

# Transformation of Customer Experience with Cloud-Based Customer Engagement Applications

An IDC White Paper  
Sponsored by Genesys and IST Networks  
*January 2018*

*Author: Manish Ranjan*



## IDC Opinion

Organizations are increasingly deploying customized products and solutions to sustain and grow market share. Customer analytics is the key to success — and organizations need to have the right tools to capture feedback and complaints at each point in the life cycle.

Intelligence and insights gained from analytics point to the appropriate solution for each customer. In this environment, customer contact centers are not just mere windows for client interface. If designed well, contact centers can serve as integrated tools that provide superior service and enhance loyalty and revenue.

In the customer-centric digital world, it is essential for organizations to track customers across channels, and respond to queries and grievances in real time. As a direct point of customer interaction, contact centers provide organizations with opportunities to improve performance, boost revenues, and minimize costs. Contact centers enable the provision of after-sales services and the resolution of complaints, boosting the ability of businesses to sell products and services.

3<sup>rd</sup> Platform technologies are transforming the contact center into an interactive engagement locus. Big Data analytics, cloud, mobility, and social media are defined by IDC as 3<sup>rd</sup> Platform technologies capable of disrupting markets. Widespread adoption of these technologies is leading to a paradigm shift in the way customers interact with businesses.

IDC believes cloud will be transformational in the way contact centers operate. The cloud model empowers engagement agents to have full visibility of customers who communicate via voice and through multi-channel platforms including web chat, social media, video, and mobile apps.

In the Middle East, barriers to the adoption of cloud in contact centers include difficulties integrating existing technology with third-party solutions, the complexities of cloud migration, and a lack of network bandwidth. It remains to be seen how quickly these hurdles can be overcome.

IDC surveyed customer care professionals and IT decision makers in Saudi Arabia, the United Arab Emirates (UAE), and Egypt to examine the current market dynamics of cloud-based customer engagement centers in the Middle East (*IDC Middle East Cloud Contact Center Survey, Q4 2017*). The survey found that cloud-based customer engagement solutions are being gradually deployed in contact centers across the region. This White Paper provides essential guidance that organizations can use to create value through cloud-based customer engagement solutions, and substantially improve the quality of customer experience they offer.

## Table of Contents

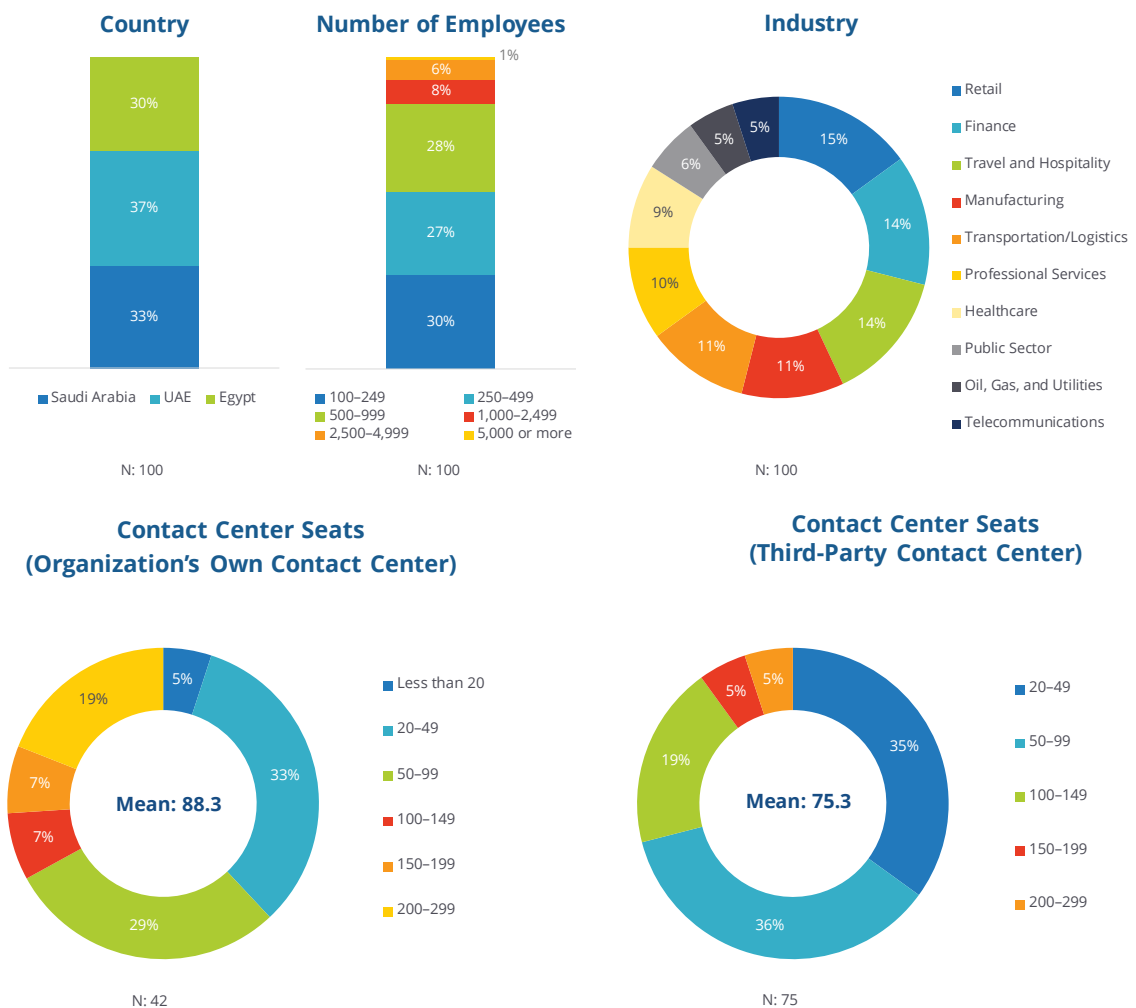
IDC Opinion .....	2
Methodology .....	4
Situation Overview.....	5
<i>Customer Experience in the Digital Era</i> .....	5
<i>Cloud-Based Customer Engagement Solutions</i> .....	6
<i>Benefits of Cloud-Based Customer Engagement Applications</i> .....	10
<i>CX in the Cloud</i> .....	12
<i>Global Trends in Cloud Contact Centers and CX</i> .....	13
Challenges and Opportunities .....	14
About Genesys .....	17
About IST Networks .....	18
Essential Guidance.....	18

## Methodology

In preparing this White Paper, IDC drew upon its continuous research on customer engagement and communication management technologies in Saudi Arabia, the UAE, and Egypt. A total of 100 organizations in the finance, retail, travel and hospitality, healthcare, manufacturing, and public sectors were surveyed. IDC also carried out secondary research and in-depth, analyst-driven interviews with customer care professionals and IT decision makers. The objective was to understand the trends, drivers, inhibitors, technologies, and challenges that are impacting the adoption of cloud customer engagement solutions in contact centers.

FIGURE 1

### Survey Demographics



Source: IDC Middle East Cloud Contact Center Survey, Q4 2017

## Situation Overview

### Customer Experience in the Digital Era

The Middle East is undergoing digital transformation (DX). Amid economic uncertainty, organizations are faced with limited budgets and heightened client expectations — and they are looking for innovative and effective ways to drive business operations. 3<sup>rd</sup> Platform technologies are aiding these initiatives.

Middle Eastern countries that have launched DX initiatives have ambitious plans. Saudi Arabia's Vision 2030 and the National Transformation Program have listed long- and short-term goals aimed at securing a prosperous future and sustainable development. The UAE, regarded as a regional IT innovation hub, has launched DX initiatives around Smart Cities, blockchain, cognitive and artificial intelligence, and Internet of Things technologies. Egypt, known for its skilled workforce and low labor costs, is the Middle East's preferred outsourcing location. Egypt has become a contact center hub for global and regional companies.

Customer experience (CX) is the focal point of business DX. IDC defines CX as the entire process of an interaction between a customer and an organization<sup>1</sup>. CX can range from a single transaction to a relationship lasting many years.

The boom in social media and smartphone use is generating a huge amount of data, and transforming the way customers interact with businesses. Customers are accessing vast amounts of information, and have more choices than ever. To thrive in this arena, businesses need to provide superior CX across all touch points. Better CX is achieved through personalized responses and prompt resolutions to customer queries, complaints, and feedback. After a positive engagement with a business, customers feel empowered, and are more likely to be brand-loyal and provide recommendations.

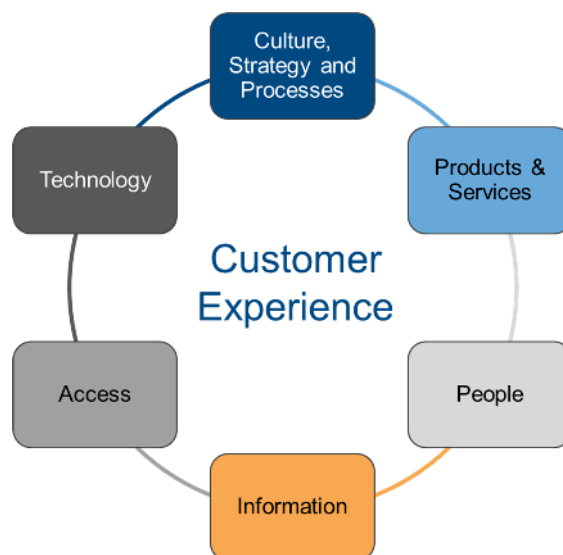
IDC has identified six elements that are essential to building a comprehensive and successful CX strategy. Deployment of the appropriate technology allows an organization to improve customer interaction, provide personalized connections, and strengthen workforce management.

---

<sup>1</sup> *Market Analysis Perspective: Worldwide Customer Experience — Customer Service and Contact Center Solutions, 2016*

## FIGURE 2

### IDC's CX Components



Source: IDC Market Analysis Perspective: Worldwide Customer Experience — Customer Service and Contact Center Solutions, 2016

### Cloud-Based Customer Engagement Solutions

To enhance the customer journey, it is crucial for businesses to gather data from each touch point, and develop an integrated understanding of interactions. Middle East organizations are increasingly investing in dedicated contact center teams to handle customer queries and complaints. Automatic call distribution, interactive voice response (IVR), reporting and analytics, quality and workforce management, and customer relationship management (CRM) suites are the most popular solutions. Although these solutions are usually deployed on premises in Saudi Arabia, the UAE, and Egypt, organizations have started exploring cloud-based solutions for omni-channel capabilities.

According to IDC's survey, about half of organizations (47%) in Saudi Arabia, the UAE, and Egypt rely on the CIO or IT head to make the decision on whether to deploy a cloud-based customer engagement solution. In other organizations, the vice president of CX, the head of the contact center, the chief operating officer, marketing head, or even the CEO or managing directors are involved.

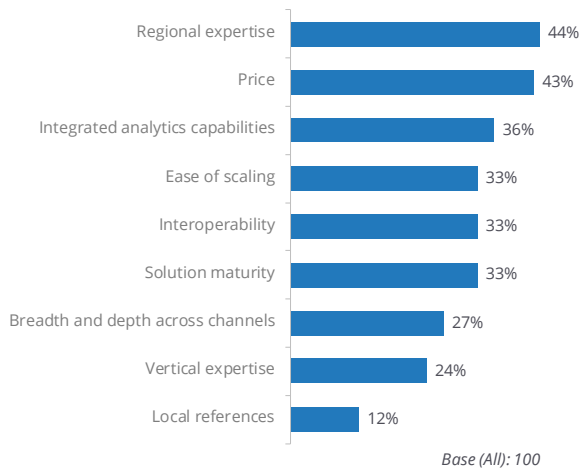
When considering whether to deploy a cloud-enabled customer engagement application, organizations should develop a clear understanding of the underlying technologies, the skills required to effectively operate the solution, the process of implementation, the cost, and the likelihood that the deployment will result in business benefits.

According to IDC's survey, 44% of organizations said that a provider having regional expertise was the most important criterion when choosing a cloud-based contact center solution. Pricing and the built-in analytics capabilities of solutions were the other top criteria.

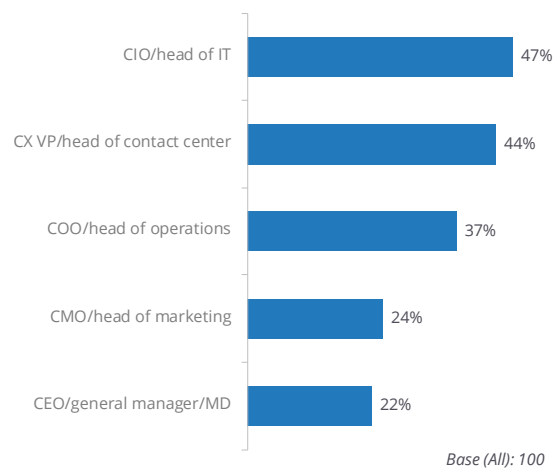
### FIGURE 3

#### Selection of Cloud-Based Solutions: Top Selection Criteria and Decision Makers

**Q. What are the top criteria for choosing a cloud-based contact center solution?**



**Q. Who is involved in making decisions on the procurement of cloud-based customer engagement solutions?**

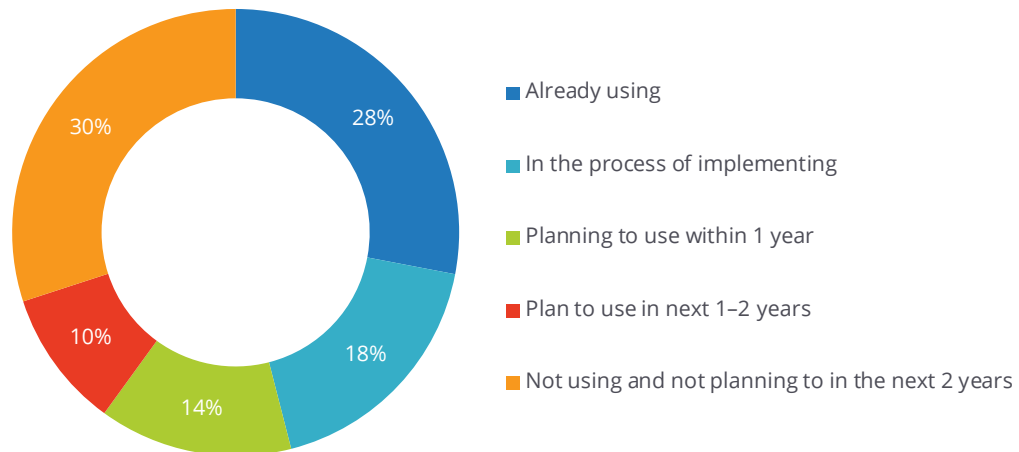


Source: IDC Middle East Cloud Contact Center Survey, Q4 2017

## FIGURE 4

### Use and Plans to Use Cloud-Based Engagement Solutions

Q. Which of the following statements best describes your plans for using cloud-based engagement application solutions?



Base (All): 100

Source: IDC Middle East Cloud Contact Center Survey, Q4 2017

IDC's survey found that some 70% of businesses are either already using cloud-based customer engagement solutions or plan to do so within the next couple of years. The remaining 30% of organizations said they are neither using nor have any plans to use such applications. UAE-based organizations are more inclined to use cloud models in their contact centers than organizations in Saudi Arabia and Egypt.

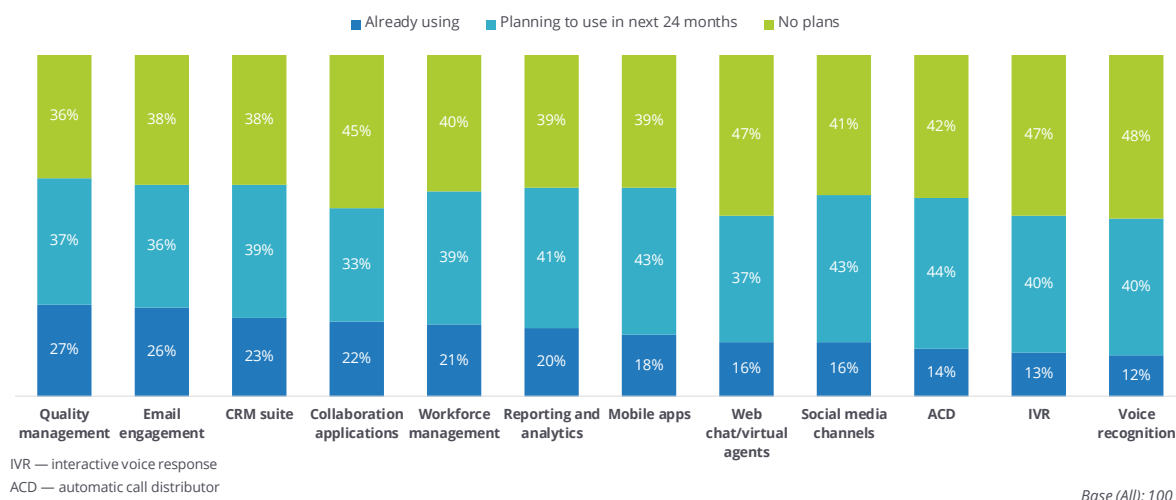
Companies are increasingly concluding that cloud-based contact centers can improve their grasp of omni-channel interactions, and ensure integrated customer engagement across all channels. IDC's survey showed that organizations initially favor solutions involving quality management, email interaction, CRM, and collaborative applications. More than 60% of respondents said they have invested in or are planning to invest in cloud CRM applications aimed at improving agent productivity.



FIGURE 5

## Cloud-Based Engagement Applications Used or Planned to Use

Q. Which of the following cloud-based customer engagement applications is your organization using or planning to use in next 24 months?



Source: IDC Middle East Cloud Contact Center Survey, Q4 2017

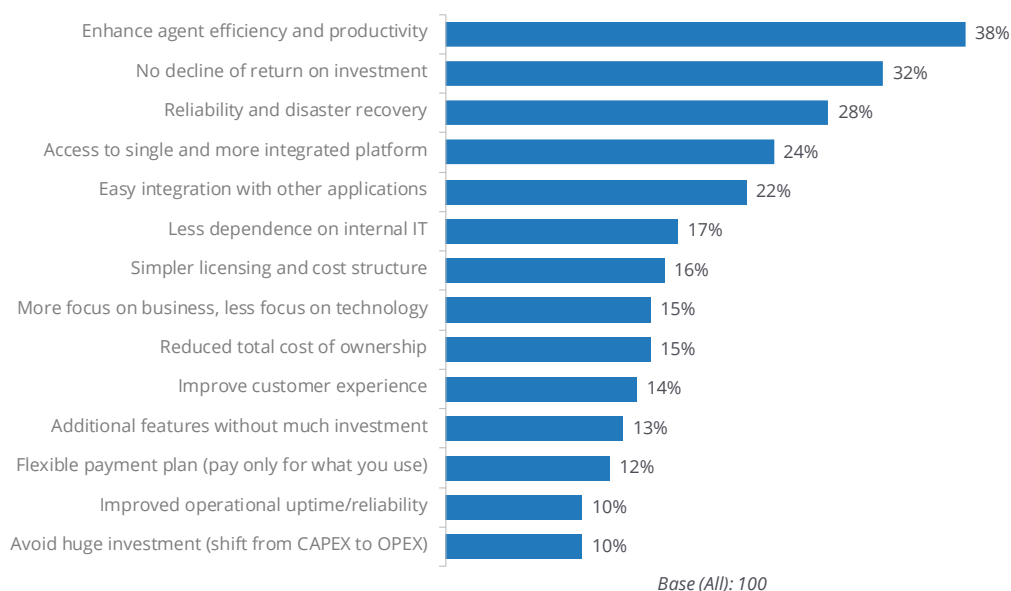
Enhancing an agent's effectiveness is the leading driver of migration to cloud-based customer engagement solutions in Middle East contact centers. IDC's survey showed that improved agent efficiency and productivity is the major driver for 38% of businesses that are deploying a cloud-based deployment in their contact centers.

Customer engagement agents are the most important asset in any contact center, due to their role in addressing customer expectations. Organizations should provide agents with technologies and solutions that enable them to efficiently handle customer needs during all interactions. Cloud-based solutions offer a single-platform view, allowing an agent to access the previous digital interactions of customers (history and usage) across channels. This enables an agent to respond quickly and effectively to customer queries and grievances, resulting in improved CX and strengthening brand loyalty.

## FIGURE 6

### Drivers for Cloud-Based Deployment in Contact Centers

Q. What are the drivers of cloud-based deployments in your contact center?



Source: IDC Middle East Cloud Contact Center Survey, Q4 2017

The cloud-based model minimizes CAPEX. Subscription-based engagement models also support disaster recovery and business continuity requirements. Cloud solution providers maintain redundant infrastructure to ensure service availability in the event of datacenter outages, loss of power, or a natural or man-made disaster.

The availability of single and integrated platforms offered as software-as-a-service (SaaS) is driving omni-channel CX. A centralized graphical user interface, delivered as SaaS, enables agents to interact with applications using icons, menus, and buttons.

### Benefits of Cloud-Based Customer Engagement Applications

The installation of on-premises solutions usually requires substantial capital costs and lengthy deployment times. Cloud, in comparison, offers organizations improved flexibility, scalability, cost efficiency, and security measures (including business continuity and disaster recovery and backup).

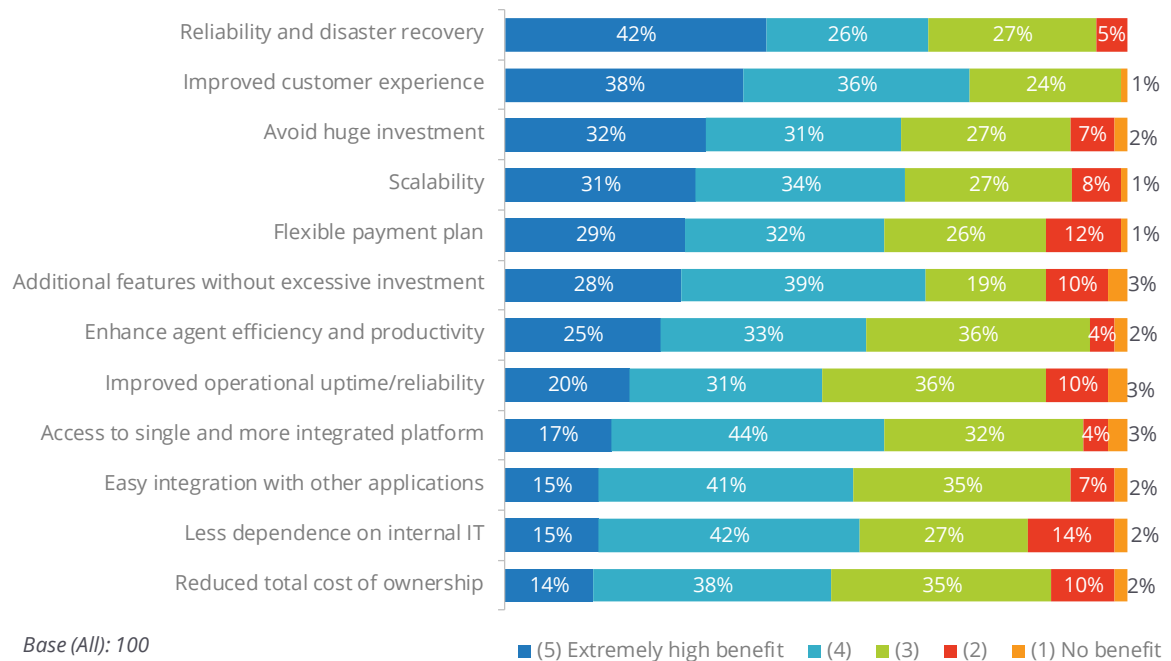
Organizations that use legacy systems for contact center solutions will have difficulty managing interactions from multiple touch points. They will fall behind competitors that have deployed cloud-based solutions and are pursuing DX through intelligent call routing, IVR, and advanced real-time and historical reporting.

IDC's survey showed that 74% of organizations that use cloud-based applications in customer engagement centers have benefited from improved CX.

## FIGURE 7

### Benefits of Cloud-Based Technologies in Contact Centers

Q. On a 5-point scale, where 1 represents "no benefit" and 5 represents an "extremely high benefit," how do you think cloud technologies will impact your contact center?



Source: IDC Middle East Cloud Contact Center Survey, Q4 2017

Nearly 70% of organizations said they have experienced enhanced reliability and disaster recovery capability since moving to cloud-based solutions. Almost two-thirds (63%) said they were able shift CAPEX to OPEX.

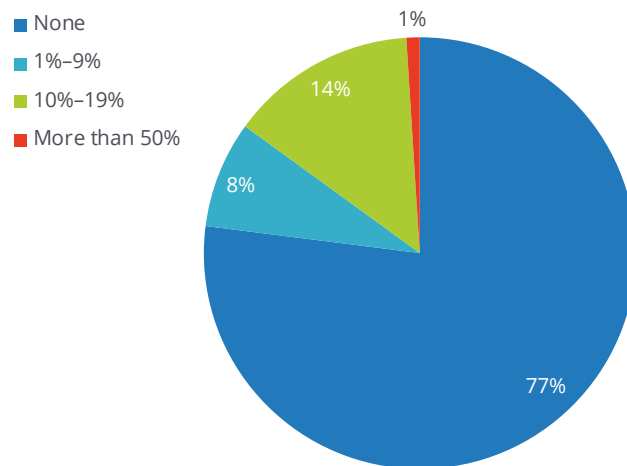
IDC's survey also found that cloud-based customer engagement solutions helped 65% of organizations easily scale up or scale down in accordance with business needs. Nearly 60% of respondents said cloud-based solutions have enhanced agent efficiency and productivity.

Cloud-based customer engagement applications improve organizational flexibility by enabling agents to work from home or elsewhere, without affecting the quality of services. Although this practice is common in mature markets, the proportion of agents who work from remote locations in the Middle East is small. IDC's survey found that 22% of organizations have less than 20% of their agents working remotely. Most organizations (77%) do not permit remote work arrangements for contact center agents.

## FIGURE 8

### Proportion of Employees Who are Remote Workers

Q. What percentage of your contact center employees work from home or remotely?



Base (All): 100

Source: IDC Middle East Cloud Contact Center Survey, Q4 2017

### CX in the Cloud

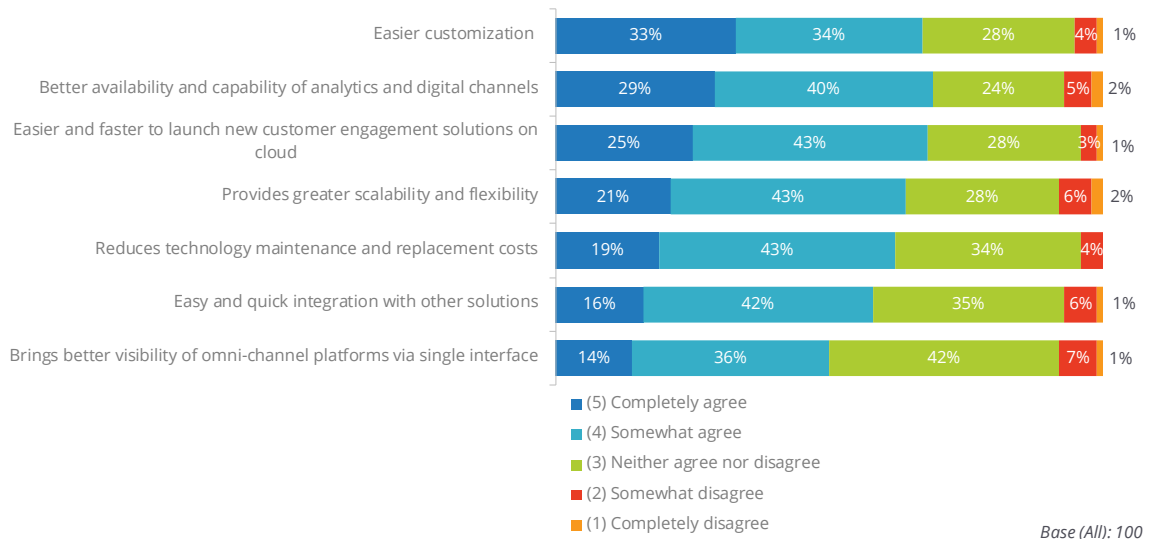
Modern customers are always online, and connect with businesses via multiple channels. Customers are increasingly using mobile apps, social media (Twitter, Facebook, etc.), email, web chat, and virtual agents (chatbots) to interact with organizations.

Cloud enables businesses to address multiple touch points by integrating diverse communication channels within contact centers. Most participants in IDC's survey agreed that cloud engagement solutions give their organization the ability to customize solutions to meet business requirements. Businesses are increasingly aware that it is easier and faster to launch new engagement solutions via cloud than on premises.

## FIGURE 9

### Opinions on Cloud-Based Customer Engagement Solutions

Q. Respond to the following statements about cloud-based customer engagement solutions on a 5-point scale, where 1 represents “completely disagree” and 5 represents “completely agree.”



Source: IDC Middle East Cloud Contact Center Survey, Q4 2017

Cloud solutions feature enhanced analytics and business intelligence functionalities that provide insights to help agents understand a customer's prior interactions with the organization.

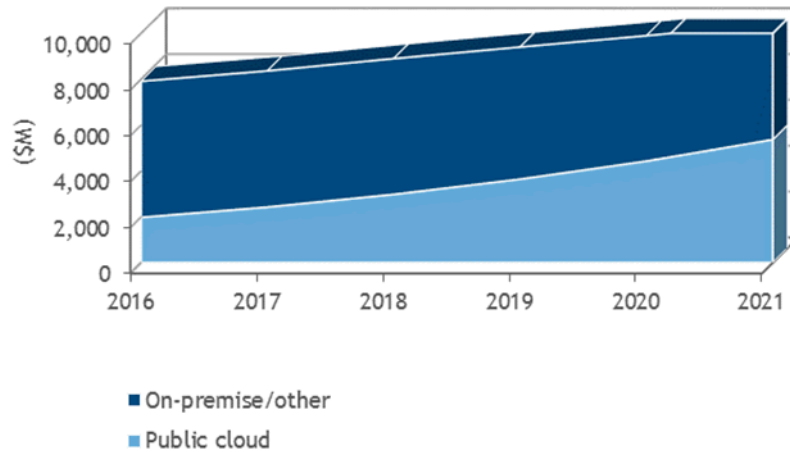
Smaller businesses (those with fewer than 500 employees) are generally more skeptical about the possibility of obtaining better visibility of omni-channel platforms from a single-interface cloud customer engagement solution.

### Global Trends in Cloud Contact Centers and CX

The deployment of cloud-based solutions in contact centers is a global phenomenon. IDC's *Worldwide Contact Center Applications Software Forecast, 2017–2021* found that demand for cloud-based contact center application solutions is outpacing demand for on-premises and software solutions. This shift is expected to continue as organizations migrate from legacy systems to cloud.

**FIGURE 10**

Worldwide Contact Center Applications Software Revenue by On-Premises/Other Software and Public Cloud, 2016–2021 (\$M)



Source: IDC's Worldwide Semiannual Software Tracker, May 2017

Revenue from cloud-based contact center applications is expected to grow at a double-digit rate during 2016–2021, rising to more than 50% of the total contact center applications market.

## Challenges and Opportunities

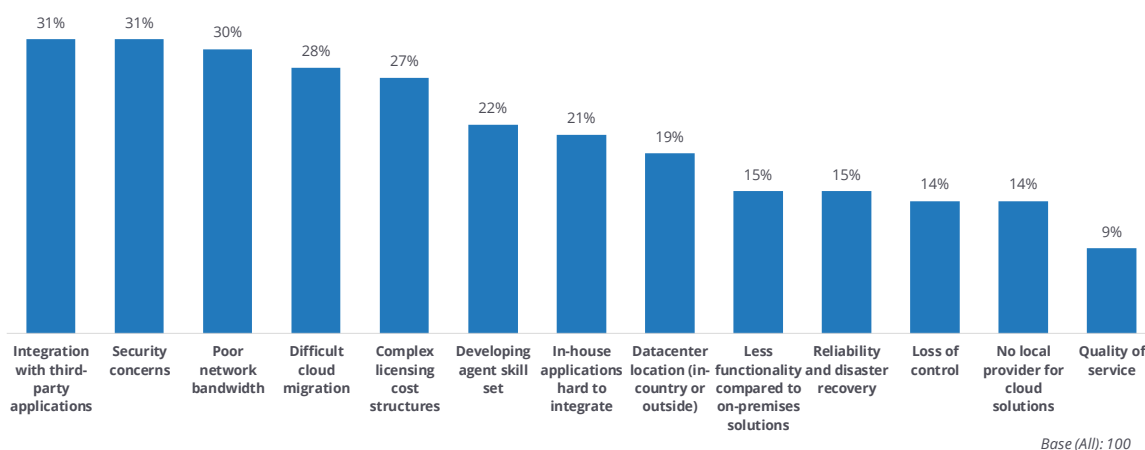
Inability to integrate systems with third-party applications and concerns about data security remain the biggest challenges faced by Middle East organizations that are considering cloud-based customer engagement or other SaaS solutions.

Deployments of cloud-based contact center solutions are also hindered by poor network bandwidth due to monopolistic telecom regulations.

FIGURE 11

## Challenges of Cloud-Based Customer Engagement Solutions

Q. What are the biggest concerns when considering a cloud-based customer engagement solution?



Source: IDC Middle East Cloud Contact Center Survey, Q4 2017

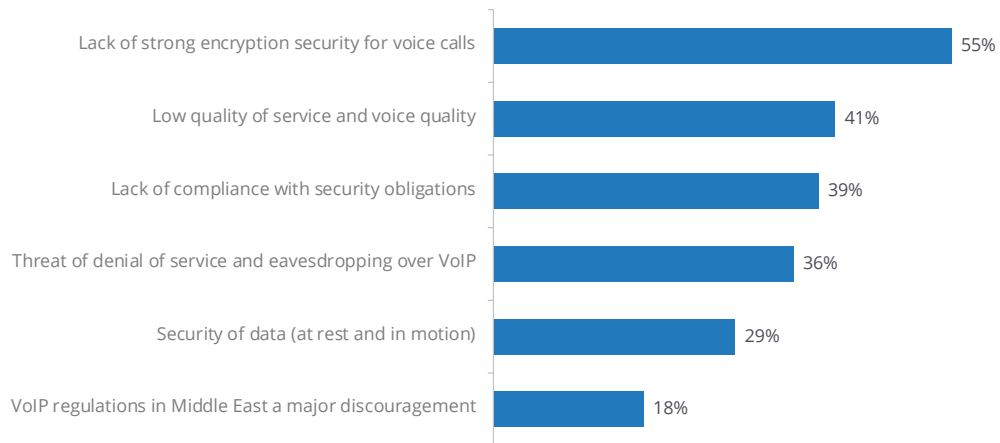
Participants in IDC's survey cited complex licensing cost structures as another inhibitor to the adoption of cloud-based solutions.

Data security is crucial for data-centric organizations in the finance, healthcare, and public sectors. Customer engagement centers in these sectors may hesitate to deploy cloud solutions, especially if the datacenter is not located in the Middle East. The absence of in-country datacenters negatively impacts the uptake of cloud-based customer engagement solutions.

Only a few organizations that participated in IDC's survey said quality of service and loss of control are inhibitors. Only a few said they believed that cloud solutions have less features and functionalities than on-premises systems. However, more than half (55%) of organizations cited concerns about a lack of strong encryption for voice calls. In the absence of robust network bandwidth, cloud-based customer engagement centers may have low voice quality and poor quality of service, discouraging organizations from moving voice solutions to cloud.

**FIGURE 12****Major Security and Compliance Concerns on Cloud Contact Centers**

**Q.** *What are your major security and compliance concerns in a cloud contact center environment?*



Base (All): 100

Source: IDC Middle East Cloud Contact Center Survey, Q4 2017

Unlike some other regions, Middle East governments have strict regulations regarding voice over IP (VoIP) telephony. These rules have long been a pain point for providers. Saudi Arabia and the UAE, which have launched ambitious DX initiatives, have relaxed their stance on VoIP. However, it will still be some time before the security loopholes that make VoIP telephony vulnerable to eavesdropping and snooping are closed.



## About Genesys

Genesys, the world's leading CX platform, empowers companies to create first-rate omni-channel experiences, journeys, and relationships. For more than 25 years, Genesys has put the customer at the center of its business, believing that exceptional customer engagement drives exceptional business outcomes.

Genesys's solutions help solve three key business challenges that are fundamental to CX:

1. **Relationships with Customers:** The ability to recognize every customer's intent, history, and preferences, and identify the best action to take next, is key to omni-channel CX. Genesys unifies all voice and digital channels, self-service, inbound and outbound interactions, and work items to provide rich contextual insights at each moment of a customer journey. This allows the design and delivery of seamless and consistent CX, resulting in increased revenue, mindshare, and customer loyalty.
2. **Employee Empowerment:** People are the most important element in delivering next-generation CX, and the ability to engage and empower individuals directly impacts customer relationships. Genesys provides agents and skills for all voice and digital channels for routing, scheduling, and forecasting. One screen delivers the full customer history across channels, providing agents with the details needed to answer questions and resolve issues. This results in better agent utilization and effectiveness, improved employee retention and satisfaction, and stronger customer relationships.
3. **Optimization and Differentiation:** Successful CX depends on the optimization of business processes across an organization. Genesys integrates channels and operations with centralized management capabilities to ensure that service levels are met. Genesys's solutions use context and business rules to identify the right people to address customer needs. Tasks are streamlined, costs are reduced, processes and technologies are set up to evolve, and customers receive a seamless experience across their omni-channel journeys.

## About IST Networks

IST is an award-winning CX systems integrator dedicated to delivering localized solutions to all verticals in the Middle East and Turkey. IST employs more than 250 personnel in 6 countries, making it the largest dedicated CX solutions provider in the region.

IST's portfolio of products and services include contact center (cloud, hybrid, or on-premises), customer engagement systems (cloud or on-premises), contact center agent desktops, sentiment analysis, speech and language (Arabic and English), mobile transactional security, digital signage, workforce management, workload distribution, and customer journey analytics.

IST has received many industry awards for innovation, research and development, service delivery, project implementation, and customer satisfaction.

## Essential Guidance

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

**Prepare for the Digital Era:** Customer retention and loyalty are among the top priorities of organizations. Customers are digitally connected all the time, and can interact with organizations across different channels. Organizations should prepare an omni-channel strategy in which contact centers can rapidly react to changing environments.

**Start with Less-Critical Applications:** Organizations should evaluate their current technologies and infrastructure before selecting cloud-based solutions. Organizations should start the migration to cloud by deploying technology for non-critical solutions that do not require high levels of agent training and that are supported by current infrastructure. The highly regulated Middle East telecom infrastructure, which has poor network bandwidth, may discourage the adoption of cloud-based voice services. Contact centers cannot afford to compromise on voice quality.

**Embrace Data Analytics:** Digital technologies are exponentially increasing the amount of customer data — and expanding the potential to generate insights. Organizations should engage with technology suppliers that can customize cloud-based customer engagement solutions and allow the easy extraction of insights.

**Consider Third Parties:** Integration with third-party applications is the biggest challenge faced by organizations in Saudi Arabia, the UAE, and Egypt that are considering cloud-based customer engagement solutions. Organizations should ensure that their cloud service provider and partners completely understand their businesses, and can support their strategic roadmap.

**Make Security a Top Priority:** Organizations in the finance, healthcare, and public sectors understand that data security is crucial. Although cloud solutions typically offer stronger disaster recovery functionalities than on-premises solutions, many Middle Eastern organizations continue to perceive cloud as a risky option. Organizations should carefully evaluate the security features offered by technology providers to ensure, for example, that they are compliant with payment card industry rules for transactional security and have strong data encryption.

**Develop a Robust Strategy:** Organizations should have a clear understanding of the business goals they hope to achieve by investing in cloud-based customer engagement solutions. Rather than investing in a comprehensive cloud solution, it may be best for organizations to start with a transition roadmap that spells out what solutions can be most easily integrated with the organization's current infrastructure.

## 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. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

## IDC Middle East, Africa, and Turkey

Level 15, Thuraya Tower 1  
Dubai Media City  
P.O. Box 500615  
Dubai, United Arab Emirates  
+971.4.3912741

Twitter: @IDC  
<https://idc-community.com/>  
[www.idc.com](http://www.idc.com)

**Copyright Notice:** External Publication of IDC Information and Data — Any IDC information that is to be used in advertising, press releases, or promotional materials requires prior written approval from the appropriate IDC vice president or country manager. A draft of the proposed document should accompany any such request. IDC reserves the right to deny approval of external usage for any reason. Copyright 2018 IDC. Reproduction without written permission is completely forbidden.