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# Add Video-Enabled Contact Centers to Bolster Customer Satisfaction

*CX leaders report improved business metrics and sales success globally*



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## **Add Video-Enabled Contact Centers to Bolster Customer Satisfaction**

*CX leaders report improved business metrics and sales success globally*

**Q2 2023**

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## Executive Summary

Visual engagement, including video, screen-sharing, and co-browsing, has become a de facto communications standard for both business and personal interactions. But visual communications have lagged, comparatively, in customer interactions.

We're starting to see a surge in the use of visual engagement, with North American companies leading the way, followed by Asia-Pacific and European companies. In fact, Europe will see the largest growth in 2023, with 20.5% of companies planning to adopt the applications.

It's easy to see why. Visual engagement delivers results. Successful companies are more than twice as likely to use video as unsuccessful companies. And even in the early stages of visual engagement, 11.4% of companies cite video as the *top* interaction channel for customer satisfaction.

Visual engagement has such a profound effect on companies, many say it's transformational. Of the 52% of companies that had a CX transformation initiative in 2022, 24% identified "adding visual engagement" as their transformation project.

The hybrid workplace definitely has played a role in the adoption of video. As companies allowed agents to work from home offices, video became paramount to successful internal communications and management. From there, extending video to customers became much easier.

But before extending to customers, companies had to ensure home-office agents were well-equipped with the right technology applications, hardware, and services. This means they needed high-quality video cameras, headsets, and Internet access.

Among those companies that have embraced visual engagement, sales are increasing, customer satisfaction is improving, operational costs are dropping, and employee productivity is rising. Feedback from customers, coupled with analytics tools, provides both verification of success, and guidance for change.

## Visual Engagement: Definitions and Adoption

Visual engagement technologies help companies connect with their customers in a more high-value manner. Agents using visual applications can resolve issues more quickly, while also developing a better relationship with customers. The applications include:

- **Video** – One-way video typically is used when customers want to show agents the problems they’re experiencing (say, an issue with product assembly or installation). One-to-one video typically is used when customers and agents have 1:1 consultative meetings (in investment management or telehealth).
- **Screen-sharing** – Agents or customers can share images on their screens. This is particularly useful when customers are trying to select insurance plans, for example. Or, if they have an issue with a software application and want to show what they’re experiencing.
- **Co-browsing** – Agents can see customers’ screens but only use a pointer to show them where to click. A subset of co-browsing, called co-editing, allows agents to fill in some portions of forms on customer screens but not others, based on security. For example, an agent couldn’t sign a form.

Customers have grown to accept visual communications in their personal and business interactions. It's not surprising, then, that companies are using visual engagement technologies to communicate with their customers globally. Usage is highest among North American-based companies (41.5%), followed by Asia-Pacific (32.3%), and Europe (28.6%), according to Metrigy’s *CX MetriCast 2023* research study of 1,690 IT, CX, and business leaders.<sup>1</sup>

Europe will see the biggest growth in 2023, with 20.5% of companies planning to adopt visual engagement, compared to only 14.7% of North American companies and 14.8% of those in Asia-Pacific. In terms of size, larger companies with more than 10,000 employees (40.4%) are more apt to use visual engagement than smaller ones with fewer than 50 employees (31.5%), with the largest growth happening in 2023 among companies with 251 to 2,000 employees.

Healthcare (44.4%), high-tech (42.2%), and professional services (39.3%) are the top three industries using visual engagement to interact with customers, while government (22.5%), aerospace (26.7%), and logistics (29.8%) are the least likely to use visual engagement. Growth industries for 2023 include healthcare (to continue expanding telehealth and remote diagnostics), education (particularly higher education for remote campus visits and orientations), financial services (for consultative investment advising calls or banking and insurance sales calls), and construction and real-estate (for remote viewing of properties).

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<sup>1</sup> The study included 631 participants from North America (Canada, United States), 565 from Europe (France, Germany, Italy, United Kingdom, Switzerland), and 494 from Asia-Pacific (Australia, India, Japan, Singapore)

Given the importance of these visual interactions (after all, they’re with customers—the lifeblood of any organization), it’s crucial for companies to make them high-quality sessions. This means investing in video cameras with high-quality lenses and capabilities; headsets that are portable for hybrid workers and equipped with noise cancellation to eliminate background noises; management tools for IT to track performance; and fast home-office Internet.

### Identifying Success

Metrigy’s research studies identify a success group—those companies that have higher-than-average business success metric improvements through the use of advanced customer engagement technologies. In fact, when it comes to visual communications, **successful companies were twice as likely to use video for their customer interactions than unsuccessful companies.**

Some CX leaders also identify video as the *top* channel for delivering the best customer satisfaction (CSAT), according to our *Customer Insights and Analytics 2023-24* global research study of 400 companies. Not surprisingly, the highest percentage (38.9%) selected voice phone calls, in large part because voice is still the most widely used channel: 73.1% of all interactions either start in or need to be escalated to voice.

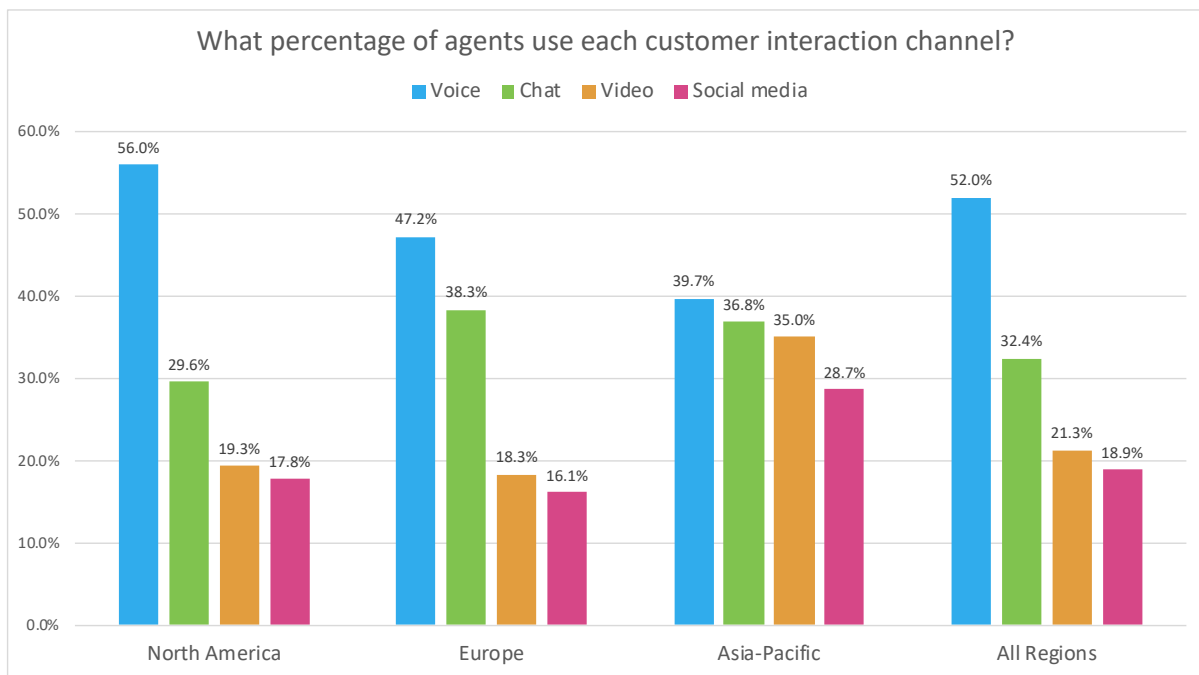


Figure 1: What percentage of agents use each customer interaction channel?

After voice, companies selected self-service (21%), textual interaction with live agents (16.8%), video (11.4%), textual interactions with virtual assistants (10.5%), and other (1.5%). Tracking by region, European companies most commonly saw top CSAT with video (15.4% of companies),

followed by Asia-Pacific companies (13.8%), and then North American (9.6%).<sup>2</sup> It’s important to note that video is still a relatively new channel for companies, many having just started using it in the middle of the pandemic. As they increasingly use video, we expect its value and success to continue to rise. In the same study, we saw 21.3% of agents globally using video to communicate with customers. Asia-Pacific companies had the highest percentage of agents using both video and social media—and overall, they tend to utilize more channels and cross-train agents on them. (Please see Figure 1 on the previous page.)

Among the visual engagement applications available, screen-sharing is the most commonly used globally—and within each region. In Asia-Pacific, 68.1% of those using visual engagement applications use screen-sharing, along with 65% in North America and 59.4% in Europe. Two-way video has a slightly higher adoption rate in Asia-Pacific than one-way video; in other regions, they are the same. Co-browsing is least adopted globally and individually within regions, with about 45% using it globally, according to the *CX MetriCast 2023* study.

## The Transformational Impact of Visual Engagement

Adding visual engagement applications to a contact center may seem pretty straightforward. However, to some companies, it’s transformative.

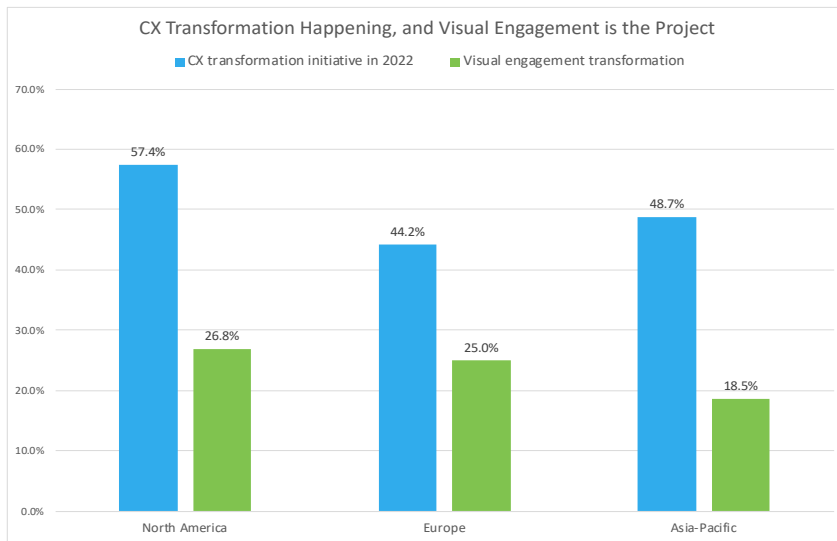


Figure 2: CX Transformation Happening, and Visual Engagement is the Project

We asked 724 companies whether they had transformed their customer experience strategy, and 52% said they had started or completed an initiative in 2022. Among those, 24% identified adding visual engagement as their transformation project, according to Metrigy’s *Customer Experience Transformation: 2022-23* global study of 724 companies.

As Figure 2 illustrates, North American companies are more apt to have a CX transformation project than their counterparts in Europe or Asia-Pacific (57.4% vs. 44.2% and 48.7%, respectively). North American companies also cite “adding visual engagement” as a

<sup>2</sup> The study included 374 participants from North America (Canada, United States), 119 from Europe (France, Germany, United Kingdom), and 86 from Asia-Pacific (Australia, Japan, Singapore)

transformation initiative more frequently than other regions (26.8% for North America vs. 25% for Asia-Pacific and 18.5% for Europe).

These figures don't represent adoption; rather they show the relative importance companies place on visual engagement—it's transformative for them, rather than just another way to communicate. It changes the way they interact with customers, how they train their contact center agents, many of their workflows and processes, as well as their analytics.

### Hybrid Workplace Accelerates Video Adoption

One significant catalyst to companies adopting visual engagement applications was the movement toward a hybrid workplace, which accelerated starting in 2020 because of the global pandemic. As Figure 3 illustrates, there remains some uncertainty as to how the agent workplace will shape up in all regions, with 20.9% to 27.9% still evaluating what they plan to do moving forward. Asia-Pacific companies are the most bullish about agents working from the office full-time, with 28.4% stating such intentions, according to the *CX Transformation* research study.

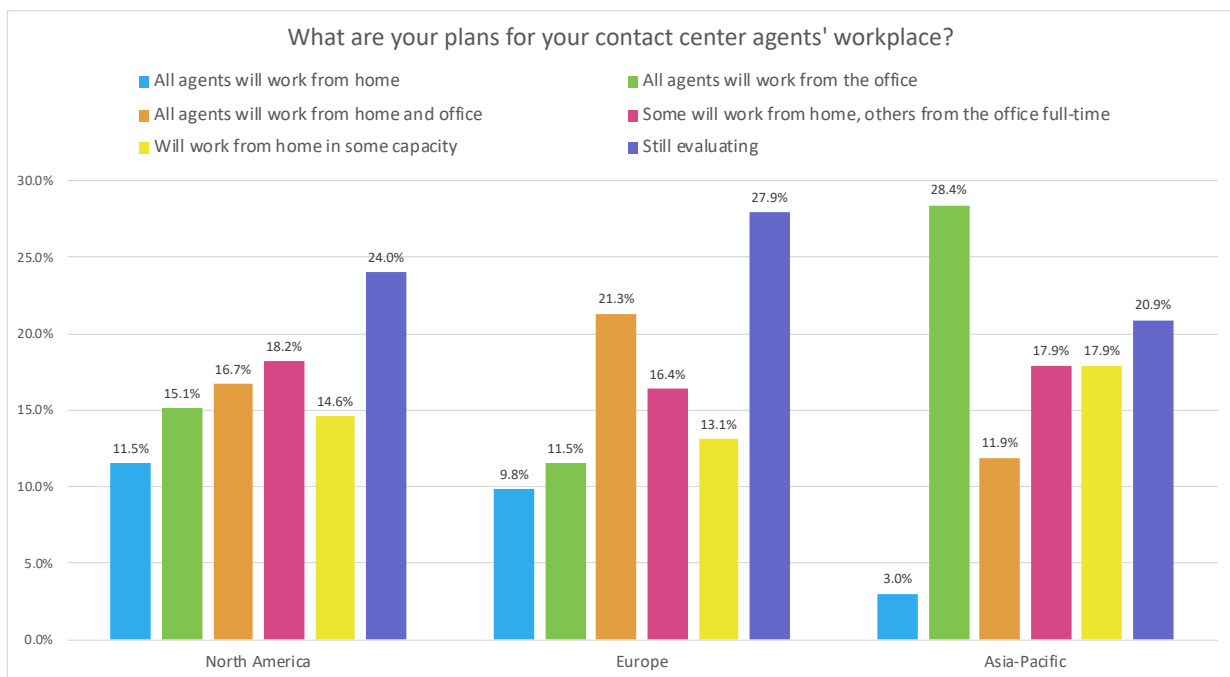


Figure 3: What are your plans for your contact center agents' workplace?

In all regions, there is a sizable percentage of companies that have decided to have all or some agents work from home always or partially, or are planning for WFH in some capacity—61% of North American companies, 60.6% of European companies, and 50.7% of Asia-Pacific companies.

There are a few reasons the hybrid workplace movement is affecting the use of video. When working remotely, agents and supervisors need video to communicate with one another, for team meetings, to review agent analytics together, and more. The isolation of working from



home is tempered by the use of video, bringing together visual engagement—whether the ability to see other faces and expressions or screen-share to jointly evaluate documents, processes, or agent performance.

Once the video cameras, high-end headsets, applications, and operational processes are in place for internal communications, visual engagement is much easier to extend to external communications. In fact, companies are increasingly supplying equipment for agents’ home offices to support visual communications. Of the 13 items shown in Figure 4, below, four are directly tied to video (headset, video camera, executive video system, lighting for videos). Of course, the laptop, headset, keyboard/mouse, Internet access, etc., all play a role in a successful visual interaction, as well. Organizations focusing on video interactions are careful to select high-quality cameras and headsets to ensure good performance. Poor-quality videos or jittery sound will only make customers reject the use of video in the future and will lead to poor customer satisfaction scores. High-quality video will serve as a customer service differentiator.

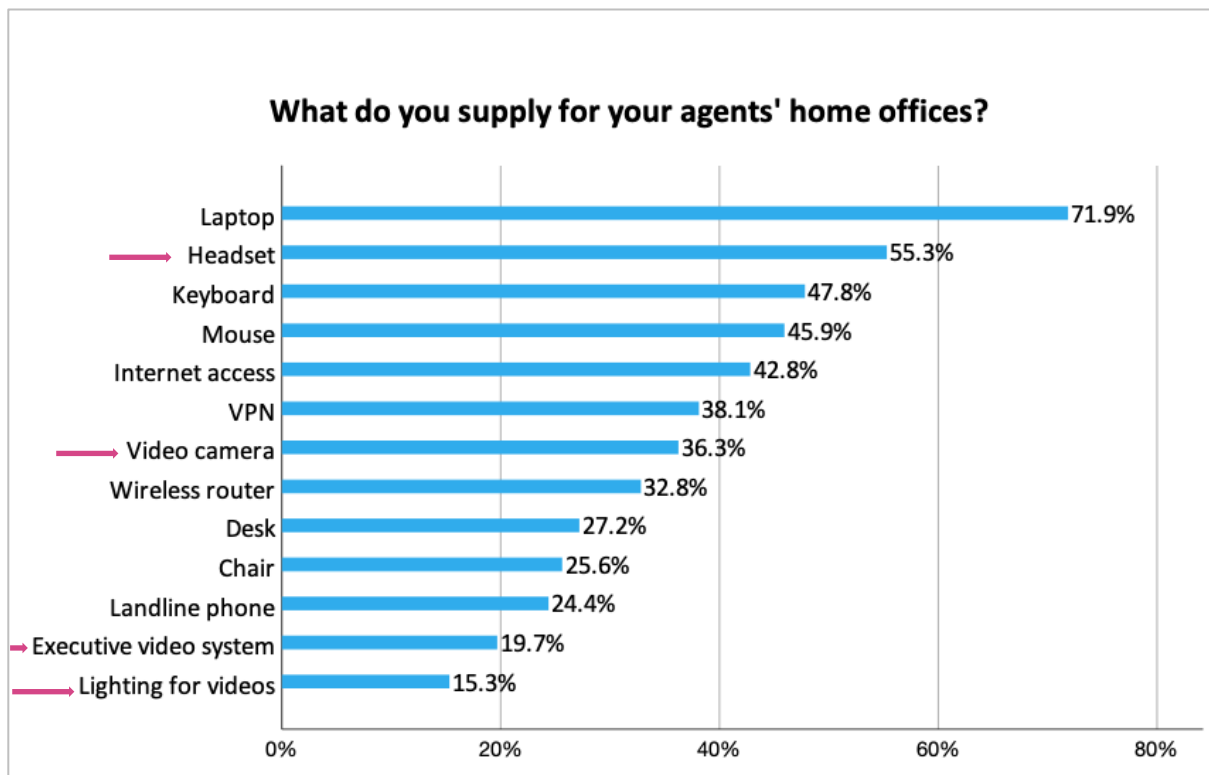


Figure 4: What do you supply for your agents' home offices?

North American companies are more likely to provide their agents with video cameras (38% vs. 31.1% for Europe and 35.8% for Asia-Pacific). Executive video systems are more likely provided in European companies (21.3%) and North American companies (20.8%), vs. Asia-Pacific companies (14.9%). And providing lighting for videos is fairly even across all regions.

## Drivers for Using Video for Customer Interactions

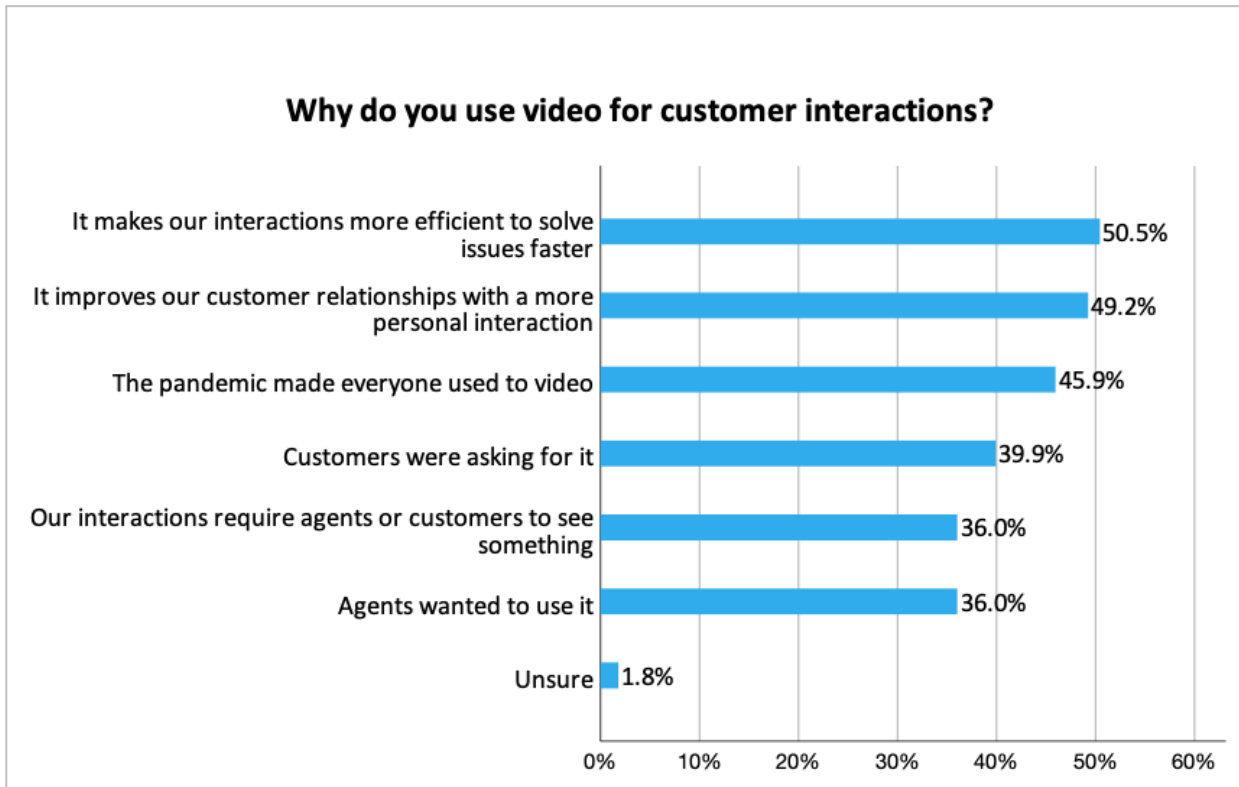


Figure 5: Why do you use video for customer interactions?

Regardless of the agents' workplace, the drivers for using video specifically in customer interactions applies universally. When we asked companies why they use video for customer interactions, several reasons emerged, including the following:

- Efficiency** – More than half of research participants said video makes their interactions more efficient, allowing them to solve issues faster than they can without video. For example, customers assembling furniture can establish a video call so they can see what the problem is, rather than trying to picture it from a verbal-only or text-only description. Top industries selecting this reason include construction/real-estate, healthcare, and retail.
- Relationship management** – Nearly half of participants said video improves their relationships with more personalized interactions. This is particularly true with industries such as banking, investment management, healthcare, higher education, and high-end retail. Top industries selecting this driver include construction/real-estate, energy/utilities, and financial services.
- Habit** – The pandemic made everyone more accustomed to using video, according to 45.9% of CX leaders, so that extended into using video in business-to-customer

interactions. Top industries selecting this reason include high-tech, professional services, and construction/real-estate.

- **Demand** – Nearly 40% said customers were asking for video, while 36% said agents wanted to use it. Top industries for these reasons include hospitality, financial services, retail, and high-tech.
- **Requirement** – For 36% of companies, interactions required agents or customers to see something, whether it was an installation, a scene, a group of people, or just a friendly face, that drove them to use video. Top industries citing this reason include construction/real-estate, manufacturing, and logistics and transportation.

Regionally, Asia-Pacific companies cited all of the reasons more than other regions. Most significant for Asia-Pacific: Video makes interactions more efficient, the pandemic's impact, and that video improves customer relationships. For North American companies, the top reasons for the use of video are the impact on customer relationships, interaction efficiency, and the pandemic making everyone used to video. For European companies, the pandemic's impact was the top reason for using video, followed by its ability to improve efficiency, and the fact that agents wanted to use it.

### *Video Helps Agent Empathy*

Agent empathy has become an important topic, with 50.5% of companies training their agents on how to be more empathetic, and 24% using AI to detect issues with empathy, according to the *Customer Experience Transformation* study. When companies use visual engagement applications, they're 12.8% more likely to make empathy part of their customer service training and analysis vs. those not using visual engagement. Video, in particular, is crucial to improved empathy.

North American and European companies are more likely to have empathy as part of agent training, while Asia-Pacific is slightly more likely to have it as part of agent performance analysis. North American companies lead when it comes to using AI to detect issues with empathy (27.2% for North America vs. 22% for Europe and 18.8% for Asia-Pacific).

### *Documenting Improvements*

Companies across all our research studies, including *CX MetriCast 2023*, have documented measurable improvements using visual engagement apps for customer interactions in four key areas: CSAT, operational costs, revenue, and employee efficiency. As Figure 6 on the next page illustrates, companies that have measured improvements before and after using visual engagement apps have a compelling story to tell. Regardless of region, they have seen more than 20% improvements in all metrics. It's key to use analytics tools to gather customer insights on the use of visual engagement, and correlate them with business success metrics.

European companies have seen a significant improvement in CSAT, while both North American and Asia-Pacific companies have found a significant jump in revenue (27.2%) resulting from

visual engagement. Customer satisfaction overall has increased the most of all metrics, and it's not surprising. When customers can show and/or see something, they have a better experience. For example, if a software application isn't working properly, customer service agents can resolve the problem faster if they can see the problem, vs. trying to navigate the customer through fixes verbally. Revenue improvements also emerge when customers trust their sales person more. When they see them, the trust improves. But beyond that, when they can jointly view options via screen sharing, say, for insurance plans, it's a lot easier for sales teams to upsell them to a better plan.

| Visual Engagement Average Business Metric Improvements |               |        |              |        |
|--|---------------|--------|--------------|--------|
|  | North America | Europe | Asia-Pacific | All    |
| <b>Revenue</b>   | 27.2%         | 24.3%  | 27.2%        | 26.6%  |
| <b>Costs</b>   | -24.9%        | -23.7% | -26.8%       | -25.1% |
| <b>CSAT</b>  | 26.5%         | 32.3%  | 22.7%        | 27.5%  |
| <b>Productivity</b>                                    | 24.2%         | 21.9%  | 20.4%        | 22.8%  |

Figure 6: Visual Engagement Average Business Metric Improvements

## Conclusions and Recommendations

Companies globally are adding visual engagement (video, screen-sharing, and co-browsing) to their list of customer interaction channels—and for good reason. They improve business metrics for revenue, operational costs, customer satisfaction, and productivity.

Companies evaluating visual engagement should consider the following:

- Consider what the competition is (and is not) doing. If competitors are communicating via visual applications, it puts you at a competitive disadvantage if you're not. But, you also could lead the pack by adding visual engagement before your competitors and gain advantage. North American and Asia-Pacific companies that aren't using video should get a plan in place as soon as possible because competitors are already there. Those in Europe are not as far along, so you can gain some competitive advantage by acting quickly.
- Invest in the right equipment. When arming your agents with video capabilities, make sure the experience is top-notch. Video incorporates many channels, including voice, text, screen-sharing, etc. It's the most value-rich customer interaction channel available. So, invest in video cameras, headsets, and lighting that will ensure the best performance.
- Similarly, if your contact center agents are working in hybrid environments, make sure they have the right technology tools to do their jobs. When it comes to visual engagement applications, they need these for internal discussions and management—making it that much easier to extend the apps to customers.
- Don't underestimate the addition of video. For many companies, it's a transformational project, involving changes in processes, scripts, training, analytics, and more. Don't shy

away from the project because of the change management involved, but make appropriate plans, so the project is a success.

- Evaluate and act on your drivers for implementing visual engagement. For example, if efficiency is the main driver, train agents on how and when to use video, screen-sharing, and co-browsing to become more efficient.
- Measure improvements. As you start implementing visual engagement, correlate your CSAT scores, post-interaction surveys, and other customer insights with the channel in use. This way, you can see which channel is resulting in the best CSAT scores—and which agents may need additional training. What’s more, measure other business metrics that are important to your company. Those may include revenue, costs, and productivity.

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ABOUT METRIGY: Metrigy is an innovative research firm focusing on the rapidly changing areas of Unified Communications & Collaboration (UCC), digital workplace, digital transformation, and Customer Experience (CX)/contact center/CRM—along with several related technologies. Metrigy delivers strategic guidance and informative content, backed by primary research metrics and analysis, for technology providers and enterprise organizations.