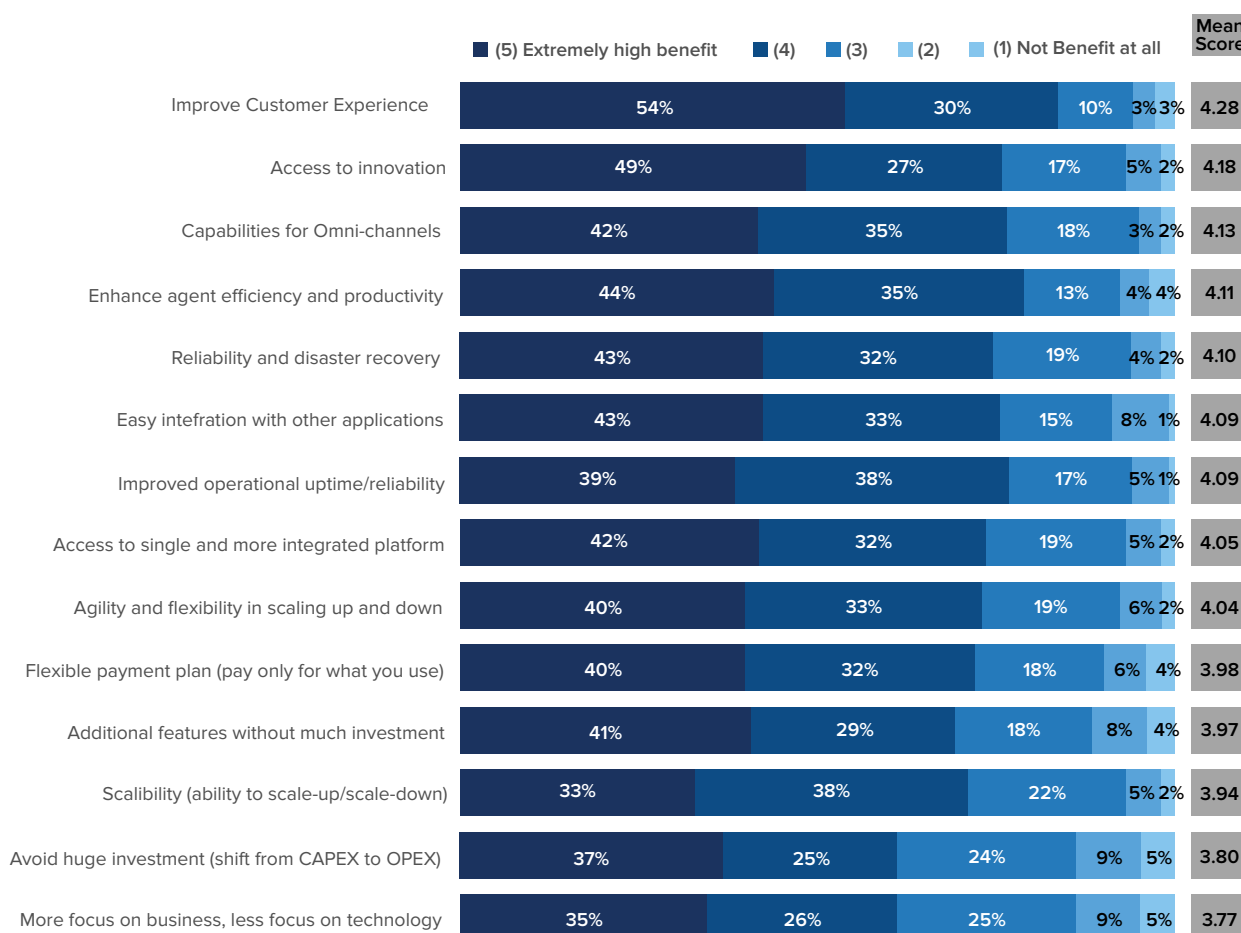
Source: Contact Centers Survey Middle East (n=166), IDC, June 2020

According to the survey, improving customer experience (56%) and enhancing agent's efficiency and effectiveness (43%) are the two leading drivers for organizations to migrate to cloud-based customer engagement solutions in Middle East contact centers. One of the key drivers of using a cloud-based solution is the shift from CAPEX to OPEX business model (27%), where organizations can save initial huge on-premise infrastructure investment and pay for their needs only. This benefit of amortizing their investments and paying as they use, helps de-risk their investment and aligns them better with the business uncertainties these days.

Organizations adopting cloud-based customer engagement solutions have highlighted that it has benefitted them significantly to improve the overall customer experience and also allowed them to integrate more innovative features and functionalities. These cloud-based solutions allow organizations to easily integrate with other existing and/or new applications which provides the agents with a holistic view of other business applications digital platforms. This in turn improves their Turn Around Time (TAT) and helps them complete additional calls.

**Figure 8: Benefits of Cloud Based Technologies for Contact Centers**

Q. On a 5-point scale where 1 means no benefit at all and 5 means extremely high benefit, please rate to what extent do you think the use of cloud technologies would impact your Contact Center?



Source: Contact Centers Survey Middle East (n=166), IDC, June 2020

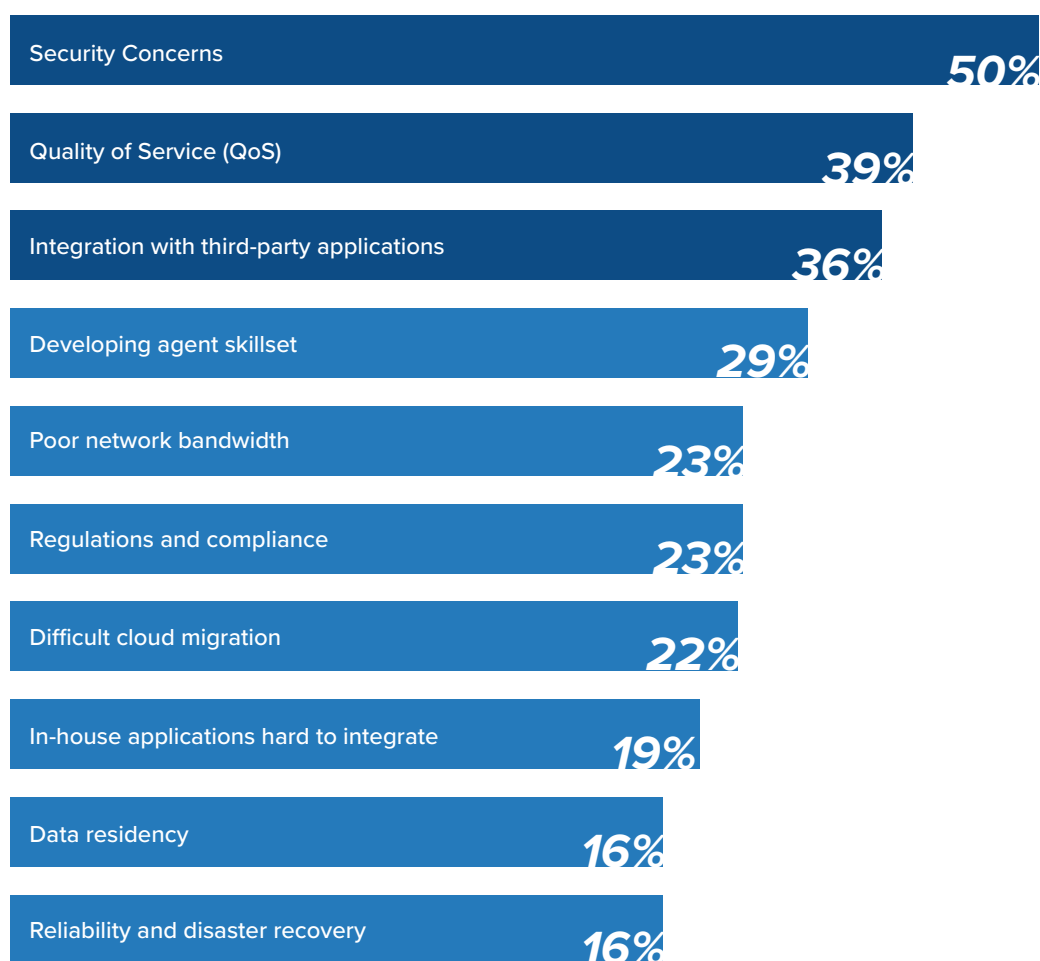
## Key Challenges and Opportunities

With the growing cybercrimes and frauds, most of the organizations give a high importance to the regulations and compliances to safeguard their businesses. Increasing security concerns, lack of adequate quality of services (QoS) and organizations' inability to integrate systems with third-party applications are the top three key challenges that organizations are facing today which are considering deploying a cloud-based customer engagement solution.

With the continuous enhancement and integration of innovative features and technologies such as analytics, AI, virtual agent, getting their agents up to speed with the required skill and training them is also a major challenge which organizations face in the region.

**Figure 9: Challenges of Cloud-Based Solutions**

Q: What would you say are the three biggest challenges when considering any cloud-based customer engagement solution?



Source: Contact Centers Survey Middle East (n=166), IDC, June 2020

## Data Governance, Regulations, and Low QoS Major Concerns

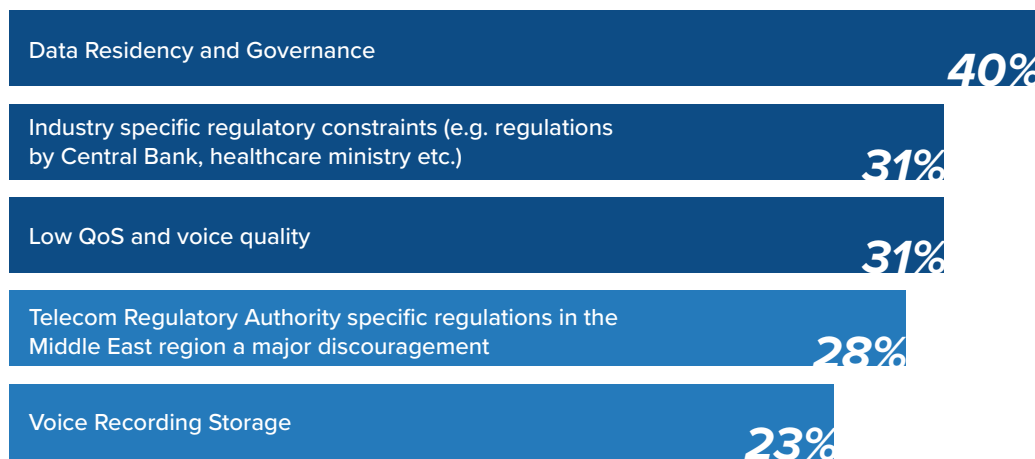
Most companies noted that data residency and governance, along with industry specific regulations were their major discouragement while considering a cloud-based solution.

With the growing number of local data centers investments and national cloud-first policies in place, the region is gradually going to overcome these challenges sooner or later where

technology providers would be better placed to fulfill the data residency and compliance issues for the businesses. Moreover, as a key purpose of utilizing cloud-based solutions is enhancing CX, companies are conscious of the QoS level provided and voice quality, which is important to assure a client on in order for the solution to meet its key objectives.

Figure 10: Security and Compliance Concerns

Q: Thinking specifically of security and compliance in a cloud contact center environment, what would you classify as your major concerns?



Source: Contact Centers Survey Middle East (n=166), IDC, June 2020

***"With the growing number of local data centers investments and national cloud-first policies in place, the region is gradually going to overcome these challenges sooner or later where technology providers would be better placed to fulfill the data residency and compliance issues for the businesses."***



## Essential Guidance

*IDC makes the following recommendations to organizations that are considering deploying any cloud-based customer engagement solutions:*

**Think AI While Thinking about CX:** Bringing process automation using AI and cognitive solutions should be central to a contact center strategy. Organizations need to leverage AI in specific use cases such as in optimizing search and knowledge discovery, analyzing customer insights to provide end-to-end customer journey, and providing recommendation to the agent, or implement conversational AI or virtual agents/chatbots. Organizations can also use AI to engage with customers consistently and concurrently across all digital channels and adopt a self-service automation.

### **Select a Technology Partner which Checks All Boxes for Security and Compliances Requirements:**

Contact center is a very critical business function for any customer facing organizations which processes, stores and analyses critical and important customer data. Organizations should carefully evaluate the security features offered by technology providers to ensure whether they adhere to the regulations and have string functionalities and features to support any government or industry specific regulations.

### **A unified solution which integrates with all digital channels and offers customization:**

Organizations striving to deploy any cloud contact center solutions or modernize their existing ones must look for a solution which can easily integrate other digital platforms (or even to legacy systems) to give a unified view of all customer interaction and various customer touchpoints. At the same time, organizations from

multiple industry and of varying size would require different types of customer engagement solutions and they might require different level of customization. Evaluate your need and look for vendors which offer a customizable solution.

### **Embrace Cloud Customer Engagement to Stay Ahead in Your Business:**

The Middle East is making strong steps towards cloud adoption. Organizations today must keep cloud migration as an integral part of their strategic priority. Cloud is already becoming an integral part of an organization's contact center modernization strategy. The technologies such as AI and analytics works best in the cloud which enable organizations determine the best way to engage throughout their customer journeys and predict customer's future needs to be able to serve them better.

### **Ensure Business Continuity during Uncertain Times:**

Economic uncertainty due to various geo-political factors as well as macro-economic reasons is impacting consumption, which influences customers arrival patterns, queues and overall demand forecast. Organizations which plan their contact center modernization by transitioning from traditional set-up (i.e. on premise and hardware centric contact centers) to a more digital and agile are likely to be least impacted during uncertainties such as COVID-19. Organizations should be able to quickly scale their operations up or down based on the demand at hand. Staying ahead of the competition would need better management of customer experience, cost, and time.

## About Genesys

Every year, Genesys® delivers more than 70 billion remarkable customer experiences for organizations in over 100 countries. Through the power of the cloud and AI, our technology connects every customer movement across marketing, sales and service on any channel, while also improving employee experiences. Genesys pioneered Experience as a Service<sup>SM</sup> so

organizations of any size can provide true personalization at scale, interact with empathy, and foster customer trust and loyalty. This is enabled by Genesys Cloud™, an all-in-one solution and the world's leading public contact center platform, designed for rapid innovation, scalability and flexibility.

## About IST Networks

Established in 2002, IST has led the way in delivering exceptional customer experience (CX) solutions to a multitude of verticals and organizations worldwide. IST cherry picks the best CX technologies in the marketplace to provide their customers with the most comprehensive, innovative, and effective CX solution.

Today, IST operates globally with a highly skilled workforce specializing in contact center (cloud, hybrid, and on premises), customer engagement systems (cloud or on premise), contact center

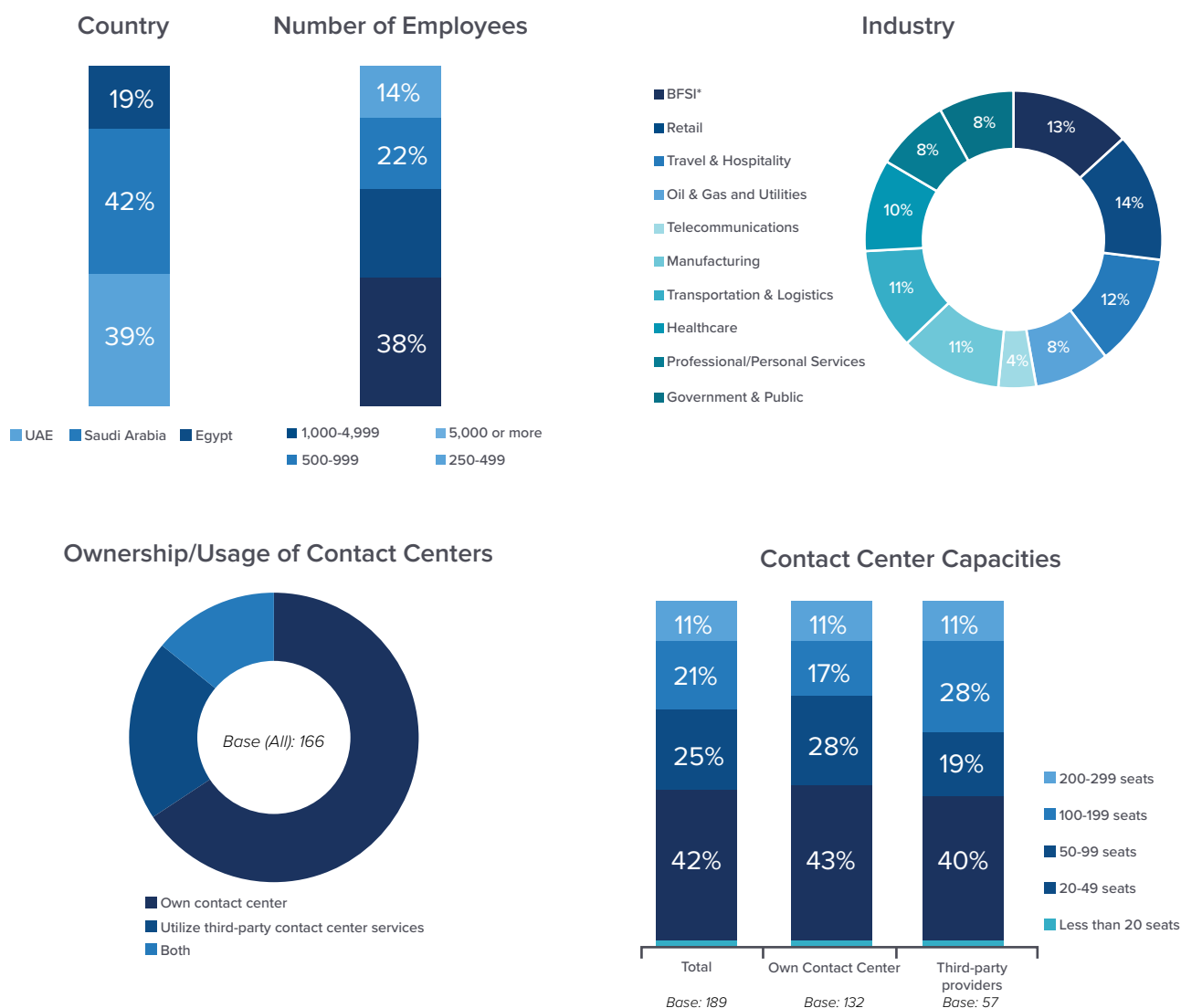
agent desktops, speech and language (Arabic and English), mobile transactional security, digital signage, workforce management, workload distribution, customer journey analytics, robotic process automation, enterprise mobile apps, customer feedback management, and more. IST focuses on project delivery and prides itself on quality and innovation. Over the years, IST has completed many projects that many experts said was not possible. IST is now regarded as a CX technology expert and has become the authority on systems integration between legacy and current CX and back-end systems.

# Methodology

This document relies on IDC's research on cloud-based customer engagement applications, use of other emerging technology like AI/chat-bots and its impact on customer experience in Saudi Arabia, the UAE and Egypt. A total of 166 organizations across various industry verticals were surveyed with customer care professionals and IT decision makers. IDC builds on its expert

knowledge, primary and secondary market research insights to understand the key trends, drivers, inhibitors, technologies, and challenges that are impacting the use of the cloud-based customer engagement applications in contact centers across the Middle East region for a better customer experience.

Figure 11: Survey Demographics



Source: Contact Centers Survey Middle East (n=166), IDC, June 2020

# About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives.

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