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2024-2025 Contact Center Business Leader's Guide to Generative AI

AI Agent Management Platform Resources and Planning

Letter from the CEO:

At Parloa, we are all customers, too. We are deeply committed to bringing businesses closer to their customers with easy, intuitive generative AI-powered customer support experiences.

Generative AI (genAI) is ushering in a new era of customer service. It is transforming how businesses connect with their customers. We anticipate that this era's leading brands will provide a personal AI agent for every customer. If a business has millions of customers, it should be ready to have millions of unique conversations.

This calls for a new category of software that enables global enterprises to design, manage, and scale AI agents to meet new consumer expectations in the genAI era – an AI Agent Management Platform.

With such a transformative leap in customer experience, contact center leadership must be prepared for changes in budget, operation, and skill requirements. I hope this guide will help you better anticipate these changes.

We've learned so much over the past seven years, automating tons of customer conversations in contact centers around the globe — we're excited to help you apply all that knowledge and expertise to this new era.

Sincerely,

Malte Kosub
Co-founder and CEO
Parloa

In This Guide:

The State of Customer Communication Entering 2025

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Preparing Your Contact Center to Introduce Generative AI

The State of Customer Communication Entering 2025

- **Customers are not satisfied.** 91% of customers said they had a bad customer service experience in the last year.[1]

- **Calling remains king.** Over half of respondents say that calling is their preferred method[2] of communication when an issue arises, and 81% of service professionals say customers prefer to call[3] when they need to address complex issues.

- **Gen Z prefers to call.** 71% of Gen Z customers[4] say that live phone calls are the quickest, most convenient way to get to the heart of a customer service matter to find a satisfying solution.

- **Chatbots alone don't solve the problem.** 78% of customers had to connect with an agent[5] after an automated chatbot failed to resolve their issue.

- **Email is too slow.** Only 8% of customers[6] want to send an email when they need help.

- **Agents are frustrated.** 71% of agents have considered quitting in the past six months.[7]

Generative AI's Opportunity

1. This Is a Whole New Landscape of Possibility in CX

Generative AI (genAI) is a major leap in customer communication. The first transformation of service in modern business was outsourcing, followed by the automation of repetitive tasks with advancements like IVR. The third leap was rule-based customer service, and now we're in the thick of an industry overhaul with genAI.

GenAI is able to offer what no other advancement has tackled yet: natural and personal conversations that consider the context and history of each unique customer. Whereas previous AI solutions can make new connections and navigate unanticipated interactions within a set of existing rules, genAI platforms can respond to more than just stated needs. Conversations and interactions can be more personal with responses that understand context, like a customer's tone, noticing levels of background noise, and responding with nuance – all while building on previous interactions with a specific customer. This is the difference when compared to a traditional AI approach. The impact that genAI will have on your contact center is unprecedented.

This means that your cost structure will change, but the way it will bear out in customer interactions is exponentially positive.

2. What GenAI Does for Your Customers: Better Customer Experience on Preferred Channels

Customer communication is your most precious asset

Nothing drives a customer away faster than a bad service experience. You know this, your human agents know this, and your customers certainly know this. McKinsey's recent report on industry-specific AI-enabled customer service emphasizes the "strong correlation between customer experience and retention – with overlap as high as 80 to 90 percent in some markets."[8] Because CX is so immediately influential, an investment in optimizing CX with genAI should be framed as a budget requirement – one that will significantly impact future returns.

> "In an explorative exercise conducted by Parloa's US team, we manually called over one hundred Fortune 1000 companies to map customer contact pathways. Regardless of initial steps, human agents were required to replicate automated processes, multiplying customer effort. The caller frequently had to reiterate our purpose and details to agents. On average, we discovered that a customer had to repeat information four times per call."

Daniel Nieves
Director, North American GTM

Voice remains the preferred way to communicate

No matter who your customer base is, whether you provide software, logistics, protection, etc., someone you serve wants to speak to you. The trend of the last decade has been to deflect customers as much as possible. Yet no matter how much they are pushed to online channels, most customers still want to pick up the phone and ask their question.

If you can't meet your customers where they are, you will suffer. As the McKinsey report points out, "customers who spend long periods on hold, are transferred from agent to agent, or have to make multiple calls to resolve a single service issue are likely to remember the arduous process even if they ultimately get their

desired outcome." Not only does this customer experience tank your NPS, but you miss the opportunity to upsell, cross sell, and develop a relationship – leaving your agents frustrated as well.

Current AI-driven voice experiences solve these problems, relieving your agents and finding solutions for your customers. GenAI agents, who can be trained on company data and scaled infinitely, offer unprecedented opportunities in voice support.

3. What GenAI Does for Revenue: Satisfaction and ROI

GenAI targets many of the biggest problems facing contact centers

Contact centers want lower average handling time (AHT), higher first call resolution (FCR), and a better experience for everyone involved, from customers to agents. GenAI steps in to tackle AHT immediately, because caller intent can be accurately recognized by examining context, rather than waiting for a specific term. This means customers can be routed to the right place the first time, saving the caller and agent time and frustration. GenAI also helps increase FCR, because an AI agent can quickly and knowledgeably answer complex questions or fully resolve the customer issue that would have previously relied on certain terms, rules, or required a call hand-over. And if an issue requires human agent intervention, genAI eliminates language barriers with Real-Time Translation that allows callers and agents to have a natural, effective conversation in the preferred language of both the customer and the human agent, elevating the support experience.

When people are satisfied, short-term costs bring long-term results

The business impact of implementing genAI is enormous. Once generative AI is introduced into a contact center, the aspects of customer contact that are a drag for both callers and human agents are alleviated. Customers are able to get basic information or resolve issues swiftly and without friction with AI agents, which frees up human agents to focus on high level issues in any language that require human expertise.

HSE

After implementing an AI solution, Home Shopping Europe experienced an increase of the sales conversion rate to >70%, and achieved a cross-selling rate of 10%.

What does this translate to for the company? Better ROI. McKinsey's report emphasizes that "within three years, this [AI] approach will allow operators to cut costs associated with certain use cases by up to 30 percent, boost overall B2C revenues by 2 to 4 percent, improve customer satisfaction by 10 to 20 percent, and reduce early-life churn by as much as 30 percent." The impact of genAI, with its ability to synthesize company information and learn with every conversation, will be even greater.

SwissLife

When Parloa went live with SwissLife, Project Manager Tim Schneider found that "flexible AI-based speech recognition makes it easy for callers to communicate their concerns, even if they don't know the right terminology." Because AI can navigate the normal speech patterns of a caller, customers "can get in touch with the right person quickly and easily."

4. What Generative AI Does for Data Collection and Knowledge

Perhaps the ace in the pocket for a genAI call center solution is that data collection is no longer dependent upon human agents. AI agents summarize every inter-action immediately, which means your employees no longer need to collect notes and pull up call history: it's already there. Plus, connecting rather than deflecting your customers gives you oppor-tunities to learn more about them, enrich your CRM, and deliver truly personalized experiences that drive business value.

McKinsey has identified multiple areas where data collection is optimized for commercial and service data. "Commercial data might include tenure, historical receptivity to campaigns, cus-tomer satisfaction scores, and previous transactions," the report finds.

Preparing your Contact Center to Introduce Generative AI

1. How to Build an AI Agent Management Strategy

It's tempting for contact centers to focus their generative AI strategy solely on how to build a program to design highly-skilled, autonomous AI agents that can handle a variety of customer service use cases. But in reality, this approach is only the tip of the iceberg when it comes to delivering superior customer experiences. Widening the scope of a generative AI strategy to include AI agent lifecycle management and AI model and data orchestration alongside the agent design is key for successfully deploying and managing a team of personal AI agents, safely and at global scale. This is a comprehensive AI agent management strategy.

At the foundation of any AI agent management strategy is an enterprise-grade platform to bring the full-power of genAI into the customer service, through both autonomous AI agents and seamless AI assistance for human agents.

An AI agent management strategy should include a plan for the following:

- **AI Agents & AI Assist:** a strategy to operate highly-skilled, personal AI agents capable of connecting with any customer, in any language, at any time and provide seamless real-time translations when human agents take the call.

- **AI Agent Lifecycle Management:** a strategy to manage a team of AI agents with tools to design, QA, deploy, and scale – with simulations, evaluations, and additional safety measures built in to ensure reliability.

- **AI Model and Data Orchestration:** a strategy to integrate the latest AI models and data sources, with pre-built customer service use cases and speech models, to provide the most helpful and natural experience possible.

This approach has the potential to set contact centers up for success by ensuring they can deliver superior customer service using personal AI agents, safely and reliably, further differentiating themselves in a world where customer experience can make or break loyalty.

By anticipating this long-term vision, you can ensure that your contact center is ready for the multi-level changes genAI will bring.

2. How to Build Your GenAI Budget

Determine how you will be billed

Most genAI contact center solutions will bill based on minutes or tokens (with tokens often standing in for minutes). The upside to this is, of course, that a genAI solution will lower AHT significantly, and as AHT goes down, productivity goes up, because customer needs are resolved quickly through automation while human agents are able to focus on more complex inquiries. Others may offer user or instance-based pricing.

"Customers who are most successful are clear about their needs and wishes from the beginning, and have a clear idea of what they want to realize in different stages of the Parloa roll-out. Smooth implementation happens when we work with customers who are well connected internally and can pull in the right stakeholders quickly, if they're needed. We love working with customers who are technically curious, and want to learn the products in depth."

Lena Wisser,
VP of Customer Experience

Estimate the time needed to go live

The amount of time your company needs to integrate genAI into your contact center is going to be unique.

Factors that impact time to go-live include:

- channels you wish to set up (phone, WhatsApp, chatbot, etc.),
- volume you anticipate on those channels, and
- personnel available to oversee the roll out.

The level of interest and involvement you have from your C-Suite, financial team, and IT team will have a direct impact on the time it takes from inquiry to execution.

In-house or off-the-shelf? Be judicious about how you spend

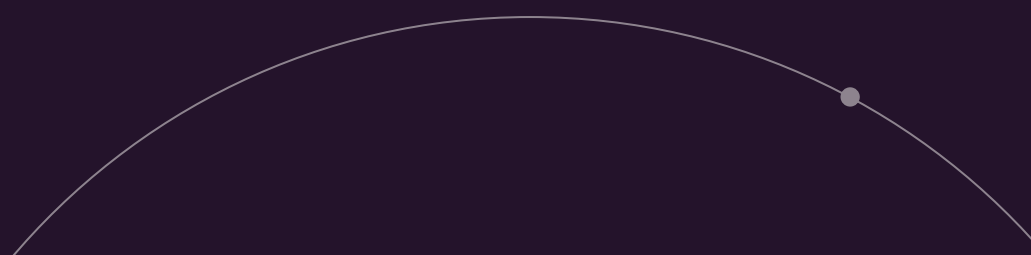With board rooms calling for AI investment, many executives are moving quickly to find out where they can spend this new budget category. Instead of building an AI solution in-house, it's most cost effective to see what solutions already exist – especially if you're looking to implement genAI. It's now easier to identify a platform or partnership that provides the service you need, instead of rein-venting the wheel.

Enterprises should identify best-in-class providers who are able to customize a genAI solution to meet their needs – which we at Parloa take pride in being. Things to look out for include a platform's partnerships (relationships and integrations), track record (case studies), and commitment to keeping up with developments in the genAI, LLM (Large Language Model), and NLU (Natural Language Understanding) space. Shrewd leaders will identify solutions that are not beholden to one AI provider, but are nimble enough to adapt their solution to any company and machine learning model that drives the technology forward.

How to Assess a GenAI Provider

When comparing genAI solutions, be sure to ask these questions:

1. **Data Privacy and Security:** What steps are in place to ensure data is protected?

2. **Governance:** What rules and processes does this organization have in place to manage, move, store, secure, and use data?

3. **Partnerships:** What relationships does this solution already have?

4. **Integrations:** Does this provider have integrations to my business applications?

5. **Track Record:** Has this solution had success with a company of similar size and complexity?

6. **Road Map:** Will this solution maintain a commitment to competitive changes in the industry?

Initial investment and continuing costs

Once you've budgeted for an initial genAI investment, be sure to plan for platform updates and additional model training – which, with AI agents, should be continuous. The genAI solutions you implement should be built to accommodate the inevitable advances in technology that will happen over the next decade, as adoption becomes widespread, more integrated into other APIs, and best practices emerge. Any good genAI solution will be able to incorporate the latest technology, regardless of where it comes from, and communicate any shift in costs.

You can, however, anticipate ROI. A flexible, suitable genAI solution that has the ability to scale to enterprise level may cost money to integrate into your contact center, but the goal of any customer service solution is that the investment is made back via more efficient processes, upselling opportunities, human agent retention, and customer loyalty.

3. How to Build Your GenAI Contact Center Momentum

Get your C-Suite on board from the beginning

Everyone wants to tell shareholders that they're exploring generative AI, but getting past that stage can be tough if everyone isn't on the same page about actually pulling the trigger to purchase and implement a genAI solution. When it comes to contact centers, make sure that the C-Suite decision makers involved in budget, technology, and resource management are aware that you're exploring genAI solutions, and include them in the decision-making process. Also check in with your IT team, so miscommunications don't hold up implementation. If all stakeholders aren't included in the

purchasing process, there can be cumbersome hold-ups at the crucial moment of purchase.

One of the best ways to avoid hold-ups is to work with a vendor to quantify the benefits and pay-back period of a genAI solution, so that everyone at the C-Suite level has concrete numbers to overcome inevitable budget ques-tions. When stakeholders who

> Parloa launched a fully AI-driven phone bot with Home Shopping Europe in three months. Everyone at HSE was on board, so we were able to go live quickly.

oversee critical resources like IT can anticipate a payback period, the benefits of genAI in your contact center can be rolled into future planning.

Because genAI is a new tech-nology, select a vendor partner that you trust to collaborate with to navigate these new waters and to develop the right process to evaluate genAI solutions for your

company. The optimal approach involves fostering transparency. The best way to begin a com-prehensive inquiry is by posing thorough and insightful questions about security, data storage, and the LLMs or AI systems the solu-tion is built on. It's always helpful to ask for input from a trusted partner, like system integrators or specialized consulting companies.

Questions to Consider

1. **Trust:** Can you ensure that all the answers the genAI solution provider generates will be as trustworthy as possible? How is the vendor set up to react to hallucinations? Since hallucinations could cause brand damage, is there a process in place to handle those incidents when they occur?

2. **Ethical AI:** What are the guiding AI safety principles of the company to ensure the ethical use of AI?

3. **Data Isolation:** Can you guarantee that no company data or customer conversations are used to train public models?

4. **Enterprise Readiness:** Can the solution support your business operations, including availability, reliability, certifications, data handling (storage), security, and privacy?

Rolling out genAI isn't just a change in tech, but a mindset shift

Generative AI is new, even within the realm of AI, and with anything new, introducing it into your workplace means inviting those who aren't sure of it to understand its benefits. Fear surrounding a new AI solution should be expected, which is why communication is paramount. Human agents may be worried their jobs will change, and customers may have had negative experiences with automation in the past. By being transparent and acknowledging hesitation, you can help ensure a better rollout of any genAI solution in which everyone has an opportunity to understand the results.

Implementing genAI in your contact center will shift the way it operates, affecting not only how agents perform their jobs but how you communicate with your customers.

DECATHLON

When Decathlon brought in Parloa's solution, with their partner Genesys, one-fifth of the repetitive tasks of their agents disappeared and three quarters of their callers were able to be identified by order number alone. What the customer service team is able to do has also shifted – now they are trained to independently optimize Parloa's platform to fit individual caller use cases.

DOMCURA

DOMCURA now uses Parloa's AI solution to guide customers through the claims process – fundamentally altering what and how much their service center is able to do for a number of common claims. Their bot Claimens was up and running in three months, and now guides customers through submitting claims for twenty types of coverage. With a 90% recognition rate, their contact center no longer relies on manual support for first-level claims reporting.

Communicate, because AI agent management is more than a platform

Everyone, at every level, needs to commit to the "mindset change" of implementing AI in a contact center – and if you are leading the charge for an AI solution for your contact center, you need to communicate it from the beginning. A recent report from IBM on CEO decision making in the age of AI revealed that 74% of CEOs "agree or strongly agree that their team has the knowledge and skills to incorporate new technologies such as AI," but "just 29% of other executives, though, agree that their organization already has the expertise in-house to adopt AI and only 30% agree that their organization is ready to adopt AI responsibly."[9] If you are championing a new AI solution for your contact center, you must close that desire gap.

This also goes for your customer service agents, who are the ones who are ultimately going to experience the immediate effects and needs of any AI agent management platform. Because human agents will experience the results of a genAI solution firsthand, they should have insight into the decision making process, so they can see – before they are told – how AI frees them up to use their expertise and empathy in new ways, and how upskilling to provide human assistance for AI agent management will result in more demand for their skills. Plus, if all customer service employees are involved from the beginning, the implementation will be smoother.

Get out in front of data security and regulation

An essential part of your AI team is your legal team. You should prepare to carefully evaluate genAI solution providers and the technology they run for data privacy and data security criteria like ISO and SOC 2 certification. Regulation is changing swiftly around the world, and the genAI solutions you're bringing in should be prepared to adapt. The McKinsey report emphasizes this sentiment as well: "Operators that are slow to venture into this new frontier risk lagging further behind over the next three to five years as they struggle to satisfy customers' evolving demands."

"Leaders in the contact center sector should work very closely with their AI solution providers and partners to stay on top of the developments in the space, so they are as well prepared as possible when a regulation is implemented. No one can tell us what future regulation will be, but companies cannot wait until legal regulations are solidified to begin this process."

**Dr. Carolin Guetschow,
Head Legal Counsel for Parloa**

GenAI for Contact Centers in 2025 Is Essential

Visionary decision makers know that a genAI solution for customer service must be part of the budget and vision for 2025 and beyond. Anticipating budget, team resources, and precise, thorough communication will allow business leaders in customer service to be prepared now and into the future.

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The genAI transformation for customer service and contact centers here. How can you, as a leader in enterprise customer experience, tackle visionary and budget planning in 2025 and beyond?

Let's talk!

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