



THE UK CONTACT CENTRE DECISION-MAKERS' GUIDE (9TH EDITION - 2011)

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INTRODUCTION AND METHODOLOGY

The "*UK Contact Centre Decision-Makers' Guide (2011 - 9th edition)*" is the major annual report studying the performance, operations, technology and HR aspects of UK contact centre operations.

Taking a random sample of the industry, a detailed structured questionnaire was asked to 208 contact centre managers and directors between April and June 2011. Analysis of the results was carried out in Summer 2011. The result is the 9th edition of the largest and most comprehensive study of all aspects of the UK contact centre industry.

ContactBabel is very grateful to the support which it has received from all of the sponsors of the report. However, complete editorial independence has been insisted upon and given at all stages, and readers can be confident about the objectivity of the report's findings.

HOW TO USE THE REPORT

Unlike previous reports, which looked at discrete solutions without prior reference to the commercial and operational issues which they address, the UK Contact Centre Decision-Makers' Guide first identifies seven of the major pain points and issues that affect the contact centre industry:

- Improving quality and performance
- Maximising efficiency and agent optimisation
- New media and the customer of the future
- Increasing profitability
- Choosing a location
- HR management
- Strategic directions.

Within each section, specific solutions are identified that can be used to solve these issues, along with the analysis of the primary research data that are relevant to this area, including a comprehensive statistical analysis in graphical and tabular form.

Third-party White Papers, case studies and thought leadership pieces may also be used to assist readers who may wish to look more in-depth at specific areas or gain another viewpoint.

The report also contains a Supplier Directory, of organisations which provide services, products and solutions to the UK contact centre industry, divided by discrete category.

An Interactive Supplier Matrix, which allows readers to cross-reference specific commercial issues with the solutions available can be downloaded from www.contactbabel.com as an Excel spreadsheet.

SEGMENTATIONS

Looking at industry averages for contact centre statistics is only so useful. Only with a clear understanding of how and why metrics differ between operations can readers see where they stand compared to their competitors. As such, key statistics have been segmented in many different ways where relevant and possible:

- by vertical market (industry sector)
- by contact centre size (agent positions)
- by contact centre type (e.g. inbound/outbound).

We may also segment data along other lines (e.g. sales / service, and by region) where possible and relevant.

VERTICAL MARKETS

Where possible, we have segmented and analysed data along vertical market (business sector) lines, to highlight the specific issues and environments particular to that vertical industry. Below are the eleven vertical markets studied within this report which had sufficient respondents to justify inclusion.

Figure 1: Vertical market definitions

Vertical market	Sub-sectors
Finance	Banks, credit cards, loans, debt collection, credit checking, corporate
Housing	Housing associations
Insurance	Insurance for life, motor, house, corporate, reinsurance, etc
Manufacturing	Mainly B2B sales and support, along with customer helplines
Outsourcing	Large full-service outsourcers and smaller telemarketing firms
Public Sector	Government, central and local, agencies, emergency services
Retail & Distribution	Retailers, home shopping, catalogue, parcel carriers, logistics
Services	Non-physical service offerings to public and business
Technology, Media and Telecoms (TMT)	Technology sales and service; Mobile and fixed line operators, TV and cable providers; Broadband
Transport & Travel	Transport information, booking, travel agents, airlines, hotels
Utilities	Electricity, water and gas providers

SIZE BAND

Almost every survey question is considered from the size aspect, as differences in resources, management techniques and technology vary greatly between size bands.

Contact centres surveyed fit into one of three categories:

- Small - 10 to 50 agent positions
- Medium - 51 to 200 agent positions
- Large – over 200 agent positions.

CONTACT CENTRE TYPE

Whether a contact centre is predominantly inbound or outbound can fundamentally determine how the contact centre is run. Therefore, we sometimes analyse data by contact centre type:

- Inbound: more than 75% of work is inbound
- Outbound: more than 75% of work is outbound
- Mixed: less than 75% of work is either inbound or outbound.

THE STRUCTURE OF THE DATASETS

The data provided by the 208 contact centres interviewed in this study were broken down into discrete segments:

Vertical markets

- Finance - 14
- Housing - 8
- Insurance - 19
- Manufacturing - 11
- Outsourcing - 29
- Public Sector - 34
- Retail & Distribution - 20
- Services - 24
- Technology, Media and Telecoms (TMT) - 24
- Transport & Travel - 14
- Utilities - 9
- Others (not included in vertical analysis): 2

Size bands

- Small (10 to 50 agent positions) - 76
- Medium (51 to 200 agent positions) - 70
- Large (200+ agent positions) – 62.

Inbound / outbound

- Mostly inbound (75%+ inbound) - 102
- Mixed (between 25% and 75% inbound and outbound) - 65
- Mostly outbound (75%+ outbound) – 41.

DISTRIBUTION AND USE OF THIS REPORT

This report is written for the community of people interested in the present and future performance of the UK contact centre industry. Amongst others, these may include:

- Contact centre managers and directors
- HR managers and directors
- Operations managers and directors
- Customer service directors and those involved in contact centre strategy
- IT managers and directors
- Contact centre solution providers: hardware, software & services
- Outsourcers
- Consultants
- Training providers
- New entrants to the UK contact centre industry
- Government bodies
- Academic institutions
- Contact centre industry organisations
- Regional & national development/inward investment agencies.

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THE SUPPLIER DIRECTORY

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BT	II
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AGENT DESKTOP



Jacada is a leading provider of unified desktop and process optimisation software solutions for the customer service and support market. Our products and services are focused on two of the most important issues facing companies today: customer retention and cost reduction. Jacada projects are usually delivered in less than four months, with our customers realising a complete return on investment within 12 months of deployment.

Jacada unified service desktop solutions simplify and automate customer service processes – bridging disconnected systems into a single, intelligent workspace, without requiring modification or replacement of existing systems. Contact centers worldwide are using award-winning Jacada agent desktop solutions to automate complex processes, improve customer satisfaction and loyalty, reduce operational costs, and enforce and monitor compliance with regulatory policies and procedures. Our solutions empower customer services operations to "deliver the perfect interaction."

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CONSULTANCY & PROFESSIONAL SERVICES

A&T Consulting

'Through knowledge we produce results'

A&T Consulting is run by Alison Owen, a former banker and recruitment specialist, who has 20+ years experience in the Contact Centre industry. She works at board level on strategy and growth initiatives either directly or as a mentor to the top executives.

Alison's client list includes many household names and international organisations. She works both in the UK and on the Continent and has an extensive knowledge of the contact centre industry.

From 2004 -2008 Alison chaired the CallNorthWest project, a publicly funded initiative to raise skill levels and promote the industry. This involved developing new academic qualifications in Customer Management. Alison speaks on the international conference circuit and has served as an adviser to the DTI.

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CONTACT CENTRE SOLUTIONS



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The Altitude uCI™ (Unified Customer Interaction) suite is designed to improve the overall productivity of the contact centre. Supporting the evolution from single-function to dynamic, multipurpose operations, and the technical shift to IP communications, Altitude's class leading desktop, multimedia blending and outbound features deliver flexibility and cost effectiveness.

Altitude uCI is engineered to integrate easily with enterprise front office and back-office systems, and delivers significant financial and operational benefits with a limited up-front investment.

Altitude uCI is available as an on-premise, managed or hosted solution for all market segments and as a platform for CRM outsourcers. NEW! Now with the revolutionary features of Altitude uCI8 you can leverage social network activity within a real-time customer interaction strategy.

Contact:

Altitude Software Ltd

e: info.uk@altitude.com

t: 01189 838 010

w: www.altitude.com

BT has over 25 years' experience of delivering world-class customer management solutions. Operating in over 173 countries worldwide, we have established 4,000 contact centres for over 1,000 customers.

BT provides award-winning hosted contact centres, on-premise contact centres, inbound services, self-service solutions, all underpinned by professional services.

Working with leading vendors including Avaya, Cisco, CosmoCom, Genesys and Verint, we provide solutions to over 75 per cent of the world's largest banks, 11 out of 20 of the largest airlines, 13 of the top 20 pharmaceutical companies, eight out of ten of the world's largest utility companies and have deployed the world's largest hosted contact centre at 32,000 seats.

Contact:

w: www.bt.com

Cable&Wireless Worldwide



Cable&Wireless Worldwide is one of the world's leading mission critical communications providers, delivering a range of high-speed, PCI and FSA compliant, secure voice, data and cloud-based

services to multinational companies, governments, banks, retailers, utility energy companies and international carriers around the world, including the UK, Asia Pacific, India, Middle East & Africa, Continental Europe and North America.

Our vision is to be the first choice for mission critical communications. We support more than 50,000 agents and connect to 153 countries. We deliver exceptional customer service and can bring you new ideas, innovation, flexibility and agility.

Contact:

w: www.cw.com

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Call Centre Technology Ltd (CCT), part of the Capita Group, is recognised and admired as one of the UK's leading Avaya contact centre specialists – we are one of their best performing and most highly accredited platinum partners.

As well as Avaya, CCT is a premier partner for Verint, and supports solutions from NICE, AVST, Altitude Software, Symon, Ciboodle, Syntellect and Teleopti.

If you're looking to add new contact channels to your call centre, utilise outbound solutions to add proactive customer contact into your business, or need help with building a business case for WFO, IVR, dialler, CTI or agent desktop solutions, CCT would be happy to help.

Contact:

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cti labs
Enabling Innovation

CTI Labs is the software development division of innovative contact centre solutions provider, [IP Integration](#). A range of software applications is available including intelligent call queuing with call back capability, self-service, payment and compliance modules as well as call recording and business intelligence solutions.

Insight360 is a tool that enables contact centre managers to fully understand why a customer contact occurred, and measure the customer experience. Summary and drill-down information is available through an intuitive dashboard application that can be integrated with other business systems, thus providing a unique and comprehensive view of operational efficiency and customer satisfaction.

Contact:

w: info@ctilabs.com

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Datapoint is the European contact centre specialist. It understands business issues and helps organisations maximise their contact centres to improve customer service and revenue.

It leads the way with new solutions for contact centres, such as Katalyst, that fully exploit these valuable assets and transform them from a business cost to a business driver. Datapoint perfects contact centre performance to empower the enterprise.

As a founding member of the Intelligent Communication Alliance, Datapoint's European expertise is combined with other partners to give it a truly global reach, able to satisfy any project.

Contact:

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w: www.datapoint.com



Enghouse
Interactive



Enghouse Interactive's cloud and premise based contact centre solutions assess and deliver exceptional, consistent customer service to organisations across the world.

With flexible, scalable, innovative open software Enghouse Interactive creates a unique approach by bringing together the union of products and expertise including: [Arc Solutions](#), [CosmoCom](#), [Datapulse](#), [Syntellect](#), [Telrex](#), and [Trio](#) - under one single, global organisation.

Our solutions support the full spectrum of customer interactions from web-chat to self-service/ IVR, while leveraging existing technology investments – resulting in impressive cost efficiencies, operational agility and homeworking capabilities that make a real difference to how a business communicates.

Contact:

e: uk-info@enghouse.com

w: www.enghouseinteractive.com

t: +44 (0)2033 573040

Alcatel-Lucent Enterprise serves more than 250,000 customers worldwide with solutions that transform communications into meaningful conversations among customers, employees and partners.

Alcatel-Lucent Enterprise comprises three business streams: Genesys, for customer service software; Communications, for communications platforms, unified communications and collaboration applications; Networks, for network infrastructure and security solutions for LAN, WLAN, WAN and data center.

Our social media solutions help businesses establish social media as an emerging market and customer service touchpoint and turn this opportunity into a way to deliver a satisfying customer experience and real business benefits.

With operations in more than 130 countries, an experienced global services organization, and an eco-system of more than 2200 resellers, systems integrators and application developers, Alcatel-Lucent Enterprise is a local partner with global reach.

Contact:

w: www.genesyslab.com

t: 01276 457000

e: caroline.finch@alcatel-lucent.com



The Infinity Contact Manager (ICM) software platform is used globally by the world's largest outsourcer and global brands to manage customer contacts while reducing cost-to-serve.

ICM provides:

- Rapid CRM with Unified Agent Desktop
- Contact Management & Scripting
- Knowledge Base and Agent Knowledge Assessments
- Performance Reporting & KPI alerts
- Agent Quality Assurance & Timesheets
- Predictive Dialling & CTI

ICM modules can be deployed as individual point solutions or as a fully-integrated platform via either:

- Cloud, on-demand, hosted systems
- Software only for local installation
- Outsourced managed platform with all-inclusive services

Infinity CCS uniquely guarantees a 20% performance improvement on new software installations... or you pay nothing for our software.

Contact:

a: Infinity CCS (UK) Ltd, CIBA Building, 146-150 Hagley Road, Birmingham, B16 9NX (UK)

t: +44 (0)121 450 7830

f: +44(0)121 450 7839

e: info@infinityccs.com

w: www.infinityccs.com



Call centre software is what other vendors offer. With the unified IP business communications offering from Interactive Intelligence, your business gets complete solutions.

A complete [contact centre](#) platform for multichannel interactions, offered with a choice of deployment models – as a cloud-based service, on-premise, or a managed service where we do it all.

[IP telephony](#) extends scalable, application-rich IP PBX and messaging functionality throughout the enterprise to automate multi-step people-centric processes, and solutions to handle even the most extensive information volumes.

Contact:

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e: info.emea@inin.com

a: Thames Central, Hatfield Road, Slough, Berkshire, SL1 1QE

w: www.inin.com



IP Integration is a unified communications specialist, with specific expertise in contact centre, computer telephony integration and voice and data connectivity. As well as products from leading vendors such as Avaya, IP Integration's software development division [CTI Labs](#) delivers a suite of software applications that provide additional functionality in the areas of intelligent call routing, call recording, self-service and business intelligence.

In addition, IP Integration has a portfolio of consultancy, integration and support services as well as a managed services capability to ensure that solutions fully meet customer requirements, demonstrate a tangible return on investment and fully leverage all available technology.

Contact:

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t: 0118 918 4600

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Noble Systems is a global leader in contact centre technology solutions, providing innovative products since 1989. Today, millions of customer contacts are made by agents at 4,000+ client installations worldwide using the award-winning Noble platform.

The Noble solution allows companies to communicate more effectively with their customers via multiple channels, including inbound/outbound/blended voice, email, fax and web. This unified system includes the key software technologies that contact centres need most: Predictive dialling, Inbound contact management and ACD, IP-PBX, Self Service IVR software, CTI for intelligent screen pops, Digital Call Recording, Workforce Management and Reporting, and VoIP Support.

Contact:

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SAP is the world's leading provider of business software, offering applications and services that enable companies of all sizes and in more than 25 industries to become best-run businesses, with more than 97,000 customers in over 120 countries.

For contact centres, SAP offers end-to-end solutions allowing companies to provide consistent and high-quality customer service via all communication channels.

With SAP CRM, you can maximize customer loyalty, reduce costs, and boost revenue by transforming your contact centre into a strategic delivery channel for marketing, sales, and service efforts across all contact channels

SAP Business Communications Management software enables you to improve contact centre effectiveness and reduce costs through an all-software, IP-based communications solution. With the system, you can easily integrate communications directly into your business processes and applications, reducing needless delays and improving the efficiency of your customer service.

Contact:

t. +44 (0)800 0852 631

w: <http://www.sap.com/uk/contactsap>

w: www.sap.co.uk

Zeacom delivers award-winning Multimedia Contact Center, Unified Communications and Business Process Automation solutions to more than 4,000 sites worldwide.

Established in 1994, Zeacom has offices in the USA, UK, Australia, and New Zealand, and distributor relationships that extend into an additional 30 markets.

Zeacom Communications Center (ZCC) is a Multimedia Contact Center and Unified Communications solution that allows you to easily and effectively manage all your business communications in a single application, regardless of whether it's phone calls, voicemail, e-mail, fax, webchat, SMS or social media.

ZCC integrates with NEC, Cisco and Avaya PBX platforms, and interoperates with Microsoft Lync.

Contact:

Zeacom Europe Ltd

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w: www.zeacom.com

CUSTOMER EXPERIENCE MANAGEMENT



Opinion-8 is an innovative and effective customer-experience management tool which allows you to gain customer and employee feedback in a simple and cost-efficient way.

We offer a range of IVR and web surveys for use in your contact centre and give you support at every stage, from the survey design to its implementation and hosting. Operated as a SaaS platform, Opinion-8 is suitable for use in any call centre. Our unified online reporting offers a variety of analysis and graphing solutions and the results are available in real-time. Gain real insight into your customers' perceptions of your service with Opinion-8.

Contact:

t: +44 (0) 117 398 2342

e: sales@opinion-8.com

w: www.opinion-8.com

a: Square Systems Limited, Maxet House, 28 Baldwin Street, Bristol BS1 1NG

HEADSETS



Jabra is a global leader in headset solutions for the contact centre, office and mobile market. We are committed to developing products that provide an enhanced audio experience, robust build quality and outstanding comfort.

Jabra headsets are the perfect tool to meet the demands of the busy contact centre. Our extensive portfolio includes state-of-the-art acoustic and noise-cancelling technology, ensuring you will always hear and be heard clearly. We offer headsets that comply with EU Noise-at-Work legislation and feature IntelliTone™ to secure safe average sound levels, and every Jabra headset includes PeakStop™ acoustic protection as standard.

Our corded and wireless headsets provide freedom of movement for enhanced user productivity, whilst our multiuse headsets increase efficiency for home workers who use a mobile phone and PC softphone.

Contact:

t: +44 (0)1784 220 140

f: +44 (0)1784 220 144

w: www.jabra.co.uk

e: ukpartner@jabra.com

plantronics®

Plantronics has been working with contact centres for over 40 years and still leads the field for headset solutions.

Plantronics uses innovative design and premium audio technology to deliver solutions that maximize productivity and improve customer experience. In trials, agents using Plantronics have improved productivity by up to 10%.

Plantronics offers one of the industry's most complete families of corded and wireless products. Recognized for sound quality, reliability and comfort, Plantronics' audio solutions promote better business communication and efficiency.

Contact:

t: 01793 842426

w: www.plantronics.co.uk

HOSTED AND MANAGED SOLUTIONS



Ultra Communications provides complete Network Contact Centre solutions which include:

- Automated dialling incl. Predictive, Power, Preview and manual calling
- Inbound call management incl. full ACD capability/IVR/queue-buster
- Call-blending functionality
- Voice-recording inclusive on every call
- PCI-compliance for safe card payments
- Inclusive real-time Supervisor monitoring & reporting tools
- All solutions provided with unique, proactive 24/7/365 UK-supported service, to help you manage and ensure optimum results.

Benefits to contact centres:

- Easy set-up, live in 2-weeks
- Pay-As-You-Use/OpEx-cost-model
- Fully-compliant-future-proof-solutions
- Scalable up & down to meet demand
- Software-as-a-Service(SaaS) on your desktop
- In-built Business Continuance and Disaster-Recovery (DR)
- Quick ROI with superior results and substantial cost savings

Contact:

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f: 0872 111 6535

e: Sales@UltraASP.net

w: www.UltraASP.net

INDUSTRY ORGANISATIONS



Established in 1994 to promote the profession of call centre management the CCMA (UK) is an independent, not for profit organisation for Call Centre Managers, Supervisors and Team Managers funded by membership subscriptions.

The CCMA is run on an unpaid, voluntary basis by an elected Board of call centre professionals who give up their own time to put something back into their industry and help to support others.

There are around 500 CCMA members in the UK and our mission is to contribute to the continuous professional development of call centre managers and supervisors and to assist wherever we can in sourcing high quality training courses.

Contact:

Keith Stagg, Membership Secretary

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w: www.ccma.org.uk

Since 2003, CallNorthWest has been actively working with contact centres, through the North West Contact Centre Forum and Good Practice Networks.

Home to over 700 contact centres employing 5% of the working population, the North West is vibrant and a significant region for the sector.

CallNorthWest has become one of the largest regional membership networks for contact centres in the UK.

Membership is open to contact centres, solution providers and support organisations on an annual or pay as you go basis.

Contact:

Alison Hitchen (CallNorthWest Manager)

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e: info@callnorthwest.org.uk

t: 01772 894320



The London Contact Centre Forum, is the regional contact centre user group for London. We hold 6 networking events a year with an awards ceremony in May recognising the achievements of individuals and companies. We invite guest speakers in to deliver thought provoking presentations on topics that are relevant to the contact centre industry.

If you would like more information on The London Contact Centre Forum:

Contact:

Trevor Butterworth - Membership & Events
Manager

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m: 07932 669 299

e: trevor@lccf.co.uk

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The Midlands Contact Centre Forum (MCCF) was created in 2011 as a response to a growing demand from Contact Centres across the Midlands. Operating as a membership organisation, MCCF's core aims is to support the identification and sharing of good practices within the sector and attract Public Sector investment to meet the needs of a sector that is key to the success of the regional economy.

The Midlands Contact Centre Forum will operate to primarily serve the needs of contact centres operating or seeking to operate the East or West Midlands areas. Events take place frequently across the whole of the region. The East Midlands encompasses the combined area of Derbyshire, Leicestershire, Rutland, Northamptonshire, Nottinghamshire and most of Lincolnshire. The West Midlands is considered to comprise of the West Midlands County as well as Shropshire, Herefordshire and Staffordshire. However contact centres located outside these areas are welcome to attend and become members.

Contact:

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The **South East Contact Centre Forum** is the regional call/contact centre user group for Bedfordshire, Berkshire, Buckinghamshire, Essex, Hampshire, Hertfordshire, Kent, Oxfordshire, Surrey & Sussex, being home to around 875 contact centre operations.

SECCF has been created in response to a growing demand for a regional network that allows operational managers to meet with their peers, review and discuss key challenges and hear how other organisations are responding.

Over the next 12 months a series of 9 Forum events will take place across the region, each one focusing on a Hot Topic for the sector, including

- Leadership and Management within Contact Centres
- Team Leader Selection and Development
- Reward and Recognition
- Analytics
- Home Working
- Induction Programmes
- Benchmarking
- Recruiting and Retaining Generation Y
- Retaining Talent

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w: www.seccf.co.uk

The **South West Contact Centre Forum (SWCCF)** gives contact centres the opportunity to be heard and to influence the shape of the industry in the region. The SWCCF offers a range of products and services designed to add value to members' businesses:

- Industry updates and developments both from national and regional perspective
- An understanding how businesses can engage with many business contacts within the contact centre industry
- An extensive programme of conferences, seminars and special interest groups to keep in touch with issues relevant to all contact centres
- Access to free helpdesk facilities offering strategic advice and information to contact centres
- Free benchmarking
- Access to supply chain information
- Members also have the opportunity to attend a quarterly Best Practice event free of charge

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m: 07966 092149

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w: www.swccf.co.uk



LIST BROKING AND SOURCING



The Welsh contact centre market is very vibrant with growth predictions varying between 20 – 30% cumulatively over the next three years. This growth is predicted to come from both Inward Investment and, more significantly, indigenous growth.

The Welsh Contact Centre Forum is a high value Employers' Forum for the 160-plus contact centres we now have in Wales, providing strategic direction for contact centres in Wales, also offering our members the following:

- ◆ Four key forum seminars a year
- ◆ Networking opportunities
- ◆ Members website
- ◆ Our flagship event: the Annual Welsh Contact Awards.

Contact:

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e: callcentre@callcentrewales.co.uk or

lucinda@callcentrewales.co.uk

w: www.welshcontactcentreforum.co.uk

Prospect 360 is a leading UK List Broker, providing up-to-date and compliant databases to be used as part of telemarketing, postal, SMS and e-mail projects.

As an independent broker we objectively recommend which list sources will be the most applicable for your requirement, maximising your budget, conversion rates and overall ROI.

Utilising intelligence from recent telephone surveys, online research, magazine subscribers and a variety of other data-capture techniques means you can target fresh prospects who achieve pre-agreed criteria.

Please contact us to discuss your potential marketing list requirements.

Contact:

a: Prospect 360, Intertec House, 1 Tomlins Avenue, Frimley, Camberley, Surrey GU16 8LJ

t: +44 (0)1276 691199 or +44 (0)1709 374985

w: www.prospect360.co.uk

e: data@prospect360.co.uk

MAGAZINES AND PUBLICATIONS



Call Centre Helper is the UK's most popular call centre magazine with over 50,000 readers. It is a free, weekly online magazine aimed at giving call centre people advice on how to make their businesses work more effectively.

There are 4 distinct call centre areas – management, technology, life and jobs – readers can navigate swiftly to the area that interests them most. There are many regular features including articles that ask experienced people to answer real-life contact centre problems faced by their peers. We have also produced a number of reference guides aiming to be the main source of content on the internet for specialist call centre areas.

Contact:

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e: newsdesk@callcentrehelper.com

w: <http://www.callcentrehelper.com>



Contact Centre LIVE! Business Daily is the leading information resource for marketers and business developers in the contact centre sector bringing all the latest end-user and vendor news plus all the latest product related feature articles to track both your customers and competitors. You can also be the first to learn of contact centre openings and expansions.

For a free 10 issue trial email Sam.Collins@oneweekmedia.co.uk with the subject "Free Trial" or call 0845 053 1187

OUTSOURCING



Firstsource is a Business Process Outsourcing company providing a range of customer management services to leading US and UK companies in the telecommunications, financial services and healthcare sectors.

Firstsource offers customer services and technical support (call centres), back office processing, email response and webchat.

Firstsource is one of the UK's top 10 contact centre providers and employs over 2,500 people in the UK from centres in Belfast, Londonderry and Teesside.

The company has over 26,000 employees worldwide, in 45 operational centres in the UK, US, India, Sri Lanka and the Philippines.

Contact:

www.firstsource.com



Established in 1990 and based in Brighton, The Telemarketing Company is the UK's biggest Business-to-Business outbound telemarketing agency. We provide a range of high quality, unscripted services, including appointment setting, lead generation, data cleansing and profiling and market research to organisations ranging from SME's to the world's leading organisations.

With 200 workstations, trained, salaried, mature agents and an in-house software development team, we can handle projects of any size and complexity.

The Telemarketing Company is authorised by the FSA, holds Investors in People Accreditation and is a member of the DMA and is a Market Research Society company Partner.

Contact:

t: 01273 765 000

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e: info@ttmc.co.uk

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SPEECH ANALYTICS



**Nexidia Offers Multi-Channel Customer
Interaction Analytics**

Nexidia provides customer interaction analytics solutions that encompass patented technologies and breakthrough applications to enable companies to drive business transformation. This is achieved by capturing, making sense of, and using the full range of communications organisations have with their customers. As the traditional “voice of the customer” expands from the contact centre to include surveys, email, chat and even social media sites, Nexidia provides software and service expertise to help companies synthesize this data into both a tactical tool for operational improvements and a catalyst for strategic business transformation.

The full range of [Enterprise Speech Intelligence products](#), [managed professional services](#) and [customer success stories](#) can be found at <http://www.nexidia.com>

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e: jwax@nexidia.com

a: Nexidia Ltd, Gainsborough House, 2 Sheen Road, Richmond, TW9 1AE



Nuance for the Enterprise

At Nuance, all our expertise and experience is focused on customer oriented solutions for automating inbound calls, increasing service levels and radically reducing your cost to serve your customers.

Voice Guided Call Steering, allowing callers to describe their needs in their own words and move directly to their destination, automated caller identification & verification, voice self-service application, automated pro-active outbound notifications and mobile care are all solutions that have helped our customers substantially lower the cost to serve their end-customers while at the same time improving customer satisfaction, raise levels of security and privacy, and reduce fraud.

Contact: Paul Way - Sales Director, UK & Ireland

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t: +44 (0)7764353956

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VOICE BIOMETRIC SECURITY



Voice Commerce Group is a regulated Financial Services group, which operates and delivers mobile financial, payment, identity and verification services and solutions to consumers and businesses.

The company was founded upon a simple principle 'whenever we speak we establish a position of trust' and it is the technology based on this premise that is at the core of our operations today, reducing business fraud whilst delivering an improved customer experience through identity verification (KYC Secure) and payment authentication (VoicePay) products.

Many of the innovations in online, mobile and identity technology over the last fifteen years were developed by the team at Voice Commerce, including fraud prevention guarantees for Internet and Mobile Payments.

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IMPROVING QUALITY AND PERFORMANCE

Within this chapter, methods and solutions are discussed that improve the quality of the customer experience and allow the contact centre to gain insight into each customer and agent to improve their own business strategy.

Topics include:

- Quality management and improvement: challenges and solutions
- Quality assurance
- Call recording and analytics
- Performance management
- The supervisor desktop
- Management information systems and reporting
- Scripting
- Customer satisfaction and complaints
- Queue management systems
- Training and coaching.

SPEECH ANALYTICS

For the past decade, there has been increasing desire within contact centres to improve upon customer satisfaction and experience, in order to keep customers loyal and profitable for longer. ContactBabel studies have consistently shown that increasing customer satisfaction is the no.1 focus of UK contact centres, outperforming other key areas such as decreasing costs or increasing sales.

Call recording and monitoring may have been around for a long time, but it is at the forefront of the battle to improve quality and thus customer satisfaction and loyalty. The new generation of interaction recording solutions brings the whole contact centre into play, potentially gaining at several levels of the business through using the solution in different ways. Call recording is one of the most widely-used applications in the contact centre, with 84% of respondents using this, and only 4% stating that they have no intention of doing so.

Of those contact centres which use interaction recording, the majority use it for both quality assurance and training purposes, so that the supervisor and the agent can both learn from it. Two-thirds of those using call recording solutions are trying to get their senior management involved in what goes on within the contact centre. Compliance has also been a major reason to implement call recording.

In the late 1990s, data warehousing was a big growth industry, especially in sectors such as retail, where the widespread usage of customer loyalty cards gave huge amounts of data about customers, their buying patterns and preferences. However, getting the data into storage was not the difficult bit: the greatest value came from being able to identify and analyze the relevant and insightful patterns within these data, through data mining. In many cases, the reality never lived up to the hype, as the analytical capabilities of data mining tools and businesses' ability to use them effectively did not match the ease with which the data warehouse was filled in the first place.

Speech analytics solutions are analogous with the data warehousing and mining applications in as far as they analyze huge quantities of data - here, call recordings - and identify important and insightful patterns in caller and agent activity. Hence, speech analytics is also called audio mining. (It should be noted that some speech analytics solutions act in real-time, so the analogy is not quite exact). However, unlike the gap in functionality between data warehousing and data mining that we saw a decade ago, speech analytics solutions offer a proven and insightful option to release the customer value that is stored in these enormous quantities of information: insight about the customer, the agent, the business processes and the products and services that the business sells.

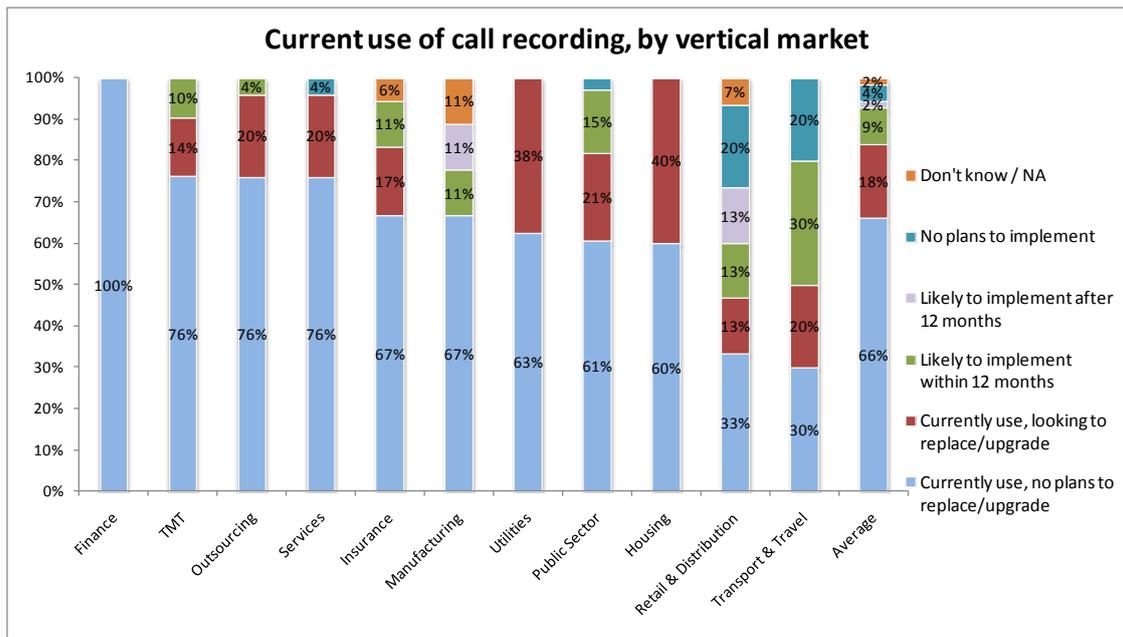
The elements of speech analytics

There are various elements to speech analytics solutions, including:

- **Speech engine:** a software program that recognizes speech and converts it into data (either phonemes - the sounds that go to make up words - or as a text transcription).
- **Indexing layer:** a software layer that improves and indexes the output from the speech engine in order to make it searchable
- **Query and search user interface:** the desktop application where users interact with the speech analytics software, defining their requirements and carrying out searches on the indexed data
- **Reporting applications:** the presentation layer of speech analytics, often in graphical format
- **Business applications:** provided by vendors, these pre-defined modules look at specific issues such as adherence to script, debt collections etc, and provide suggestions on what to look for.

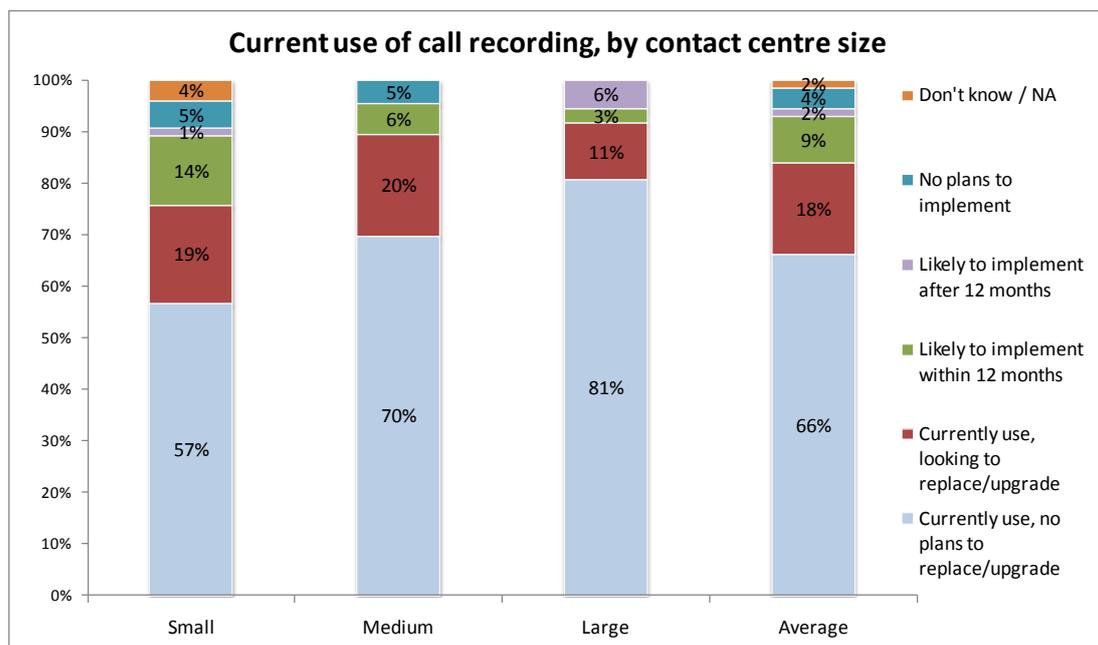
Call recording is one of the most prevalent contact centre solutions, having many applications around quality assurance, compliance, security and agent training. It is used by 84% of respondents, of which 21% state that they wish to replace or upgrade their current system. The majority of respondents in all sectors surveyed, except retail & distribution, use call recording today and only 4% state that they do not wish to use it at all. These figures are a solid background upon which new applications based on call recordings can thrive.

Figure 2: Current use of call recording, by vertical market



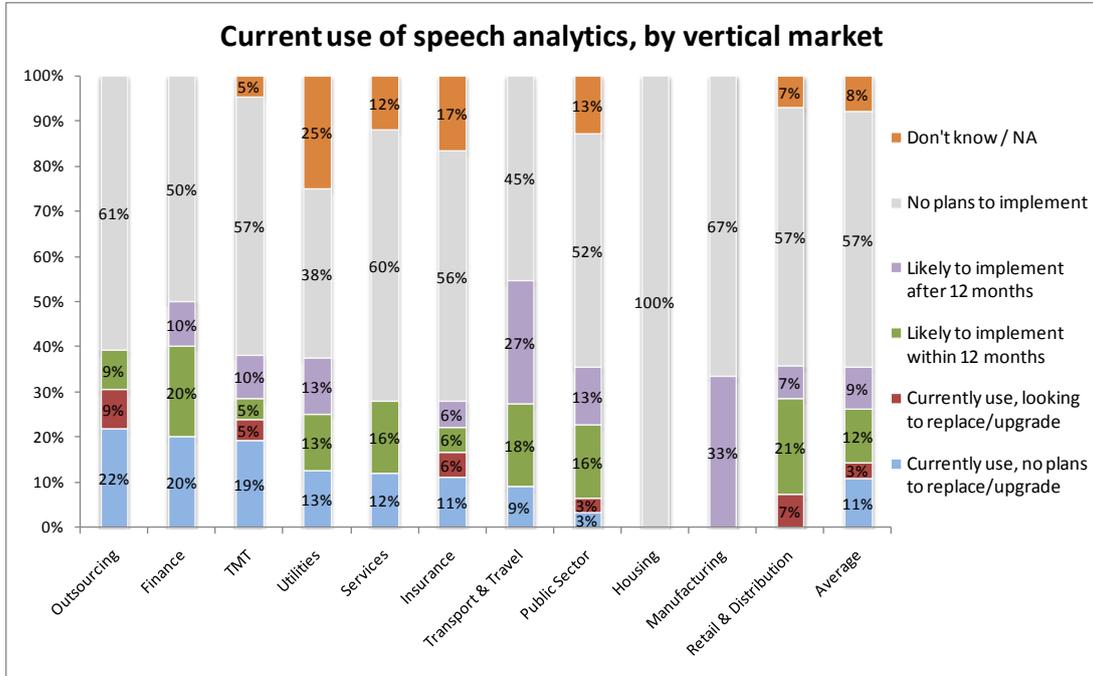
The use of call recording is partially influenced by the size of the contact centre operation, although the figure of 76% penetration in small operations shows that vendors have been able to offer solutions successfully at various price points.

Figure 3: Current use of call recording, by contact centre size



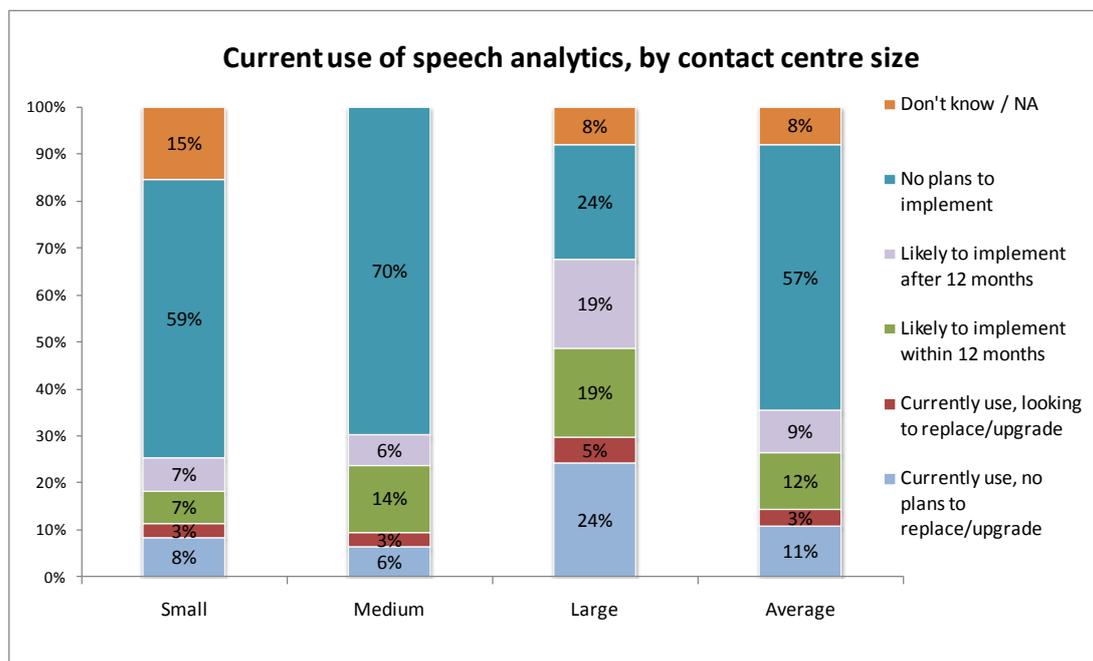
Against this ubiquity of call recording, the penetration rates of speech analytics are low, with 14% of respondents using it today, higher in the outsourcing, finance and TMT sectors.

Figure 4: Current use of speech analytics, by vertical market



The correlation between size and penetration rate is very noticeable for speech analytics, which may require significant investments. Having very large amounts of recorded calls means that business patterns can be identified more accurately, and any improvements reap correspondingly higher rewards.

Figure 5: Current use of speech analytics, by contact centre size





Harness the Intelligence



Whilst 70% of all customer contact is still taking place over the phone an increasing percentage now happens via email, web and social media... Nexidia customer interaction analytics extracts the invaluable front-line intelligence from these multiple data sources to help you transform your business and make the changes your customers really want.

Nexidia has applied its award-winning Speech and Customer Interaction Analytics Technology to enable you to improve customer satisfaction, increase agent performance, ensure compliance and drive business growth. Together with Managed Analytic Services, Nexidia has a proven expertise to help you solve your core business challenges.

To find out more about

Nexidia Customer Interaction Analytics

Contact Jonathan Wax, VP EMEA on:
020 8973 2442 or jwax@nexidia.com
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Customer Interaction Analytics

THE COMMERCIAL APPLICATIONS OF SPEECH ANALYTICS

Most contact centre solutions have a specific, easily-communicated reason for purchase, usually around cost savings. The most popular and widespread solutions, such as IVR, workforce management, CTI and outbound dialling, have all had a clear and quantifiable route to cost savings and improved efficiency.

Speech analytics has a different appeal to contact centres, and can be used in many different ways to address various business issues. This is an advantage - it is hugely flexible - but it can also make its message to the market more complicated, and to the cynical, it can seem as though speech analytics is claiming to solve every problem that a contact centre could possibly have. However, depending upon how speech analytics is used, it can certainly assist in cost reduction, agent improvement, business process optimisation, avoidance of litigation and fines, customer satisfaction and loyalty improvements, and increases in revenue.



The benefits of Speech Analytics are indeed many but are often most easily identified in sector specific applications such as debt collection, banking and finance, healthcare, telecommunications, etc. Apex Credit Management, one of the UK's leading ethical Debt Collection Agencies, for example, quadrupled the number of calls handled while only growing seats by 35%. Analysing 100% calls has improved compliance, shortened complaint timescales, enabled targeted coaching dramatically reducing attrition and increased cash collected per agent hour by 30% - achieving over £1m ROI within the first 7 months of implementation.

COMPLIANCE

Many businesses, especially those in finance, insurance, public sector and debt collection, have become encumbered with regulations which they must follow strictly, with potentially expensive penalties for failure, including heavy fines and criminal prosecution.

Contact centres have tried to reduce their risk through scripting, call monitoring and call recording, but these do not offer any guarantees or proof of compliance. Speech analytics means that 100% of calls can be verified as compliant - and be proven to be so - preventing disputes or escalation of enquiries by monitoring the exact language used within each call. Return on investment comes from the avoidance of litigation and fines, and the use of speech analytics for compliance is widespread, but more in North America than the UK.

AGENT EVALUATION AND IMPROVEMENT

Improve the quality monitoring program

Speech analytics tries to take the guesswork out of improving customer experience, agent performance and customer insight. By moving from anecdotal or fact-based decisions, from qualitative to quantitative information, some order is put on the millions of interactions that many large contact centres have in their recording systems, improving the reliability of the intelligence provided to decision-makers. It doesn't remove the need to listen to calls, but it means that the calls listened to are far more likely to be the ones that should be listened to, whether for agent evaluation or business insight.

Identify agent training requirements

Apart from 100% monitoring of calls, speech analytics is used to flag cases of talk-over, as well as silence detection. The former can be a source of irritation to the customer and long silences can indicate lack of agent knowledge, although long system navigation times or delays in system response times can also cause this. The analysis of these types of call will identify which of these issues is really the problem.

Cut new-starter attrition rates

Additionally, speech analytics will also make the training and coaching received by new agents in particular far more effective and targeted. This is especially important for this class of agent, as many operations report that half of their overall staff turnover occurs in the first 90 days of the job, when agents are obviously less-skilled or confident about their role or the organization.

CONTACT CENTRE PERFORMANCE IMPROVEMENTS

On first glance, speech analytics can be seen as providing similar information to management information and reporting systems - taking masses of data and making sense of what they mean to the contact centre's performance and perhaps even inside the wider business. However, the vital thing to understand about speech analytics is that it gives contact centres the answer to 'Why', not just 'What'. Why are average handle times so different across agents? Why are customers of this product upset? Why are people calling the contact centre? With high quality data inputs, mixing audio information with data such as call outcomes and revenues, analytics also identifies patterns which the business had no idea even existed, suggesting best practice and identifying areas for improvement at agent, contact centre and process levels.



A major UK high street retail chain have implemented Speech Analytics and built a true 'Voice of the Customer' insight tool that details **Why** customers are calling. Monitoring more than 15,000 calls per week over 600 agents they are now able to do quality monitoring on 100% of calls, track repeat calls, measure customer handle times and put in place actions to improve first call resolution. Although they're early in the implementation £900K business benefit has already been identified.

Why are customers calling?

Categorizing types of calls, and then analyzing them for the occurrence of similar types of words and phrases can give an insight into the reasons for customers' calls. For example, a category such as 'sales' might be analyzed for patterns, and it is discovered that the words 'delivery' and 'website' are mentioned in a disproportionate number of them. Listening to some of these conversations, it may be found that the website does not highlight delivery times effectively enough, leading to unnecessary calls to the contact centre, rather than the customer purchasing on the website.

Call transfers

Rather than making an agent use a call disposition code when they pass a call to another agent (which they may forget to do, or code inaccurately), speech analytics can identify the reasons for passing calls to other agents and putting customers on hold (whether lack of training, broken processes or lack of access to the right systems).

First-call resolution

A major metric for contact centre and customer experience success, first-call resolution can be increased by identifying repeat callers and eliminating the root cause of repeat calls.

An example of this was an organization where they had identified repeat issues as being a problem. Analyzing the calls categorized as such, it was found that agents were saying "we'll call you back within 3 hours". As the callers were very keen to get the issue resolved, they were prone to overestimate the time passing, so analysis found that many called back before the three hours were up. By changing the script to e.g. "It's now 11.45am, we'll call you back by 2.45pm", customer expectations were set and call-backs dropped immediately. A few weeks later, call-backs went back up, and it was found that many agents had gone back to the 'old ways', and had forgotten to give the exact time.

Average handle time

Average call duration / average handle time has traditionally been one of the main measures of a contact centre's 'success', at least when judged by those outside the operation whose focus has often been on cost reduction.

Long call durations may be linked with poor agent abilities, lack of knowledge, navigation between systems or very complicated calls, and of course, impact on cost, queue times and the customer experience. Short AHTs can be as bad, if not worse, as they can indicate lack of agent capabilities (so agents pass the call to a colleague, or even deliberately lose the connection); that the contact centre is handling too many simple calls that might be better handled by self-service or that there is a quick and easily-resolved common issue, the solution to which could be propagated in the IVR announcement, on the website or via email/SMS. The problem for businesses is that they often don't know with any level of confidence **why** call durations differ.

Speech analytics allows businesses to categorize each type of call, and through root-cause analysis, determine what a reasonable length for each type of call is, and investigate the outlying anomalies, either on an agent level, or more widely, by comparing the amount of time taken on each category of call now compared to the past. The identification of calls resolved successfully in a reasonable amount of time will also provide the training department with examples of best practice.

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Ventura, a UK outsourcing company uses Speech Analytics to define and quantify issues affecting each of their customers. With increased intelligence Ventura have been able to reduce average handle times by 42 seconds, increase cross selling of particular products by 50%, reduce non talk time and their initial ROI of £1+m was achieved within one year. “We quantified that it would have taken us 11 man years to analyse the same volume of calls that Nexidia did in the 90 day Proof of Concept’, Neil Conway, Head of Operations.

BUSINESS PROCESS IMPROVEMENTS

Everyone connected with the contact centre industry has always known that there is huge insight and knowledge held within the operation and its agents, but which has never before had the ability to be quantified or acted upon by the wider business. Speech analytics offers the ambitious business the greatest potential for improvements in business processes, but there is a great danger of underachievement with so many departments and divisions potentially involved.

In the course of researching the report, we have found that the marketing and website departments are the non-contact centre areas most likely to be benefiting currently from insights about customers' views, but there are also examples of how delivery, provisioning, billing and even warehousing departments have learned from the analysis of customers' experiences in the contact centre.

The quality of insight and its actionability is totally dependent on a swift reporting process, simple yet rich intelligence, the ownership of process improvement at senior level and before/after comparisons to prove success. Cross-department rivalries or poor communication are a real risk to this, and the importance of having a project champion of sufficient seniority to exercise cross-department control cannot be underestimated.



Transforming Business with Customer Interaction Analytics

Nexidia Analytics provides powerful business insight

Gartner is predicting that the next big emergent market will be the ‘Voice of the Customer,’ and it’s easy to see why: As customers reach out in new and varied ways, multichannel communications with organisations are on the rise. While the vast majority of customer interactions still take place over the phone within the contact centre, now other customer touch points such as email, chat and social media are becoming increasingly prevalent.

These silos of information are often used by individual departments such as marketing, operations or customer services for their own purposes. Rarely is the information shared across the organisation, to provide a holistic view of customer feedback. However, by improving their multichannel management, companies will have even more access to the voice of their customers to drive operational change to transform their businesses.



Harnessing this powerful reservoir of business intelligence enables companies to quickly respond to changing customer needs, allows for speedy problem solving, reduces complaints, improves service excellence, and unearths latent business opportunities before competitors have time to react.

Customer Interaction Analytics allows organisations to analyse every phone call, chat, email and tweet and translate this information for a total picture of the voice of the customer. Leading customer-centric organisations are already engaging speech technology and customer interaction analytics technology with staggering results:

- *A leading financial services institution uncovered £1.6bn worth of up sell and cross sell opportunities*
- *After evaluating 100% of calls, a major high street bank discovered that they were only 42% compliant in one of their business areas, immediate remedial actions were put in place and the risk was mitigated*
- *A leading debt collection agency increased cash collected per agent hour by 30%, quadrupled throughput while only growing capacity by 35%, and dramatically reduced attrition*
- *Companies in diverse sectors have made substantial operational savings, improved agent performance, identified process change, ensured compliance and boosted CSA and KPI scores*

Created with Nexidia’s patented phonetic search technology, Nexidia customer interaction analytics solutions deliver proven results, with more customers demonstrating actual return on investment (ROI) than any other solution on the market. Nexidia works in partnership with its clients, leveraging industry expertise with its vast experience of contact centre operations. Additionally, a range of flexible deployment options enable companies to launch customer interaction analytics at a minimal risk, proving ROI in weeks—not years. Transform your business with Nexidia customer interaction analytics.

For more information contact: Jonathan Wax, VP EMEA, on 07818 425486, jwax@nexidia.com or www.nexidia.com

BUSINESS INTELLIGENCE

Customer Satisfaction Surveys

There has been a great increase in customer satisfaction surveys in recent years, with the widespread uptake of Net Promoter® being a good example of companies' desire to learn what their customers actually think about them. However, research has shown that a 'satisfied' customer isn't necessarily a profitable or loyal one, and the results of customer surveys, particularly the written or telephone-based variety (the latter of which, despite its limitations and expense, is still seen as the best method), are carried out at a time when any feelings about the original interaction may have changed or dissipated, are prone to inaccuracy, delay and lack of detail.

With all of the methods of customer surveys, the questions are fixed in advance, and if the right questions aren't asked, the level of actionable insight is low. In many cases, a business might know that x% of its customers are satisfied, and y% dissatisfied, but it still has no real idea why this is, or even how it will impact upon their profitability. As an alternative to customer satisfaction surveys, speech analytics allows a business to gather customers' views within the interaction itself - guaranteeing immediacy and accuracy - and can be applied across 100% of calls, rather than focusing on the outlying 'very dissatisfied' or 'delighted' customers. Furthermore, through widespread and detailed analysis of what the call is about, the type of language or messages used in the call, how the customer was handled, and the eventual outcome, businesses will be able to learn how to improve their customer retention and satisfaction in real-life, by-passing the standard metric (e.g. "83% of customers are satisfied") and getting to the root causes of satisfaction or dissatisfaction and sharing the results with the rest of the operation.

Customer Insight

As introduced above, one of the greatest advantages that speech analytics can provide is the ability to understand **why** things are happening, rather than just **what** is going on. With some solutions, it is not even necessary to know what you are looking for: automatic categorization of calls into their constituent types is a starting point, based on the types of words and phrases that typically get used within these types of calls (e.g. "complain", "not happy", "disappointed", "speak with a manager" etc, will often relate to customer complaints). Non-audio data, such as the activity of account closure, refunds etc can also be captured from the screen and linked with the call to provide richer data for analysis. The tracking of word usage compared with its historical use (e.g. a 300% rise in the use of the phrase "can't log-on" after a software upgrade) can quickly indicate and identify issues that can be handed to the relevant department much more quickly than typical inter-department channels could usually manage. Regular references to competitors and their products can be captured, analyzed and passed to the marketing or pricing teams to provide them with real-life, rapid and accurate information upon which to base decisions.

Crisis management and reaction

A solution with automated root-cause analysis capabilities - constantly looking for anomalies and new patterns - can identify spikes in unusual activity shortly after it happens, alerting specific users to the key issues so as to handle them before it runs out of control, damaging brand or customer satisfaction.

Product and pricing feedback

Speech analytics allows businesses to seek out key words and phrases, such as competitors' names or any instances of pricing, or to gather feedback after a marketing campaign goes out.

IMPROVING THE CUSTOMER EXPERIENCE

Factors that impact the customer experience - such as first-call resolution and shorter call and queue times - have been addressed already. This section looks at the handling of complaints, and how speech analytics can take into account the entire customer experience outside the contact centre.

Complaints handling

Complaints are a potentially rich environment for businesses to understand where they are going wrong, and which issues are in danger of turning a customer into an ex-customer. For many businesses, each complaint is dealt with on a case-by-case basis, with little in the way of categorization or structure being put in place formally, and little chance of communicating findings in an actionable way to the relevant department.

Speech analytics gives businesses a chance to quantify the reasons that customers complain, identifying the most important factors, assessing trends and spikes, and providing hard recommendations based on every call taken. 4% of UK calls and 8% of US calls received by contact centres are complaints, with respectively 90% and 80% of these being about problems elsewhere in the enterprise (rather than in the contact centre).

Understanding and acting upon what is driving these complaints will clearly make a huge difference to cost and customer satisfaction.

On an individual-call basis, real-time analytics allow businesses to track words and phrases related to complaints (such as 'supervisor', 'manager', 'complain', 'unhappy' etc.), allowing escalation to a supervisor, or screen-pop to the agent to provide them with a revised script or suggestions of how to handle the call. Emotion detection may also be used to identify these customers.

The customer experience outside the contact centre

There is an increasing requirement and interest in multichannel analytics, including considering email, text chat, IVR and web browsing sessions to get the full picture of the customer's real journey in a single interaction, in order to identify and improve any channels that failed to fulfil their requirements. Improving self-service optimisation is often a quick win that can provide immediate economic benefit to businesses: in the UK, a mean average of 9% of calls that go into an IVR system are 'zeroed-out' - rejected by the customer in favour of an operator - and in the US, a staggering 26% fail the self-service test.

Businesses using speech analytics to review these failed self-service sessions will be able to categorize many of them in order to improve the processes at a macro-level. Common findings from the analysis of these calls is that the IVR system was poorly worded or menu choices are not intuitive or match current service choices. Other failures occur through mistakes in IVR routing, and there may also be problems with a lack of customer awareness that various activities can be carried out by self-service.

INCREASING PROFITABILITY

Debt collection and improving cross-selling & up-selling

Although many debt collection firms have detailed scripts for their agents - often driven by the need to comply with regulations - the results, such as the promise-to-pay ratio - can differ widely by agent. Speech analytics provides two benefits for debt collectors: the ability to prove compliance, and through the analysis of successful and unsuccessful calls, the chance to understand the type of agent language and behaviour that yields the best results, and share these with underperforming agents.

The same principle of matching successful outcomes with particular call traits can be used for improving cross-selling and up-selling rates in sales environments.

Managing customers at risk of churn

Using real-time analytics, linked with a company's own CRM systems, agents can be provided with up-to-the-second advice on how to handle customers identified as being at risk of churn, including linking what the customer is saying on the call back to the transactional model in order to update the best offer available for that customer.

Feedback on marketing campaigns

Tracking customer comments and outcomes after the advent of a marketing campaign can mean the difference between success and failure. Messages that are incorrectly understood can be identified and altered quickly before the contact centre becomes swamped with calls about the issue.

Phone-based contracts

Real-time speech analytics mean that phone-based contracts can be seen to be completed first-time, with all relevant information provided to the customer on the call, and red-flagged on the agent's screen if they have missed saying anything vital, or made an error. This reduces the need to call a customer back and avoids any dispute over whether a legitimate contract has been made.

ESTIMATING RETURN ON INVESTMENT FOR SPEECH ANALYTICS

As part of the research for ContactBabel's new report "The Inner Circle Guide to Speech Analytics", thousands of contact centre professionals were asked for their views on speech analytics, particularly about what would hold them back from implementing it. By far the most important issue raised was how to build a strong enough return-on-investment (ROI) case to get the required corporate buy-in.

Lots of budget is now held within marketing, website or customer experience teams, rather than at contact centre level, and these teams must be made to understand that the contact centre is a big part of people's experience of dealing with a company. To get the most from a speech analytics solution, especially the more complex systems, businesses need to identify and empower a senior project champion, overseeing a cross-functional team. The champion must have a strategic view of what analytics can provide, as well as being able to understand the operational and technical requirements of the contact centre and IT teams.

ROI for speech analytics can come from numerous sources, depending upon how the solution is used. Generally, it will come from the avoidance of a specific cost, (including the reduction of a risk in the case of compliance), or the increase in revenue, despite the fact that much of the benefit from speech analytics comes from actionable insight around **why** customers are calling.

Speech analytics is used extensively in North America for compliance, for which ROI can be proven through the avoidance or reduction in litigation and regulatory fines, placed against the cost of the solution. Large banks will have funds allocated that run into the tens of millions of pounds each year against the possibility of paying out, and any significant reduction in fines would pay for a speech analytics solution very quickly. In the UK, the banking industry has additionally put aside several billion pounds to pay compensation for the mis-selling of PPI (payment protection insurance), and having the ability to prove that no regulations had been broken would have been of great use.

Variables to be considered for ROI measurements include:

Cost reduction:

- Reduction in headcount from automation of call monitoring and compliance checking
- Avoidance of fines and damages for non-compliance
- Reduction in call volumes after understanding **why** customers are calling, and acting to optimise any broken processes elsewhere in the organisation (e.g. website, marketing, distribution, etc) that are causing these calls
- Reduction in cost of unnecessary callbacks after improving first-call resolution rates
- Avoidance of live calls that can be handled by better IVR or website self-service
- Reduced cost of quality assurance and monitoring
- Lower cost per call through shortened handle times and fewer transfers
- Lower new staff attrition rates and recruitment costs through early identification of specific training requirements

Revenue increase:

- Increase in sales conversion rates and values based on dissemination of best practice
- Increase in promise-to-pay ratios (debt collection)
- Optimised marketing messages through instant customer evaluation

- Reduced customer churn through dynamic screen-pop and real-time analytics tailoring calls to the customer
- Quicker response to new competitor and pricing information

Also, the improved quality of agents, better complaints-handling and improved business processes outside the contact centre should be considered.

Against these potential positives, costs to consider include:

- Licence fees or cost per call analysed
- IT costs to implement (internal and external)
- Possible upgrade to call recording environment may be required
- Bandwidth if hosted offsite: the recording of calls is usually done on a customer's site, so if the speech analytics solution is to be hosted, it will involve a lot of bandwidth, which will be an additional cost, especially when considering any redundancy
- Maintenance and support agreements, which may be 15-20% annually of the original licencing cost
- Additional users - headcount cost - decide who will own and use it, do you need a speech analyst, etc.
- Extra hardware e.g. servers will be required for audio processing and analysis, the number of which is dependent on the volumes of calls and the speed which customers require the analysis to be completed by
- Ongoing and additional training costs if not included
- Extra work across the enterprise generated by findings
- May need extra software to extract data from the call recording production environment if using different vendors for recording and speech analytics.

A major inhibitor to uptake is an awareness within the company that their environment is not yet ready for speech analytics, in that they may still not have a reliable recording environment or an optimized QM or QA process. Some businesses consider that their existing call recording and manual quality monitoring processes are sufficient, and fail to understand the potential business value of speech analytics.

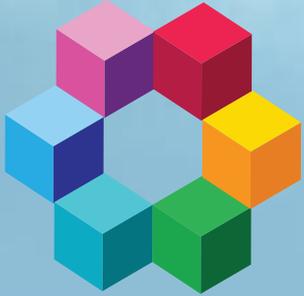
Vendors' own estimates of the time taken for the solution to pay for itself vary between 6 and 18 months, with most current implementations having been in the 100+ seat contact centre sector. Apart from calculating figures for ROI, perhaps the most difficult element of the business case is to ensure that executives beyond the contact centre understand and support the contact centre's role in enterprise success. Finance, marketing, IT and senior management need to be talked with in the terms they understand - customer retention, product satisfaction, revenue, competitive metrics, and more - showing that speech analytics is an effective way to give a window into these trends.

Have your vendor help you to create an ROI to justify the project to the corporation in terms they understand: most vendors have tools which can be used to estimate return on investment, often based on what they have seen in similar operations elsewhere, and they are keen to share them with potential customers. Start with a project that you are comfortable managing from a cost and resource perspective to ensure you can track and present an ROI. Once you've achieved those results, it will be easier to justify expanding the project into other areas.

For more information about speech analytics, please download ContactBabel's ["Inner Circle Guide to Speech Analytics"](#).

DYNAMIC SCRIPTING AND THE UNIFIED DESKTOP

As the previous section showed, the majority of contact centres of all sizes and sectors noted that the variable capabilities of agents was a contributory inhibitor to quality improvements. One possible solution is to look at scripting applications within an overall unified desktop environment, as well as understanding agent training needs through call recording and monitoring, and delivering the right training.



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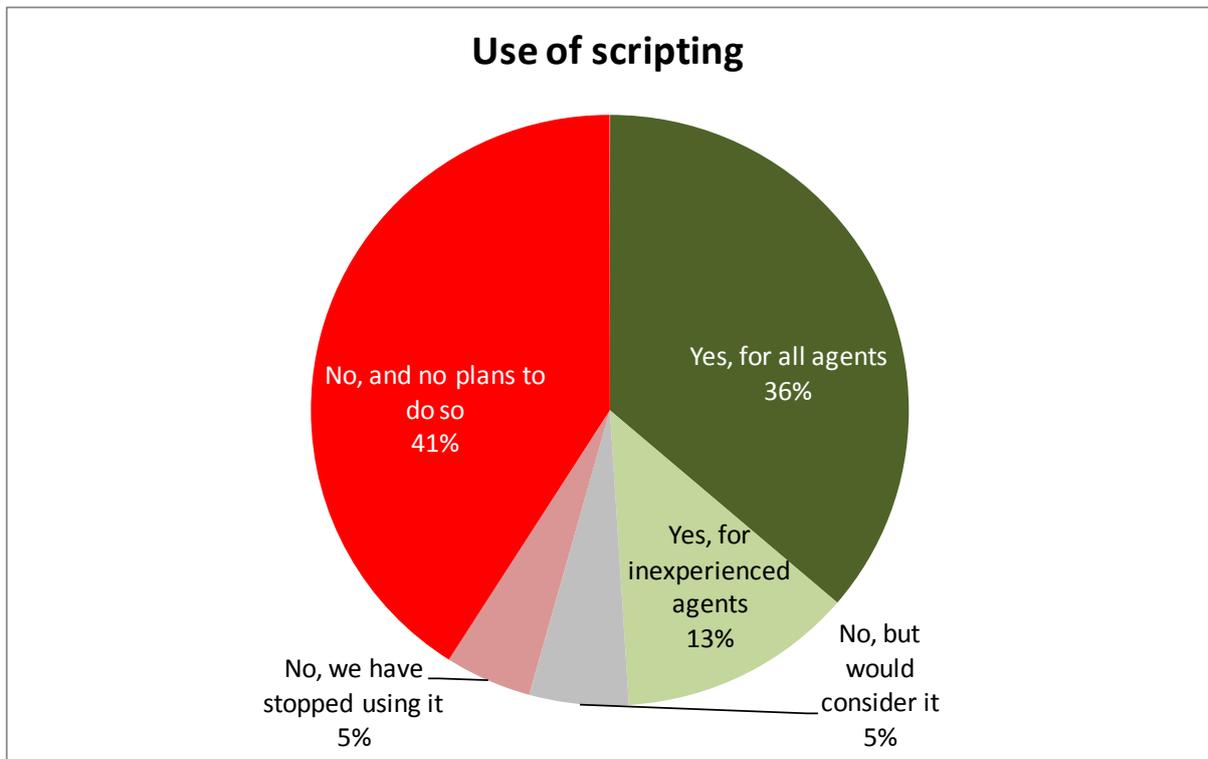
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DYNAMIC SCRIPTING

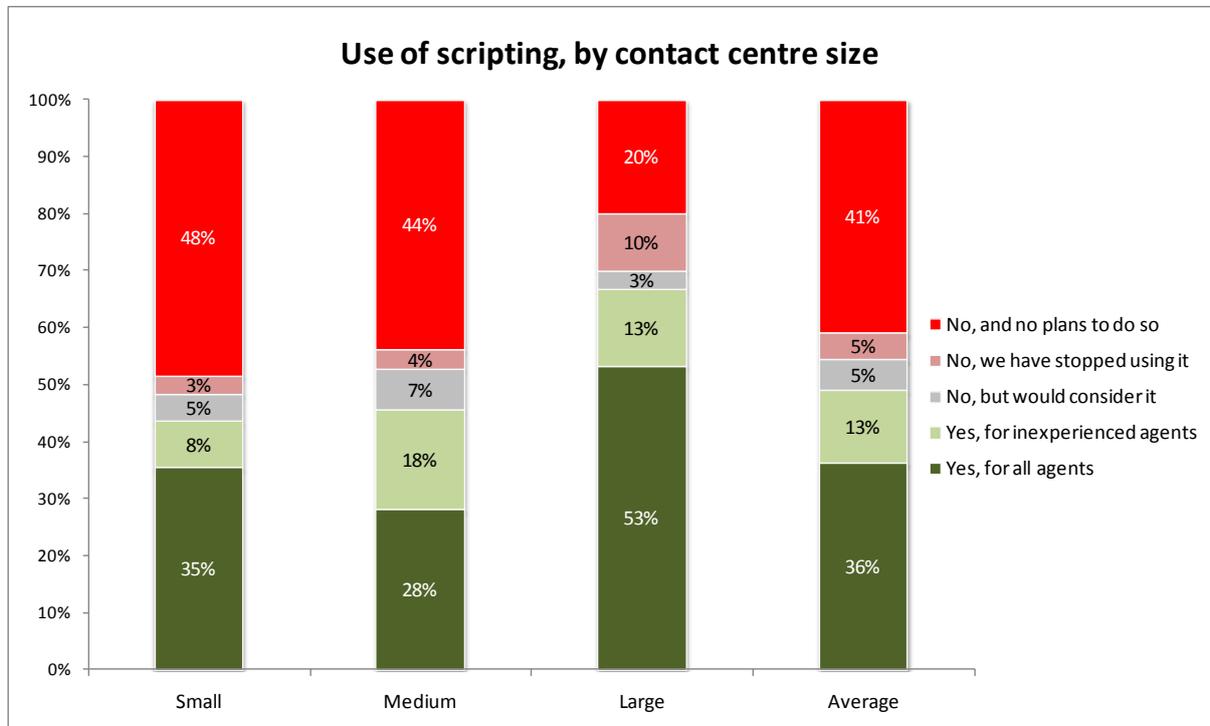
Scripting has a mixed reputation, rightly or wrongly, with inflexible outbound sales scripts being particularly disliked. However, a dynamic scripting environment - where the help provided on the agent's screen changes depending on who the customer is and what they actually want, applicable to both inbound and outbound work - can be beneficial to agent and customer alike, supporting complex interactions where multiple systems and media are required. Applications that define each step of the call interaction flow and present the relevant data to the agent allows agents to take advantage of pull-down menus, on-screen buttons, pop-up windows, inheritance mechanisms, and fill-in-the-blank parameters. Scripts guide agents dynamically through dialogues with customers which change as required, while managing contacts, controlling interactions, and updating databases.

Figure 6: Do you use scripting?



Finance, insurance, housing, public sector and utilities are amongst the greatest users of scripting, with around half of respondents from each of these sectors stating that all agents used the application (although we should not assume this is for 100% of calls - scripting may be used widely in some industries for legal disclaimers, terms and conditions, etc). Those in outsourcing were most likely to use scripting to help inexperienced agents, and the manufacturing and public sectors were most amenable to considering scripting in the future. Of those respondents who have rejected the idea of scripting, retail and transport & travel operations were the most prevalent.

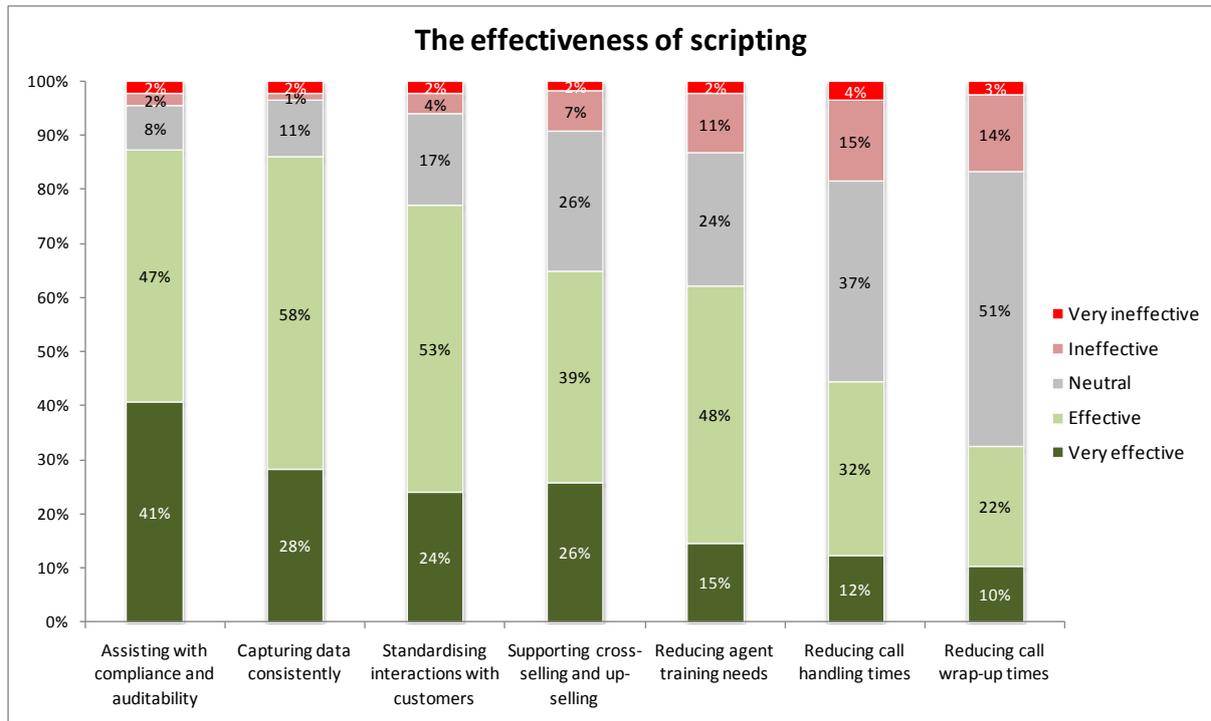
Figure 7: Use of scripting, by contact centre size



The use of scripting certainly appears to be a factor of contact centre size, with over half of large operations implementing it for all agents, with a considerably smaller proportion of smaller contact centres doing so. As larger contact centres will tend to invest most in efficiency-generating applications, this might reasonably be expected to be the case.

A fairly small proportion of respondents in any sector or size band have stopped using scripting, but there are a 41% which have no intention of using the application, particular in small and medium (<200 seat) operations. The next pages will look at what scripting is used for, how effective it is, and why some businesses are against it.

Figure 8: The effectiveness of scripting



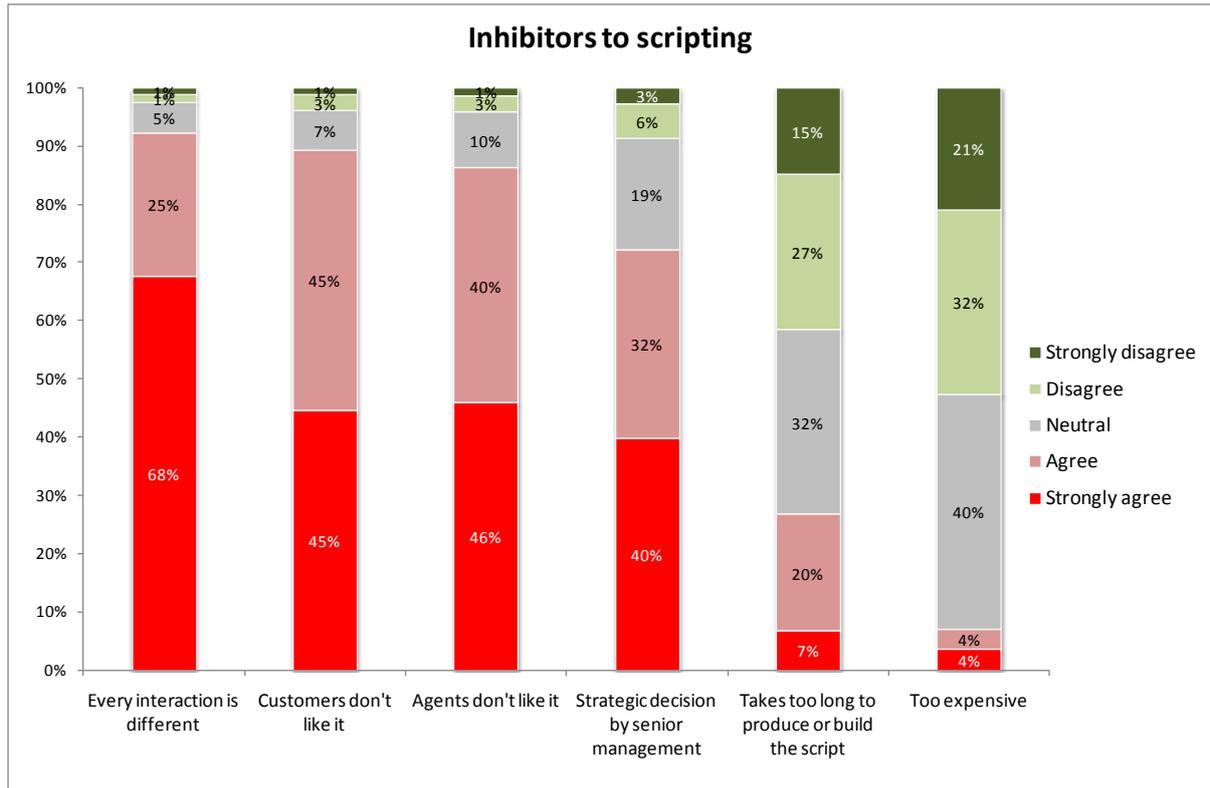
Those respondents who used scripting were generally enthusiastic about the benefits they had received. In particular, the assistance with compliance was particularly well-thought-of, as was the consistency of data capture (as the same information is collected each time, with no short-cuts or missed questions). 77% of respondents found that scripting was effective or very effective at standardising interactions with customers - of course, this only helps quality of the 'average' interaction is high to begin with.

Secondary benefits around reducing call handling times (through a structured call flow) and particularly as an agent training tool were also reported, with 65% of respondents also saying that scripting was an effective tool for assisting with cross-selling and up-selling. Using scripting to facilitate call wrap-up was still a net positive, but is seen as being less useful than other factors.

It seems fair to say from looking at these results that, while overly-scripted conversations are frustrating for both caller and agent, a dynamic script or prompt which guides an agent through a conversation and provides relevant information and suggestions is certainly worth considering and tends to yield positive results.

Despite these positive responses from users, scripting has had a bad name, engendered by the uncomfortable-sounding scripts often used by outbound sales agents. Part of this problem is that the agent can sound robotic after delivering the same spiel dozens of times, but perhaps as important, there is also the fact that outbound sales calls are generally not well-received by customers, so anything that is associated with them (be it scripting, offshore agents, silent calls, etc) will have a negative connotation to overcome in any case.

Figure 9: Inhibitors to scripting



The biggest objection to scripting is that every conversation is different. While this is certainly true, readers should be aware that contemporary solutions offer a whole spectrum of scripting, from tight to loose, with the latter simply offering checkpoints within the conversation: much of the negativity around scripting comes from familiarity only with the tight, constrained version, and as this chart shows, contact centre management strongly believe that neither customers nor agents like scripting (and seemingly, neither do the people at the top of the organisation, who appear to hand down non-scripting edicts).

Scripting is much more than a series of dialogue prompts, as it is now more about designing the customer experience and journey for a particular type of interaction - for example, making an insurance claim - using design sessions fitting together workflow, data sources and dialogue. People with less experience of modern-day scripting often think the robotic 'scripted conversation' experience is what scripting creates, and indeed, many of the respondents to this questionnaire believe that there are too many variables to anticipate within a conversation and that letting agents make the best decision about the conversation is really the only way to handle things. However, real-time decision engines are an example where online resources can be leveraged to work within the contact centre as well: real time responsiveness in an online environment is achieved through automated decision-making built on a set of business rules which identify pre-defined customer profiles and the solutions, products and data that are suitable for presentation to the customer.

The design environment that new scripting solutions provides can use existing back end resources without further development, so scripts no longer have to anticipate every possible alternative. Data gathered during conversations, combined with customer profiling, trigger appropriate responses which can be immediately presented to the customer, which is beneficial for customer and agent alike. As such, dynamic scripting can be considered as one part of a group of solutions aimed at reducing the complexity of the agent's desktop while improving the quality of the interaction. The next section looks at optimising the quality of customer interactions through a unified agent desktop, a key supporting feature of which is the ability to define call scripts, either as a flow of data capture screens, or as a set of actual words or prompts. Simple, non-technical tools enable supervisors and managers to define these call flows, the data required and the scripts/prompts to be used.

The true cost of 'swivel chair integration'

by



It's no wonder people get angry with call centre service when they hear phrases like "could you give me your account number again please" and "sorry but I can't access your details right now, they're on another system". And caller frustration isn't the only downside of unintegrated and poorly integrated contact centre systems. Organisations suffer too through agents having to access multiple screens during a single interaction.

Figures given in figure 11 of this report show that a massive 85% of contact centres require their agents to use multiple applications within a call, with 49% claiming that agents must access 3 or more applications during a customer call. It's a phenomenon known as Swivel Chair Integration (SCI).

In 2009, ContactBabel estimated that SCI costs organisations around £2,000 per agent per year in terms of:

- Increased call handling times
- Inconsistent data caused by keying errors
- Increased training times
- Wasted cross-sell and up-sell opportunities
- Increased post-call wrap-up (caused by agents having to enter information in multiple applications)

Organisations suffer too from the negative impact that SCI has on customer satisfaction and net promoter scores – especially when one considers the growing number of COOs now measured on the quality of customer experiences. Clearly SCI results in unnecessary costs that few organisations can afford to bear.

One solution that directly addresses the problem of SCI is Rapid Customer Relationship Management (CRM).

There's nothing new about CRM. However, to date, it's typically been very costly, very complex and highly inflexible to implement – making it difficult for many centres to cost justify. Rapid CRM, however is different. It's based on the use of pre-built modular applications that deliver all the key business functionality that top-of-the-range CRM systems deliver but without some of those costly, yet largely ineffective, 'nice-to-have' bells and whistles. The result is a flexible, dynamic solution that's easy to implement and proven - even in the most demanding customer contact environments - and without the cost and delays of legacy CRM.

The concept of a 'unified desktop' is key to Rapid CRM, enabling agents to access information from all relevant product, maintenance, billing etc. databases on a single desktop screen - overcoming all the costly disadvantages of SCI detailed above.

As organisations emerge from the 'survival mode' they've been in for the last two years, many are turning to Rapid CRM with Unified Desktop to deliver quick quality improvements and to establish more meaningful conversations with their customers. This has included several Infinity clients who are taking advantage of Rapid CRM today using both on-site and cloud-based deployments. Amongst the benefits they've reported include:

- The ability to get new marketing campaigns up and running quickly
- Lower operating costs (via reduced call handling times, fewer escalations and lower error rates)
- An enhanced ability to recognise revenue opportunities
- Better management information
- More efficient processes for handling enquiries and service requests, and improved customer service

Speedier and more efficient CRM together with the benefits of a unified desktop is a win-win situation. And with Infinity it comes with the advantage of our performance guarantee.... a guaranteed 20% improvement in performance or you pay nothing for our software.

THE UNIFIED DESKTOP

Many of today's contact centres use complicated, multiple applications, often only loosely-linked, which require skilled and experienced agents to navigate, let alone to manage interaction with customers successfully at the same time. Even after the call is completed successfully, each system may need specific inputs from the agent in order to start the required back-office processes, or to keep each database consistent with the others.

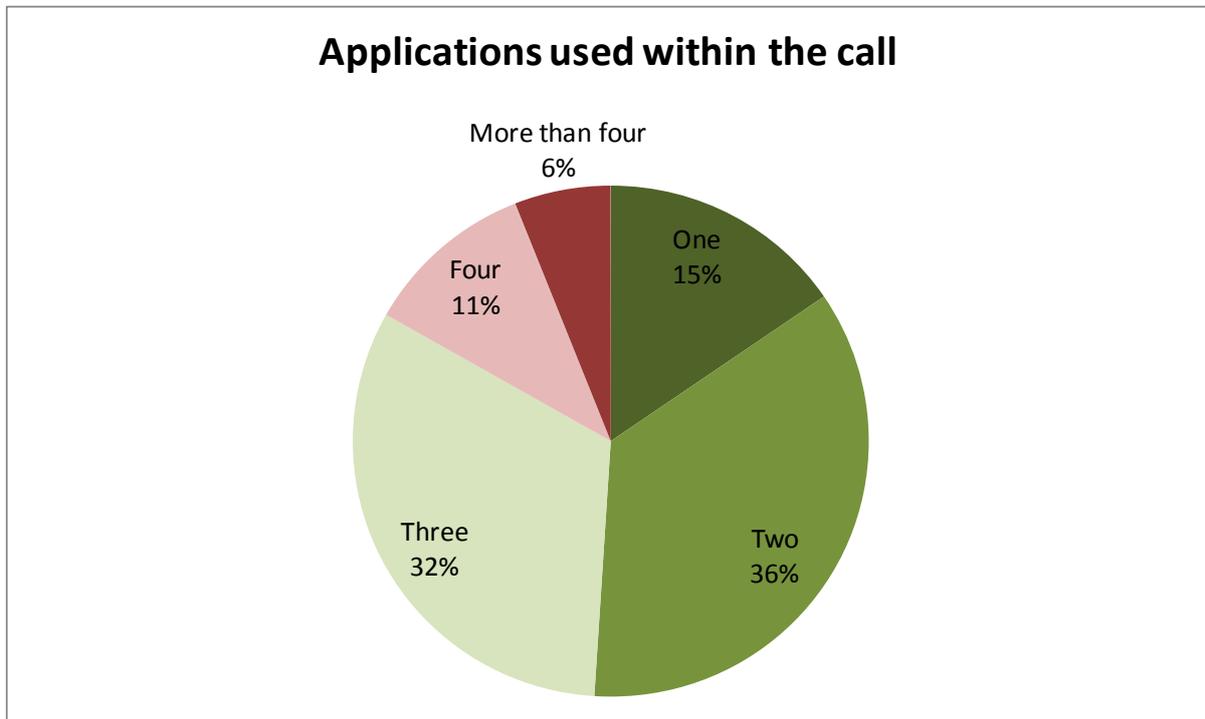
Figure 10: Use of multiple applications across vertical markets

Vertical market	Use of multiple applications
Finance	Customer accounts, CRM, product database, payment systems, email, quotation system (esp. insurance), complaints, other sister companies' systems (often through merger and acquisition), legal and compliance scripts, insurance claims
Outsourcing	Multiple screens and applications depending on customer requirements, not all of which will be familiar to agents
Retail & Distribution	Supply chain systems, distribution and shipping history, warehouse stock systems, CRM, customer history, pricing applications, payment systems, complaints, email
Telecoms	Customer accounts, cross-selling/upselling applications, CRM, field maintenance booking systems, real-time network status screens, complaints, payment history, credit/debit card applications, fulfilment systems, email
Utilities	Customer accounts, payment systems, utilities status systems (e.g. scheduled or emergency work being done on water, gas, electricity supplies), cross-selling/up-selling prompts, product information, maintenance and booking systems, complaints, email

The result is that even though a contact centre may be staffed with experienced, hard-working and skilled staff, its overall performance is disappointing, leading to low customer satisfaction, unnecessary costs and decreased profits.

With 85% of contact centres requiring their agents to use multiple applications within a call, there are significant dangers around forgetting to key in information, forgetting to ask for the required information, starting the correct processes or failing to type in consistent data. The use of multiple applications will have a negative effect on training times for new agents as well.

Figure 11: How many applications does an agent use within a call?



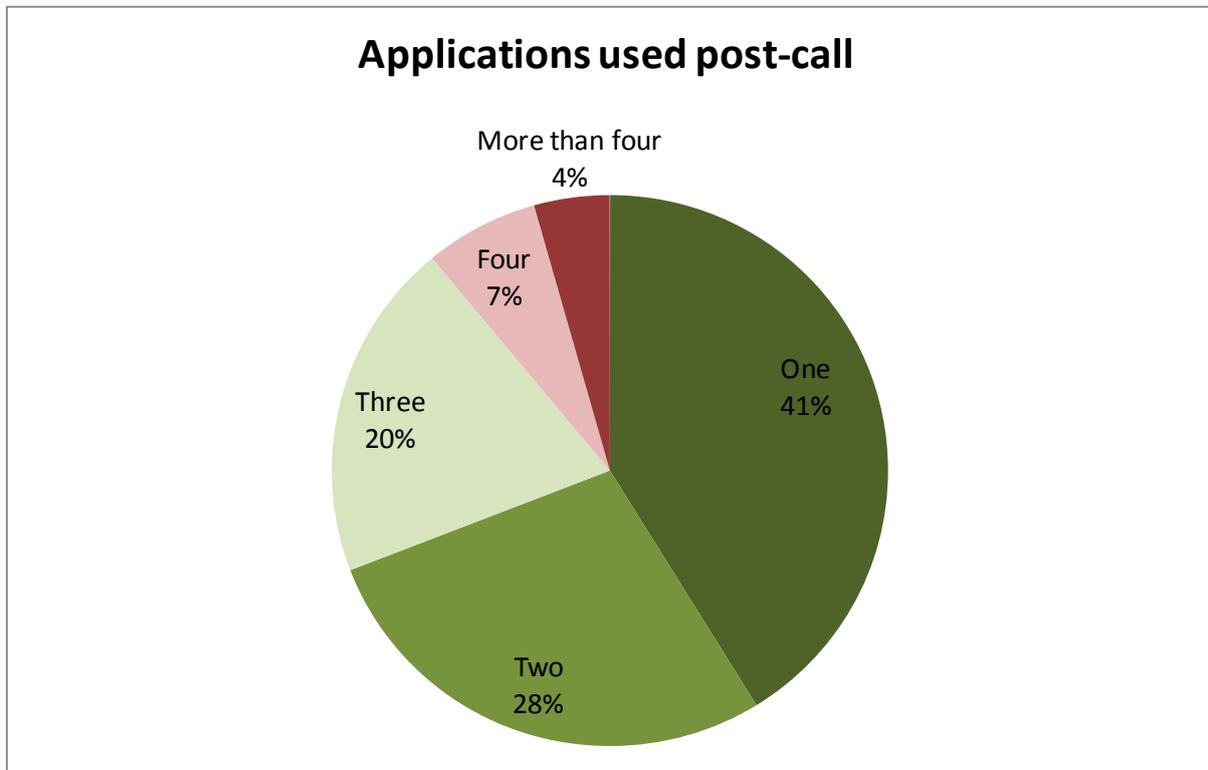
In most cases where complex, multiple applications are used, they are necessary for the agents to do their job, so the question is not “How can we reduce the number of applications?”, but rather “How can we improve how the agent uses the applications?”. At the moment, due to complexity, expense and the sheer weight of constant change, applications are either integrated very loosely, or not at all. Agents are trained (or more likely, learn on the job) to switch rapidly between applications, relying on their experience to make sure they don’t forget to do everything.

Such an approach can have severe primary and secondary effects:

- Increased training costs
- Higher staff attrition caused by inability to complete tasks successfully
- Inconsistent data caused by keying errors or missed procedures caused by manual wrap-ups
- Increased call handling times
- Lower customer satisfaction caused by long queues and unnecessarily long calls
- Missed opportunities to cross-sell and up-sell
- Multiple open applications on the agent desktop can lead to system instability and lower performance.

The bottom-line is that using complex, multiple applications without any specific agent support usually leads to longer calls. However, this is not the end of the problem, as this type of work also tends to initiate requests for processes to be carried out within the back-office (e.g. initiating an engineer or sales visit, sending out literature, moving a customer request onto the right department with the right information, flagging a customer as a hot prospect for a specific marketing campaign, etc.). This, as well as the need to enter information in multiple applications (below), will tend to increase post-call wrap-up to a point where the agent spends a great deal of their time unavailable to take more calls. Historically, 10-15% of an agent’s time is spent on post-call wrap-up.

Figure 12: How many applications does an agent use after a call?



Additionally, manual inputs involved in transferring data during wrap up commonly lead to data entry and processing errors, causing an adverse effect on operational efficiency, contact centre cost, performance and customer satisfaction. Cost per call rises, and productivity per agent declines first-call resolution rates slip as more calls are escalated due to the complexity of the systems hindering agents, rather than helping them. So we can see that poor application integration and presentation at the desktop level has a direct and negative effect on those long-term contact centre strategies deemed most important and desirable, such as customer satisfaction, lower first-time resolution and higher escalation levels.

It is in the post-call wrap-up stage that a lot of time and effort is wasted by sub-optimal manual processing of data. For example, a simple change of address request could take many minutes in a non-unified environment, with several separate databases having to be altered, which is itself a process prone to error, with a negative impact on the customer and business, as well as at least one extra unnecessary future phone call from the customer. Reducing wrap-up time through optimising the agent desktop is not simply a matter of writing consistently to the correct databases, although this is a key element. The contact centre also kicks off a number of processes elsewhere in the enterprise: it is the prime mover for sending out documents, instructing the warehouse to release goods, arranging deliveries, taking payment and many other key elements to a successful customer-business transaction.

Businesses can usually focus either on cutting costs or improving quality. However, there is a third way, which allows desktop solutions for users to be developed separately from the underlying applications, re-using existing logic and interfaces rather than replacing them. The agent works with a single desktop application which is tailored to their specific needs, pulling in only the right data and applications from disparate systems

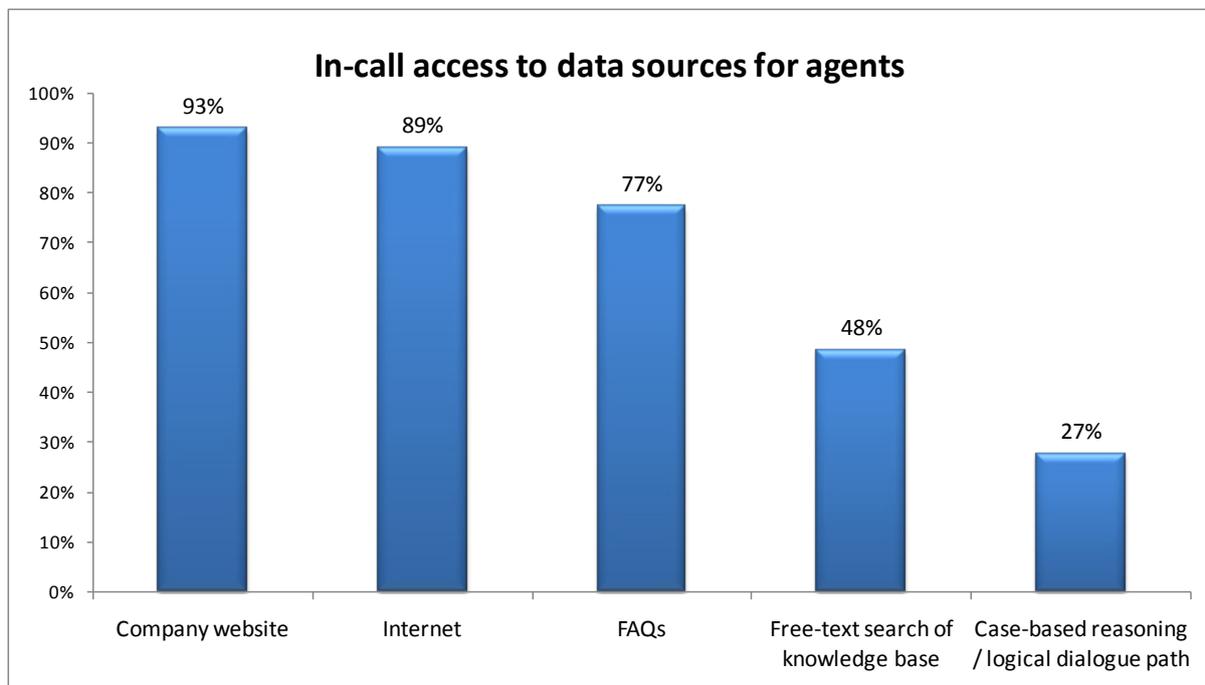
and presenting them on a single screen. In the background, business rules and workflow make sure that the right back-office processes happen without agent intervention, thus reducing wrap-up costs.

This unified desktop approach also supports the availability of a higher level of business intelligence, as every aspect of the call, including the outcome, can be viewed holistically during and after the call. This is especially useful for gauging first-call resolution rates, which are growing in importance every year - there being a very strong positive correlation between first-call resolution, lowering costs and improving customer satisfaction – yet few contact centres measure it accurately.

An application which supports less experienced agents, and helps them to learn means that staff attrition rates can be managed more effectively. High attrition rates and poor knowledge bases mean that people take away the knowledge as they leave. By having a user interface which provides the right information dynamically – and which increases the amount of leeway an agent has as they become more competent – means that agents can find the right balance between being too tightly managed and feeling cast adrift by the system’s lack of user-friendliness.

The following table shows the knowledge resources that agents have within a call. Finding, reading, assimilating and using information actually within a call as very difficult and is rarely done seamlessly. An application such as case-based reasoning, which prompts the agent to ask specific questions, drilling down to find the right answer, is very useful but only 27% of agents have access to this sort of dynamic application. Most have to search around on a company website or FAQ page, or rely on a wide, unsupported search of knowledge bases or the wider Internet, hoping to get lucky.

Figure 13: In-call access to knowledge sources for agents



The cost of excessive wrap-up

Although few contact centre managers would say that excessive wrap-up times cause the same level of concern as attrition or customer satisfaction, the historical average of 12.5% of time that contact centre agent spend each hour in after-call work adds up to an enormous cost.

The overall expenditure of the contact centre sector - salaries, IT, telecoms, building, rent, utilities, etc - comes to around £21bn each year. Wrap-up time accounts for 12.5% of the time spent by the industry: slightly less in larger contact centres, which account for the bulk of the jobs. As such, wrap-up costs the industry around £2.6bn each year. This is not to say that all wrap-up is wasted and unnecessary, but this is a segment of expenditure that is ripe for efficiency-enhancement.

As an example, a 500-seat contact centre, processing 5m calls per year, would spend almost £2m each year just on wrap-up. A 20% reduction in wrap-up time would save around £400,000, quite apart from the savings in training and lower attrition, as well as the benefits of shorter queues and simpler applications.

There has been a big growth in interest in unified desktop solutions in recent times, with at least one supplier stating that it will not charge clients unless they see a better than 20% improvement on wrap-up times, with additional benefits coming from reduced training times (as agents are learning one system, not many); processing the call quicker (by hiding slow legacy applications or posting information to multiple systems in one go without replicated effort) and improved customer satisfaction / conversion rates (as the agent can concentrate on the customer and is supported by knowledge bases).

CUSTOMER SATISFACTION

Most businesses say that customer satisfaction is vital to them. Yet this raises more questions: how satisfied do customers have to be? And what do customers want from contact centres? Quite simply, they would like to be answered quickly by a person who is able to help them without passing them around, and have the correct answer given to them quickly by someone with whom they feel comfortable talking. Additionally, the business has to deliver on the reason the customer is calling in the first place – by sending out the purchased item promptly, changing the database details or refunding money, for example. So the contact centre does not stand alone: it orchestrates the rest of the business.

Various pieces of research show that the benefits to a business that are made from increasing customer satisfaction are non-linear: if a customer is very happy, they are likely to be worth a great deal in additional direct purchases and possibly more importantly, will act as a brand advocate for your company. A customer who is merely 'satisfied' will not have anywhere near the same positive impact on revenues or profits, and is likely to be a good deal less loyal.

A contact centre can achieve all the operational performance measurements which it sets for itself, without actually being successful. If the customer does not hang up the phone feeling that she has been treated appropriately and that her query has been resolved to her satisfaction, then that counts as a failure, regardless of how good the internal metrics may be (the earlier section on quality as an internal or external metric is a case in point).

As customers become more demanding and their expectations of what constitutes good service increase, then contact centres are forced to develop greater external focus. This is in part due to the growth of outsourcing, which has introduced a new competitive edge to the business of handling calls. In addition, the greater choice available to customers in terms of suppliers means that customer retention is now as important as customer acquisition. Without knowing what your customer thinks of your service, you cannot legislate for their requirements. A continuous tracking survey hosted by a third party is a useful piece of corporate intelligence. Surveys hosted on a SaaS platform have the advantage of being contact centre-provider and equipment-agnostic. You can continue using your surveys non-stop as you outsource, switch suppliers or take your contact centre service back in-house, hence tracking the impact of these changes.



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Increase agent engagement

"If speaking is silver,
then listening is gold."

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CUSTOMER SATISFACTION MEASUREMENT TECHNIQUES

The numerous methods of surveying customers include the following:

IVR: at the end of the call, and after agreeing to do so, the customer may be passed through to an automated IVR system, which typically asks a mixture of open and closed questions which can be answered with a combination of touchtone and speech. This has the benefit of immediacy, in that the caller will be able to give an accurate assessment of the call, and the agent, and also the business may be alerted in near-real-time to any major problems through pre-programmed automated SMS or email alerts.

The speed and ease with which an agent-invited IVR survey can be implemented give it a distinct advantage over a survey conducted via outbound calls. The resources and staff time required to make outbound calls often mean that they are conducted erratically and rarely during peak times which undermines the quality and usefulness of the data collated. As agent-invited IVR surveys are automated, they require little staff input and can monitor customer satisfaction whenever the contact centre is open.

Although not included within this particular report, it is certainly worth mentioning that outbound automated surveys are becoming more prevalent, with more than 10m outbound IVR survey calls estimated to be made each year in the UK. After the call has been concluded, the caller's number may be put into an outbound dialler's queue, which calls them and offers an IVR survey. The speed with which this call-back is made is crucial to the take-up rate of the survey, with up to 70% acceptance rate if the call-back is in minutes, but perhaps only 10% if the call is made over 48 hours later.



This methodology is becoming increasingly popular due to more customers using mobile phones to contact call centres, and furthermore, the cost of our platform's calls to mobiles is becoming less significant. These days, the charges for a one-minute call to a UK mobile phone are similar to that of a single SMS text message. Therefore, a simple five question survey via IVR can be a tenth of the cost of a similar survey by SMS.

Written: a system-generated letter is posted to the customer soon after an interaction takes place, requesting feedback. Typically more customers who have had a poor experience will bother to return the questionnaire, skewing the figures, and although some good and detailed learning points can emerge, it's an expensive way to survey customers. It's also the case that results will be tilted towards the demographics with more time available to them, especially older people. There can be a lack of immediacy, and some people might feel that sending out a written questionnaire to ask about how well a call was handled is over-kill.

In today's multimedia society, it is important to choose a survey platform that caters for all your customers. Though many customers want to continue to contact you by telephone, there are others who prefer to text or email and it is necessary to offer consistent service across your business. Monitoring all interactions to the company will give comprehensive insight into customers' opinions of the service you offer.

Similarly, different customers will prefer to be surveyed in different ways and a survey platform should have the flexibility to support IVR, web, text and written surveys and collate the results in a unified reporting system. Not only will this mean that you are increasing the number of customers you access, but you will get a different quality of feedback from each approach.

Written surveys via letter or person-to-person interviews, have an important role to play, particularly where the feedback generated can be compared side-to-side with feedback by other methods. Having quantitative and qualitative data provides valuable feedback that can't be achieved by adopting a single surveying method.

Outbound: frequently, the contact details of a proportion of incoming callers will be passed to a dedicated outbound team, who will call the customer back, often within 24 hours, to ascertain the customer's level of satisfaction with the original call. Sometimes customers will find this intrusive, while others will welcome the chance to provide feedback. Additionally, certain companies employ **outside agencies** to survey customers regularly, which may be useful in benchmarking exercises, since they will apply a more formalized and structured approach to data gathering and presentation. The automated option as mentioned in the IVR section above should also be considered as an option.

SMS: Text messaging has the advantage of immediacy of sending and also of reporting on the results. It is a cheap way of carrying out surveys, and can be linked to a specific agent, allowing the contact centre to use this information for agent performance as well as satisfaction with the business. SMS does not allow detailed or multiple questions though, and businesses will have to collect mobile numbers if they do not already have them. However, take-up rates are better than many other forms of feedback (at around 25-35% on average), and younger and more time-poor customers are more likely to respond, providing a wider universe of responses across demographics. This form of survey can allow the contact centre to identify very unhappy customers and schedule an outbound call to deal with the problem.

Quality measurement and the call centre interaction

by



The quality of your service is determined by your customers. Call centres, however, have traditionally adopted quality assurance metrics which have been established by the business. Adherence to company protocol is not synonymous with quality for the customer and therefore is not a valid method by which to monitor the quality of customer interaction.

You cannot meet your customers requirements without knowing what they are. Successful contact centres listen to their customers' opinions and respond to their feedback. Gaining a customer's evaluation of the service you provide, immediately after contact, gives real-time understanding of the customer experience. Post-call IVR surveys allow your customers to speak for themselves driving service improvements based on an up-to-date assessment of your business.

The traditional approach

Most call centres are familiar with operating to service levels. 'Time to answer', 'longest queue time' and 'longest wait to abandon' are the metrics by which call centre and customer contact staff have traditionally assessed and managed their effectiveness. This type of information is easy to produce and monitor using established contact centre MIS systems. These give call centre managers the information they need to manage their staffing and call handling plans.

However, traditional methods of monitoring quality such as test calling, silent monitoring of calls and call recording are problematic. They are:

- Resource intensive, taking team leaders and agents off the phones to monitor or make test calls;
- Offer little management information;
- Require a manager's subjective assessment of call quality;
- Make no provision for multi-media interaction;
- Contribute to high staff turnover. Nobody likes being surveilled.

Solutions

Post-call IVR surveys can be used to great effect to obtain real-time feedback on customer satisfaction, perceptions and preferences. One provider of IVR surveys is Opinion-8, a managed service developed by Square Systems.

Opinion-8 offers integrated IVR, web and SMS surveys for monitoring call centre customer satisfaction. Its powerful, integrated web and voice survey technology with unified online reporting offers a variety of telephone and web survey solutions. It is automated, objective, requires little or no ongoing staff input and eliminates the need for subjective surveillance methods.

Opinion-8 is also perfectly suited for increasing employee engagement. Customer surveys can be used to identify training needs thus demonstrating a company's commitment to its staff. Improving service based on customer-based metrics allows agents to offer a better service which improves staff morale, creates a better culture and serves customers better.

Opinion-8 offers a wide range of reporting and analysis solutions enabling managers to analyse results quickly and effectively. Results can be ranked by agent, allowing easy comparison for performance management. Filters allow analysis of results by agent ID or contact centre team. Trend reporting, based on weekly samples, allows managers to monitor customer services trends which equips them with the information they need to make decisions. Problem calls or calls which require follow up action can be flagged and collated allowing managers to deal with dissatisfied customers and promptly escalate any issues.

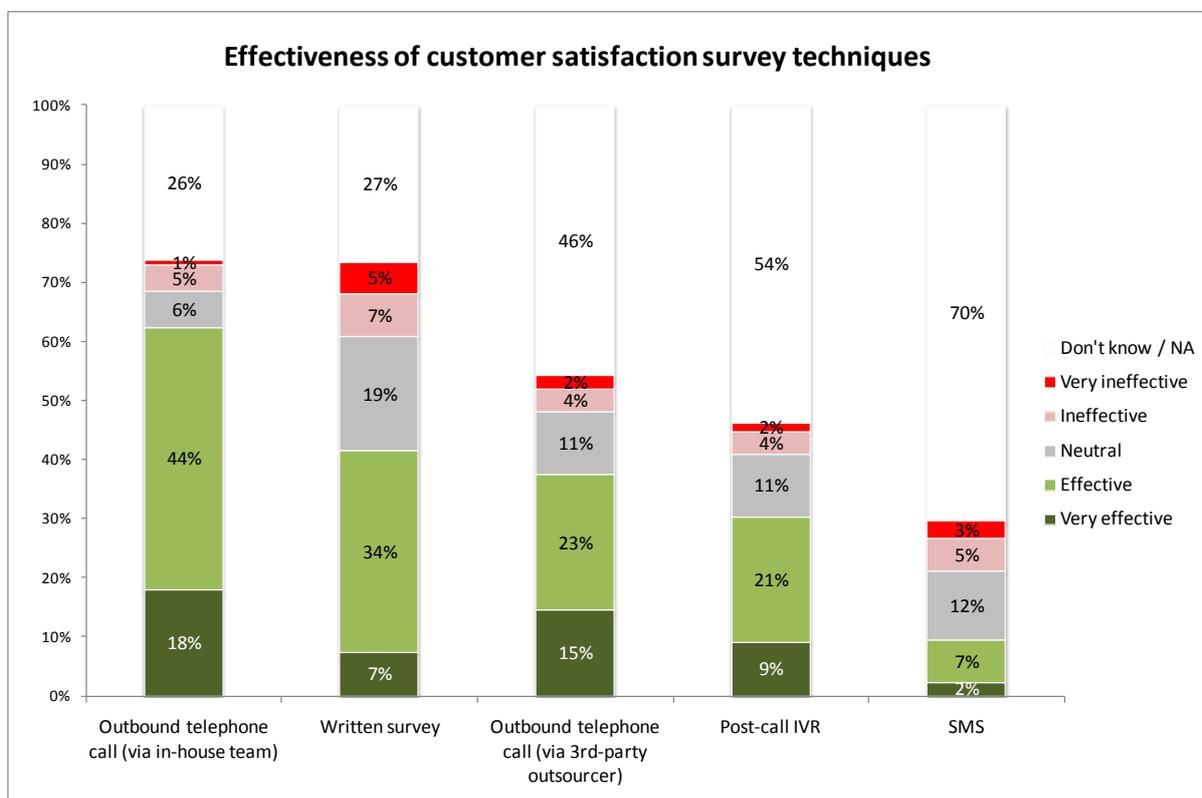
For more information about using IVR automated telephone surveys visit www.opinion-8.com.

The following figure shows that respondents believe that telephony is the most effective customer satisfaction survey method currently being used, especially when it is done by an in-house team. Although outbound calls are expensive, they can gather more detailed information about specific comments, rather than just statistics, further allowing the company to rectify unacceptable service hopefully before the customer defects elsewhere.

There is a more positive response to written surveys than in previous years, probably as the majority of these are done via email, although 1 in 6 respondents that had used it found it to be disappointing. The majority of those that use have used post-call IVR consider it an effective way to be a good way of gauging customer satisfaction, although this is used less than its performance suggests it deserves.

The rarely-used SMS was felt to be of a secondary technique, perhaps due to the limited nature of feedback, although it does have the benefit of immediacy, and can be linked to specific agents, but feedback is mixed.

Figure 14: Effectiveness of customer satisfaction survey techniques



We would suggest that there is no single best way to gauge customer satisfaction. If detailed feedback is what's needed, a written or telephone-based questionnaire is best, although IVR can offer the option of direct quotes through speech recognition or recording transcription. If what you need is immediate knowledge about an issue (including your customers' views of your agents' performance), consider post-call IVR or an SMS survey. The more information you have at your disposal, the more confident you can be that you understand your customers fully.

Opinion-8

Regardless of the methodologies chosen, it is important for the call centre to conduct continuous service measurement and relentlessly collect and respond to feedback from their customers. The pace of change is too fast in a modern call centre to rely on the annual customer research survey to drive service improvements. Contact centres should implement a robust solution to close the feedback loop every single day across all channels they operate on.

Despite this discussion, carrying out the survey is the easy bit. Many companies pay lip service to listening to their customers. The question is...do they actually hear what their customers say? And more importantly do they act upon it to change or improve their processes? There is no point in generating an expectation which you have no intention of fulfilling. Don't ask the customers for feedback if you have no intention of using it to make the service you provide them with substantially better.

Formal surveys of customer satisfaction offer the customer a chance to feed-back, and the business to learn. Setting up surveys involved various elements which should not be overlooked, including:

Defining the purpose and objectives of the survey

- Deciding the approach
- Developing the questionnaire
- Carrying out the survey
- Collating the data
- Analysing the results
- Presenting the findings - and acting upon them.

The point of a customer satisfaction survey is to discover what the company is doing wrong, where improvements can take place, how the company is perceived against its competition and how it can improve. It is important to view the survey from the customers' perspective, rather than checking boxes that just relate to internal company metrics, which is self-serving. Surveys should also be ongoing, to check whether real improvements are being made after the issues have been identified.

Survey forms should be simple and quick to complete, but if possible should carry enough weight to allow the company to change its processes and behaviours if that is what is required, using a mixture of objective questions that can be segmented and scored, as well as free text, especially in telephony questionnaires, where customers can be encouraged to add real value.

For surveying contact centre users, the key to success is to keep the survey fairly short, with a maximum of around 5 questions, which can be range-based (e.g. "strongly disagree", "disagree", "neutral", "agree", "strongly agree", etc), a more simple Yes/No option and a free-text, 'any comments' question. These questions may include:

- Was the call answered quickly?
- Was the agent polite?
- Were you satisfied with the response?
- Was this the first time you had called about this matter?
- Do you have any comments you would like to make?

Opinion is split on whether surveys should identify specific agents, as although major outlying training and behavioural problems can be identified, many operations are keen to avoid the 'Big Brother' feeling of spying on agents, and prefer to emphasise that surveys are done to identify broken processes, not to criticise individuals.

Regardless of whether surveys identify specific agents or not, what is key to success is whether the surveying you implement is considered by your agents as just yet another form of monitoring, or a genuine attempt to help them provide better service in the long run. Agents tend to respond well to successful customer satisfaction improvement initiatives as they usually make their job easier and more rewarding. Keep the survey process simple, focus on agent engagement and act quickly to provide positive feedback to your team. It's more important to get your survey adopted as a positive part of your company's customer service strategy, than it is to design the academically-perfect survey that has a negative impact on the morale of your team.

As the following table shows, there has been an increase in the ways in which agents are rewarded for good performance, with revenue, cross-sell & upsell rates and Net Promoter Score being much more likely to be used than in previous years, a sign that businesses are looking at ways to reward the link between good service and positive customer experience.

Figure 15: How do contact centre staff get rewarded?

Reward method for agents	Proportion of contact centres using this (2010 figures in brackets and italics)
Call performance statistics	58% <i>(58%)</i>
Revenue	54% <i>(28%)</i>
Cross-sell / up-sell rates	49% <i>(33%)</i>
Customer satisfaction rating	46% <i>(31%)</i>
First-call resolution	23% <i>(16%)</i>
Net Promoter Score	13% <i>(7%)</i>

Despite customer satisfaction being consistently reported as one of the most important issues for contact centre managers to track, more than half of respondents do not reward agents based upon the customer satisfaction rating achieved (although this is an improvement on last year's figure), with traditional call performance metrics being used far more often to reward agents. Without the direct link between customer satisfaction (preferably at an agent-level) and reward, it is difficult to promote those behaviours that lead over time to customer loyalty and advocacy. As things stand, if an agent has to choose between hitting call targets or spending longer with the customer, it would usually be more rational for them to pursue better call metrics, and this is holding back superior customer experiences.

At a management level, reward methods are fairly similar to agents, although fewer are linked with cross-sell and upsell rates.

Figure 16: How do contact centre management get rewarded?

Reward method for management	Proportion of contact centres using this
Revenue	58%
Call performance statistics	54%
Customer satisfaction rating	43%
Cross-sell / up-sell rates	30%
First-call resolution	22%
Net Promoter Score	17%

Insurers and financial services contact centres were amongst the most likely to reward superior cross-selling ability, as these will tend to have multiple product sets. Outsourcers were more keen that most on first-call resolution and NPS, perhaps as these could be, respectively, cost-controlling measures and client-set targets. Utilities, finance, housing and outsourcing led the way in rewarding based upon customer satisfaction, and as expected, retailers focused on revenue.

Customer satisfaction scores - given as marks out of ten, for example - are of limited use, although they have the benefit of being easy to understand and track over time. However, businesses should be looking beyond simple metrics, which in themselves give little in the way of actionable intelligence. The majority of respondents collect verbatim responses from dissatisfied customers, which is beneficial for two reasons: responding immediately to the disgruntled customer to bring them back onside, and to analyse and understand which processes are broken so as to fix them.

Customer satisfaction measurement has increased in its practical use this year, with 59% of respondents now tracking customer satisfaction at an agent-level (doing this with written questionnaires is especially difficult), and 52% being aware of which processes are causing the greatest displeasure. It should be noted that this awareness of broken processes is rarely collated into meaningful and actionable data, relying on the diligence of management to go through individual verbatim responses and find patterns to process failures themselves.

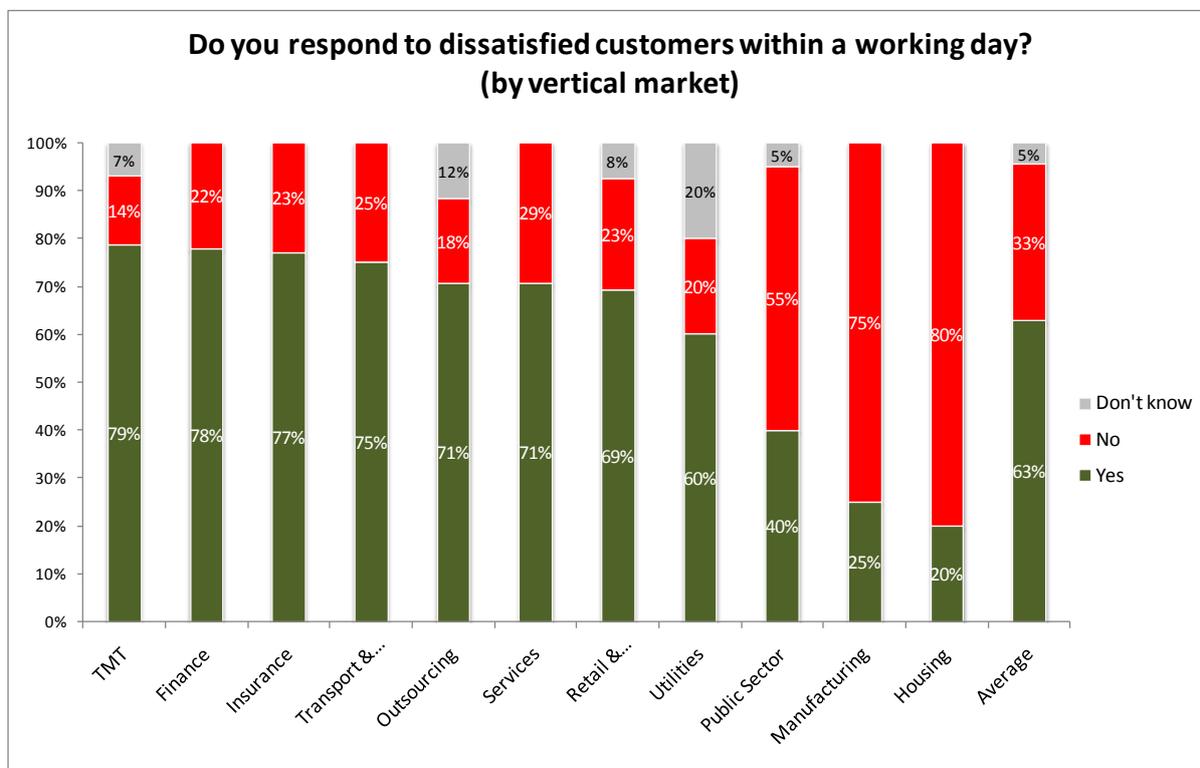
It should be a matter for concern that so few respondents identify the specific behaviours and characteristics associated with successful or unsuccessful agents and conversations, as how a customer feels about a company is key to whether they will stay loyal or defect if a cheaper alternative comes along, although again, a figure of 25% is an improvement on last year.

Figure 17: Customer satisfaction measurement, in-depth

Outputs from customer satisfaction measurement	% respondents
Verbatim responses from dissatisfied customers	71%
The agents providing the highest levels of customer satisfaction	59%
The business processes that are causing customer dissatisfaction	52%
The specific characteristics and behaviours most liked / disliked by customers	25%

Looking in more depth about how disgruntled customers are treated, 63% of respondents that identified this customer type claim to do something about it within a single working day, usually calling to discuss the matter further. This offers businesses the chance to prove themselves to the customer, potentially turning a detractor into an advocate. The housing, manufacturing and public sectors are behind the general trend to engage with unhappy customers.

Figure 18: Response to dissatisfied customers within one working day, by vertical market

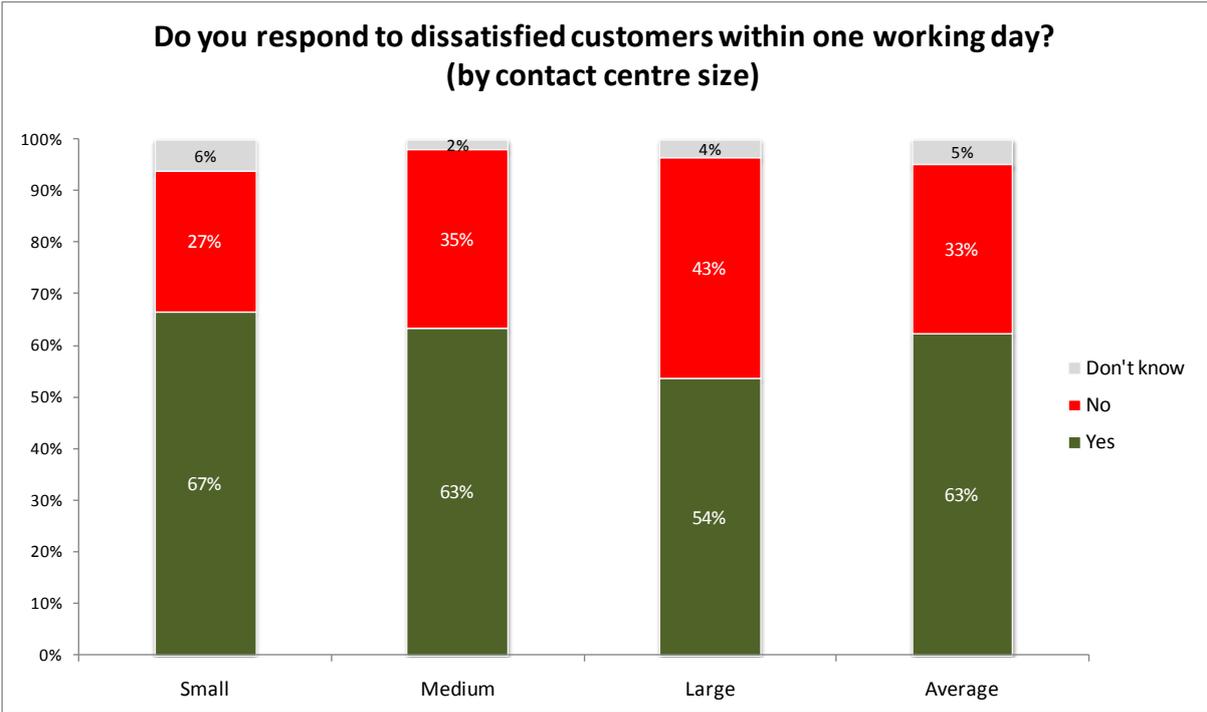


Any reluctance to deal promptly with unhappy customers does not seem to be a factor of contact centre size or available resource. 43% of large operations are not geared-up to fire-fight a bad customer experience, and risk losing that customer for good.

opinion-8

Post-call satisfaction surveys are a great way of quickly getting to those dissatisfied customers, giving you the opportunity to execute a heroic recovery and fire-fight the poor experiences. However, it is important that the expectations of the customer are carefully managed within the survey. Do not suggest that comments about poor service will be followed up unless you can guarantee that they will be and in a way that is fully visible to the customer. Saving a customer in this way can be expensive and risky, so we ask our clients to weigh up carefully the increased costs of resourcing a real-time call back process versus the investment needed to permanently address the underlying issue.

Figure 19: Response to dissatisfied customers within one working day, by contact centre size





White Paper: "Customer 2.0: Customer Experience and Profitability in the New Economy" (ContactBabel)

Synopsis: An extended, free White Paper investigating what UK organisations can expect from post-recession consumers, and how to move beyond traditional customer satisfaction measurements towards an insightful and actionable customer experience framework.

Download: <http://www.contactbabel.com/reports.cfm> (requires registration)

COMPLAINTS

John Seddon uses the term "failure demand" to describe calls that are created by the inability of the business's systems to do something right for the customer:

"A failure to do something - turn up, call back, send something...causes the customer to make a further demand on the system. A failure to do something right - not solve a problem, send out forms that customers have difficulty with and so on - similarly create demand and creates extra work. Failure demand is under the organisation's control, and it is a major form of sub-optimisation."¹

Seddon cites the instance of the UK bank where failure demand created almost half of the calls which they had to deal with. Another classic example of failure demand is where emails go unanswered, leading to calls being made (first-stage failure demand). Later, the email will be answered, unnecessarily, as the customer already has their answer (second-stage failure demand). This redundant work will then impact on other (still live) messages in the email queue, creating a vicious circle of failure demand. Redesigning and restructuring the way in which work flows around the organisation, putting the contact centre at the heart of it, rather than treating it as a separate silo, will go much of the way to reducing unnecessary contacts. The customer ends up getting a better service from the whole company, not just the contact centre.

One way in which this can be achieved is to unify and automate the agent desktop, bringing in the relevant data automatically, depending on who the caller is and what they want. At the end of the call, the correct data is written back to the relevant places, and the correct processes kicked off automatically, meaning that the right departments will be provided with the right information, thus reducing the risk of failure demand, unnecessary calls and irate customers. This also takes the pressure off the agents to remember which systems to update and how to navigate through them within the call (which causes long delays, negatively impacting customer satisfaction), or in the wrap-up, which risks agent forgetting to do things, and also decreases agent availability, increasing the queue length, and decreasing customer satisfaction.

Information on failure demand can be gleaned from the contact centre, which can also hold huge amounts of knowledge about what customers' views of the products, services, competitors and company are. Feedback

¹ *Freedom from Command and Control: A better way to make the work, work*, John Seddon, 2005

loops will be established in leading contact centres to push information and insights upwards to those who can make a difference in product development, process improvements and customer strategies. Speech analytics offers businesses the chance to mine huge amounts of data and find patterns and reasons in a timely fashion, and it is vital then to act upon this knowledge, proving to both customers and agents that the business takes them seriously.

Customers who take the time to complain are also taking the time to state what went wrong with your process, product or communication, and this effort should be acknowledged and treated as being important. Businesses have found that fixing the problem for one customer can help many other customers, including the ones who never contacted you. Most customers are not complaining to cause trouble - they want you to know what went wrong, and believe that you can fix it. If one customer makes a complaint, the chances are that there are many more who are experiencing the same thing. A customer that has given up on your company will probably not complain, but go elsewhere and tell everyone who will listen that they are doing so, an issue that is particularly important in today's world of omnipresent social media.

Figure 20: Proportion of calls received that are complaints / target of complaints, by vertical market (sorted by largest proportion of complaints about the contact centre - high-to-low) - median

Vertical market	Proportion of calls that are complaints	% complaints about the contact centre	% complaints about the wider business
Retail & Distribution	4.6%	18%	82%
Manufacturing	5.0%	15%	85%
Finance	4.5%	14%	86%
Utilities	7.5%	8%	92%
Outsourcing	2.1%	20%	80%
Services	3.0%	9%	91%
TMT	2.6%	10%	90%
Insurance	2.5%	10%	90%
Transport & Travel	3.5%	7%	93%
Housing	8.0%	2%	98%
Public Sector	3.2%	5%	95%
Average (median)	4.0%	10%	90%

The preceding table shows, by vertical market, the proportion of inbound calls received that are complaints, and also, in the widest sense, what that complaint is about (i.e. internal - such as a rude agent or not being called back when promised, or external - such as failure demand, which is explained below).

The table is sorted by those vertical markets which have the greatest proportion of their calls being complaints about the contact centre itself. In this case, the retail sector has 0.83% of its overall calls being complaints

about the service received in the contact centre itself (calculated by multiplying the % of complaints - 4.6% - by the % that refer to the contact centre - 18%). On the other hand, the public sector has a miniscule 0.16% of calls being about the failings of its contact centre operations.

This calculation and ordering helps to show the true nature of each sector's contact centre operations and also the underlying level of competency in the wider business. For example, the utilities sector receives a high proportion of complaints (7.5% of all calls), but 92% are about failures in processes elsewhere in the enterprise, for very large, siloed and complex operations like many utilities operations are, is unsurprising.

The vast amount of complaints received by a contact centre are not about the contact centre itself (or its staff), but rather 'failure demand', caused by a breakdown of process elsewhere in the organisation. However, the contact centre has to deal with the dirty work, and further failures within the complaints procedure (or lack of it) can see customers calling into the contact centre again and again, becoming more irate each time, despite the real problem lying outside the contact centre.

There is also a real risk, especially within large contact centres, that a single agent does not have the capability or responsibility to deal with the customer's issue, which may reach across various internal departments (e.g. finance, billing, provisioning and technical support), none of which will (or can) take responsibility for sorting out the problem.

Businesses who choose to monitor customer satisfaction evidently value their customers' opinions. However, the report's findings reveal that the majority of contact centres are missing a great opportunity to utilise customer feedback to drive real service improvement. Many contact centres do not know the specific characteristics and behaviours most liked or disliked by customers, and these operations are investing time and money without reaping the benefits of meaningful and actionable information.

It is vitally important before you begin to survey your customers, that you:

- Clearly determine the purpose and aims of your survey
- Consider adopting a variety of question types. Scored questions enable you to produce statistically significant and representative data. Free comments allow you to gain real insight into your customers' perception of your service
- Select an experienced company to set up and host your survey. You will benefit from their expertise and knowledge and avoid potentially costly errors
- Ensure that your survey can be carried out throughout the day, including peak times, to gain a true picture of the customer experience
- Make sure that the results of your survey can be collated and analysed in a wide variety of ways. It is pointless to amass information if you cannot evaluate it and disseminate the results usefully
- Have procedures in place to act upon the information that you find. Your survey may have uncovered some broken processes in your service which need attention. It will also inevitably throw up disgruntled customers whose specific concerns need addressing. In this instance, your survey platform should provide some mechanism for alerting and following-up to ensure that dissatisfied customers are escalated to the appropriate staff
- Adopt a unified approach across the business to assessing and monitoring customer satisfaction. If you continue to reward agents based on traditional call performance metrics, you are merely paying lip service to good service. If you reward agents based on customer satisfaction ratings you will increase agent engagement and retention at the same time as improving the service you offer your customers.



Organisations able to help with Improving Quality and Performance:



Organisations running Altitude Software in their contact centres do more with existing resources to meet new challenges, their overall technology spend costs less, and they simplify business processes involved in customer interaction.



BT Global Services has developed and implemented new customer care systems that set unprecedented standards for customer interaction, timely response and/or attention to customer needs.



We believe in total commitment to customer services and work hard to establish close relationships with our customers to build up a detailed understanding of their business challenges, having dedicated teams of sector, service and technical specialists to make sure we deliver the best service available, every time.



Datapoint solutions enable businesses to fully evaluate a contact centre's performance, identifying any areas of weakness – staff, processes or technology – and take action to improve quality.



Improve quality and performance of your contact centre with tools such as call-recording, cost analysis and workforce management - with Enghouse Interactive.



Genesys solutions deliver both real-time insights across the entire customer service organisation and provide executive-level insight into customer service activities and business outcomes



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Noble Systems is a global leader in unified contact centre technology solutions, our award winning platform allows companies to communicate more effectively with their customers via multiple channels, including inbound/outbound/blended voice, email and web.



Opinion-8 is an innovative and effective customer-experience management tool which allows you to gain customer, employee and stakeholder feedback in a simple and highly cost-efficient way: its powerful, integrated web and voice survey technology with unified online reporting offers you a variety of telephone and web survey solutions.



The premium audio quality of Plantronics headset solutions is proven to improve customer experience and agent productivity by up to 43%.



Voice Commerce Group's solutions allow customers to verify their identity using their unique biometrically based voice signature, providing a smoother customer experience and reducing the time required by agents to perform KYC checks.



Improve agent efficiency and customer satisfaction, with [Zeacom's Multimedia Contact Center](#), and enjoy a tangible ROI.



MAXIMISING EFFICIENCY AND AGENT OPTIMISATION

Improving call throughput and decreasing costs has been a focus of most contact centres since the industry started, and few solutions or processes are considered without understanding how they will affect productivity.

This section looks at ways in which contact centres can make the most of what they've got, through increasing efficiency, or by avoiding unnecessary calls in the first place. Solutions and issues include:

- Contact centre performance metrics
- Alternative ways of working - virtualisation and homeworking
- The enterprise-wide contact centre
- IP and convergence
- The unified desktop
- Voice biometrics
- CTI and call routing
- Workforce management
- Headsets.

Can your contact centre manage the full 'Spectrum of Customer Interactions'?

by



Enghouse
Interactive

As technology has evolved over the past few decades, the contact centre has become a vital component in an organisation's customer contact strategy, tasked with delivering the best possible experience across every interaction. Technology has evolved from the days of hunt groups and early ACD, embracing multiple communication media and a range of deployment methodologies, from on-premise, managed services through to fully hosted 'cloud' solutions. The sector continues to show exciting developments with the inclusion of social networking, video and smartphone technology to meet the ever-changing demands of customers to interact wherever, whenever and however they like.

A lot of organisations tend to look at customer interactions as structured interactions, coming through a call or contact centre. However, this only represents one end of the customer interaction spectrum and tends to ignore the equally important unstructured interactions that occur in all businesses.

If a customer has a defined requirement, then a '*structured*' interaction will take place, and fulfilled largely by contact centres. Technology and process for structured interactions continues to improve by providing customers with flexible access to the services they need through whichever method they prefer. And it is this demand for round-the-clock, multi-channel support that is the driving force in the rapid change that we continue to see. The up and coming generation have grown-up with the internet, social media, and mobile devices, so customer expectation is growing, patience is reducing and, through the internet, we have instant access to a vast pool of knowledge and opinions. Therefore contact centres now have to deal with more complex problems, since contacting them is now more of a 'last resort' than a 'first point of help'.

No matter how extensive the contact centre or how skilled the agents, there will always be one major challenge that affects all organisations: how do you deal with those customers who don't know who they need to speak to, or who have a requirement that does not fit with what the contact centre is providing? These more general or '*unstructured*' enquiries enter the organisation through the operator and pose some very different challenges. For unstructured interactions to be of high quality it is important that the call is dealt with very professionally and dispatched to the right person as efficiently as possible. This requires accurate contact and rich status information for the whole organisation.

We are seeing a convergence taking place between these two ways of handling structured and unstructured interactions such that the optimum solution now requires a strong blend of both capabilities. This will require the agent to front the rare skills in the organisation that are often required to support them and therefore they will need access to directory and status information, much like that of the operator. Similarly we are seeing the centralisation of operator services creating specialist forms of contact centre known as operator centres.

Enghouse Interactive delivers innovative and open software that creates a unique approach to dealing with the full *spectrum* of interactions. Our flexible interactive management solutions successfully deliver customer service excellence and make a real difference to how a business communicates.

Every organisation is different and therefore has different financial and operational objectives for their business. Therefore, they want to be able to choose the deployment option that best suits these requirements. Enghouse Interactive can provide a full range of interaction management solutions from premise-based, right the way through to private, public or community cloud deployments. Only in this way can any organisation guarantee to successfully manage the full spectrum of customer interactions.

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CONTACT CENTRE PERFORMANCE METRICS

The success or otherwise of contact centres has traditionally been measured by observation of key metrics, usually related to cost and efficiency – average call length, average speed to answer, % of calls answered within a certain time, etc. While these figures are a useful and still widely-acknowledged and understood benchmark, times are changing, albeit slowly. Many contact centres now try to measure the effectiveness of their operation by tracking metrics such as first-time call resolution and customer satisfaction levels, although there are no standard measures or agreements on what constitutes a satisfied customer or fully-resolved call. This does tend to strengthen the hand of those who believe that because the contact centre **can** provide detailed data on call volumes and handling times, then that is what it **should** primarily be measured against. Depending on the type of work that they do, contact centres may consider focusing upon various measurements from the following table.

Figure 21: Contact centre metrics

Metric	Comments
Call duration / Average Handle Time	A typical 'old-fashioned' metric, which seems to be going out of favour, based on the idea that each call is different and should take as long as it takes. However, it is one of the easiest statistics to measure, and work out cost against.
Cost per call	<p>Although this is an attractive and easily-understood metric for senior management to view, there is a real danger that calls are closed too quickly and revenue and loyalty-building opportunities are lost. If a contact centre has many short calls (which may be better off being dealt with by self-service), this will produce a lower cost-per-call figure, which makes it look as though the contact centre is doing well, when the opposite may be the case. The same logic applies to first-call resolution rates.</p> <p>Cost per call is a very complicated metric that is difficult to get correct. However, senior non-contact centre management understand how cost figures impact the business more than occupancy or call abandonment rates, although these have an impact on all parts of the business. At the most basic level, cost per call can be calculated by dividing the overall spent budget of the contact centre by the number of calls, although this does not take into account abandoned calls or where the customer has had to call multiple times to get a resolution (a situation which in fact brings cost per call down, although being negative to both business and customer). Neither does it take into account the effect of failure demand - where the contact centre cleans up after processes elsewhere in the business go wrong, leaving the contact centre to sort them out. As such, it should be viewed with caution.</p>
Schedule adherence	Schedule adherence is a metric that looks to help with the fine-tuning of a contact centre's labour force, so that calls are answered swiftly, but that agents are not sitting idly waiting for calls. It is a metric that is of more importance to schedulers than to customers, although the impact of getting schedules wrong can be catastrophic for efficiency, cost and performance.

Agent occupancy rate	The agent occupancy rate is made up the call-time plus wrap-up, that is, the proportion of time that each agent spends on dealing with the call itself and the actions deriving from it. A laborious wrap-up time caused by slow back-office systems or lack of familiarity from the agent’s perspective, can go some way to producing high occupancy rates, which looks good at first glance, but is actually worse for the business in these cases.
Customer satisfaction ratings	A very hot topic for some time, customer satisfaction is seen to be directly linked to profitability through increased loyalty, share of wallet and customer advocacy. There is considerable debate about how satisfied (or delighted) customers have to be before it starts making a noticeable difference to the bottom-line (i.e. how happy does a customer have to be before they accept premium pricing strategies, and how unhappy do they have to be before they go elsewhere?). There’s no easy answer, but high customer satisfaction ratings - at a reasonable cost for the business - are surely good for everyone. The Customer Satisfaction section in the previous chapter should be read into order to understand the various methods and meanings of customer satisfaction scores.
Call throughput and abandonment rates	Understanding the types of call being received as well as tracking the number that are dropped can be translated into lost revenue within a sales environment, making a pitch for greater investment easier.
Call transfer rate	This metric can indicate training needs at the individual agent level, a failure in the initial IVR routing or a need to update FAQs or other information on a website (for example, a spike in this metric might be driven by a recent marketing campaign which has confused some customers, creating a high level of calls about the same issue). Tracking and call recording in cases of high transfers should identify the issue.
Revenue per call	As many contact centres are now profit centres, understanding the effectiveness of the sales efforts is vital to judging the success of the contact centre itself.
Staff attrition rates	A well-publicised cost that senior management are very aware of, high levels of staff attrition are poisonous to the effective running of the majority of contact centres, causing high levels of recruitment and training cost, lower average call handling quality and longer queue times due to inexperienced staff, as well as the vicious circle of lower staff morale.
Average speed to answer / longest call waiting etc.	Has a strong and demonstrable effect on customer satisfaction or frustration, as well as impacting on call abandonment, lost revenues and high staff attrition rates caused be excessive pressure. Average speed to answer is a metric which is easily measured, and forms a vital view of the contact centre’s staffing levels as well as impacting directly upon the customer experience. As such, it is similar in nature to the call abandonment rate. Contact centres should of course consider the amount of time that a customer spends in the IVR segment of the call when considering the ‘speed to answer’ metric - as the customers themselves surely do so.

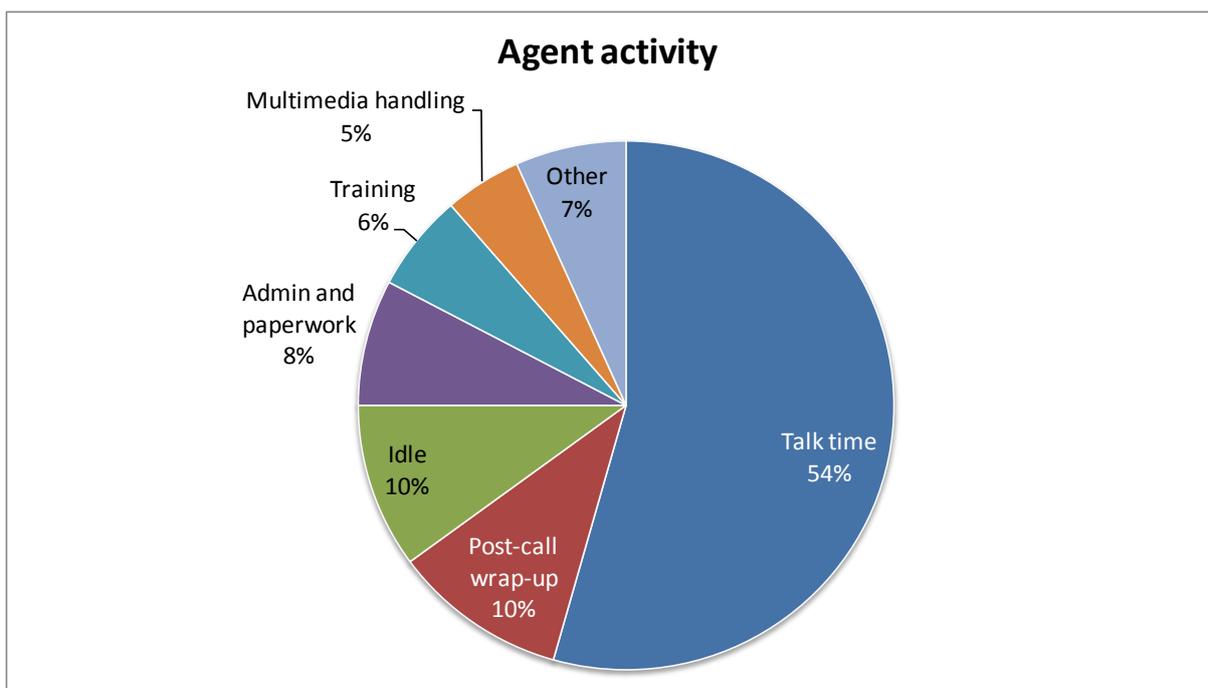
Customer loyalty / lifetime value / churn rates	A central thought of CRM is that a business should focus upon keeping profitable customers, and growing unprofitable ones. A single figure for customer retention is not effective, as it does not include the types of customer churn, or the undesirability (or otherwise of losing such customers).
First call resolution	Improving first call resolution (FCR) benefits customers (who are more happy / loyal / profitable / etc); agents (higher morale; fewer frustrating calls); and business (lower cost of repeated calls; higher profitability): everyone wins. Although this can be very hard to measure, as it is the customer, and not the contact centre that should be stating whether the issue has been resolved successfully.

AGENT ACTIVITY

Agent activity per hour is a key structural metric aimed at helping contact centre management understand how the agent’s time is being spent. We have segmented it into five parts:

- **Call time:** amount of time actually spent on the inbound call
- **Post-call wrap-up:** after-call data input and actions driven specifically by that call
- **Training:** whether desk-based or lecture-type
- **Administration:** general administration and keyboard- or paper-driven work which may be for internal purposes only (e.g. timesheets) or for external work as well (e.g. sending faxes).
- **Idle:** time spent not taking calls or doing other work.

Figure 22: Agent activity



As with previous years, the decline in the proportion of talk time continues, with respondents' agents spending an average of just 54% of their time on calls, with around 10% of time spent on each of wrap-up and idle time, which is less than in previous years. Training and administration time is roughly similar, at around 14%, with 5% of time spent doing multimedia handling.

Greater depth of analysis, including historical changes in talk time, as well as segmentations of agent activity by vertical market, contact centre size and type of activity are available in the ["UK Contact Centre HR and Operational Benchmarking"](#) report.

There is a significant opportunity for reducing the non-productive call time at the beginning of the call, where an agent is authenticating the caller's identity. By doing this automatically, either through IVR or more securely, through biometric identification, the business can free up around 20-30 seconds of agent time, which makes a big difference to call and queue lengths. This element is investigated in-depth in the Voice Biometrics section later in this chapter.

Post-call wrap-up time is also ripe for slimming-down. There are many applications in the market which are capable of reducing the amount of after-call work that an agent has to do, by bringing together all of the systems and applications the agent needs on that specific call into a single virtual application, and then updating the relevant databases accordingly. This removes the need for a specialist knowledge of legacy system navigation, reducing keying errors and dramatically shortening wrap-time through kicking off relevant back-office processes automatically. Most of these agent desktop optimisers do not touch the logic of the existing systems, but act as a user interface that picks up and presents the relevant fields and business processes at the right time.

PERFORMANCE METRICS

Figure 23: Selected performance metrics

Metric	Mean average	Median average
Average speed to answer	27.0 seconds	20 seconds
Call abandonment rate	5.1%	4.3%
First-call resolution rate	71%	80%
Call duration (service)	281 seconds (4m 41s)	220 seconds (3m 40s)
Call duration (sales)	389 seconds (6m 29s)	300 seconds (5m)
Call transfer rate	7.8%	5.1%
Cost of inbound call	£3.97	£2.43
Cost of outbound call	£7.04	£2.40

NB: as a few respondents may show extreme results, data are not distributed symmetrically. In such cases, median values show the midpoint and may demonstrate the truer picture of a typical operation. If calculating an industry-wide amount (e.g. total cost of calls, or total time spent waiting to answer), the mean average should be used.

Detailed analysis of all of the above performance metrics, including historical changes and segmentations by vertical market, contact centre size and type of activity are available in the ["UK Contact Centre HR and Operational Benchmarking"](#) report.

There is also analysis of budget expenditure, including past and planned changes in Opex and Capex budgets.

NEW WAYS OF WORKING

Although many contact centres still operate in the same way in which most were originally set-up – a single, centralised site – there increasing pressures within the industry to look at alternative ways of working, such as using virtual contact centres, or encouraging homeworking.

The causes for this include:

- the presence of multiple contact centres – possibly gained through mergers and acquisitions (especially in the finance, insurance, telecoms and utilities sectors) which are not linked together in any way, thus not gaining from any economics of scale
- increasing levels of staff attrition and difficulty in finding the right staff to replace them, especially highly-skilled agents
- the requirement of many contact centres for better-qualified staff, rather than just “warm bodies” to answer phones
- the need to keep the contact centre open for longer, despite agent not wishing to work anti-social hours
- the rising concern about coping with call spikes, which could be dealt with by logging agents on for an hour or two, rather than having them come in for a full shift
- the desire to increase the size of the contact centre, which may not be possible in that location.

This section looks at alternatives to the 9-to-5, full-time, centralised ways of working, and investigates the number and type of contact centres that are using these alternatives.

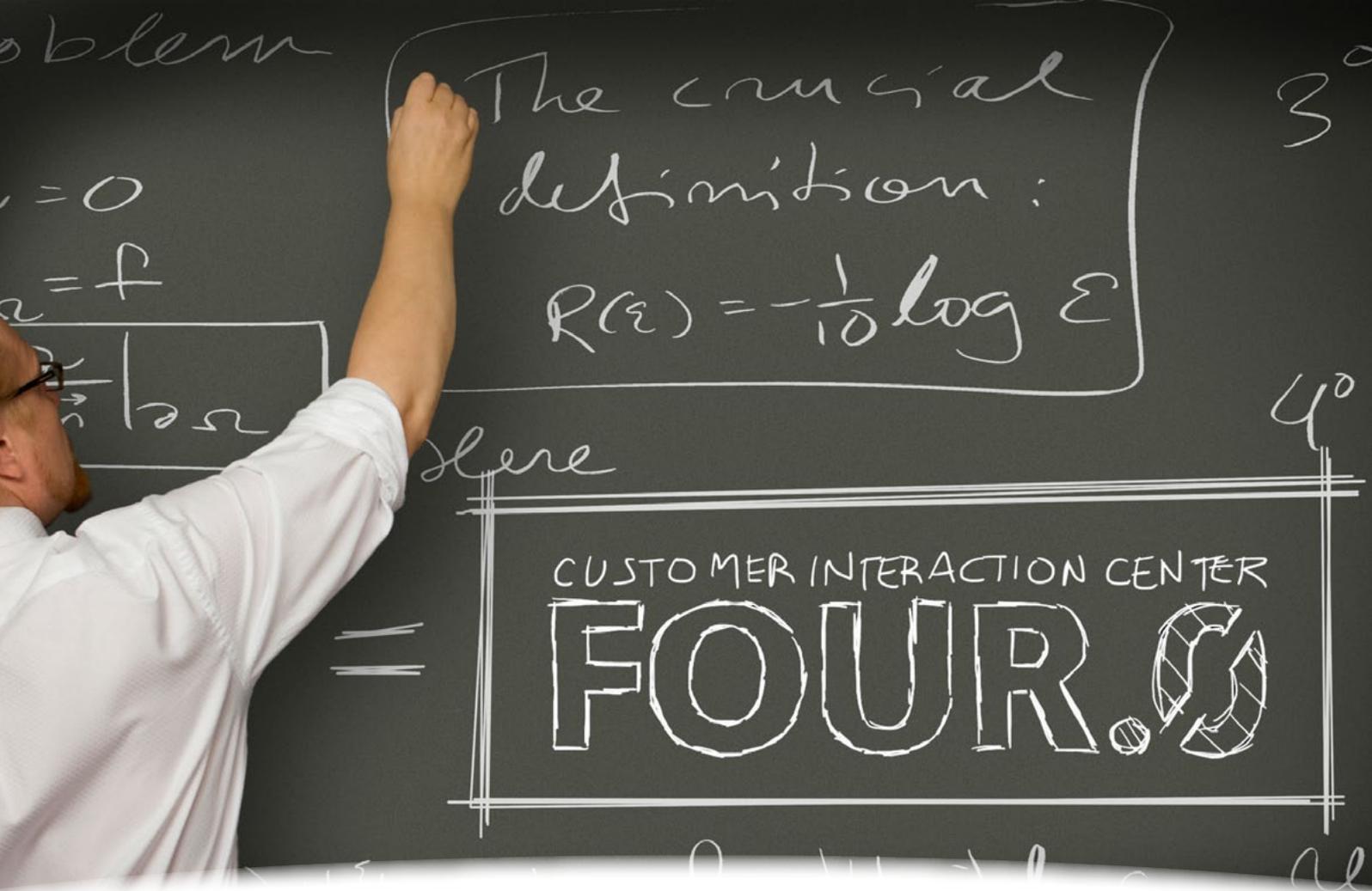
VIRTUAL CONTACT CENTRES

The application of technological abilities to commercial issues has created a new breed of contact centre - the virtual contact centre – which, although located in multiple sites, can still be run as a single entity. The virtual contact centre consists of many operations (including homeworkers or satellite offices) which are linked together so as to be viewed and managed as a single mega-site, allowing significant economies of scale and improvements in performance to take place, but hopefully without the attendant problems around environment, morale and attrition that plague many very large operations.

The virtual contact centre model has been driven by several factors. These include:

- For businesses involved in acquisitions or mergers, the number of contact centres they run have increased, particularly in the finance and insurance sectors, but also in telecoms and utilities sectors more recently
- Rapid contact centre growth in particular areas has caused agent recruitment issues. This has meant that businesses have moved to new physical locations in which to establish and grow their operations
- A rise in teleworking and remote locations means agents may never see their parent contact centre. This is increasingly the case in 2nd- and 3rd line technical support, where skilled agents can be extremely scarce and expensive to replace
- Some companies prefer to offer a local touch to customers by basing operations in the area which they serve, or in which the company already has a non-contact centre operation, but with capacity available to develop a new telephony department
- Improvements in networking and communications, such as IP telephony and converged networks, have meant that the virtual contact centre is now much more easy to realise at an affordable cost
- Companies have increasing needs to serve global customers, necessitating either contact centres operating in different time zones, or paying overtime for working anti-social hours
- Operational redundancy and disaster recovery are possible with multisite contact centres
- Smaller contact centres tend to have lower staff attrition rates than large operations.

Treating multiple contact centres as a virtual contact centre allows great efficiencies can be made through economies of scale. This is especially true where businesses are using skills-based routing. All agent competencies are displayed to the scheduler – regardless of agent location - who can be more flexible, simply because the available resource pool is so much more deep.



The most comprehensive contact centre automation and enterprise IP telephony solution, now with the addition of real-time speech analytics, increased scalability, a private cloud deployment model, and a new Web portal application. Customer Interaction Centre 4.0 – **The next wave of intelligent business communications.**

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Improved Architecture

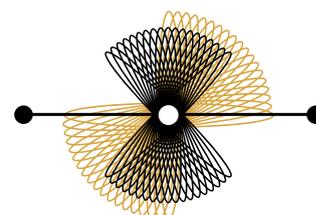
- Increased scalability and reliability
- CIC becomes a pure application server
- All media processing is done on the media sever
- Private cloud deployment option
- Virtualization of the CIC environment
- Elimination of third-party components
- New concurrent licensing option

Expanded Management Insight

- Real-time speech analytics
- Improved quality monitoring
- Reporting and supervisory enhancements

Enhanced Experience

- Enhanced Web client
- Additional email handling
- New Web portal for internal stakeholders and external customers



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Figure 24: Virtual contact centre commercial and operational benefits

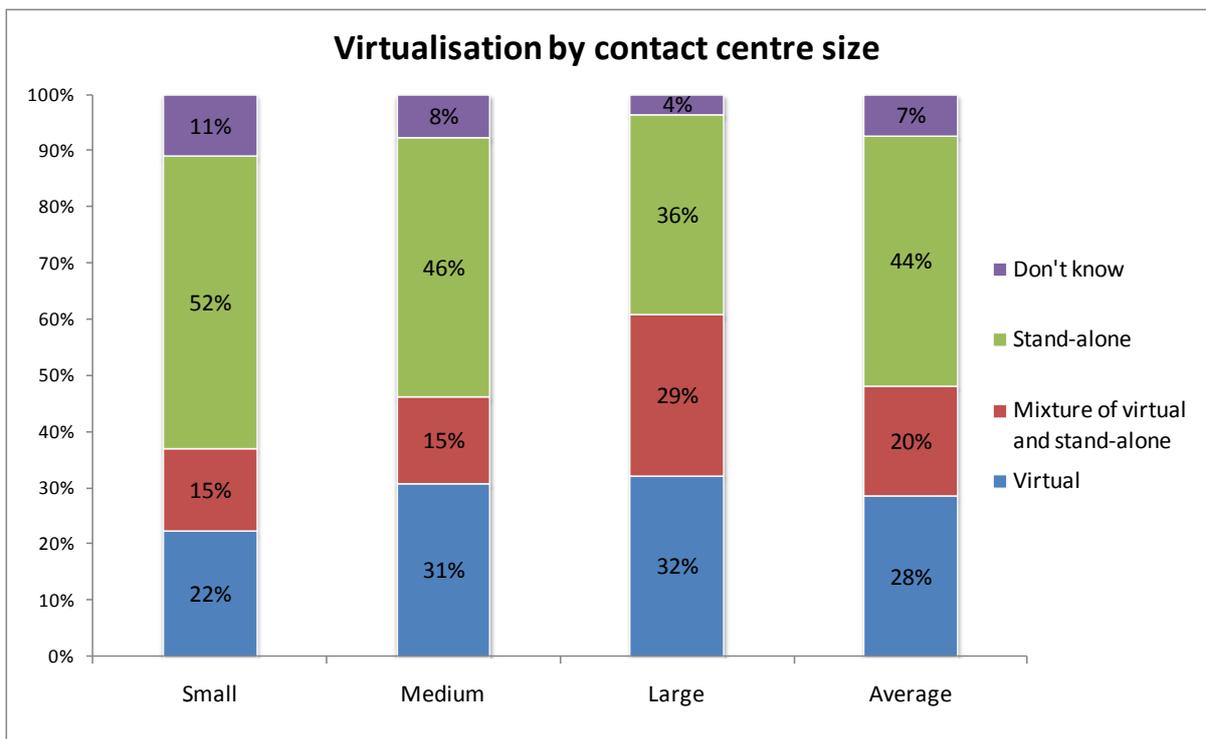
Effect of virtual contact centre	Commercial advantage
Larger pool of skills available	More likely to be able to match the call to the customer effectively. This improves first-call resolution, customer satisfaction and also improves agent morale, as they are able to help more customers first-time. It also means that businesses can route calls based on more detailed criteria than previously, as the available pool of skills is greater (e.g. if there are 5 contact centres, but only 1 person in each contact centre speaks a specific language, then it only becomes feasible to offer this as a routable skill once the contact centres are linked together to create a virtual language team)
More balanced work across contact centre locations	In a stand-alone multiple contact centre environment, there is a very real risk that agents in one contact centre will be overworked (leading to stress and increased queue times), whereas those in another may be underused yet unable to help their colleagues. The ability to overflow calls between physical locations is a key advantage of virtual contact centres, which can improve both customer and agent experience
Skills may be widely deployed and managed	Virtual contact centres can look at agent skills and competencies with a view to scheduling staff and routing calls accordingly. This allows specialised virtual teams to emerge
Forecast and schedule only once	Where many contact centres are treated as a single entity, work can be shared across sites as the contact centres are viewed as a single resource. Viewing the operations and skills available as one entity makes scheduling easier and more flexible. The resource pool is much deeper, allowing customers to be offered more skills, and the time and cost of scheduling is greatly reduced
Increase global coverage	For global businesses which have contact centres spanning distant time-zones, the opportunity exists to create a follow-the-sun contact centre, where the customer can be served 24/7, without the need to increase headcount or bear the costs and inconvenience to staff of working anti-social hours
Deploy applications in a standardized way	Virtualisation can mean that improving and standardizing the functionality available to agents in separate locations can be easier, if solutions which allow remote upgrades are in place. Making the same functionality available to each agent regardless of their location means that a consistent level of customer service and agent experience can be achieved
Offer 24/7 availability and use more flexible and imaginative agent resourcing	Agents which work from home or smaller offices allow the business to expand dynamically, offering 24/7 cover without the cost of keeping the major contact centre operation open. Virtual contact centre technology also allows businesses to reach out to new labour pools such as the housebound and other non-traditional sources
Allows dynamic choice of outsourcers	If a company uses multiple outsourcers, these outsourcers can bid dynamically for the work available, e.g. the company does 80% of the work with its own people, but outsources the overflow as and when needed

Linking contact centres together has been a complex task, especially in circumstances where the business has multiple types of switch and other infrastructure, perhaps as a result of merger and acquisition history. Recent years, and the widespread take-up of IP-based infrastructure has made such a task easier. Without a solid and scalable platform, separate applications, hardware and locations will remain isolated, or cost so much time and money to integrate that it would be better to leave them alone. Using a single open platform, this investment becomes much lower, and leaves the way open for businesses to add locations, channels and applications as needed. The single open platform should be a concept which is always in the minds of people making decisions about the future of their multi-site, multi-platform operations.

Around half of UK contact centres are part of a multiple-site operation, and as such, are potentially part of a larger virtual contact centre structure. However, only 28% of multi-site contact centres act as part of a full virtual contact centre operation, with a further 20% acting as a part of a partial virtual operation (e.g. in cases where a only few of the overall number of UK operations are linked together). These figures are very similar to previous years.

Looking at the uptake of virtualisation by contact centre size, the larger operations have been somewhat more likely to put enabling technology in place to gain further from their existing economies of scale, although with the high proportion of respondents showing a mix of virtual and standalone operations, it would be safe to say that this is still a work in progress.

Figure 25: Virtualisation by contact centre size (multiple-site operations only)



Respondents with virtual contact centres have generally been very pleased with the gains in efficiency and service level that they have experienced. The ability to smooth out call spikes by moving them between contact centres, and the reduced wait times were particularly mentioned, although all of the potential virtual contact centre benefits mentioned were rated positively, and both the mean average and the proportion of respondents rating benefits highly has been significantly higher in the past three years, showing a maturity and bedding-down of the technologies.

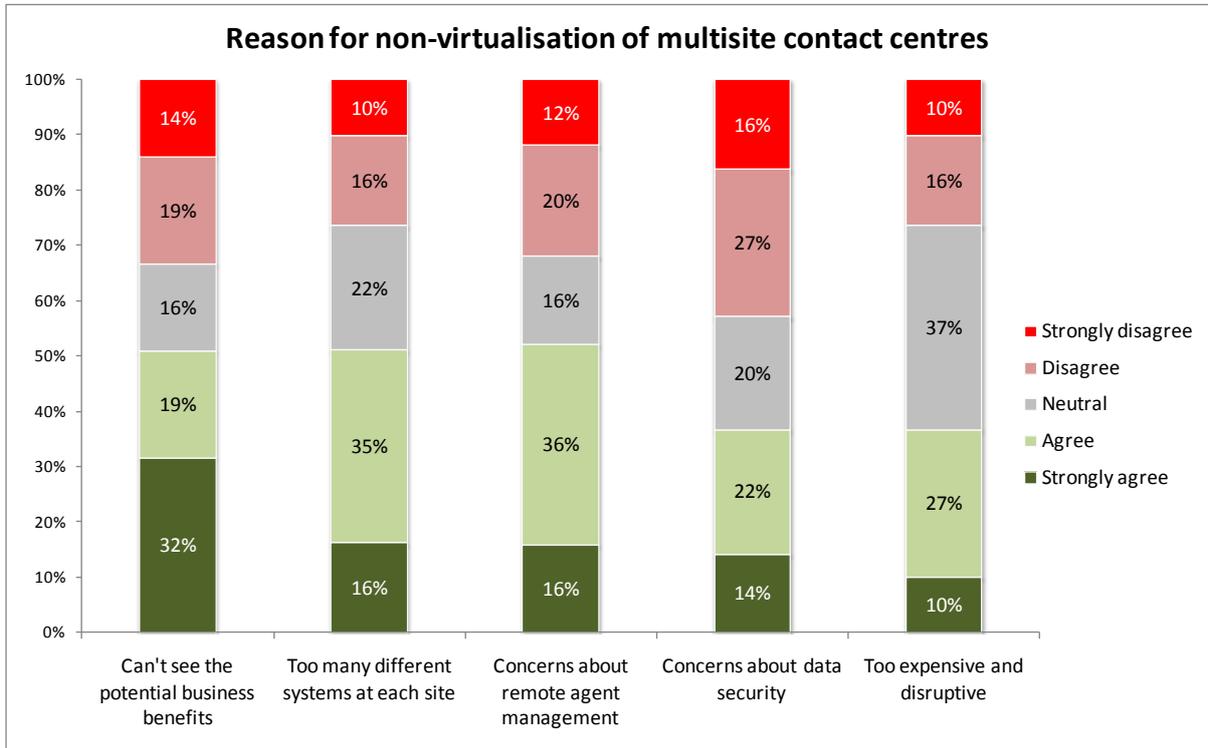
Figure 26: Benefits of virtualising a contact centre

Benefit from virtualisation	Mean average (from 10)	Proportion of respondents rating this as 8,9 or 10 / 10
Improved ability to handle call spikes	8.0	77%
Fairer agent utilisation and reduced queues	7.6	62%
Wider range of agent skills available to callers	7.3	55%
Savings on call costs between sites	7.1	55%

NB: The question asked was: "What benefits have you seen from implementing a virtual contact centre (1 to 10, where 10 is 'very much improved')

The issue of coping with call spikes is one which is growing year upon year, and has been particularly noticeable in the past three years' surveys. Virtual contact centres allow agents from other locations (including homeworkers) to make themselves available to deal with a different queue, being seamlessly moved back to their original work when the spike has flattened or the length of their own primary queue triggers a move back to their original work. Dealing early with such call spikes can often remove the issue before it becomes a real problem, and such movement between call groups can be done automatically by setting thresholds in each queue. Such flexibility of agents means that there is a fairer agent utilisation, as the situation of a set of agents sitting idle while others are under great pressure is less likely to happen.

Figure 27: Reasons for not implementing a virtual contact centre



In the early 2000s, multi-site respondents who had not virtualised their operations were most likely to state that they could not see the commercial benefits. This changed in 2007, when the more practical problems of how virtualisation should be achieved was the greater inhibitor - a question of 'how' rather than 'whether' - but this year's survey shows that over half of non-virtualising respondents doubt the commercial wisdom of virtualisation, with the majority of these having very strong opinions.

To a lesser extent of feeling, respondents also considered the complexity of different systems to be too great a hurdle to overcome, and there were also concerns over remote management of systems and agents. Such doubts should be considered in the context of the next few charts, which - while they refer to homeworking rather than the wider virtual operation - can give insight into which of these potential fears are real and which perhaps overblown.

Making contact centres work for staff and customers

by



INTERACTIVE INTELLIGENCE

Deliberately Innovative

When a customer needs to contact a company or a government body, the over-riding demand is that the query should be answered fully, accurately and promptly. The agent answering the phone should respond instantly, be friendly but clear, and know all there is to know about the organisation and its products and services.

The agent in the contact centre – who quite clearly cannot know everything about the organisation and its users – appreciates that instant access to data is the difference between a swiftly completed call with a happy customer and yet another dissatisfied tirade. So it is in everyone's best interests to resource the contact centre with the best possible technology and the best possible staff. For the moment I want to put the technology issue aside and think about how you might attract and retain the best staff.

And I want to propose a radical solution: the best way to run a contact centre may be not to have a contact centre. With universal access to broadband you can put the information anywhere, and with voice over IP telephone technology you can route calls seamlessly. So why not have your contact centre staff work from home?

The advantages to the staff are clear. Commuting time and stress is eliminated, as indeed are the costs (and for the company the reduced emissions look good on the green audit). Staff working unsociable hours no longer have to worry about travelling to otherwise deserted industrial areas in the middle of the night.

Eliminating the commuting also makes them immune to disruption. Train strikes are in prospect, and it was just a couple of months ago that the country ground to a halt because of snow. One estimate was that each snow day cost the UK economy £690 million: it makes sense to avoid your share of those losses.

More important, they can plan their hours around their lifestyles. People can return to work after career breaks, and may be happy to work split shifts to cover peaks, something that is virtually impossible when people have to "go" to work. And if they get a bad call they can stroke the cat, not kick the office partition.

All the research shows that the employer who can offer home working attracts staff with a wider pool of skills. The ability to work flexibly attracts staff who are better educated. And the retention rate for home-based staff is boosted too: typically call centres see a 20% annual turnover, which is halved when you allow staff to work from home.

Does this work? In the USA there is a very successful company called VIP Desk which offers customer care for premium brands. Its client companies sell to affluent, educated customers who expect to deal with similarly well-informed staff if they need support. It has no call centre: all its staff work from home. It attracts the best staff and saves the cost of a bricks and mortar call centre. What are the downsides? Managers are inevitably going to be worried about what their staff are doing. Are they meeting their hours? Are they being productive? In short, can they be trusted when they are out of sight, out of mind?

In reality, supervisors do not manage staff in call centres by standing over them with stop watches. Built into the technology platform are sophisticated algorithms for presence management which provide detailed metrics on staff performance. Provided the technology platform is extended to the home worker the same metrics will apply.

For some staff the inverse worry may apply. "If the manager cannot see how hard I am working," goes the theory, "how will I be recommended for promotion?" Confidence in the presence management system has to work both ways.

I have deliberately skimmed over the technology issues in this article because in reality the technology is the easy part. Companies like mine, Interactive Intelligence, can provide unified communications which link workers, wherever they are, over a single connection. In an office or contact centre that would be through the local ethernet; for remote workers a single broadband connection carries both the voice and the data.

Security can be layered onto the connection without impairing performance: we have clients working on sensitive military projects, for example.

That means the same technology can be used for mobile staff as well as home-based contact agents. Salesmen or consultants on the road can connect into the corporate network from a client's premises, a hotel room, an airport lounge or a Starbuck's. Given a broadband connection they can work just as if they were in their home office.

Flexible working is good for businesses, good for staff and good for the environment. The technology is ready: all that is needed is the trust and conviction of good management.

Dave Paulding, Interactive Intelligence



HOMEWORKING AND TELECOTTAGES

Homeworking and homeshoring promises contact centres significant benefits, but is certainly not for every agent or every contact centre. Amongst the potential advantages are:

- the environmental benefits of working at home, reducing carbon emissions and decreasing congestion on the roads
- offshored contact centres are generally unpopular yet businesses are looking at ways to cut costs
- increased flexibility in working hours means rapid response and reduced idle time
- the increasing costs of recruiting and retaining staff allow agents outside the commutable distance to work as well.

Remote working is becoming a real option that people are talking about and in many cases, actually using today. Although there are real concerns about remote management of agents - and obviously, not all agents are suitable for this type of environment - remote working opens the door to the sorts of people who might not otherwise seek employment in a typical contact centre but who would happily work in their own home or small telecottage taking calls. For an industry facing cyclical difficulties in recruitment - but which cannot afford whole-scale pay increases - this opportunity to deepen the labour pool should not be ignored. The contact centre could also use limited homeworking (for example, one day a week) as a reward for its top agents, encouraging their loyalty and offering a tangible promise to others, although some are dubious about the effectiveness of this, particularly those which actually use homeworking.

Remote agents, whether working at home, or in a telecottage (small, remote sites), can be a part of the larger virtual contact centre by being linked to the main operation via DSL or a leased line (in the case of telecottages). Some solutions permit least-cost routing and redundancy, where if the IP voice quality deteriorates, the call can be switched onto a back-up connection until the IP quality improves sufficiently to move it back to IP. Agents need only a PC which may act as a softphone, a headset (or IP phone) and a data connection.

18% of this year's respondents were using at least some homeworking (up from 15% in 2010, 13% in 2009 and 12% in 2008), and overall, 2.5% of agent positions in this survey were based at home (up on the 2010 survey's 1.9%), supporting a definite upward movement over the medium-term. The TMT (especially the IT element) and outsourcing sectors were as usual the most likely to be employing some homeworkers, with respectively 22% and 26% of respondents doing so, and the transport & travel sector (38%) was also important this year.

21% of small contact centres were using some homeworking, compared to 20% of large and 14% of medium-sized operations, indicating that homeworking may not be a factor of size.

As a comparison, 2010 US figures show that 37% of contact centres were using some form of homeworking, with 11.4% of agent jobs in the surveyed respondents being based at home.

Homeworking does not just have to be a matter of moving your own employees from a centralised location to their own homes. It is also possible to add an outsourced contingency workforce through a homeshoring model (for example, [ki-work](#) or [Arise](#)), employing staff as and when they are needed, rather than employing them directly. Stated benefits include increased agent productivity and decreased staff turnover, and cost savings of up to 20% are claimed.

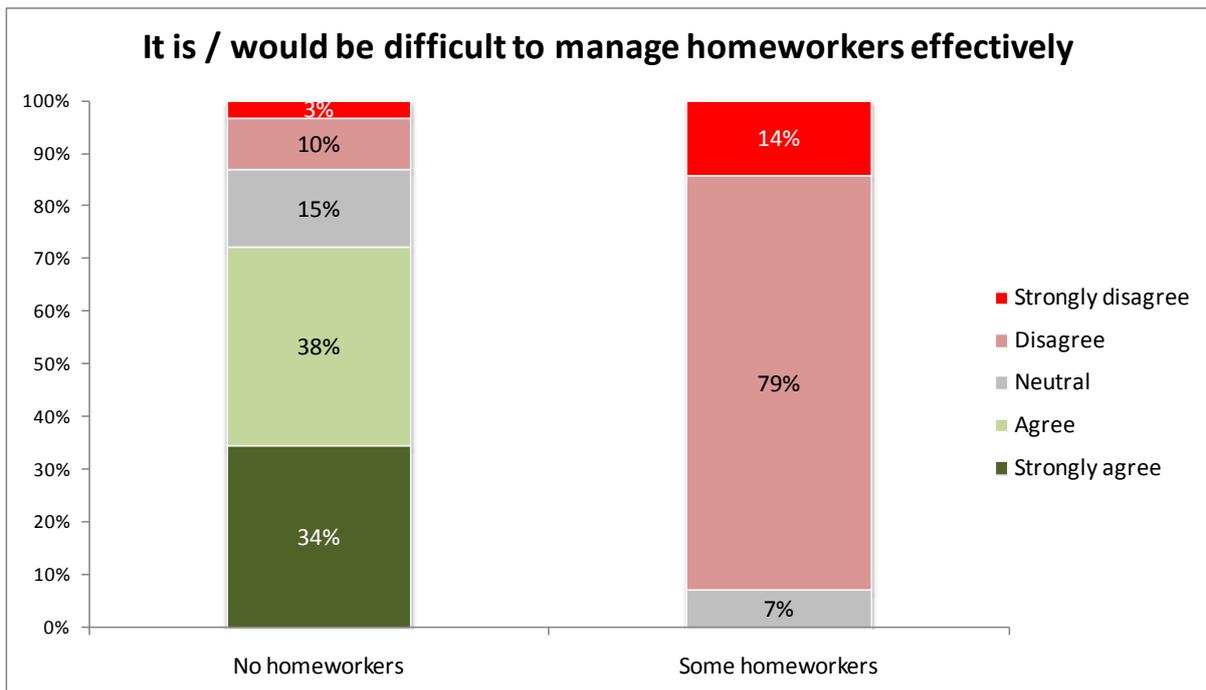
Respondents' view on the future of homeworking are more positive than they have been in the past, perhaps as a result of there being some definite successes experienced from businesses which have started using homeworking. In the following charts, respondents were asked to give their views on homeworking, and responses segmented depending on whether or not the respondent had any experience of homeworking.

"It is / would be difficult to manage homeworking agents effectively"

The concern that homeworkers cannot be managed effectively from a remote location has always been a fundamental objection to this way of working. Isolation can be a problem for both agent and management, and not all roles or agents are suitable for homeworking. It is generally considered that new mothers returning to work part-time, or older people who wish to reduce their working hours but who are not yet ready to retire completely are particularly suitable to be considered for homeworking roles, which require experience and maturity in the agent.

With real-time adherence and call management systems in place, there is no real reason that a virtual contact centre made up of homeworkers is more difficult to manage than a 'typical' operation, although the role of the team-leader (being someone to help actively) will have to be re-addressed.

Figure 28: Opinion: "It is / would be difficult to manage homeworking agents effectively"



Mirroring last year's results, those contact centres with some experience of using homeworking are far more likely to be positive about management of staff than those without this experience. 72% of non-homeworking contact centre respondents are concerned about this, and while none of those which have implemented some homeworking agreed that remote management was difficult, and 93% actively disagreeing that it was any harder than managing someone in a traditional contact centre environment.

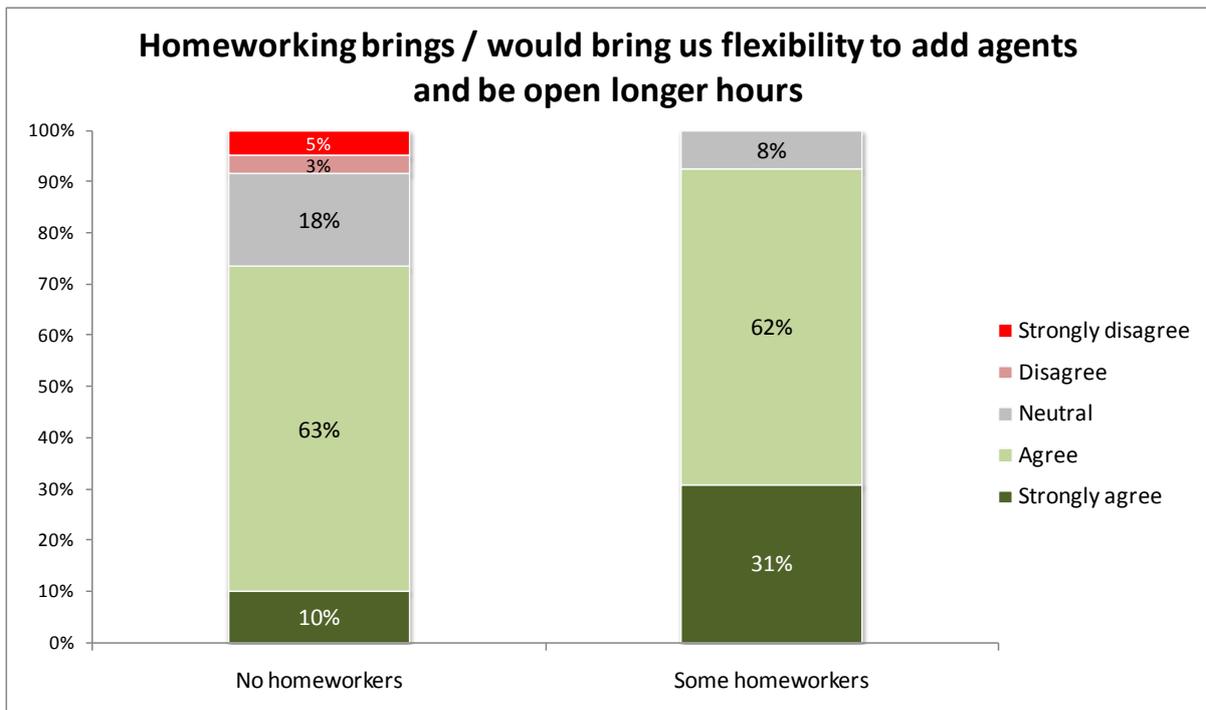
Non-homeworking respondents are more likely to expect homeworkers to be less productive than centralised staff, perhaps as they are not in such a high pressure environment, with supervisors encouraging them, peer pressure and wallboards telling them the state of play. To some extent, it depends on the definition of

'productive': if it is a matter of call volumes, then not having these cues to hurry up may well have an effect. On the other hand, there are perhaps fewer distractions in the home. In any case, there is no reason to expect that quality will suffer - probably quite the opposite - and the homeworking model is particularly suitable to moving agents between queues rapidly, which in fact will improve the productivity of the entire operation.

"Homeworking brings / would bring us flexibility to add agents and be open longer hours"

This is perhaps the main advantage of homeworking, in that travel-to-work time is eliminated, and in an emergency, agents can be requested to log-on for an hour or so by a text message to their mobile phone (in a typical contact centre, the operation just had to deal with it, or overflow calls to an outsourcer, which can be expensive). Many contact centre agents rely upon public transport which may not run well outside core hours, and some are put off by having to wait around and travel in the dark. Homeworking also opens the door to the sorts of people might never seek employment in a typical contact centre - as the industry does not have a good reputation as a whole - but who would happily work in their own home taking calls.

Figure 29: Opinion: "Homeworking brings / would bring us flexibility to add agents and be open longer hours"



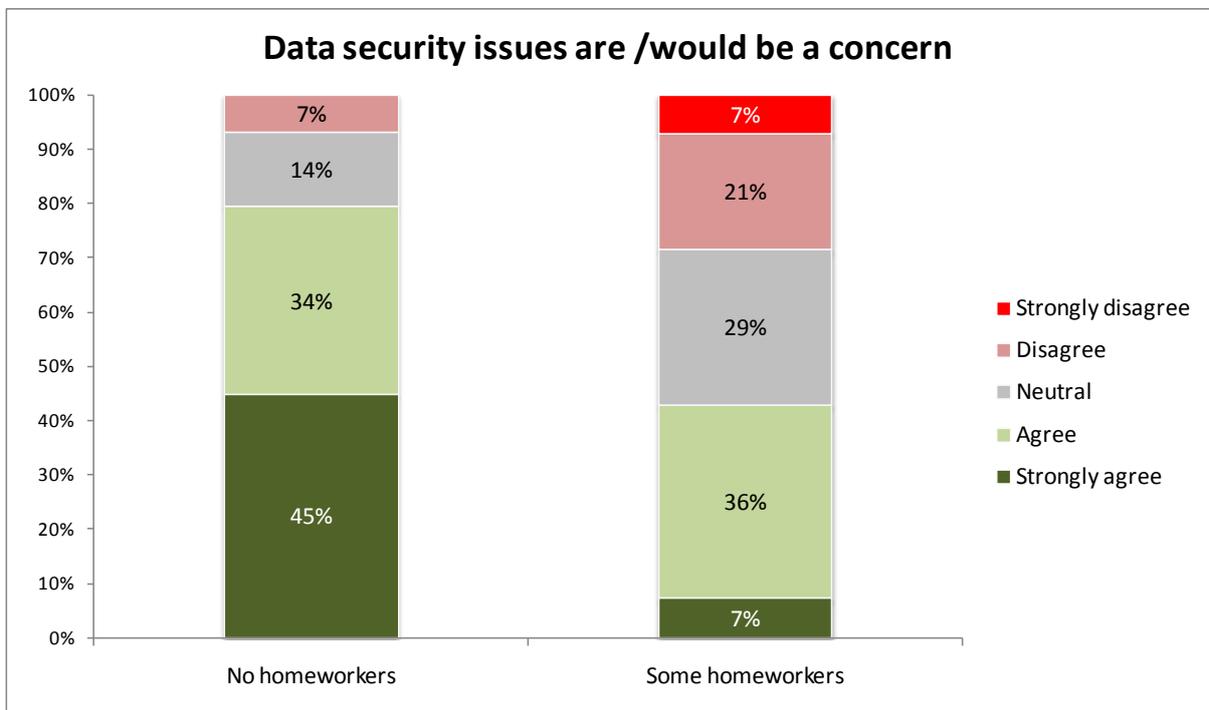
There is a general opinion that flexibility of staffing is both a potential and real major advantage of homeworking. 92% of contact centres using homeworking agreed that flexibility was a benefit to them as a result, almost identical to last year's findings.

"Data security issues are / would be a concern"

Working in an unsupervised environment is likely to mean that the potential risks for data theft and fraud are greater than in a closely-supervised environment such as a traditional contact centre, especially if any physical paperwork is involved, payment card details taken or passwords written down. With the home workspace available to family members and visitors as well, risks are not just restricted to the homeworker.

The use of an automated payment card application would reduce the opportunity for deliberate card fraud and definite policies around the storage and usage of equipment have to be agreed upon. There are various data access methods available that circumvent the need for written passwords, such as voice biometrics or coded key-fobs, and strong firewalls and encrypted hard drives will also reduce risk.

Figure 30: Opinion: "Data security issues are / would be a concern"

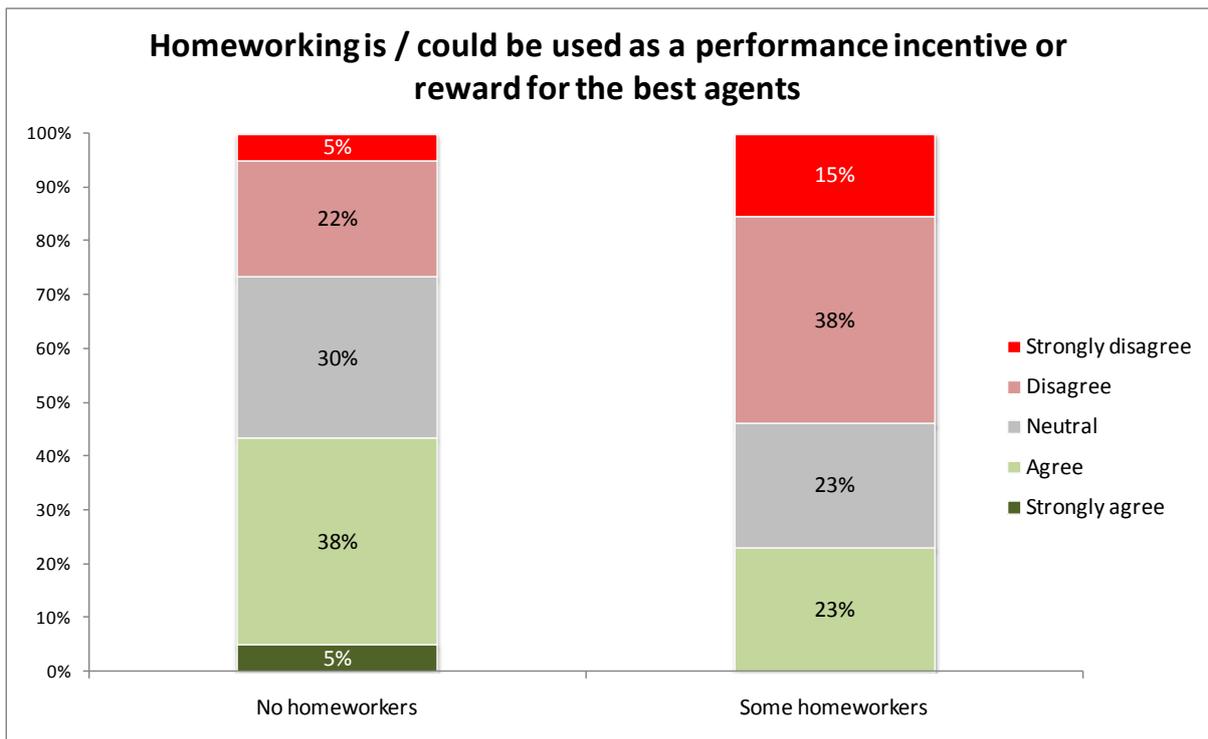


As might be expected, those with no experience of homeworking are very concerned about data security risks, with 45% seeing this as a major potential issue, against only 7% of those who have experience of homeworking. However, 43% of those who use homeworking agree or strongly agree that data security is a concern to them as well, so it appears that this issue is key in reality as well, although not the deal-breaker that many non-homeworking contact centres believe it to be.

"Homeworking is / could be used as a performance incentive or reward for the best agents"

Interestingly, this possible advantage to homeworking is one which inexperienced respondents are more likely to think is feasible. Homeworking contact centres are less likely to see homeworking as a potential carrot to dangle in front of staff. It may be that the work required to get an agent into a successful homeworking environment (health & safety checks, IT and telecoms infrastructure, training, etc) is so onerous that rewarding staff with homeworking is just not possible or desirable. Homeworking may be seen as a more strategic option and one which the management alone has control over.

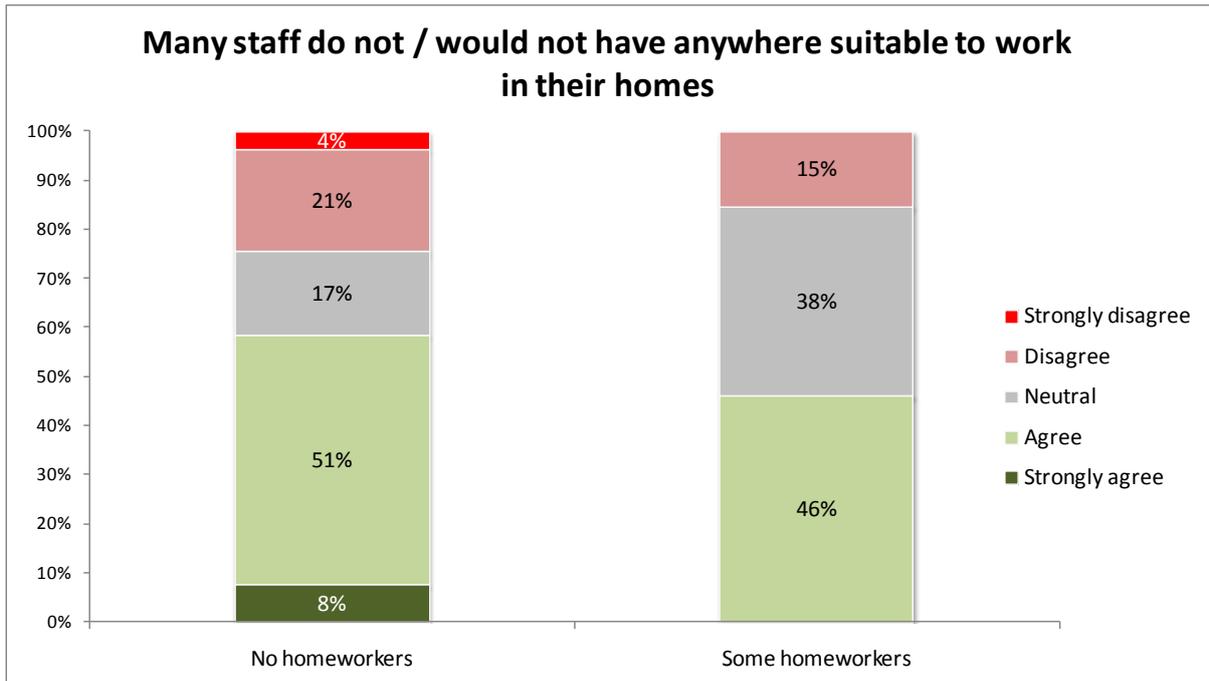
Figure 31: Opinion: "Homeworking is / could be used as a performance incentive or reward for the best agents"



"Many staff do not / would not have anywhere suitable to work in their homes"

For many contact centre workers, it would be difficult to have a room away from the noise of the household, and this is a major concern for those operations that do not have any experience of homeworking, with 59% agreeing that this would be a problem. Even for those with experience of homeworking, 46% say that finding somewhere quiet for agents to work is an issue. Obviously, it's important to consider working location on a case-by-case basis to assess the suitability of the agent for homeworking.

Figure 32: Opinion: "Many staff do not / would not have anywhere suitable to work in their homes"

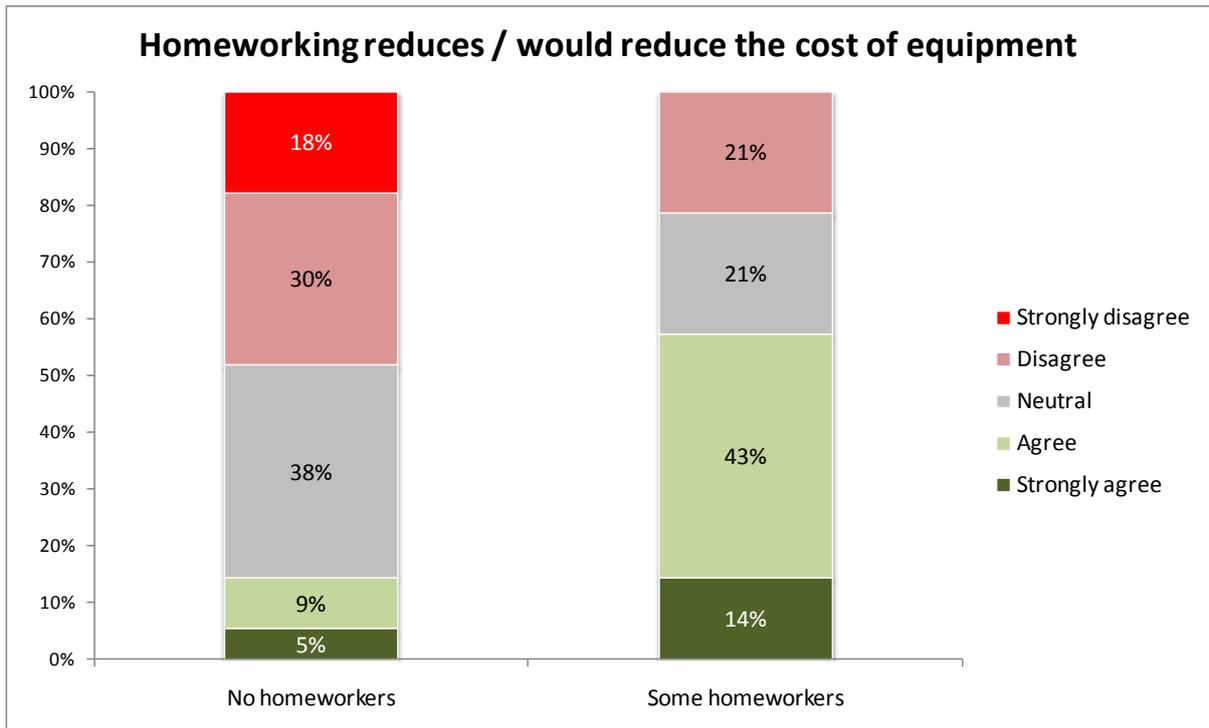


"Homeworking reduces / would reduce the cost of equipment"

A contact centre will have to be equipped with PCs, desks and phones to accommodate the maximum numbers of agents that it will require at any point, leaving desks empty in the quieter times. As such, most contact centres could be considerably physically smaller a large proportion of the time, and waste money in rent and equipment.

57% of respondents that use homeworkers state that it has made a positive impact on their equipment and running costs, compared to the expectation of only 14% of non-homeworking respondents.

Figure 33: Opinion: "Homeworking reduces / would reduce the cost of equipment"



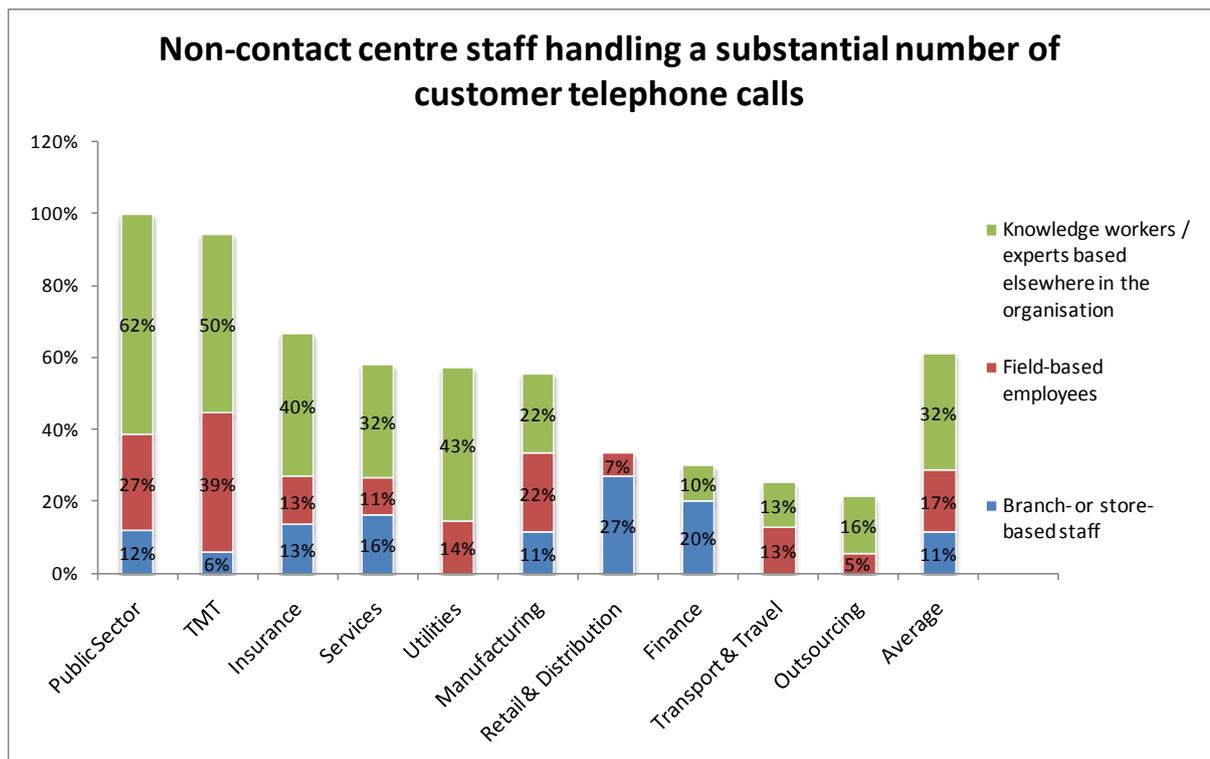
THE ENTERPRISE AS THE CONTACT CENTRE

For some years, the larger contact centre solution providers have been encouraging businesses to look beyond the four walls of a typical operation and consider how and when to involve other knowledge workers in the enterprise, whether office- or field-based, in the business of customer service.

IP contact centre solutions have the potential to break down the boundaries between contact centre and wider business, allowing every employee to act in the capacity of a contact centre agent if in the best interests of the business. In many cases, the drive and interest towards IP telephony is coming from the internal corporate telephony and IT departments, especially in the multi-office environments where real savings can be made.

From a contact centre perspective, there are potentially massive advantages to having non-contact centre personnel available to speak with customers on occasion: superior customer service (and the attendant improvements in customer spend and retention), immediate interaction with the right person, reduced call abandonment rates, shorter resolution times, as well as more intangible benefits, like the ability of executives to listen to the customer first-hand and learn from the experience.

Figure 34: Non-contact centre staff who handle a substantial number of calls



Knowledge workers / experts form part of the overall customer handling resource pool in 32% of cases (especially in the IT helpdesk environment and public sector), with field staff and branch staff handling customer calls in 17% and 11% of organizations respectively: figures that are growing year-on-year. This suggests that the wider enterprise is not yet quite integrated into the contact centre, but the demand for these services is certainly taking it that way, especially in specific vertical markets such as public sector, insurance and TMT.



Knowledge workers can be incorporated into the contact centre on a part-time basis, without actually becoming a customer service agent. 'Presence management' links workers from diverse back office departments into the contact centre by allowing communication and collaboration across sites and functions. Presence management shows if a user is available to communicate via a specific medium, such as instant messaging, email, telephony etc. Availability can be defined either by the knowledge workers themselves, or via device detection. It is possible to route calls to experts using the same criteria as in the contact centre.

Presence can be seen as an extension of multi-channel contact routing by being integrated into software-based contact routing solutions, and can take multimedia routing further, particularly in a SIP environment where presence can be detected in a greater variety of modes.

There are, of course, some potential dangers:

- Highly-paid knowledge workers may be overworked by the demands and interruptions placed on them by agents, and become less productive
- Most collaborative tools include directory search, instant messaging and presence for every individual, however, it is skill sets rather than names that should be used, to discourage dependency on one expert.

Intelligent routing should be used to govern requests for help to experts, creating routing rules to decide when experts should be used, and at what times. This should have the benefit of keeping the knowledge workers onside, and not choosing to show their presence as unavailable to avoid interruptions. Each skill area or department could offer a schedule to make sure that someone is available for the contact centre, thus ensuring the privacy of the others in that virtual team.

IP AND CONVERGENCE

Traditional contact centres operate their telephony functions in a circuit-switched telephony environment, where a fixed, dedicated line is left open between caller and agent. Running alongside this, a packet-switched data network breaks up any data (e.g. a customer record to go along with the phone call), sends it in packets along many routes, and reassembles it at the destination in the right order.

IP contact centres differ from traditional PBX-centric operations in that voice traffic is converted into packets of data and carried around the contact centre (or between contact centres) on a data network, rather than a voice network. There are two types of IP contact centres: those running on an IP-only architecture, and those running a hybrid environment, where both IP and traditional circuit-switched infrastructures are used.

However, all IP-enabled contact centres are not the same. A distinction should be made between the type of IP systems where there is still some need for proprietary equipment and software to communicate, and “Open IP”, which is entirely open standards-based and will allow any standard-based application or piece of infrastructure to communicate with another.

There are many reasons to consider changing from a traditional to an IP contact centre, including:

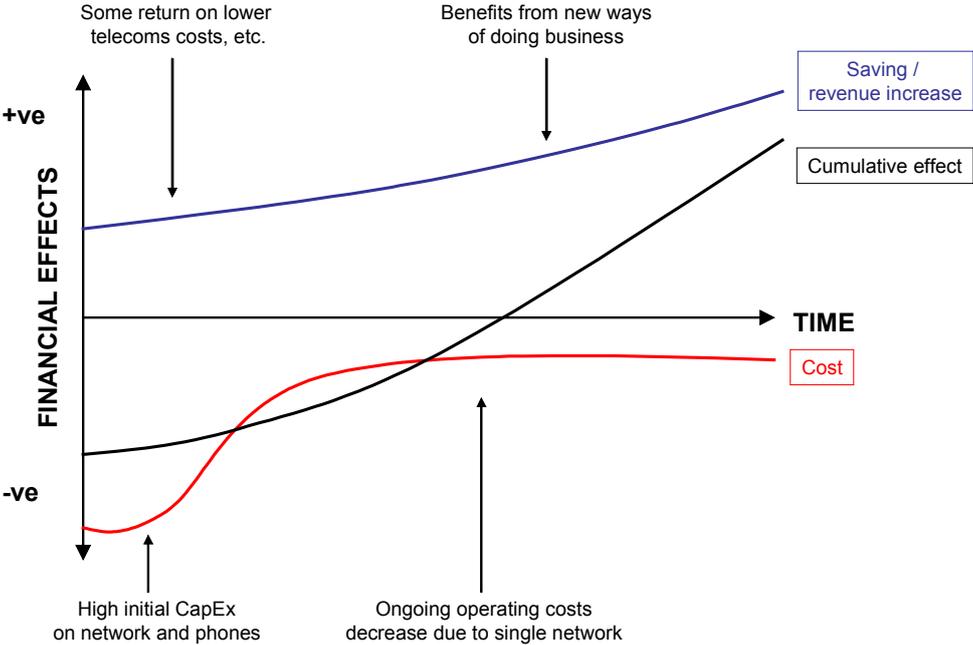
- The use of common protocol (IP) and the growth of key standards such as SIP allow rapid development of new application functionality
- IP enables virtual contact centres, homeworking and the remote office model
- IP promotes the successful take-up and management of multimedia customer interactions
- More affordable functionality is made available to smaller contact centres
- IP reduces the cost of maintaining two networks
- There is more flexibility to add and change agents in an IP environment
- There is a reduction in call charges between sites via IP trunking
- IP supports reduced staff attrition through allowing flexible working
- The boundaries between contact centre and the wider business are breaking down, and IP is a common theme across all parts of the enterprise
- IP infrastructure may be cheaper to upgrade than a circuit-switched platform.

The use of IP within the contact centre has been present for some years now, and despite the relatively slow start to IP implementation, IP is now an integral, mainstream and strategic part of the contact centre industry.

Moving contact centre operations to an open IP environment should be seen as a strategic enabler, rather than just an obvious cost-cutting exercise. It is very difficult to put a number on the really important pieces, which are the business functionality improvements, but over time these will be far more important than short-term costs or savings that are associated with IP.

The key to understanding the real value of IP is through how it enables functionality to be deployed quickly and effectively regardless of physical location. Put simply, completely and genuinely adopting open standards means that contact centres release themselves from high maintenance costs associated with proprietary systems, and can choose the applications that exactly suit their needs at the time. Standards-based IP solutions are the closest the industry has come to being truly able to future-proof their contact centres.

In the following diagram which represents a likely return on investment scenario for an IP contact centre, the initial capital outlay can be considerable, and far outweighs the immediate savings made from reduced telecom costs. However, over time, the business benefits from IP's greater openness and flexibility, allowing it to be more innovative and responsive. Costs are reduced as the system beds in, allowing maintenance of a single network. Over time, the benefits keep accruing, making the quantitative return on investment take longer than in most IT projects, but deliver greater benefits for longer.



SIP – Session Initiation Protocol

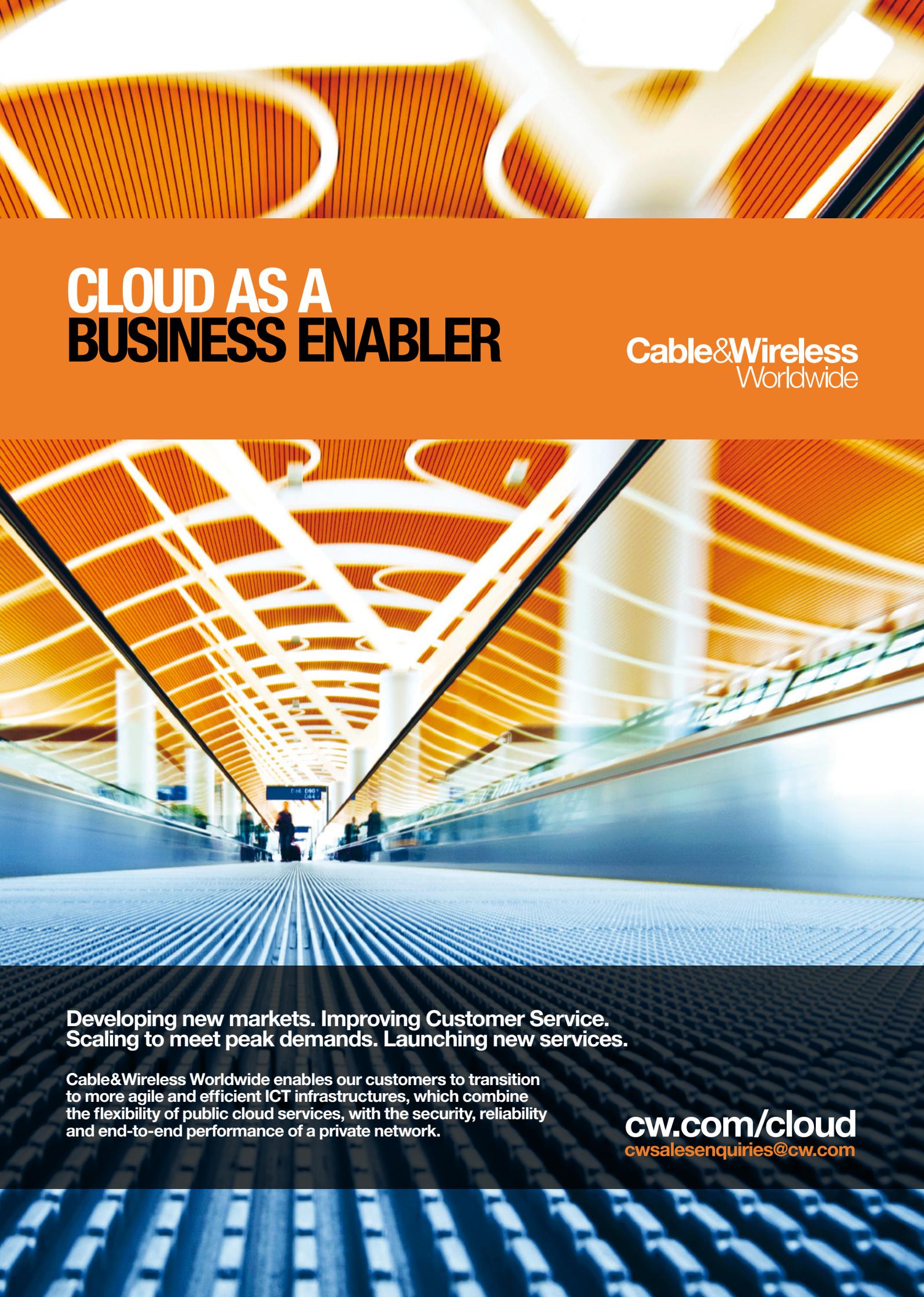
Advances in standards such as the Session Initiation Protocol (RFC 3261) enable telephony applications to interface with each other and provide functionality that used to be only available using proprietary infrastructure hardware.

- Widely regarded as the successor to H.323 for IP-based telephony
- Gaining increased attention and visibility due to major technology solution providers
- An alternative to TAPI-based IP telephony models
- A protocol that removes the need for a separate IP-PBX and contact centre solution
- The emerging standard for session control for a variety of media - greater flexibility and more scalability than many alternative multimedia communication protocols in use today
- Software-based, open and lightweight, allowing organizations of all types to support the new breed of SIP phones along with soft phones, analogue phones, desktop PCs, and even mobile devices and PDAs
- SIP also provides strong support for real-time voice communications, text-based messaging and application sharing – SIP can initiate real-time, multimedia sessions that seamlessly integrate voice, data and video

Open systems allow customers to select non-proprietary hardware and software for queuing, routing and applying treatments to interactions. This means that future contact centres will be free of the restrictive nature of proprietary systems, and able to develop and deploy applications which may have previously been too complex to integrate or maintain cost-effectively. The widespread use of a truly open standard will encourage application developers to push functionality boundaries further as time-to-market should be significantly decreased because integration will become much easier.

It is important to understand that there is no CTI link in the SIP world – true interoperability takes care of the integration. This has a distinct cost benefit, a reduction in complexity of deployment and maintenance, and an ability to implement quickly. Through SIP, the value of contact centre solutions is moving from routing to applications – not so much “how shall we do it?” as “what shall we do?”.

Recently, some vendors have developed unified communication platforms that allow contact centre solutions to operate on standard servers with no specialised hardware components, providing an infrastructure that can be supported and maintained by clients’ existing IT staff. This offers an easy path to a software-only platform or to allow hybrid applications where both traditional telephony and software-only SIP environments can be unified for a best-of-breed Unified Communication approach.



CLOUD AS A BUSINESS ENABLER

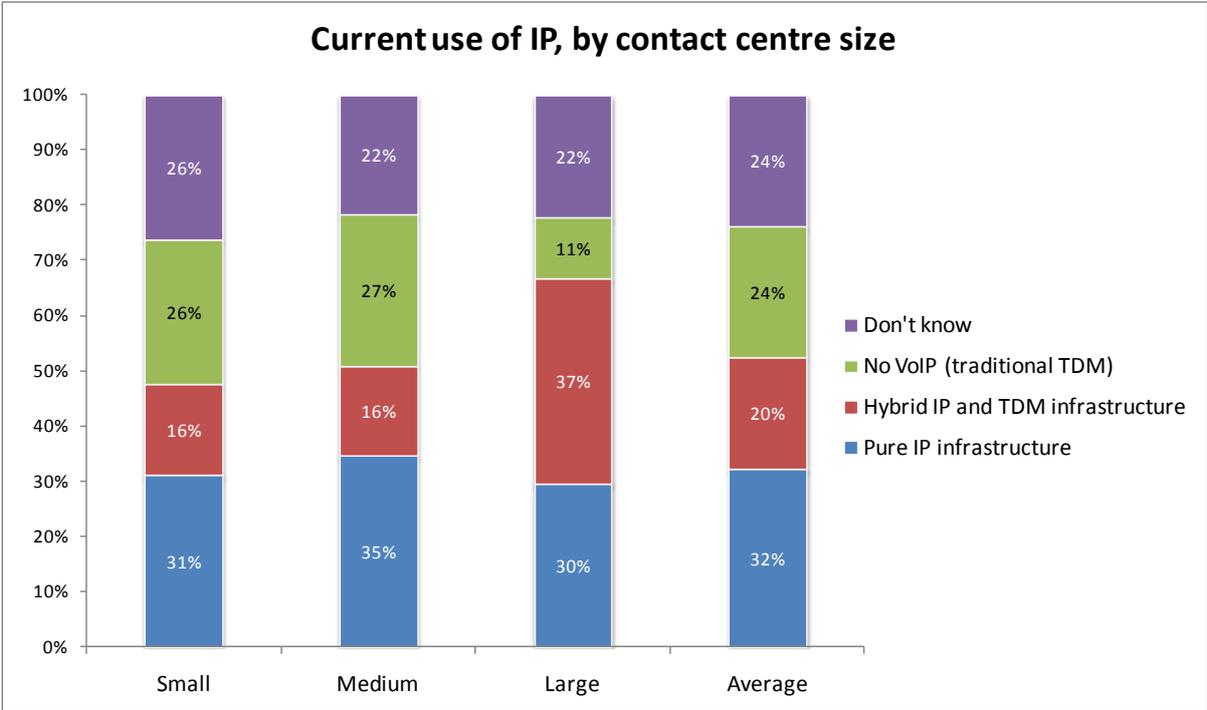
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Developing new markets. Improving Customer Service.
Scaling to meet peak demands. Launching new services.

Cable&Wireless Worldwide enables our customers to transition to more agile and efficient ICT infrastructures, which combine the flexibility of public cloud services, with the security, reliability and end-to-end performance of a private network.

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Figure 35: Current use of IP, by contact centre size



The mantra “evolution, not revolution” is often applied to the IP contact centre environment, with vendors encouraging contact centres to consider the option of moving at their own pace towards IP, and this is what has happened in recent years. However, this year’s results sees pure IP overtake TDM in our survey for the first time, and it especially prevalent in large contact centres.

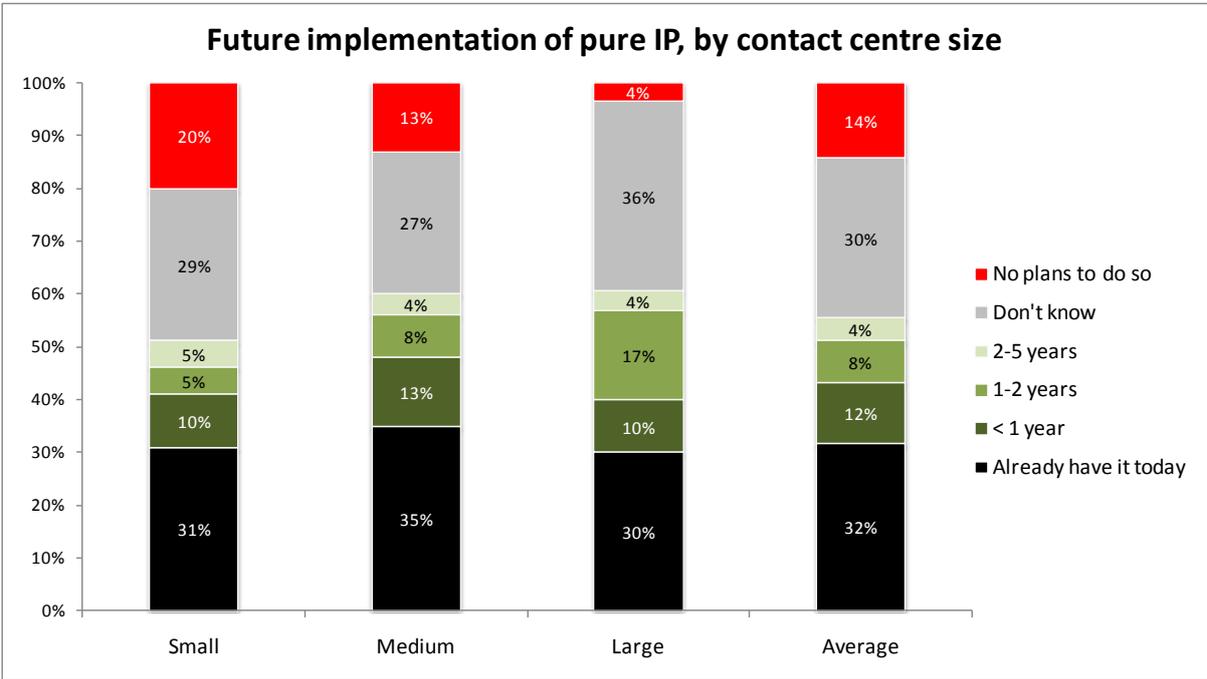
Housing (a relatively new sector), finance and services contact centres are the most likely to be using pure IP infrastructure. Outsourcers were most likely to be using a hybrid solution, with more than 40% of these respondents doing so. (As contact centre size has traditionally been a far more relevant consideration, vertical market figures have generally not been included here).

In the past, it was usually left to smaller contact centres to use a pure IP solution, as to upgrade or replace equipment and networks is much cheaper for them. The past 3 years have seen a big jump in the proportion of larger contact centres indicating that they are using pure IP, up from 14% in 2008 to 30% in 2011. The movement towards pure IP has been guided by smaller contact centres in past years, with the mid-sized operations joining the party in the past three years, and larger operations getting into pure IP in the past 24 months, as had been predicted in previous reports.

The following chart shows the past enthusiasm that large contact centres had for pure IP has to some extent, been translated into action, with large numbers of implementations in the past two years. However, a further 27% indicate that they will implement a pure IP infrastructure within the next 2 years, which would almost double the take-up (if it comes to fruition, of course).

There are still a significant proportion of respondents in all sectors that do not know when, or even whether they will implement pure IP. This indicates that such decisions in many instances are made outside the contact centre, at a corporate level, which the table that follows this chart seems to support.

Figure 36: Future implementation of pure IP, by contact centre size



In many cases, the decision on whether to make most contact centre technology investments tends to boil down to operational cost savings: the amount of money saved by implementation is greater than the cost of the solution plus its maintenance. In many cases, IP contact centre solutions do not easily fit into this simple model. There are some contact centres (especially small, or new operations) where the value of having an IP-based solution is immediately obvious and provable, but at the other end of the spectrum, short-term ROI can be more complicated to find.

Yet in all cases, when businesses are considering implementing IP contact centres, they must look beyond the present day. IP contact centre solutions are enablers, not necessarily ends in themselves. The value of an IP solution for many will come in what it will allow the contact centre to do in the future, not the short-term cost savings it can make now. Having said that, IP solutions can certainly reduce operational costs in some cases, but anyone either researching or actively considering implementation of IP contact centre solutions must be aware that they will be enabling their contact centre to change and improve the way it operates. IP is a critical strategic decision which will support what you want to use your contact centre for in 1, 2, 5 or 10 years time.

Figure 37: Main drivers for moving to IP, by contact centre size

Why do it?	Small	Medium	Large	Average	% of respondents rating as 'very important'
Reduce telecoms and network costs	1.1	1.3	1.2	1.19	37%
IP will help us support and develop a multimedia environment	1.1	0.9	0.9	0.98	28%
It was a corporate-wide telecoms decision	0.8	1.1	0.9	0.95	41%
PBX needs / needed replacing	0.8	1.0	1.0	0.94	32%
Support the use of open standards and wide range of applications	0.7	1.1	0.8	0.90	25%
Deployment of virtual contact centre or homeworking environment	0.3	0.5	0.8	0.58	26%

NB: scores relate to the 5-point scale of 'Very unimportant = -2, Unimportant = -1, Neutral = 0, Important = 1, Very important = 2'

The main driver for IP implementation across all size bands, is to reduce costs through running a single network, with the chance to add new channels more easily being another prime consideration. There are still significant numbers of contact centres which have a forced necessity to implement IP because of the requirement to replace their PBX, especially in larger operations.

Surprisingly perhaps, implementing IP in order to deploy homeworkers or create virtual contact centres is much less important this year, except in larger operations where flexibility and economies of scale are perhaps more achievable. It's important to note, though, that over a quarter of respondents scored the ability to deploy virtual agents and contact centres as high as possible.

Enabling new multimedia channels, such as video, is a key driver for IP decisions. Although two-way video may not be what customers want, there are certainly advantages to being able to provide visual support, even in a self-service application:

- the self-service experience is faster and more interesting
- visual agent interaction may enhance trust
- improved communication - a picture is worth a thousand words - reducing call costs

- higher customer perception of the level of service
- new revenue opportunity through video advertising.

Having said that, there is no single over-riding reason for implementing IP - it adds flexibility and future-proofs the contact centre somewhat (especially in a multisite environment), and most importantly perhaps, offers a foundation upon which to base the next generation of contact centre functionality.

Figure 38: How has implementing IP improved your contact centre? (by contact centre size)

What were the results?	Small	Medium	Large	Average	% of respondents rating as 'very important'
Reduced telecoms costs between sites	1.0	1.4	1.1	1.2	30%
Greater flexibility in adding and changing agents	1.0	1.0	1.2	1.0	37%
Reduced cost of single network	1.1	1.1	0.8	1.0	22%
It supports multimedia channels more effectively	0.9	0.7	0.5	0.7	19%
Easier integration of applications	0.7	0.7	0.7	0.7	14%
Greater choice in vendors and applications	0.5	-0.1	0.1	0.2	3%

NB: scores relate to the 5-point scale of 'Very unimportant = -2, Unimportant = - 1, Neutral = 0, Important = 1, Very important = 2'

The effects that IP implementation has **actually** had (rather than the perceptions of what it could do) revolve, as with previous years, around network cost reduction, inter-site cost reduction and the flexibility to add and change agents quickly.

It is interesting to note that there is still little evidence that moving to IP presents a greater choice of vendors or applications. The increased use of SIP and drive to open standards should help this factor increase in importance, but the proprietary nature of solutions and hardware, as well as long-standing contracts and vendor relationships is still widespread.



INCREASING EFFICIENCY AND EFFECTIVENESS WITHIN THE CALL

There is a balance between dealing with calls efficiently (i.e. without spending too long on them) and effectively (making sure that the customer is served well, and that the business gains what it can from the interaction as well). This section looks at ways in which the 'dead time' that occurs in an interaction can be reduced, with improvements for both customer and business.

VOICE BIOMETRICS

Until a few years ago many businesses relied on trust that the caller was who they claimed to be – asking only for a name and address. Today, strong identity verification processes are now seen by virtually all businesses as critically important and most make some attempt to verify a caller’s claimed identity by asking for additional information that only the real caller should know. The increasing focus upon fraud detection has meant that identity verification has become far more important, and this is unlikely to change.

Identity theft is a high-profile issue, and as such, businesses have had to tighten security and, as importantly, be seen to be doing so by their customers, as fraud prevention has now become a brand issue, as well as a regulatory one. While fraud certainly causes losses to a business, the risk of losing customers’ confidence by being seen as lackadaisical about security is potentially a much greater negative. Criminals’ methods have become more sophisticated and businesses have had to respond by introducing more complex identity verification processes.

However identity verification procedures have now become intrusive and inconvenient for the customer. Customers are expected to remember an increasing array of ID’s passwords, PIN’s, memorable information, information on their last transactions or to carry smart cards or tokens everywhere they go. Customers can undergo a ‘Spanish Inquisition’ before being permitted to make their enquiry or place their order – which reduces customer satisfaction, and also cost businesses time and money. It takes an average of 29 seconds to verify a customer’s identity manually, and this mounts up considerably: the UK contact centre industry spends around £3.6bn each year, just to verify the caller is who they claim to be.

In fact, the cost of identity verification in the contact centre has increased by a factor of almost 4 since 2007, with 48% more calls requiring identify checks, which now themselves take an average of 45% longer due to more stringent testing. With rising salaries, cost-per-call has increased by over £1 per call, and the overall number of all inbound calls has increased by over 15% since 2007. Although in-call efficiency has improved, identify verification is slower than ever before, all factors which drive up the cost of initial identification.

Identity verification processes are typically based on one or more authentication factors that fall into the following generally-accepted categories

- something you **know** - e.g. password, PIN or memorable information
- something you **are** - a biometric such as a finger print, retina pattern or voice print
- something you **have** – a tangible object, e.g. a PIN-generating key fob, or the 3-digit CVV2 code on some credit cards.

Combining these factors creates a more complex, and potentially more secure two-factor or three-factor authentication process. Increasingly, regulations are requiring two-factor authentication processes. Financial institutions’ can no longer rely on simply passwords to protection web banking services. For example, in the US, FFIEC guidance indicates that financial institutions should implement similar stronger authentication processes in their contact centres and IVR systems.

Voice Commerce's KYC Solution delivers both security and customer service improvements

by



As identity theft and data security climb ever higher on the agenda, consumers are increasingly in need of a more effective and secure way of verifying their identity. At the same time, organisations are increasingly required to verify an individual's identity, whether in situations where there is an existing customer relationship or where a new relationship is being established. While security over the last decade has been about factoring in ever more complex layers, we have now come full circle by using the most common tool of communication to verify ourselves and authorise our actions: our voice.

Spearheaded by Nick Ogden – the New Business Awards' 'Entrepreneur of the Year' for 2010 – Voice Commerce is the only company in the UK developing the use of voice biometric technology to provide identity verification for securing a wide range of transactions. Voice Commerce's new [KYC Secure](#) solution tackles the issues around identification simply and effectively.

How does it work?

Customers complete a simple online account registration process for KYC Secure, where their personal information is verified with identity reference bureaus. They then receive an inbound call to their mobile phone where they provide a number of speech samples, from which approximately 100 different characteristics are measured, converted into a digital signature and stored in Voice Commerce's secure Trust Centres.

Once this is completed, the customer is empowered to authenticate themselves – anytime; anywhere and from any device. They can also their voice signature to verify a financial transaction using our VoicePay® service.

Using a voice signature to verify an individual's identity normally takes no more than fifteen seconds, a 35% saving on the estimated average time taken for current KYC checks in a contact centre environment. Alongside the improved security and customer experience, the business case for KYC Secure is a compelling one:

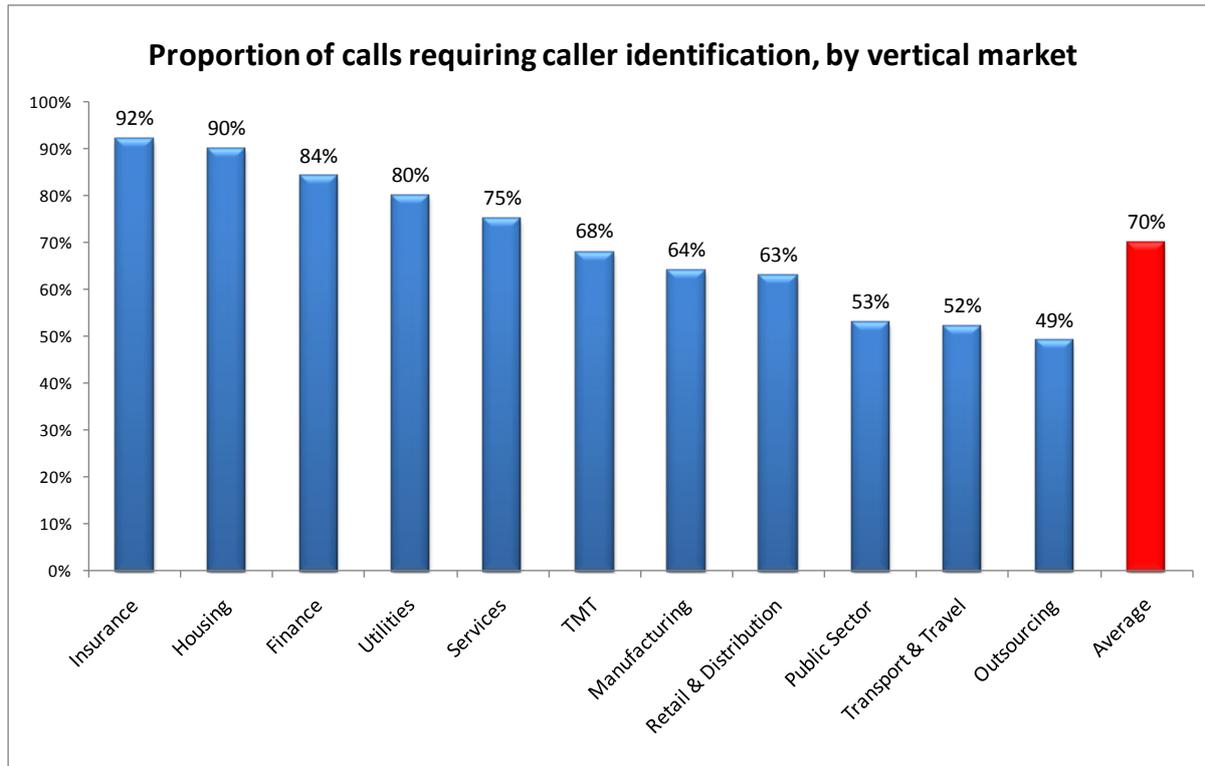
Identity Verification at a lower cost with no documentation, no data leakages and no hassle for the customer.

KYC Secure is the first regulated mobile identity database of its kind, with the means to verify a customer's identity based on their unique biometric Voice Signature, significantly reducing the exposure to online payment card and identity fraud. Designed to support a global standard for e-money and mobile payment account creation procedures, it provides protection in these emerging mobile and e-money markets. It is based on a simple lightweight API that can be integrated into a company's existing IVR software with very limited impact.

Voice Commerce is a pioneer in this area and represents the UK in the worldwide voice biometrics market. With its original Voice Signature technology and federated KYC Secure database, it tackles a very real issue in a very simple way: minimal inconvenience to daily life, maximum impact on fraud.

For further information, please visit www.kycsecure.com or www.voice-commerce.com

Figure 39: Proportion of calls requiring caller identification, by vertical market



In line with regulatory and commercial pressure to improve fraud detection and achieve compliance, businesses' identity checking procedures have become more stringent, with 70% of calls having identify verification in 2011, compared to only 47% in 2007.

As might be expected, the financial and insurance sectors are amongst the sectors most often authenticating callers' identity. The more sales-oriented sectors do so the least.

Figure 40: Caller identity authentication methods

Identification method	Proportion of contact centres using this method
Touchtone IVR	11%
Speech recognition	2%
Using only an agent	88%
Using only automation	1%

88% of respondents who authenticate identity do so through **purely** human means, taking an average of 29 seconds to do so. 12% use IVR or speech recognition to identify the caller (which itself takes around 20 seconds), but in almost all of these cases, first get the caller to use an IVR to collect their details, then also use the agent to double-check once the call is passed through, wasting the caller's time and increasing the contact centre's costs. The amount of time required to authenticate an identity through manual means (using an agent) differs significantly between vertical markets, with those in the insurance and financial services sectors taking the longest, as legislation and the risk of fraud is perhaps the greatest here, although the transport & travel sector also takes longer than average.

Figure 41: Time taken to authenticate caller identity, by vertical market

Vertical market	Time taken to authenticate caller's identity (seconds)
Finance	45
Transport & Travel	45
Insurance	41
Housing	30
Manufacturing	30
Public Sector	29
TMT	26
Outsourcing	24
Services	23
Utilities	21
Retail & Distribution	21
Average	29

The unnecessary cost of caller authentication

70% of all calls require a security and identification process to be completed first. 99% of these will require some agent input even if IVR or speech recognition is also used. On average, it takes 29 seconds to go through security.

Using these statistics, it is possible to calculate how much UK contact centres spend each year on screening customers by using agents.

Inbound call minutes per year: 51.7bn²

Average inbound call length: 261 seconds

Inbound calls per year: 11.885bn

Proportion of inbound calls that require security and identification checks: 70%

Proportion of security and identification checks carried out using an agent: 99%

Average length of agent-handled security and identification check: 29 seconds

Mean average cost per inbound call: £3.97

Cost of time spent on agent-handled security and identification check: 44.1p per call

Overall cost of agent-handled security and identification checking: **£3.6bn per year**

² From ContactBabel, ["The UK Contact Centre Industry in 2011: The State of the Industry"](#), January 2011

Don't just listen to the voice of the customer: Use it!

KYC Secure® provides a global voice biometric identity verification solution enabling an individual to be identified using just their unique Voice Signature.

As your customers no longer have to remember multiple PINs, passwords or memorable words, KYC Secure® produces a smoother customer experience, a faster transaction process and a truly mobile solution.

The customer's Voice Signature can also be used to authenticate payments, through our VoicePay® service which offers you a guarantee against fraud and the potential to lower your processing costs.



For further information please contact:
E: sales@kycsecure.com
T: +44 (0)1223 550 920

www.kycsecure.com

KYC Secure® and VoicePay® are services provided by Voice Commerce Group.

THE FUTURE OF IDENTITY AUTHENTICATION

To recap, there are several factors to consider when trying to predict changes in the ways in which customers are identified:

- businesses want to reduce the cost of fraud
- customers want convenience but also their personal information and assets protected
- businesses need to comply with existing and new laws and regulations
- contact centres spend excessive amounts of money on identifying and verifying customer identities
- existing methods of identity verification (e.g. PIN, password, etc) are not secure and are user-unfriendly.

The emergence of biometric technologies

Biometric technology uses physiological or behavioural characteristics to verify a person's claimed identity. Physiological biometrics includes fingerprints, iris, or retina recognition, and voice verification. Behavioural biometrics includes signature verification, gait and keystroke dynamics.

Of these, voice is the only biometric that can be used over the phone. In fact, a voice verification system's strength lies in its ability to work over the phone or web making it a viable identity verification solution for contact centres. Voice verification systems use spoken words to generate a voiceprint. A voiceprint can be compared with a previously enrolled voiceprint to verify a caller's identity. The most sophisticated systems generate a voiceprint by using spoken words to calculate vocal measurements of a caller's vocal tract thereby creating a unique digital representation of an individual's voice. These systems are not affected by factors such as the caller having a cold or using different types of phones, or aging. Voice verification systems are now delivering levels of accuracy and security that have proven robust enough for use by banks and insurers.



Alongside the improved security and customer experience that is delivered through voice biometrics, it is important to address the issue of individual privacy. The unique characteristics of each individual's voice signature, both physical and behavioural, are translated into a digital algorithm and stored securely. At no point is the individual's voice recorded.

The customer's experience

Since speaking is natural and intuitive, a well-planned implementation can result in a better customer experience that eliminates the need for PINs or passwords. For example:

- 'Account Number' based voice verification – the caller is asked to speak their account number. The account number identifies the caller, and the spoken words are used to generate a voiceprint that verifies the caller is the account holder
- 'Challenge Response'. Typically the customer is asked to repeat a series of numbers , e.g. "Please say 'one seven three four'". The spoken words are used to generate a voiceprint. The numbers spoken are usually different each time the caller phones.

In cases where a two-factor authentication process is required, voice verification can be combined with a 'something you know' – such as an answer to a memorable question.



KYC Secure currently uses mobile phone number as the identifier for both enrolment and future verifications. This combines the 'something you know' with 'something you are' but is also less sensitive than bank account information, which many users are reluctant to speak in a public location.

The business benefits

Businesses benefit from two types of savings. These can be illustrated in the following example:-

A contact centre receives 10 million inbound calls per annum with the existing identity verification procedure taking on average 29 seconds and being performed by an agent:

- Eliminating the time taken by an agent to verify a caller's identity can save 44.1p per call (£4.41m per annum)
- Secure automated identity verification enables a broader range of fully automated services to be offered. An increase in the percentage of fully automated calls by 10% would result in agent cost savings of over £2.5m per annum.

The potential benefits for the business are huge, and the customer also gains through a better experience, longer opening hours and greater identity protection.

Voice verification can also be used to protect the enterprise against repudiation (where the customer says at a later date that they did not do it) as it can verify the physical presence on an individual at the other end of a phone line. Interestingly, this capability is already used by various US law enforcement agencies to check that released offenders are where they should be.

For procedures such as internet password resetting, the higher level of security achieved with voice verification can enable businesses to offer real-time password resets or reminders. This benefits both customer and business and can reduce up to 70% of helpdesk calls.

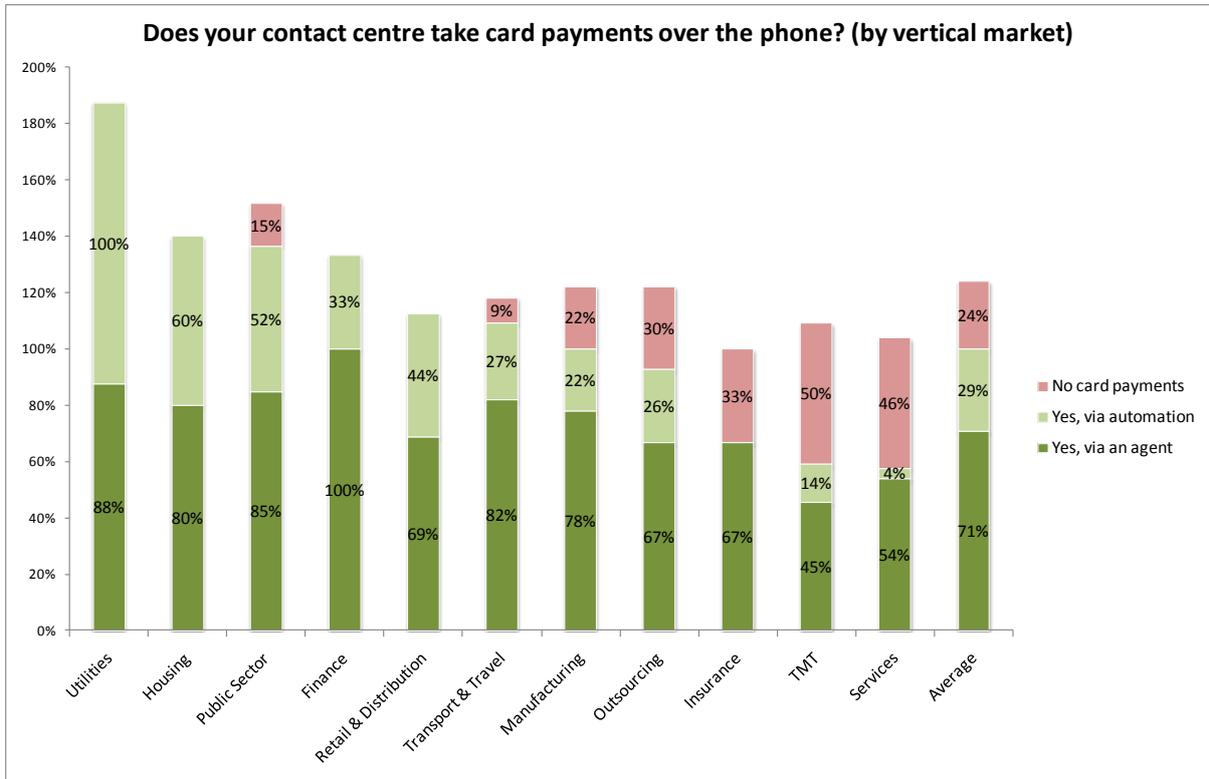
Voice verification has the advantages of near-ubiquity (the vast majority of people would be able to use it) as well as improving levels of security and reducing costs. The increasing demand of the public for identity protection, coupled with businesses' permanent desire to increase profits mean that voice verification is an option that any company concerned about identity authentication should now seriously consider.

Payment cards and security

76% of respondents' operations take card payments from customers over the phone, although the TMT and services sectors are less likely to do so (in both cases, probably as a result of much of this business being high-value, invoiced B2B work, as well as there being a significant number of technical support operations in this year's survey).

Payments are normally taken by agents, although vertical markets such as utilities, housing and public sector are likely to provide a fully-automated as well as a human payment option to their customer base.

Figure 42: Does your contact centre take payments over the phone? (by vertical market)



There are significant elements to consider around manually taking payment from cards: the time taken to take payment, the risk of fraud by agents and compliance with standards set by the Payment Card Industry Data Security Standard (https://www.pcisecuritystandards.org/security_standards/), in order to reduce credit card fraud.

It is clear to see that taking card payments using an agent is an unnecessary and significant cost for the business, and has a greater level of risk of fraud than by using a secure automated environment, which can consist of an after-call IVR session, or even encrypted authentication of a voice signature.



By pre-registering a credit or debit card to their voice signature using VoicePay®, customers with a KYC Secure account have the ability to authenticate payment transactions at the same time as verifying their identity. This removes the time and hassle needed for an agent to intervene to take card details as well as providing a smoother customer experience. The potential for fraud is greatly reduced and complies with all PCI DSS requirements.

CALL ROUTING AND QUEUE MANAGEMENT

Collecting information about customers before an agent has spoken with them is a contact centre technique which has been around for decades, under the wider auspices of CTI (computer telephony integration). CTI infrastructures route calls and automate information retrieval to help agents deal with issues quickly and accurately, without transferring callers or leaving them on hold.

CTI and SIP

SIP ("Session Initiation Protocol" - see the section on IP) will enable companies to use CTI functionality throughout IT infrastructures instead using a proprietary hardware/software layer. Applications will use SIP commands to carry out call-related activities and also non-call functions such as presence management.

A contact centre's CTI servers use caller ID information from PBXs to retrieve customer information from various databases. This information is then passed to the agent along with the voice call as a screen-pop, cutting down the time spent at the beginning of a conversation. If calls are transferred, the information follows the voice call so the customer does not have to repeat information they have already given. CTI is extremely effective, however, it's also expensive, proprietary and complex. The use of SIP will enable CTI functionality to be used far more widely and effectively.

Enabling a voice device to communicate with a data network has required the CTI middleware layer to translate TDM (Time Division Multiplexed) voice traffic into data. If a contact centre uses SIP and a pure IP infrastructure, it removes the need for CTI as a separate layer in the IT infrastructure because SIP enables mobile phones, laptops, smartphones, etc to communicate directly with IT resources. In pure IP networks, calls will enter the infrastructure as VoIP traffic and travel to a SIP proxy server which initiates sessions with the necessary applications to perform call routing and customer information searches that the CTI server was formerly responsible for.

Standards-based SIP proxy servers are much cheaper than CTI servers and can be implemented on standard hardware. Integration is easier and quicker as all the input and output in the network is one standard protocol, which opens this up to smaller operations too, however all voice traffic must be through VoIP.

Those contact centres which use touchtone IVR or speech recognition considerably more than average have traditionally been found in the telecoms, utilities and finance sectors: often high-volume environments where a few seconds shaved from a call or a reduction in misrouting can save considerable amounts of money. Most financial services companies have many products which require specific skills and product knowledge. As such, routing based upon selection criteria such as customer account numbers, sales/service and specific product choices can take place, supported by an IVR front-end, functionality which is often known as 'auto-attendant'.

It is worth setting some definitions here. While some IVRs are ALSO used to front a contact centre, they are typically designed to filter out and resolve the majority of calls, rather than route them. The real benefit of an IVR is that it has the ability to provide ALL the assistance that a customer needs, such as company or event information or when integrated with customer recognition technology, account balances and other

information sourced from internal databases. A solution used solely to route callers would simply be the (cheaper and less sophisticated) auto-attendant functionality within the CTI solution.

This particular section of the report investigates the business purpose of the IVR / CTI application as it is used for routing calls, rather than providing a full-service solution (which is looked at within the 'Self-Service' section). As such, 'IVR' will be used here to represent this particular call routing functionality, although the actual technology may differ between contact centres.

In the past, less-automated or volume-based contact centres, such as public sector, and sales-focused operations, such as retail, have shown less of a demand for IVR call routing solutions.

However, this year, the majority of respondents from every sector have reported that they use touchtone IVR for call routing purposes. A further 1 in 10 use speech recognition for the same purpose, although no single sector stands out as being ahead of the others like this.

Figure 43: Use of touchtone IVR and speech recognition to route calls, by vertical market

Vertical market	Touchtone IVR	Speech recognition
Finance	90%	10%
Housing	80%	0%
Insurance	75%	6%
Transport & Travel	75%	0%
Outsourcing	71%	10%
Utilities	71%	14%
Manufacturing	67%	0%
Retail & Distribution	64%	14%
TMT	61%	11%
Public Sector	59%	11%
Services	59%	14%
Average	68%	10%

As IVR is a solution which provides major cost savings in volume-based environments, we would expect to find more of the larger contact centres using it, and this year's figures once again support this idea. However, more than half of respondents in sub-50 seat contact centres report using touchtone IVR for routing, demonstrating that this is no longer a technology just for operations with lots of budget and in-house IT support.

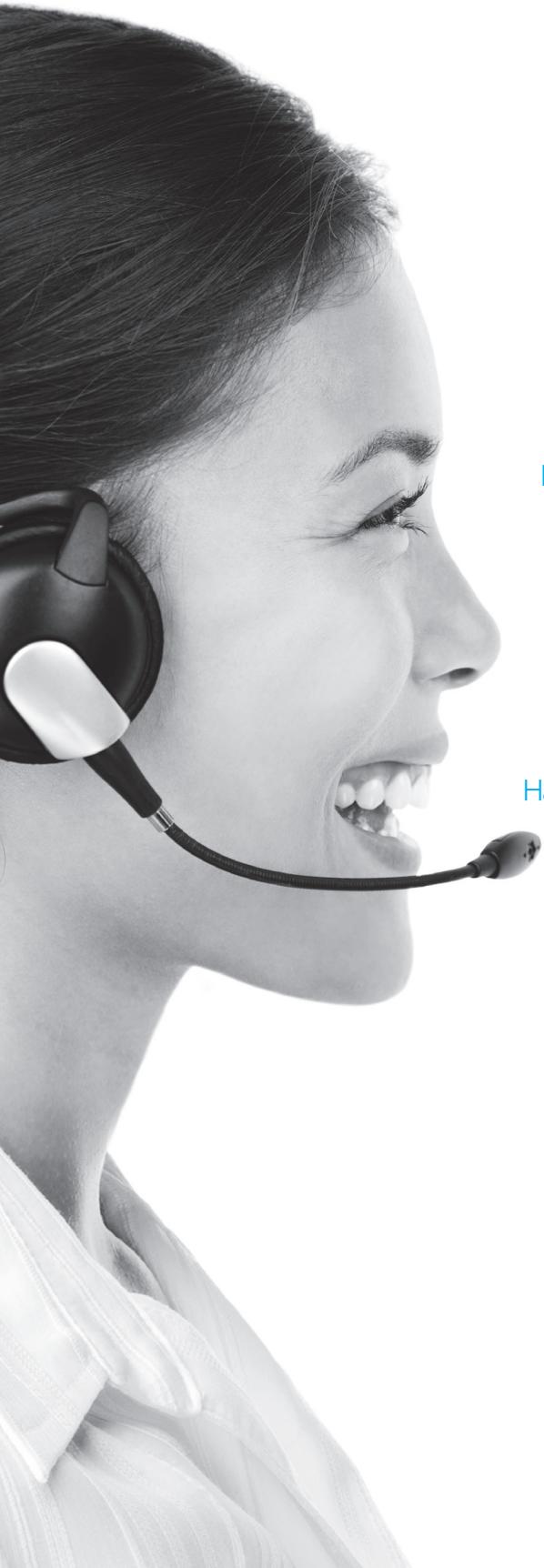


This is consistent with Zeacom's own industry experience, which believes the growing adoption of IVR/Auto Attendants and Speech Recognition in the industry is due to the fact that this technology is not just of benefit to the business. Whereas 20 years ago automatic answering was barely tolerated, it is clear today that grudging consumer acceptance is now transforming to actual demand. Callers recognize the time-saving and minimized effort involved, and given a choice, more are selecting the automated option each time.

More expensive speech recognition solutions are far more prevalent in large operations, where the correct automated routing of many thousands of calls each day can very quickly make a case for ROI.

Figure 44: Use of touchtone IVR and speech recognition to route calls, by contact centre size

Contact centre size	Touchtone IVR	Speech recognition
Small	56%	6%
Medium	74%	7%
Large	81%	23%
Average	68%	10%



Picked up the call in 4 seconds.

Greeted Will Jackson by name.

Opened his file in 2 ticks.

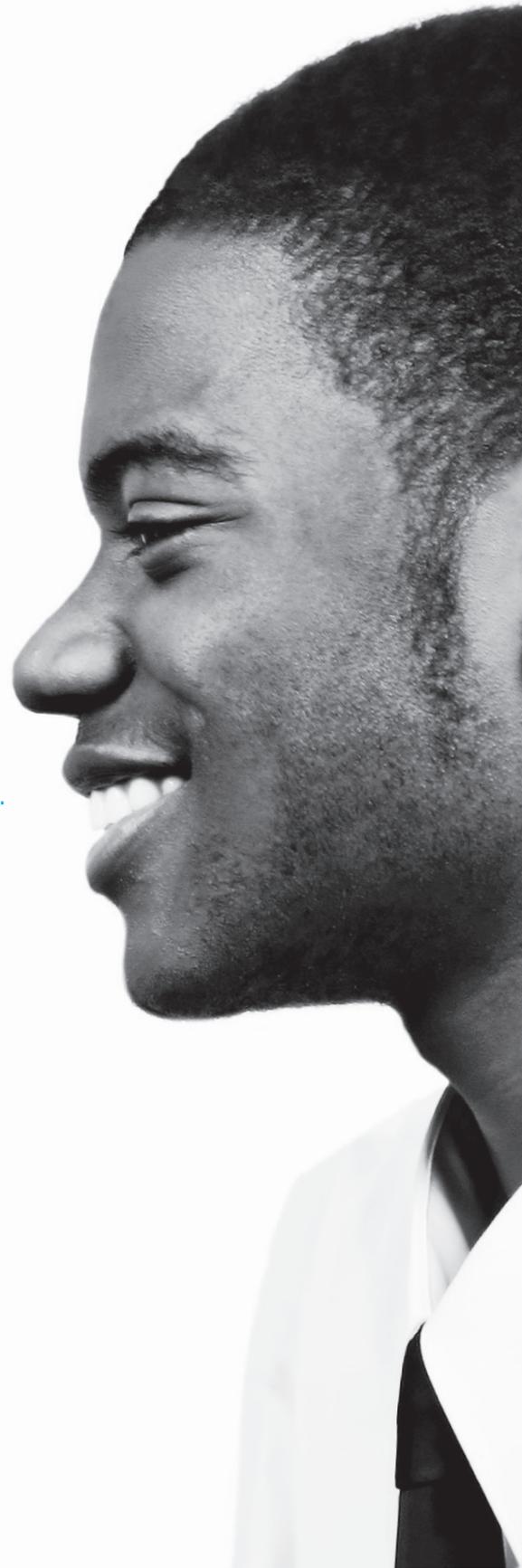
Answered his question.

Made a sale.

Had a chat about his business trip.

Made him laugh.

And made another sale.



Zeacom Communications Center bridges the distance between people.

Our clever multimedia call center solution efficiently handles inbound and outbound contacts by phone, email, fax, chat, SMS, and even social media, so you can enjoy a new level of connectivity with your customers. Schedule a demo today.

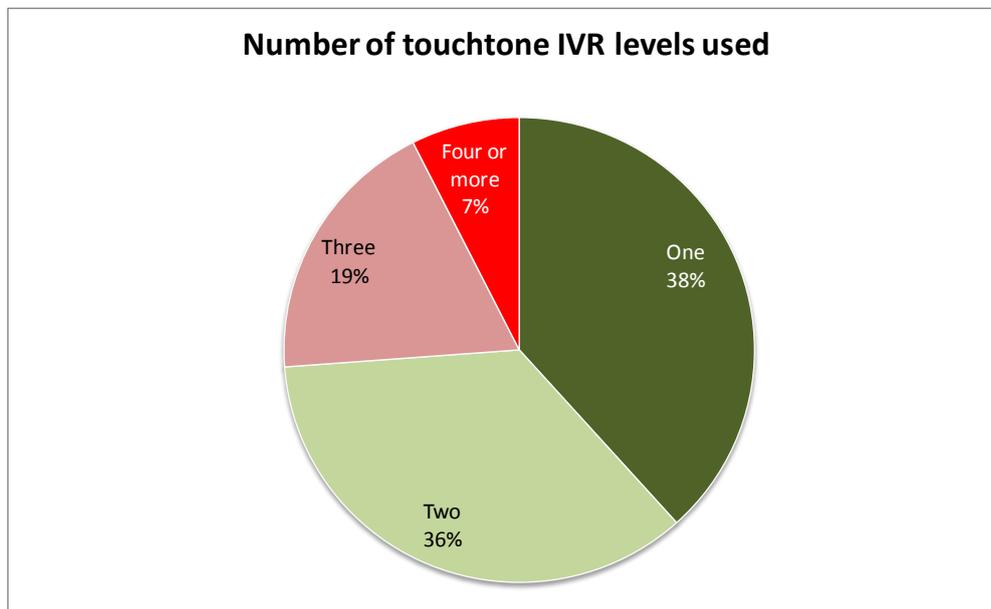
Call +44 (207) 1602730 or email uk.sales@zeacom.com

zeacom.com [bring customers closer](#)



This year, for the first time, the research looks at how touchtone IVR is actually used for routing, as for many years, overly-long and confusing IVR options have been a common customer complaint.

Figure 45: Touchtone IVR levels



Looking at the number of levels used on an IVR (i.e. how many key-presses a caller must make to reach their destination), 38% keep it simple with a single-level of options, e.g. "Press 1 for sales, 2 for Service, 3 for Accounts".

Almost as many put in a further layer under this, so the caller must then choose another option. For example, after pressing 1 for sales, the customer may then have to choose a particular product or service to talk about.

19% of respondents using touchtone to route calls have architected a three-level IVR menu, where for example, the customer having chosen to talk about sales, then chosen Product X, may then have to choose whether they are a business or private customer.

7% of respondents take this at least one level further, and make our putative business customer who wants to buy product X then make yet another choice, for example, whether they are an account holder or a cash buyer.

It is not just the amount of levels in an IVR menu that can frustrate customers, but also the amount of options within each level. As the customer cannot see what the options are, but has to listen to each, it can be a very frustrating experience, and one which the movement to visual channels such as web self-service or IVVR (interactive voice and video response) via a smartphone can go some way towards alleviating.

Most respondents claim to restrict themselves to a median of six options (e.g. 2 levels with 3 options on each, or vice versa), with the insurance sector - often home to multiple product sets, as well as service and sales in the same location - offering the greatest number.

The median has been used as a small number of respondents report using 20 or more options in their IVR menu, which skews mean averages upwards and is less representative of the majority than the median.

Figure 46: Touchtone IVR routing options, by vertical market

Vertical market	Mean average	Median average
Retail & Distribution	13	5
Insurance	10	9
Manufacturing	9	6
Housing	9	8
TMT	8	8
Public Sector	7	5
Finance	7	7
Transport & Travel	7	6
Outsourcing	6	5
Services	5	6
Utilities	4	5
TOTAL	7.9	6.0

NB: 1st quartile = 3; 3rd quartile = 10; High = 63; Low = 2

Sophisticated call routing capabilities allow the business to put the right agent with the right skills in front of the customer to meet the business's strategic aims, keep costs low and improve the customer's experience. Obviously, a business will want to treat a delinquent account differently to a high-value customer, or a caller identified at risk of leaving the business. The former can be routed straight through to collections, and the latter two to highly-skilled agents who may have worked with the customer previously.

Figure 47: Capability of routing calls automatically depending on the customer history

Can you route calls automatically depending on...	Proportion of respondents	Main vertical markets	Difference by size band
Unpaid account	3%	Utilities	Large 5x more likely than small
High-value customer	13%	Insurance, Outsourcing	29% large, 7% small
Risk of defection / end of contract	3%	Utilities	Large 5x more likely than small
Specific language requirements	8%	Transport & Travel, Outsourcing	No difference across size bands

Very few of this year's respondents use much in the way of value-added routing, despite the ability to route a delinquent account automatically through to credit control being of great value to any business which offers accounts in arrears to its customers (finance, retail, telecoms, utilities, for example). Only utilities respondents showed much enthusiasm for this, with large contact centres being five times more likely than smaller operations to do this. The same difference was noted when looking at whether a customer was likely to defect or churn.

Identifying a high-value customer (and presumably bumping them up the queue or sending them to a top agent) is somewhat more popular. Perhaps surprising, even high-churn sectors like telecoms and utilities do little to route customers who are likely to defect through to an appropriately-skilled agent, as the insurance and outsourcing respondents which are more likely to do so. 29% of respondents in large operations use this.

Fewer than 1 in 12 respondents route calls automatically based upon a caller's language requirements.

Screen-popping

Information about the specific caller is collected and popped to the agent's screen by 23% of respondents. This ability seems to be a factor of contact centre size, as the benefits of cutting 20 or 30 seconds from a call is worth far more to a large operation than a smaller one, simply due to the volume of calls received making the CTI investment worthwhile. In fact, 41% of large operations route calls to an agent complete with screen-pop, compared to only 19% of small or medium contact centres. At a vertical market level, around 50% of outsourcers and utilities respondents report using screen-popping, with finance (30%), services (29%) and TMT (24%) also above average. The manufacturing and retail sectors' respondents are very low users of this solution.



Like IVR, the demand for screen-popping is now becoming increasingly customer-driven, as well as being an obvious financial business benefit. Consumers with unusual names, strong accents or repeated complaints are now likely to be frustrated by wasted time spelling out information on a call, when this painful process is no longer required when they call other businesses. Optimally, customer details are stored in CRM, or other database, and then CTI matches the caller against these based on caller ID, touch-tone PIN entry, or other unique identifier.

Skills-based routing

This is a call-assignment strategy used in contact centres to assign incoming calls to the most suitable agent based on the caller's requirements and the agent capabilities, instead of simply choosing the next available agent. It differs from the previous table, in that calls are passed to specific virtual agent groups (clustered by skills) rather than routing through to a particular department or team.

Previously, agents answering calls were generally able to be assigned to only one queue taking one type of call, meaning that agents who could deal with a range of call types had to be manually reassigned to different queues at different times to make the best use of their skills, or end up handling calls that perhaps they were not suited to. Skills-based routing allows the agent capabilities required for a call to be assessed by the telephone number dialled (DNIS - dialled number identification service), the calling number or caller's identity (CLI), as well as options selected in the IVR system. A skills-based routing system then tries to match the call to a suitably-skilled agent. Instead of being served in the order of their arrival, calls are handled as agents with the right skills become available.

47% of respondents use DNIS (60% of large operations), compared to 32% using CLI (36% of large operations).

ZEACOM KEEPS TRAVEL COMPANY ON THE MOVE



Iglu's core business is customised ski, snowboarding and adventure holidays. During its 11 years in business, the company has traded on the fact that all its sales agents have intimate first-hand experience of the resorts and holidays on offer.

The Challenge

Iglu sells 100% of its holidays via phone, so a good communications platform is critical to the success and profitability of the company. Their legacy voice system was failing to meet their communication needs and its imminent support end-of-life compelled them to look for a new solution.

Inbound calls needed to be managed much more efficiently to help meet peaks and troughs in demand, such as around each Christmas holiday season. Better visibility of call routing was a key issue for IT management. The new platform also had to integrate seamlessly with Iglu's email and bespoke CRM systems, for the first time. Other key criteria included ease of use, and a shorter training window for the waves of temporary agents joining during busy periods.

The Solution

Iglu chose Zeacom Communications Centre. Iglu opted for voicemail, the ability for callers to be automatically routed to the person they had spoken to before ('last called agent'), process automation using Interactive Voice Response technology (IVR), and call recording, to assist in managing the peaks and troughs of in-coming enquiries. Iglu also took this opportunity to trial web chat and web call-back, anticipating the future need for more online customer contact.

The Benefits

Just one month after incorporating the Zeacom solution in April 2010, the company experienced extremely high levels of call traffic when a volcanic ash cloud grounded flights around the world, and closed most UK airports, stranding thousands of passengers and creating an immediate travel crisis.

Iglu, which usually deals with up to 200-400 enquiries a day, was suddenly inundated with over 1,000 daily calls as customers frantically tried to get the latest travel information. The incident occurred as the company completed its annual downsizing of agent numbers from 150 to 90 at the end of the ski season, leaving them too short-staffed to cope with such unforeseen demand.

The Zeacom solution's rapidly configurable IVR facility immediately made its presence felt by managing the volume of calls during the crisis; enabling the company to free up agent resources to book new sales and focus on urgent cases. The system, which uses text to speech or touch-dial phoning, can be set up for inbound or outbound calls according to specified conditions.

"We couldn't have coped with our previous system; Zeacom's IVR functionality enabled us to update customers as the situation changed by the hour," said James Goodman, infrastructure manager at Iglu. "As a result, we overcame a high-profile industry incident with a lot more professionalism and strategic direction than would have otherwise been the case. We were able to differentiate customers calling about that particular problem, provide them timely recorded information, and then arrange to give customers a return call - giving us valuable time."

VIRTUAL QUEUE MANAGEMENT

In 2007, a telephone questionnaire was asked to a representative sample of the UK population by ContactBabel on behalf of Vicorp³, which aimed to explore why the UK public hated queuing to speak to a contact centre agent, yet were legendarily happy to queue for almost everything else.

Figure 48: Reasons given for dislike of contact centre queuing

Reason for disliking queue	Average score from 10 where 10 is "extremely frustrating"	% of public scoring this at a maximum 10
Not knowing how much longer you'll have to wait	8.7	61%
Repetitive announcements	8.0	45%
Having to restate account information already given earlier in the call	8.0	45%
Can't do anything else in the meantime	7.9	46%
The music you have to listen to	7.3	39%

The key finding from this table is that 61% of the public absolutely hate not knowing how much longer they will be waiting. This is less of a problem when waiting in a shop to speak to an assistant, as although they cannot give you an exact statement of when someone can help, the queuing system allows a customer to see how many people are ahead of them, and to estimate their own wait time. This makes queuing psychologically easier for the customer, **even if the actual waiting time is significantly longer than it would be in a contact centre queue.**

The phenomenon of 'Dentist-Chair Time' - time which seems to stretch out to infinity - is very much active in the contact centre world. ACD statistics from thousands of UK contact centres, over many years indicate that an average wait time is around 20-30 seconds. However, when the UK public was asked to estimate the time they usually spent waiting to speak to a contact centre, the average answer was 11½ minutes - 27 times longer than the reality.

Clearly, trimming 10% off a queue time isn't going to make a lot of difference to the perception of the caller, even though it may be a very difficult task to carry out. If customers aren't informed of wait time, they may become discouraged and frustrated as hold time drags on. This can lead to increased abandonment and starts a call off badly, leaving the agent with a lot of work to do. Customers waste time complaining about their experiences and may even ask additional questions on the call so that they get their money's worth.

If customers hear the estimated wait time, they may decide to abandon immediately or may judge that the wait is acceptable and remain on the line to speak with an agent. This alleviates some customer frustration but means that some of the callers which abandon may not call back - ever - and it doesn't solve the fact that customers are still having to wait. One solution is to implement a virtual queuing system, which provides customers with information about current queue conditions and presents them with various options, such as remaining on hold or being called back when it is their turn.

There are several different varieties of virtual queuing systems: the standard "First-In, First-Out" (FIFO) system keeps the customer's place in line by monitoring queue conditions until the estimated wait time hits a set

³ "Your call is important to us..." Why does the British love of queuing not extend to contact centres? - available from www.contactbabel.com without charge

target, at which point it intercepts incoming calls before they enter the queue, informing customers of their wait time and offering the option of receiving a return call in the same amount of time as if they had personally waited on hold.

At this point, customers choosing to remain on hold go directly into queue. Customers who opt for a call-back (typical acceptance rates of a FIFO call-back are around 50%) are prompted to enter their telephone number and then hang up. Virtual placeholders keep the customers' places in line and the virtual queuing system launches an outbound call to the customer at the agreed time. When the call-back is answered by the customer, the system checks the right person is on the line and ready to talk. If this is the case, the call is routed to the next available agent, who handles it as a normal inbound call.

By replacing real hold time with this virtual version, customers are free to do other things, thus removing four of the five problems that they have with queues - unknown queue times, hold music, the inability to do anything else and repetitive announcements.

It is also worth considering a scheduled call-back system, which differs from a FIFO system in that customers do not keep their place in queue, but are called back at some time in the future that is more convenient for them. There are several flavours of scheduled virtual queuing:

- **Datebook-type scheduling systems** allow customers to schedule appointments for days in the future, with times blocked-out that are unavailable for scheduling, and limiting the number of call-backs available. This system also allows customers that reach a contact centre out-of-hours to schedule an call-back during normal working hours
- **Timer scheduling systems** promise a call-back after a specific amount of time, regardless of queue conditions. While this ensures an on-time call-back for the customer, a surge in call volume or staff reduction due to a shift change can create problems for the contact centre's queue, lengthening wait times for other callers.
- **Forecast-based scheduling systems** offer appointments during times that are expected to have low call volumes. These times may not be convenient for the customer, and the contact centre runs the risk that their scheduling may be inaccurate.



Like IVR, the demand for screen-popping is now becoming increasingly customer-driven, as well as having obvious financial business benefits. Consumers with unusual names, strong accents or repeated complaints are likely to be even more frustrated by wasted time spelling out information on a call than before, knowing that this painful process is no longer required when calling other businesses. Optimally, customer details are stored in CRM, or other databases, and then CTI matches the caller against these based on the caller ID, touch-tone PIN entry, or other unique identifier.

Virtual queuing and call-back, when implemented - and explained properly to customers - can be a win-win for both business and customer by:

- Increasing customer satisfaction
- Reducing average speed to answer
- Reducing call abandonment rates
- Reducing call lengths as customers should spend less time complaining and adding-on unnecessary queries "while they're on..."
- Reducing freephone costs, as virtual queuing time does not incur telephone charges.

The following table shows the prevalence of call-back options, with 20% of respondents using this (up from 16% last year). The proportion of sales-focused respondents offering in-queue call-back has increased, as would be expected so as not to miss sales opportunities, with the 'mixed' sector also stronger. Sales operations are also slightly more likely to offer an in-queue announcement of position, so as to keep callers holding on.

The use of a website 'call-me' button (which initiates an outbound call at a time specified by the recipient) is weighted similarly towards operations that carry out significant sales, and is present in the case of 16% of all respondents, similar to last year's figure.

Figure 49: Use of website 'call-me' buttons and call-back options, by contact centre activity type

Contact centre activity type	Website call-me button	Queue call-back option	Position in queue announced
Sales	24%	24%	9%
Mixed	35%	29%	6%
Service	11%	16%	6%
Average	16%	20%	7%

Vertical market figures should be approached with caution, as the absolute number of respondents in some sectors replying to this question may be lower than ideal.

The finance sector is by far the greatest proponent of a website 'call-me' button, with insurers and manufacturers also more likely than average to use this. The housing and outsourcing sectors consider queue call-back options to be more applicable to their business, while the same sectors are more likely than average to offer information about queue positioning.

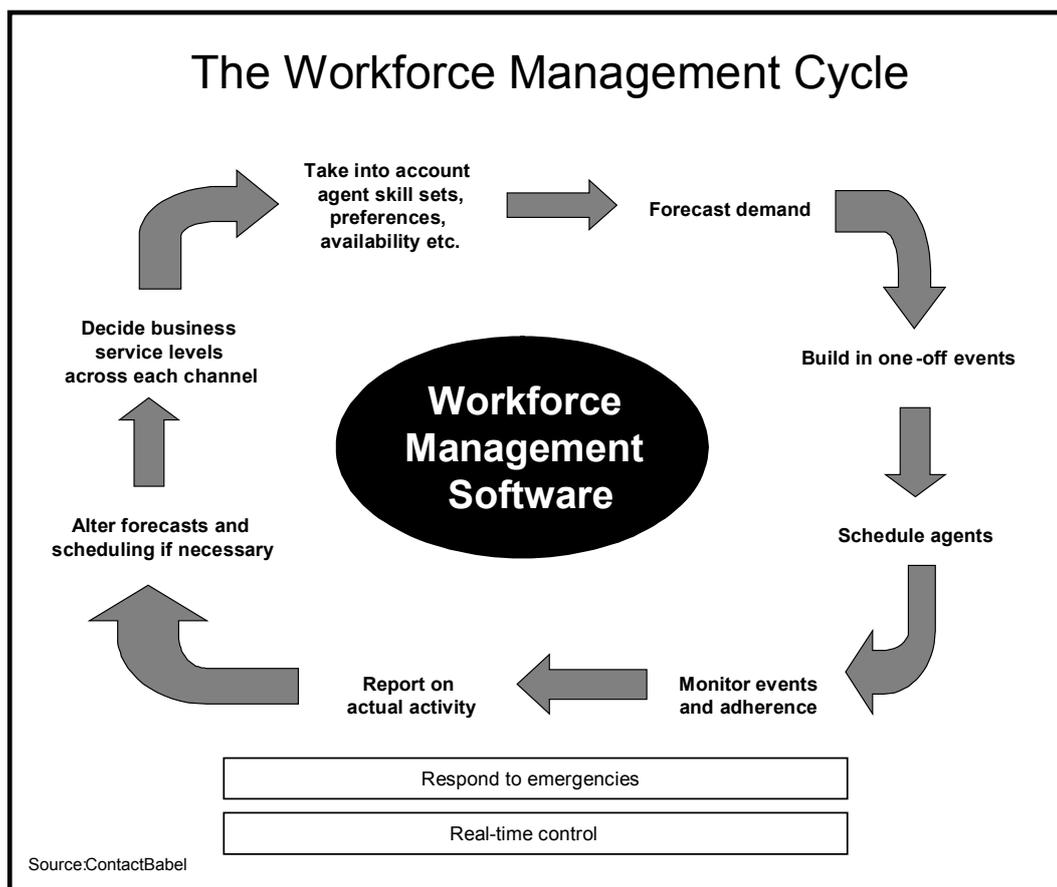
Figure 50: Use of website 'call-me' buttons and call-back options, by vertical market

Vertical market	Website call-me button	Queue call-back option	Position in queue announced
Finance	50%	11%	10%
Housing	0%	40%	20%
Insurance	31%	19%	0%
Manufacturing	33%	22%	0%
Outsourcing	15%	48%	19%
Public Sector	8%	15%	8%
Retail & Distribution	7%	21%	0%
Services	10%	14%	0%
TMT	12%	6%	12%
Transport & Travel	13%	13%	14%
Utilities	17%	0%	0%
Average	16%	20%	7%

MULTICHANNEL WORKFORCE MANAGEMENT

Workforce management solutions have to deal with environments which have become much more complex, in order to satisfy the reality of the work that is being presented to agents. For example, all agents require good listening ability, familiarity with keyboard and IT skills and a knowledge of the business they are working in, but more now need a pool of in-depth and specific talent to be available in order to satisfy customers fully, including:

- Familiarity with either specific customers (e.g. account management) or customer sub-sets (e.g. commercial vs domestic products)
- Specific product or technical knowledge
- Right level of experience and empowerment for the customer (e.g. “gold-card” customers may demand single-call resolution, meaning senior agents must take the call)
- Language skills (both in domestic and international markets)
- Ability to deal with multimedia interactions (either in real-time - such as text chats - or offline, such as emails)
- Similar regional accent to caller (where considered appropriate).



Fulfilling service levels while managing costs is a repetitive cycle, requiring several key processes to be completed. Feedback from each stage means that the enterprise can continually improve its efficiency and become more confident in future predictions.

FORECASTING

Before any staff planning can be done, an enterprise first needs to understand what has happened in the past. A solution which provides historical data from entire customer contacts means that scheduling can take place in a more realistic way. Enterprises should also be able to factor in exceptions, such as advertising campaigns, training and public holidays, and view when the best time for a meeting or training session will be, and measure the impact on the rest of the contact centre. Running regular hypothetical 'what-if' scenarios can show a scheduler how alterations to shift-patterns would impact performance, as well as assisting in business continuity by seeing what would happen in a flu epidemic, for example.

A great deal of unnecessary agent work can be removed by identifying the types of call that are being received, and determining whether these could be reduced further up the line, in the departments whose activities actively affect the volume and type of calls received, e.g. marketing or IT (for the website). As such, workforce management is increasingly being used as part of an overall quality or performance optimisation suite, which can include quality monitoring, HR management and training as well as the traditional workforce management forecasts and schedules, as all of these factors affect each other.

For example, understanding when and how other departments will be operating means that workforce management tools can be used to forecast and schedule accordingly (e.g. about a new TV advert). Additionally, contact centre management is able to brief agents - via a desktop broadcast if at short-notice - about the correct responses and issues, as well as changing IVR prompts and messages to provide answers to the more simple answers, as well as managing agent skill-sets for relevant call groups.

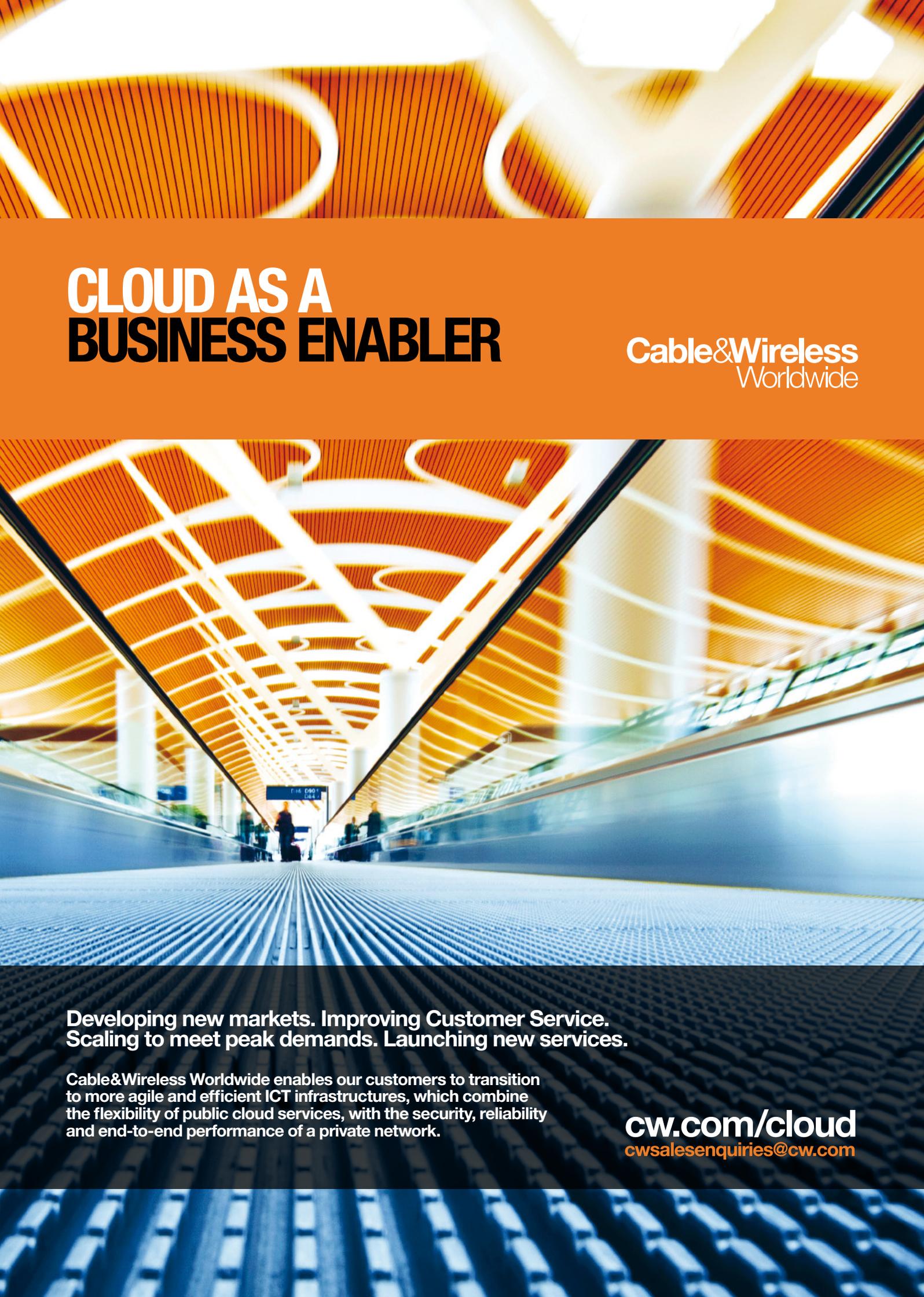
Businesses should look for flexibility in forecasting functionality: situations can develop very quickly which mean that forecasts can become useless without the ability to alter schedules dynamically to reflect reality.

SCHEDULING

Scheduling is not as simple as it may seem at first glance. The enlightened enterprise takes agent preferences and skill sets into account when scheduling. The "standard agent" approach to solving resource issues (i.e. treating one agent the same as any other) will cause problems with both agent satisfaction and customer service levels. Most companies using advanced workforce management software will have between six and nine skill-sets to work with, although a few contact centres use as many as 50.

Yet the business's needs must come first, so a scheduler will have to find the best way to match the company's requirements with those of its employees. This can get particularly complicated in a multimedia environment which usually has agents with multiple media handling skills (e.g. voice, e-mail, text chat etc.) and multiple business abilities (e.g. sales, service, product knowledge, languages etc.).

Businesses must look for a solution which does not over-simplify the scheduling process, yet retains usability and the flexibility to make changes. Solutions that allow agents to request and alter their own schedules (for example, around holidays) are becoming increasingly sought-after, as they have also been proven to strengthen agent morale.



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ADHERENCE AND REPORTING

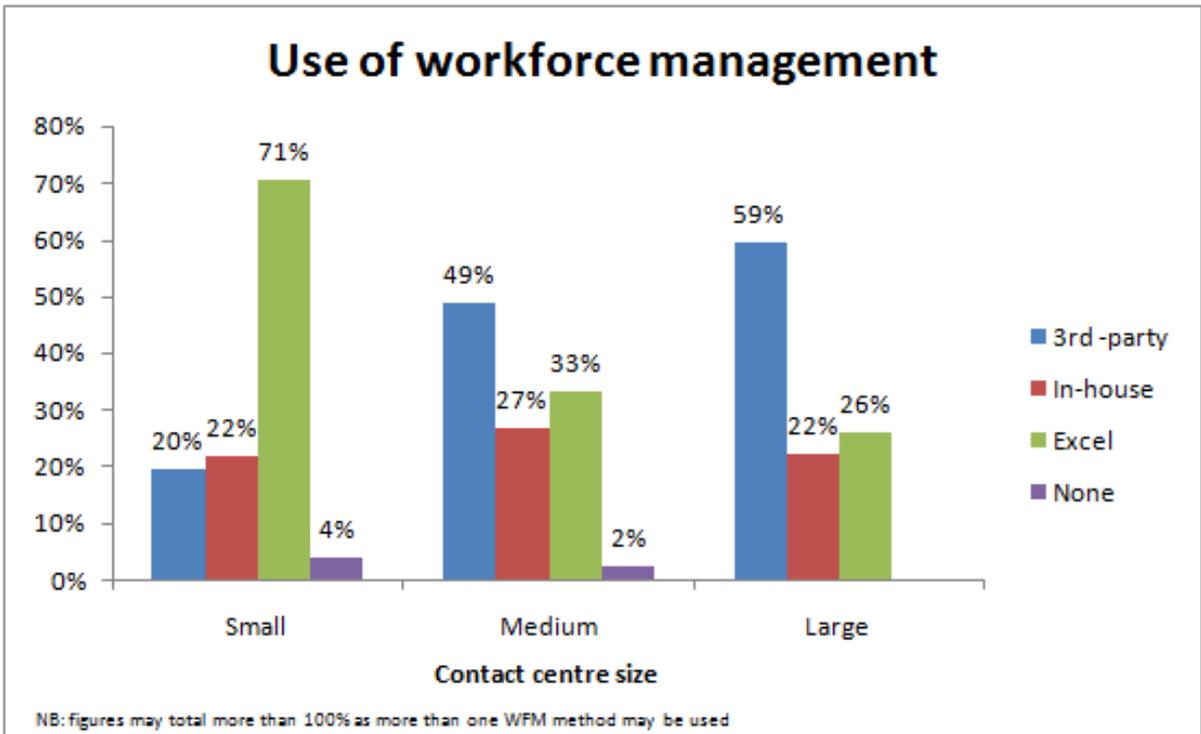
Adherence is the ability to compare forecasts with reality, and learn from mistakes. Sophisticated scheduling and forecasting is useless without the opportunity for improvement brought about by adherence monitoring. Real-time adherence allows managers to see exactly what is happening, and can alert them to deviations from the expected activity, allowing them to make changes before problems occur. Adherence allows a business to fine-tune its contact centre activity. Put simply, the more you use it, the more accurate your forecasts and schedules become.

This is another area where the cerebral activity of traditional workforce management has become more dynamic. Real-time reporting on schedule adherence, and the ability to access this information through a web browser or mobile phone means that dynamic changes can be made to the system. In the more sophisticated solutions, 'workforce management' has now become 'workforce performance management'.

For example, adherence does not have to refer to the contact centre as a whole, as WFM solutions enable contact centre managers to monitor and manage agent performance in real time, by connecting to the ACD system and monitoring the status of an agent's activity, (for example, time spent logged on, against planned work schedules). Agent adherence and non-adherence can then be acted upon quickly, and used to support performance appraisals.

Businesses should look for a solution which is simple to understand (so staff will feel comfortable using it) yet retains the power and functionality to help the contact centre manager understand what has happened and to make changes quickly if necessary.

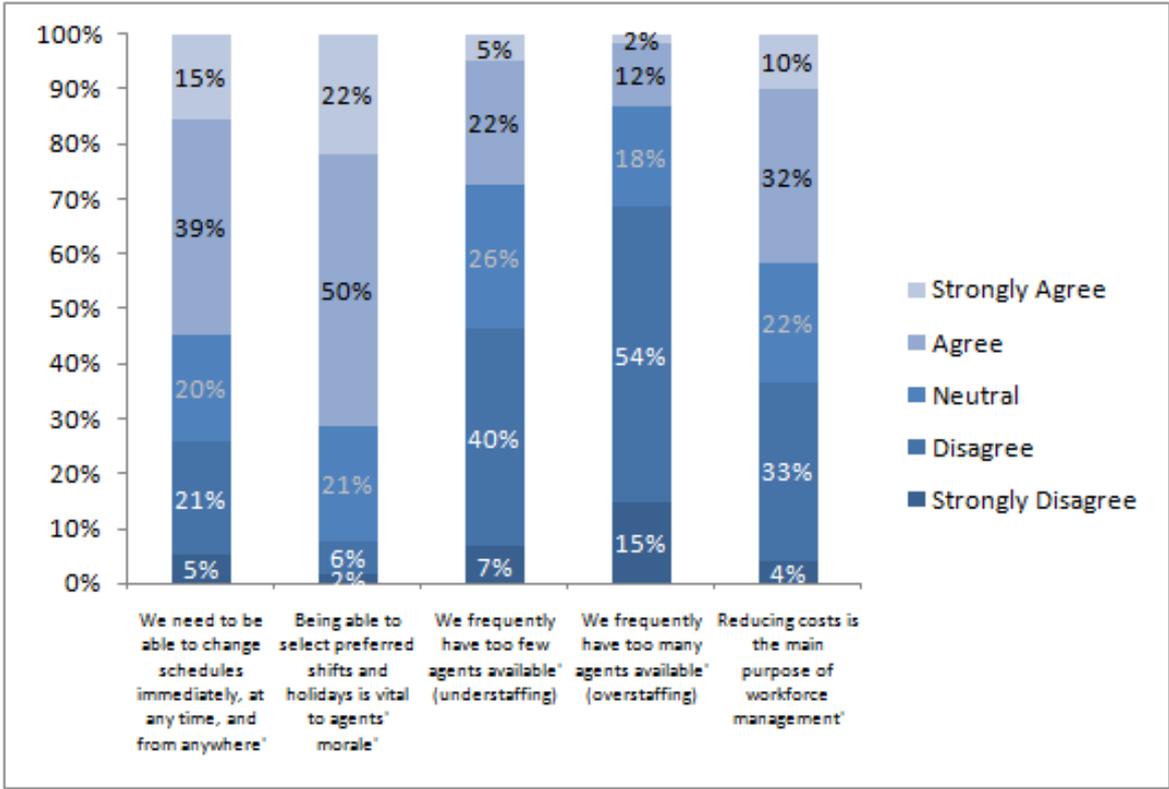
Figure 51: Use of workforce management, by contact centre size (2010)



Small contact centres are still very heavily involved in manual workforce management, which offers extremely limited opportunities for doing anything other than a static schedule that cannot easily be changed. In fact, forecasting and scheduling in this scenario is more of an art than a science. Medium and large operations are far more likely to use dedicated third-party workforce management applications which historical data can be fed into, providing a far more accurate schedule.

The low take-up of third-party workforce management tools is almost certainly down to cost, the fact that the time taken to create a manual schedule for 10 agents is far less than for 100 agents, and that the manager of a small contact centre does not need the flexibility or capabilities that a large operation can benefit by, as their labour and skills pool is so much more shallow to begin with. However, it is certain that most contact centres of perhaps 25 seats upwards could benefit from more accurate forecasting and scheduling, and such businesses could look at the hosted or SaaS (software-as-a-service) model that many solution providers now offer.

Figure 52: Opinions on the uses of workforce management (2010)



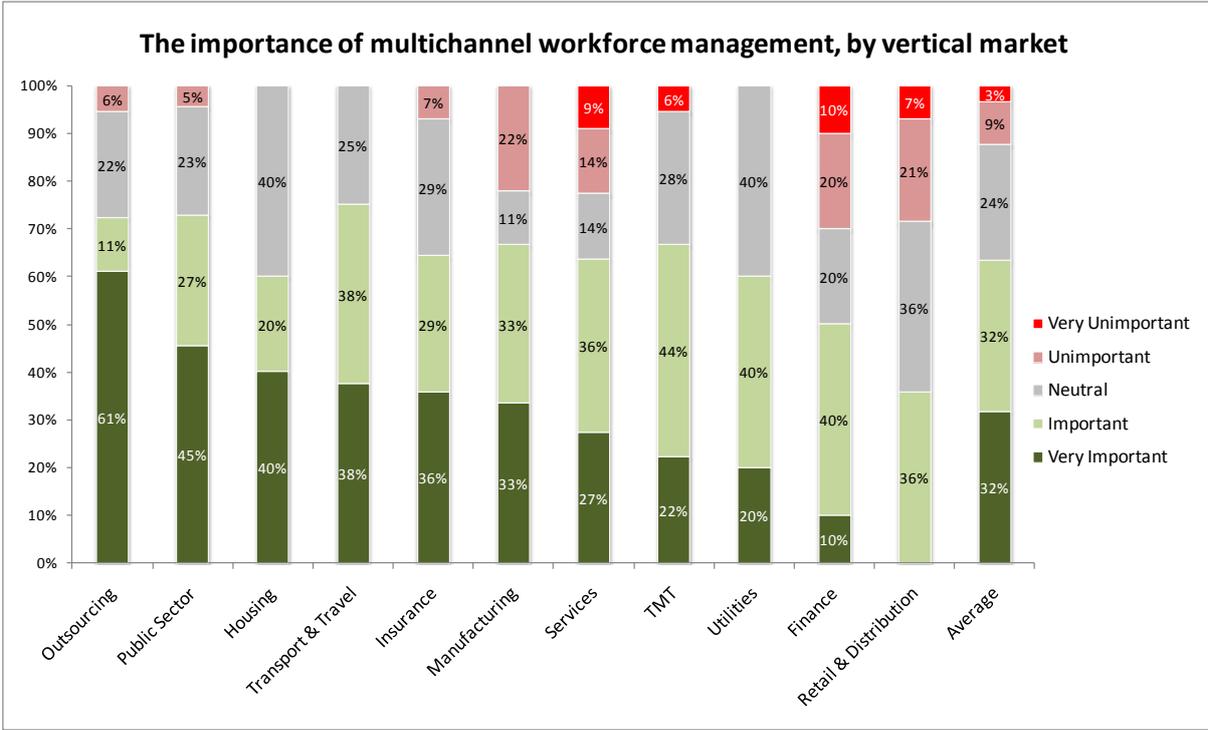
There was strong agreement across the board that allowing an agent to register a preference for a shift and holiday was very positive for morale. The ability to change schedules quickly was also seen as generally important, especially amongst large contact centres, where 85% of respondents said this was the case. It is worth noting that 40% of small contact centres said that quick schedule changes were important for them, however, few of these have the technology in place to do this particularly quickly or accurately.

Generally, overstaffing was rarely seen as an important issue, unlike understaffing, which small contact centres in particular found to be a serious concern. 17% of contact centres with a third-party workforce management solution said that under- or over-staffing was a problem, compared to 32% of operations which did not use this solution. A significant proportion of all operations were also likely to think of workforce management solutions as primarily being about cost-cutting.

This year's workforce management focus is about how systems can be improved, and the functionality that contact centres believe that they will need to manage non-traditional interactions, such as new channels or staff who are not based in the contact centre, but who may speak with customers (e.g. branch or field staff). With over 10% of inbound interactions being email, and 32% of respondents stating that customer speak with knowledge-workers elsewhere in the organisation, it is no longer enough for a workforce management system to forecast and schedule based only on voice calls taken by the contact centre. We describe this new approach as 'multichannel workforce management'.

32% of respondents state that being able to forecast and schedule multichannel and non-contact centre interactions were 'very important', with the same proportion saying that it was 'important'. The outsourcing sector was most keen to be able to forecast and schedule multichannel interactions, as these respondents are amongst those most focused upon profitability and cost management. Surprisingly, considering the potential benefits of text chat when closing web sales, the retail sector is the most lukewarm about the importance of non-traditional forecasting and scheduling.

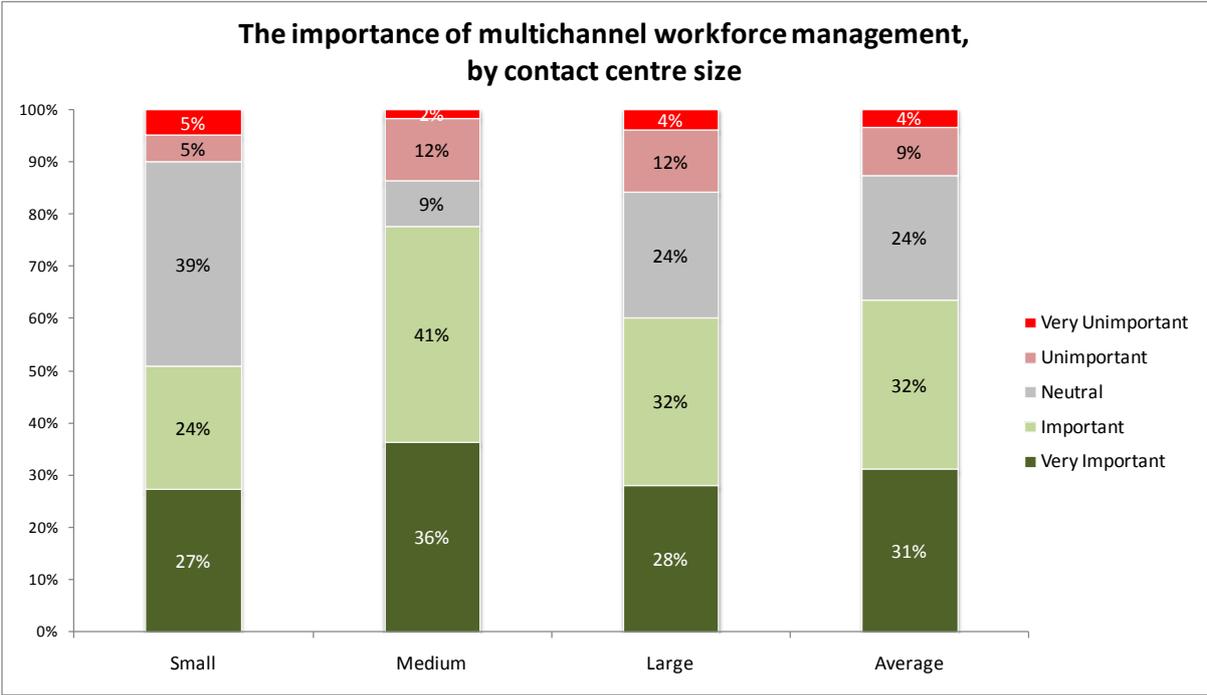
Figure 53: The importance of multichannel workforce management, by vertical market



It might be thought that as workforce management is most useful for businesses with hundreds of agents, where relatively small efficiencies in forecasting and scheduling can make a huge difference to performance and cost, that it would be these larger operations which most want multichannel capabilities.

In fact there is little difference in the enthusiasm for multichannel workforce management across size bands. It may be that the greater proportion of multichannel activity currently carried out in smaller operations (considerably more email, for example), and the greater prevalence of blended rather than dedicated agents to do such work in these operations counteracts the traditional finding that WFM is for larger operations.

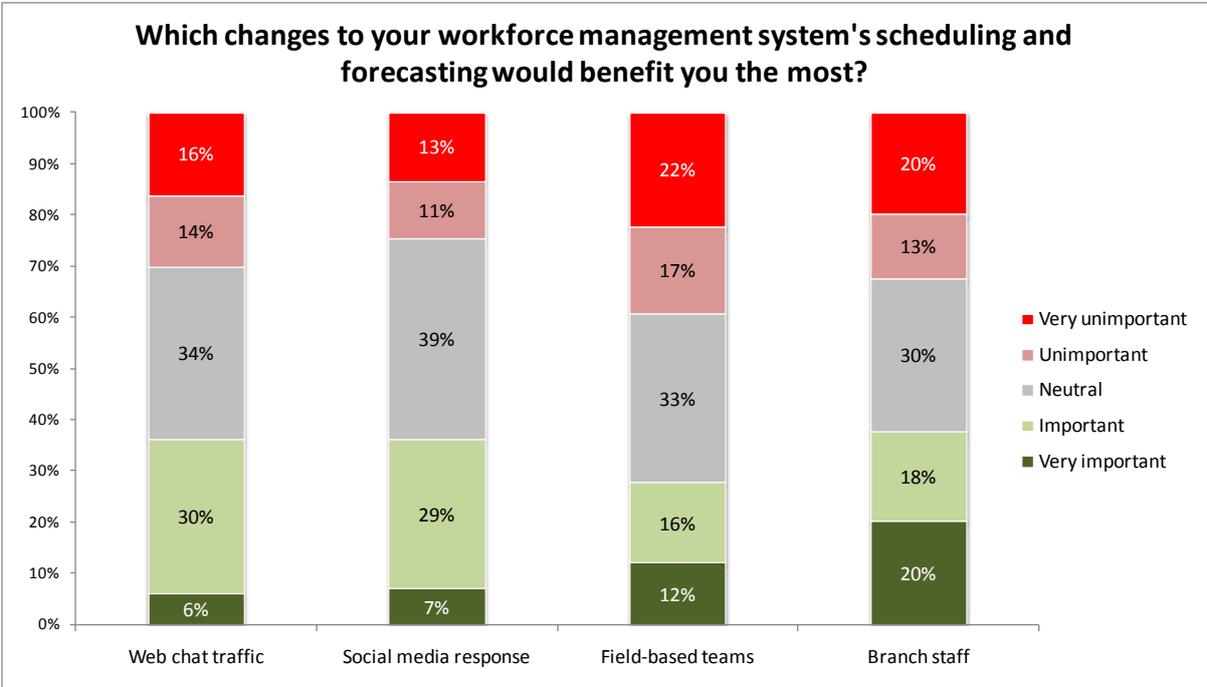
Figure 54: The importance of multichannel workforce management, by contact centre size



There is no agreement yet on which particular changes or improvements to existing WFM system functionality are most required by the industry: different contact centres value different things.

- Outsourcers are particularly keen on scheduling for social media, with 69% stating that it is important or very important to them. 70% of these respondents also say that text chat forecasting and scheduling is important to them, which goes along with the finding that outsourcers have to be able to offer multimedia interactions to their clients in a profitable and high-quality way
- 100% of utilities respondents say improving field staff scheduling is vital, so as to be able to assist the caller, the agent and the field staff (e.g. repairs or installation) with each other
- 60% of finance respondents say that being able to use branch staff effectively as second-line support is important
- In terms of how respondents view WFM changes by contact centre size band, social media is seen as more important for larger operations, with 58% saying it is important. This pattern is also found with web chat, but not to the same extent, suggesting that this is more a factor of vertical market (specifically, outsourcing)
- Smaller operations are keener to schedule field and branch staff as this expertise may not be present in CC as readily.

Figure 55: Which changes to your workforce management systems would benefit you most?



HEADSETS

There are various factors to consider when deciding which headset to purchase for your contact centre workforce. If you have many hundreds or even thousands of agents, headset purchase can be a large ongoing capital expenditure that is important to get right. There are many things to consider:

- Compliance with health and safety legislation
- Total cost of ownership
- Durability
- Performance
- Comfort
- Contact centre telephony infrastructure
- Sound quality.

Contact centre agents wear headsets for hours every day, and the cost of replacing or repairing headsets should be considered in the total cost of ownership, requiring good levels of after-sales support and guarantees.

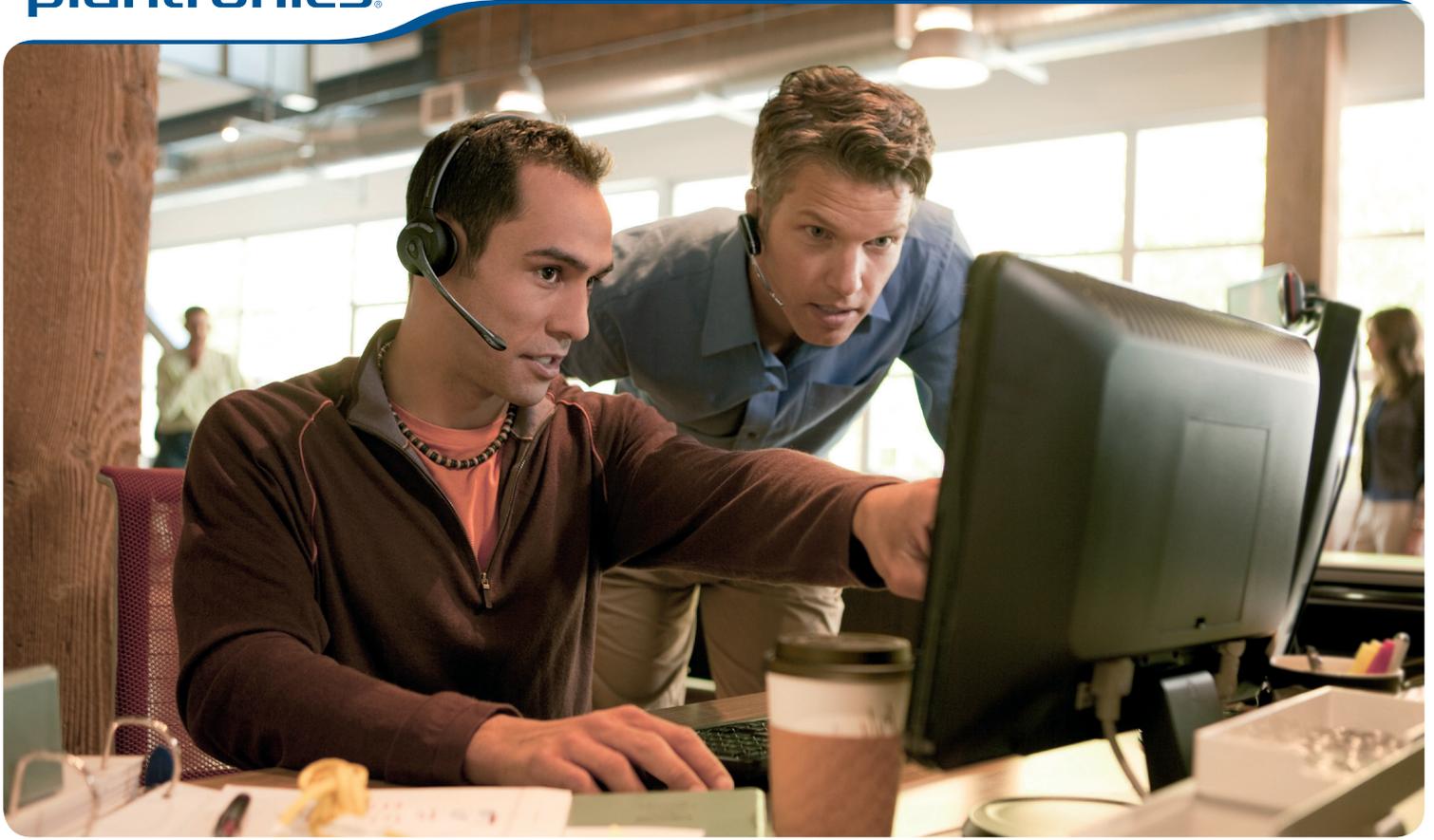
Some contact centre agents like having the freedom to move around while on calls, especially in a high-pressure sales environment. Some contact centres may decide they don't want agents wandering around, but that the supervisor needs to be able to be mobile. Agents with wireless headsets can spend less time putting callers on hold as they can walk to where the information they need is held, taking the caller with them. This in turn reduces the time taken on each call, and improves customer satisfaction.

Headsets and the 'enterprise as contact centre'

The newest headsets support the 'enterprise as contact centre' model by allowing the agent to involve knowledge workers in a three-way conversation with the agent via Microsoft Communicator, IBM SameTime or VoIP. This allows, for example, a 2nd-line technical support worker to help immediately with a difficult part of a query without a formal, long-winded escalation process taking place.

As can be seen in this report, the majority of call centres will be considering Internet protocol (IP) telephony as part of their future technology environment, if they have not already done it. Agents will make and take calls via their PC, so choosing a headset that can adapt to future technology infrastructures is key.

The weight, sound quality, amount of background noise allowed in, comfort and the length of time the headset will be worn should also be considered. Having sound in both ears (binaural) allows noise levels to be lower than is the case with single-ear sound (monaural), although some agents can feel isolated if they cannot hear the world around them. In addition, a noise-cancelling microphones filter out the unwanted background noise which can make the conversation harder for a caller to hear. This may be especially relevant for homeworkers, where the background noise (traffic, children, dogs, etc) may be less easily managed or predictable. Voice tubes can also allow more flexible positioning of the microphone, with attendant improvements in sound quality.



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The effect of headsets upon productivity

There are examples of how improving audio and speech quality can positively impact upon call handling time and overall contact centre performance. A Spanish contact centre gave some sets of agents headsets with digital audio processors, and some used the more traditional headset. The first group's technology had the effect of 'cleaning up' unwanted noise at either end of the line, allowing the customer and agent to communicate more effectively. Calls were handled more quickly, fewer mistakes were made with data collection (with the attendant knock-on effect that fewer repeat calls were required), and overall, agents handled an average of 10% more calls per day than did the control group.



White Paper: ["The effect of wireless headsets on productivity"](#) (click to download)

In some countries, there has been recent legislation put in place around noise at work, which detail maximum average and peak noise levels that a worker may undergo, and the maximum amount of time that it is permissible for the worker to experience these sounds. We believe that it is only a matter of time until similar legislation is imposed in all Western contact centre industries, and that businesses should be putting procedures in place before they are forced to, which could help agents' health, and limit the business's exposure to litigation.

Surveys have seen that only 6% of contact centre managers are aware of the level of ambient noise within their contact centres, and only 9% regularly measure it⁴.

⁴ Source: CCF magazine

The Acoustic Safety Programme has developed some simple advice for contact centres to help them meet or exceed legislation and make working life safer and more comfortable for their agents:

- Measure contact centre noise regularly and record it
- Fully understand legislation and create a formal policy so that staff at all levels of a business are aware of it
- Make sure that the headsets used are compliant with current legislation, and test them throughout their life
- Provide agents with a choice of headsets - monaural or binaural - the latter can help to absorb background noise, but may make the agent feel more cut-off from their environment
- Be aware that excessively long shifts may cause damage to agents' hearing, even if within nominally-safe limits
- Use sound-absorbing materials as much as possible to absorb unnecessary echoes and reverberation
- Educate agents on how to use their headset and phone correctly, including volume and ergonomic adjustments
- Test staff's hearing throughout their contact centre career.

For more information, please visit www.acousticsafety.org.

HEADSET REPLACEMENT AND MANUFACTURER

Around 18% of respondents' headsets are replaced in a given year, meaning that the average headset will have a useful life of around 5-6 years. This recent decrease in headset replacement may be a response to the cost reductions put in place across most contact centres in the past couple of years, and may be temporary. However, it may also be the case that the overall quality and durability of headsets is improving, meaning there are fewer requirements for replacement.

Figure 56: Headset manufacturers used by respondents

Manufacturer	Proportion of respondents using this manufacturer
Plantronics	72%
GN Netcom / Jabra	10%
Mix of suppliers	6%
Sennheiser	4%
OEM (i.e. badged by non-manufacturer)	4%
Agent	2%
Other	3%

NB: Cannot specify supplier in cases of 'OEM' and 'Mix of suppliers'

Savi Office[®] maintains efficiencies in Eurostar IP environment



Eurostar International Limited - www.eurostar.com

- Headquarters: UK
- Industry: Travel
- Headset Users: 200
- Services: Customer reservations and services in English, French, Flemish and other languages
- Business Challenge: To maximise the responsiveness and efficiency of customer contact centre staff in a constantly growing organisation
- Plantronics Solution: Encore monaural and binaural headsets, SupraPlus[®] Digital headsets with VistaPlus Digital audio processors and the Savi Office[®] series of wireless headsets for Unified Communications

Eurostar is the high-speed train service linking St Pancras International, Ebbsfleet International and Ashford International in the UK with destinations in France and Belgium. The company is also a founder member of Railteam, a partnership between Europe's leading high-speed train operators developing simpler ways to book and travel on the fast-expanding, European high-speed rail network.

From 1st September 2010, Eurostar changed from being a joint venture between SNCF/SNCB and LCR (London Continental Railways) to a separate company operating on its own as Eurostar International Limited.

The company's contact centre in Ashford, Kent has over 200 advisors working in dedicated teams for public reservations, group and corporate reservations, frequent traveller services, onward travel services and Internet support assisting customers placing reservations through the Eurostar International website.

Eurostar International has a long tradition in using Plantronics headset solutions. Originally with Encore monaural and binaural corded headsets with Vista audio processors, adding SupraPlus[®] Digital headsets and VistaPlus Digital audio processors and most recently, changing from CS60 DECT™ wireless headsets to Plantronics' Savi Office[®] wireless and DECT™ series for Unified Communications; alongside the company's telephony upgrade with new switch and Avaya 9650 IP handsets. Typical of Plantronics solutions, Savi Office[®] is available as both monaural and binaural versions, providing choice and flexibility for each user and an option that Eurostar International have continued to capitalise on.

Aaron Gourlay, Senior MI and Resource Analyst for Eurostar International comments, "As part of the current project to upgrade the switch it was decided to replace the existing real-estate of CS60 wireless headsets with the Savi Office[®] series of headset solutions. We have done this for ease of use with one-button pairing of headset to base, flexibility as the split design allows for more flexibility in hot-desking with wireless headset and a potential 25 per cent saving. In addition, the ability to pair multiple headsets to the single base for listening in and coaching, and power consumption reductions with adaptive batteries."

Savi Office[®] is the wireless headset system built to unify voice communications. This enterprise-grade headset system connects to both your desk phone and PC, providing the business critical sound quality necessary in today's working environment. With Savi Office[®] users can mix and match calls between PC and desk phone—conveniently combining a desk phone call with a PC call for realtime collaboration, or easily switch from one type of audio to another. Savi Office[®] also provides long wireless range for natural movement along with interactive software for personalisation and an adaptive battery system providing an energy efficient approach to power usage.

Aaron continues, "With the flexibility of the Savi Office[®] series and if we assumed in the future a 25 per cent hot-desking environment, then this would quickly equate to a £3,000 saving. One-button pairing means that our advisors can self-manage and will not have to call for assistance, which has been a process involving three buttons in a certain order, so we anticipate some general efficiencies here. The flexibilities in multi-pairing and the ability to listen to PC Audio will improve and help effectiveness of the Team Managers in coaching and listening in too."

Dave Fairman, Operations Manager for Eurostar International concludes, "We are always impressed and appreciate the relationship we have with Plantronics. They listen, understand and advise Eurostar on fit-for-purpose headset solutions appropriate to each and every member of staff engaged with our customers and offer a variety of equipment not only for comfort, call and sound quality but also to suit the individual needs of all our staff. The return on investment is not only measured in areas such as reduction in call handling times and increased sales, but also in the fact that Plantronics value their relationship with us and work hard to ensure we are implementing solutions to complement our business goals now and in the future."

WIRELESS AND IP HEADSETS

Wireless headsets

43% of contact centre respondents used some wireless headsets within the contact centre (up from 31% last year), with an average of 46% of headsets in these contact centres being wireless (up from 26%). In past years, most of the wireless headsets were used by supervisors who are more likely to have to be mobile to help agents in their team, and two-thirds of those respondents who were using wireless headsets had a penetration rate of over 20%, strongly suggesting that wireless is filtering into the agent population as well.

More than half of respondents in smaller contact centres use wireless headsets, with a penetration rate of 56% in operations that use them. In larger contact centres, only 43% of operations have any wireless headsets, with a penetration rate of only 29% in these contact centres. The manufacturing sector, and to a lesser extent, public sector and TMT are the most likely to be using wireless headsets.

Agents working in product or technical support tend to have wireless headsets, as do supervisors. Outbound sales staff may prefer to be more mobile on their calls, and ask for wireless headsets too.

IP headsets

IP telephony can occasionally throw up some negative performance issues. As VoIP is a digital signal and human speech is analogue, converting between the two takes a certain amount of time. IP was not initially designed to transfer speech and so does not guarantee a time between the signal leaving one point and arriving at the next. These two points mean that there may be more of a delay in speech being transmitted from one point to it being heard at another on a VoIP system than with a conventional system.

As with all telephone systems, the person speaking will hear some of their own speech in their ear. This is referred to as 'sidetone', and when the delay levels are low it is an important part of the telephone system. When delays are excessive, the sidetone becomes echo, which is distracting for the people on both ends of the call. As detailed above, excessive delays are more common in VoIP systems than with standard telephony, meaning that echo cancellation is a critical component in improving call quality.

Some headsets are able to alleviate or even remove the impact of sub-optimal network performance on the conversation:

- Echo - how the earpiece fits to the ear and the positioning of the microphone relative to user's mouth helps prevent echo, and digital signal processing (DSP) alleviates echo management when it is unavoidable. DSP can help with unequal call levels, and manage sudden increases in amplitude and/or volume, and prevent acoustic shock
- Distortion - clipping the voice signal by taking away the highest and lowest voice registers can mean that the voice sounds distorted, an unpleasant sound for both agent and caller
- Latency - often viewed as one of the major bugbears of IP, latency is experienced as a lag, due to information being sent and received across the network in a sub-optimal manner. This can cause broken conversations, and can be extremely frustrating for both customer and agent, particularly when experienced as poor sound quality, such as missing pieces of sound, as well as the lag itself.

Currently, 65% of respondents have some headsets that are able to cope in an IP environment (up from 42% in 2010). Of these respondents, 88% of their headsets can handle IP, with 73% of these respondents saying that all of their headsets are IP-capable.

Larger operations are more likely to have implemented IP headsets, with 76% of respondents stating that they have done so, against 63% of medium and 62% of small operations. However, only 71% of headsets in these large operations are IP-capable, against 90%+ in smaller contact centres.

The utilities, housing and transport & travel respondents were most likely to have IP-capable headsets (80%+ of operations), with outsourcers and retailers least likely.

IP headsets and homeworkers

The homeshoring / homeworking model can be supported by using a headset and IP audio processor (that links the headset and PC), rather than an IP phone. This method is cheaper than an IP phone, is simpler to support, and has the added advantage that if the PC locks up, the agent can continue to speak and be heard.

An IP-based contact centre can choose either: an IP hardphone, (a physical phone with a keypad and headset/handset), or a PC-based softphone, where the agent connects a headset to the PC, without having a traditional telephone at all.

IP hardphones are more likely to be found in larger contact centre environments, as softphones require very good (and expensive) PCs with lots of memory and fast processors, although the softphone software itself is not expensive.

Figure 57: What sort of IP phone device are you using?

IP phone device	Proportion of respondents
IP hardphone	42%
PC-based softphone	12%
Both hardphone and softphone	31%
Don't know	15%

Single- / dual-earpiece headsets

Whether an agent or operations prefers single or dual earpiece headsets will tend to depend on the environment: those working in noisier backgrounds may prefer to reduce external distractions with a dual-earpiece headset, while others may prefer to be able to keep in touch with what's going on around them and choose a single-earpiece headset.

Figure 58: Use of single and dual earpiece headsets

Type of headset	Proportion of respondents
Single-earpiece	38%
Dual-earpiece	10%
Mixture of both	52%

ACOUSTIC SHOCK

'Acoustic shock' is a phrase coined to describe a sudden, unexpected noise, often delivered at a very intense frequency. It may be caused by feedback from telephone equipment, faulty telephone lines, non-compliant switchboards and headsets. Other sources of acoustic damage include caller abuse (shouting, screaming, blowing whistles etc – most often found in the outbound environment) or background noise on the call. Acoustic shock also refers to the damage done by long-term exposure to noise in excess of healthy limits. It can lead to permanent hearing damage and cases of psychological trauma.

There is some doubt as to whether contact centre agents are exposed to levels of noise sufficient to cause permanent deafness: studies from Denmark and Australia indicate that it can happen, whereas the UK government has been more doubtful, and the HSE is gathering more evidence on the issue. The CCMA (www.ccma.org.uk) claims that "tens of millions of pounds" have been spent in the UK alone on settlements related to acoustic shock.

Readers wanting more information may like to consider viewing www.acousticsafety.org

Contact centres may like to implement a traceable reporting system for headset users who may have been exposed to acoustic shock incidents.

The following information should be reported:

- Date and time of the incident;
- Details of the source of the exposure;
- Description of the noise;
- Duration of the exposure;
- Details of the headset and telephone equipment used;
- Whether the incident was electronically recorded (a copy should be kept for future reference);
- Symptoms experienced by the operator directly related to the acoustic shock incident.

Operators should be trained to recognise such incidents and how to report them. Organisations that operate call centres are further advised that they should keep up to date with developments in this field through their professional associations and other representative bodies, as well as through their enforcing authority if applicable.

Around one-third of respondents' contact centres have a definite, written policy on acoustic shock and avoidance thereof, a clear area for improvement. Half of respondents did not have a policy and the rest did not know either way.

There is a slight difference when looking at contact centre size bands, with 28% of small contact centres, 34% of medium operations and 45% of large operations having written acoustic shock policies.



Organisations able to help with Maximising Efficiency and Agent Optimisation:



Organisations running Altitude Software in their contact centres do more with existing resources to meet new challenges, their overall technology spend costs less, and they simplify business processes involved in customer interaction.



BT Global Services has developed and implemented new customer care systems that set unprecedented standards for customer interaction, timely response and/or attention to customer needs.



We believe in total commitment to customer services and work hard to establish close relationships with our customers to build up a detailed understanding of their business challenges, having dedicated teams of sector, service and technical specialists to make sure we deliver the best service available, every time.



Datapoint solutions, such as Katalyst, give a business all the information it needs to appraise agent and contact centre performance to optimise operations and maximise efficiency.



Improve productivity with tools such as agent monitoring and workforce management which streamline forecasting, scheduling and agent adherence while balancing costs - with Enghouse Interactive.



[Infinity](#) – proven contact centre solutions with a performance guarantee.



Nexidia [Enterprise Speech Intelligence \(ESI\)](#) provides the tools needed to improve customer service and maximise business efficiency through better trained, better coached and higher performing agents.



Noble Systems is a global leader in unified contact centre technology solutions, our award winning platform allows companies to communicate more effectively with their customers via multiple channels, including inbound/outbound/blended voice, email and web.



Opinion-8

Opinion-8 is an innovative and effective customer-experience management tool which allows you to gain customer, employee and stakeholder feedback in a simple and highly cost-efficient way: its powerful, integrated web and voice survey technology with unified online reporting offers you a variety of telephone and web survey solutions.

plantronics®

The premium audio quality of Plantronics headset solutions is proven to improve customer experience and agent productivity by up to 43%.



Ultra is the leading provider of Network Contact Centre solutions, including Inbound/IVR/ACD/skills based routing, Call Blending, Automated Outbound dialling including Predictive, CTI, Call recording, PCI compliance & inclusive real-time reporting & monitoring tools all with unique 24/7/365 UK support – providing unmatched performance results and first call resolution that optimises the client campaigns and SLAs and maximizes agent time, wherever they are.



Voice Commerce Group's solutions allow customers to verify their identity using their unique biometrically based voice signature, with the potential to reduce the time taken on customer KYC checks by over 35%, freeing agent capacity from what can be a manual and cumbersome process.



Improve agent efficiency and customer satisfaction, with [Zeacom's Multimedia Contact Center](#), and enjoy a tangible ROI.

NEW MEDIA AND THE CUSTOMER OF THE FUTURE

The most widely-used forms of non-voice customer contact (apart from letters and fax) are email and self-service, followed by SMS, text chat and web collaboration. Despite the much lower penetration rates, it is also worth mentioning the presence of virtual worlds, avatars, kiosks and video agents in the customer contact mix as these are options which businesses may use to target the Internet generation as well as more technically-literate existing customers.

Figure 59: Multimedia channels

Channel	Current use	Drivers	Inhibitors	Proportion of interactions
Email	Widely offered for inbound and outbound service by all sectors, especially IT and retail.	Email is widely-used and accepted by customers. As a non-real-time application, businesses can deal with emails in slack periods. Written format is suited to long and complex answers. Templatised responses offer cost savings.	Without investment in email systems, email is no cheaper to handle than a phone call. Service levels are often poor or inconsistent, leading to customer dissatisfaction. Any interaction that requires security is unsuitable for email checks.	IT and retail often highest. Insurance and finance usually low. On average, the contact centre industry has >10% of inbound interactions as email. Strong belief and desire for the figure to grow to 20%+.
Self-service	Both voice and web self-service are widely used, the former either through touchtone IVR or speech recognition, which handles simple queries and transactions.	Variable costs of using self-service are very low (i.e. once the system is set-up correctly, incremental cost per use is negligible), making it suitable for high-volume, simple interactions, avoiding the costs of these calls being handled by agents. Allows 24/7 service at low cost.	Excessively pushing the use of self-service, & badly-designed IVR menus can mean that callers feel frustrated & alienated. The use of natural language self-service is not yet widespread, & older voice-based applications are often inflexible & long-winded.	c.4-5% of inbound contact centre interactions are dealt with by self-service, much higher in finance and utilities sectors.
SMS	Often used for marketing messages, SMS can also provide proactive customer service, such as balance threshold alerts and appointment reminders.	SMS is a cheap channel, with texts costing less than 10p each. UK mobile phone penetration is greater than 100%, and SMS senders are very likely to have their messages read.	The same rules against email spam apply to SMS, so customers must give their permission to be sent SMS. Inbound SMS is like email, in that security cannot be established, and it is not a real time application.	Around half of businesses currently use SMS to communicate with customers, usually for marketing purposes.

Channel	Current use	Drivers	Inhibitors	Proportion of interactions
Text chat / instant messaging	Still quite rare in UK businesses, but growing as specific applications for its use emerge.	Real-time nature of text chat means it is akin to a voice conversation in immediacy. It is possible to ask security questions through text chat, although it is debatable whether the customer will feel happy about passing on this information over the web. Multiple concurrent text chat sessions can be run, cutting cost per interaction. Younger generation is used to messaging.	Text chat may be too alien to the older generation who may feel pressured by the sudden appearance of a chat initiation. It is also an expensive option, and may encourage people to ask unnecessary questions that they would otherwise use the website to find the answer to.	<1% of interactions into UK contact centres, but potential to grow, especially in retail.
Video agents	Limited current use. Can be delivered through PC, kiosk or interactive digital TV.	Eye contact is critical for establishing trust and 60% of the communication process is visual. Opportunities for demonstrating product features.	Customers may prefer the impersonality of telephony. Agents will need training in visual presentation.	Not known, although low.
Virtual worlds	Second Life is an online, virtual world populated by avatars, which interact with each other and with real business, such as Coca-Cola, Microsoft, BMW, Reebok, Penguin and KPMG. Businesses use Second Life as a venue for recruitment fairs, a branding opportunity, a sales channel for both real and virtual commodities and also a provider of customer service.	Waiting in a Second Life office should be a less boring experience than holding for a contact centre agent, with residents able to wander around the world, watch videos, read information or talk to other people while waiting their turn. The added visual capability will have the same advantages of video agents.	Avatars are not yet realistic or life-like, limiting non-verbal communication. Most people are unaware of Second Life and it is far quicker to pick up the phone.	Millions of Second Life users, but 'real' business fairly limited. Increasingly used for intra-company communications.
Web collaboration	Very limited. Page-pushing and joint form-filling more used in the US, but rarely in the UK.	Allowing an agent to work alongside a customer's desktop can give more personal and effective assistance.	Very expensive per session. Not widely understood by customers.	Still very low in the UK.

Channel	Current use	Drivers	Inhibitors	Proportion of interactions
Avatars	An avatar is a physical representation of an individual in cyberspace. Rarely used in commercial environments, avatars are usually found in online games and virtual worlds. Some businesses are using avatars to act as the front-end for self-service applications, offering customers a human-like interface with which to carry out self-service operations.	Online customers can move their avatars around a website in the same way they would move around a shop, and ask sales avatars for help. If avatars were physically similar to their owners, businesses could use web collaboration to show exactly how the customer would look in an item of clothing, or behind the wheel of a car.	Customer service avatars require 'anthropomorphic software' to be able to decipher unformatted text and natural language, read and write text and display some level of behaviour that might be seen as personality and intelligence - it needs to be seen as being more than just an attractive way to do the same limited things.	Not known, although very low.
Kiosks	Supermarkets, cinemas, banks, fast-food outlets and train stations have touch-screen terminals which can deal with financial transactions, issuing tickets, taking orders and scanning items.	Low-cost, effectively another variant of self-service, with a possible option to move to a video agent if required, although privacy issues are present. It takes an average of \$3 for an agent to check-in an airline traveller, but only 14c each with a kiosk (source: Forrester Research).	Possible mechanical breakdown. Non-private. Limited functionality.	Not known, although growing, especially in the mobile phone sub-sector.

MULTIMEDIA MANAGEMENT AND THE UNIVERSAL QUEUE

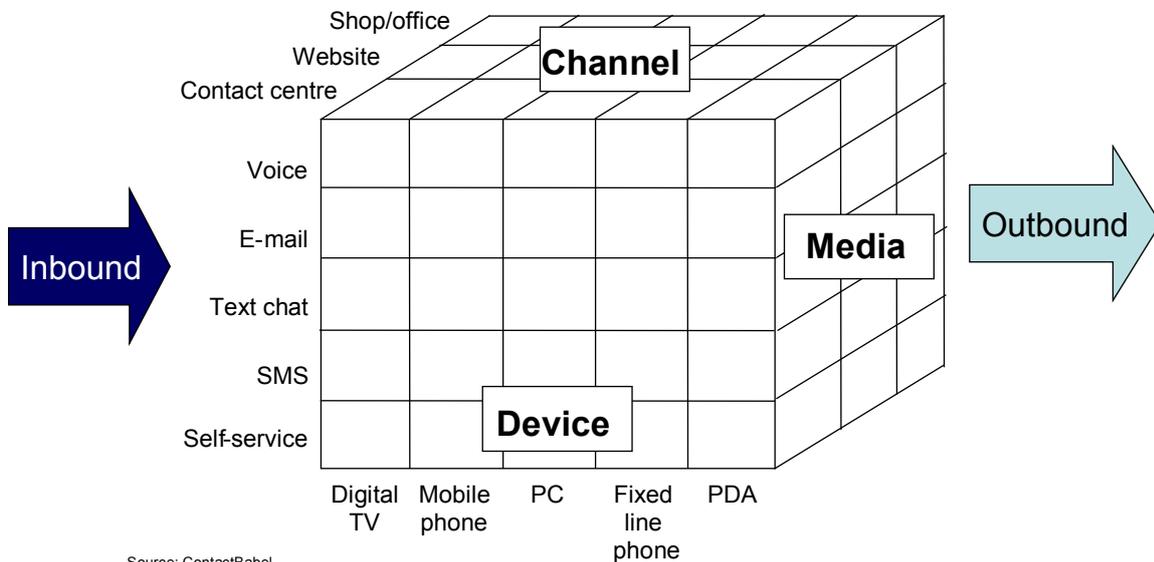
In the late 1990s, the phrase “contact centre” was rarely used or understood by many working in the call centre industry. With relatively minor changes, call centres continued to do what they had done for years before: receive and make telephone calls from and to businesses’ customers and prospects. The role of the Internet in customer communication was poorly understood, email volumes were still low (and response rates were often appalling) and self-service consisted of touchtone IVR and little else.

Today, multichannel contact centres have been mainstream for years, with 7 in 8 contact centres dealing with a significant proportion of email as well as telephony. The Internet – as a channel for self-service, sales and increasingly person-to-person contact – is an integral part of many businesses’ customer contact strategy, with the advent of social media throwing another element into the mix.

Many phrases have been invented to describe the explosion of the number and choice of communication channels available to customer and business: ‘multimedia’, ‘multidimensional’, ‘multichannel’, to name a few. New devices, transmission methods and commercial practices mean that the plethora of communication options will continue to increase.

Regardless of the label we put on this phenomenon, the potential complexity of the situation is obvious to see.

Multichannel customer contact



This diagram shows how complicated customer contact can become once multichannel communication begins. The customer has numerous devices, both voice and text-based, with which they can contact the business. They may decide to query an automated system, or a live agent. They may want the answer in real-time, or prefer to receive a reply at their convenience. They may use a telephone, PC, letter or use a kiosk in the street or in a physical store. Of course, not all contact is one-way – the business can also initiate outbound communications with its customers as well.

The complexity of the situation increases exponentially once a new channel, device or medium is added to the customer service mix. The only constant is that – regardless of the method they choose to communicate with the business – customers want accurate, timely information delivered in a form with which they are happy. The challenges for the business are to provide a high quality of service which is consistent across the channels and to do so in a cost-effective manner. To do this, and break down the boundaries between contact channels that has been stifling the potential of non-telephony contact, a universal queue is required.

The Universal Queue

Although the 'universal queue' as a phrase is showing its age, having been around for at least ten years, as a concept it's still vital to understand.

A universal queue is a platform which automatically captures, processes, routes and reports on customer interactions and related activities based on a company's specific business criteria, providing a view of each and every customer interaction. Customer interactions through channels such as voice, e-mail, fax, instant messaging and activities such as work items are handled according to business-defined processes and strategies, avoiding the problem of rogue interactions that are left outside normal workflows, or favouring one channel (usually voice) to the permanent detriment of others.

The universal queue can set priority levels to incoming calls, e-mails and chats, and may also have the ability to blend inbound and outbound calls into a single queue to allow agents to move between media as required. This approach also facilitates a single view of the customer across all channels, which is one of the key ways to improve the quality of service offered, as well as improving the agent's confidence and morale.

Case Study - VENTRICA



With over 25 years of combined industry experience in the outsourcing contact centre sector, Ventrica provides intelligent multi-channel solutions to help companies build stronger customer relationships. Achieving business growth of over 200% in 2010, amidst tough economic conditions, the 134 seated outsourced customer contact centre offers innovative, niche prospect & customer contact ideas for global blue chip companies. Continuing its success into 2011, Ventrica recently launched Ventrica Mobile as part of its overall business offering, proposing better business rates for business owners who are still running mobiles through consumer tariffs.

Previous successful partnership coupled with proven results leads Ventrica to choose Altitude as its preferred software solution

Having previously worked with Altitude Software, Dino Forte, Managing Director of Ventrica, already had every confidence with the capabilities of the Altitude product range. He recognises that the Altitude solution enabled the company to perform any function within the realms of what is required for intelligent customer contact.

"Altitude Software has provided Ventrica with the means to provide its clients with an excellent and trustworthy service. I was searching for a company that would treat Ventrica more than just another customer. Having worked with Altitude previously I know I can depend on them implicitly", affirms Dino.

Effectively respond to client requests within minutes

As an outsourcer, Ventrica manages customer contact for a diverse group of companies each requiring an entirely different solution. This requires building complex scripts and knowledge bases that can logically direct agents down a certain route and thus minimise the risk of error. After using Altitude's powerful script developer, Ventrica is able to dynamically modify front office applications by changing the script, which means they are able to respond to client requests within minutes.

Altitude helps Ventrica optimise customer satisfaction levels

Ventrica required a solution that included a proven and reliable interface for its telephony platform that would ultimately enable them to deliver the highest level of customer satisfaction. With Altitude's Unified Dialler an appropriate screen is automatically delivered to the agent's desktop, providing multiple functionalities capable of handling all telephony operations, guiding script as well as full customer interaction history. This way, callers are not only greeted personally, but their customer history is immediately available on screen for the agent, enabling agents to universally manage customer interactions in a simple way.

As customer satisfaction is a key focal point at Ventrica, it is crucial that the outsource contact centre is able to maximize staff performance with a comprehensive solution that manages the evaluation and coaching of agents handling calls. Altitude Voice Recorder gives the right information to supervisors so that they can access each clip through browsing the campaign, the agent or the contact, and apply all filters used in the daily monitoring and management activities. In this way, supervisors can offer real time assistance and provide feedback and guidance to agents. As a result, agent attrition now runs at an impressively low rate of less than 2%, significantly reducing the considerable cost associated with ongoing agent training and development.

In addition to this, the Altitude uCI solution provides Ventrica with the means to become a fully integrated contact centre, combining an array of communication channels such as phone, email, sms and web chat in a unified way. The solution has boosted productivity for agents by enabling them to quickly control the media on their desktop providing better customer service, which has ultimately lead to increased customer loyalty. The data rich environment of Altitude uAgent in particular, makes it easy for agents to conduct customer surveys and effectively manage all types of customer interactions.

Due to the nature of the business, Ventrica also requires the ability to compile complex reports with ease, in order to be able to monitor, analyse and improve the performance of the contact centre operations. By deploying Altitude uSupervisor, a state-of-the-art supervision and management tool, supervisors and managers have instant access to contact centre metrics and how they change over time, including the customisation of reports according to individual specificities. Real time key metrics can also be chosen, allowing management to respond to immediate needs straight away – consequently this has led Ventrica to operate a 'tight ship' where agent productivity is maximised and idle time is typically kept to a single digit.

Moreover, after the implementation of the Altitude uCI solution, Ventrica's performance values were measured. The results clearly proved that the Altitude uCI solution significantly improved the time per hour that agents were actually talking to customers, particularly when conducting outbound CRM campaigns with Altitude's unified dialler.

The proportion of inbound interactions by channel has not changed greatly for the past two years, perhaps as many initiatives and investments have been put on hold. The proportion of self-service interactions has dropped again from 6% to 4.2%: this is likely that this is more a representation of the higher-than-previous number of public sector operations taking part in recent surveys (which tend not to use self-service), as well as a movement from telephone self-service to the more flexible web self-service. Email maintains its position in double-figures, but these statistics show no major changes in channel usage since last year, apart from self-service.

Figure 60: Inbound interactions by channel

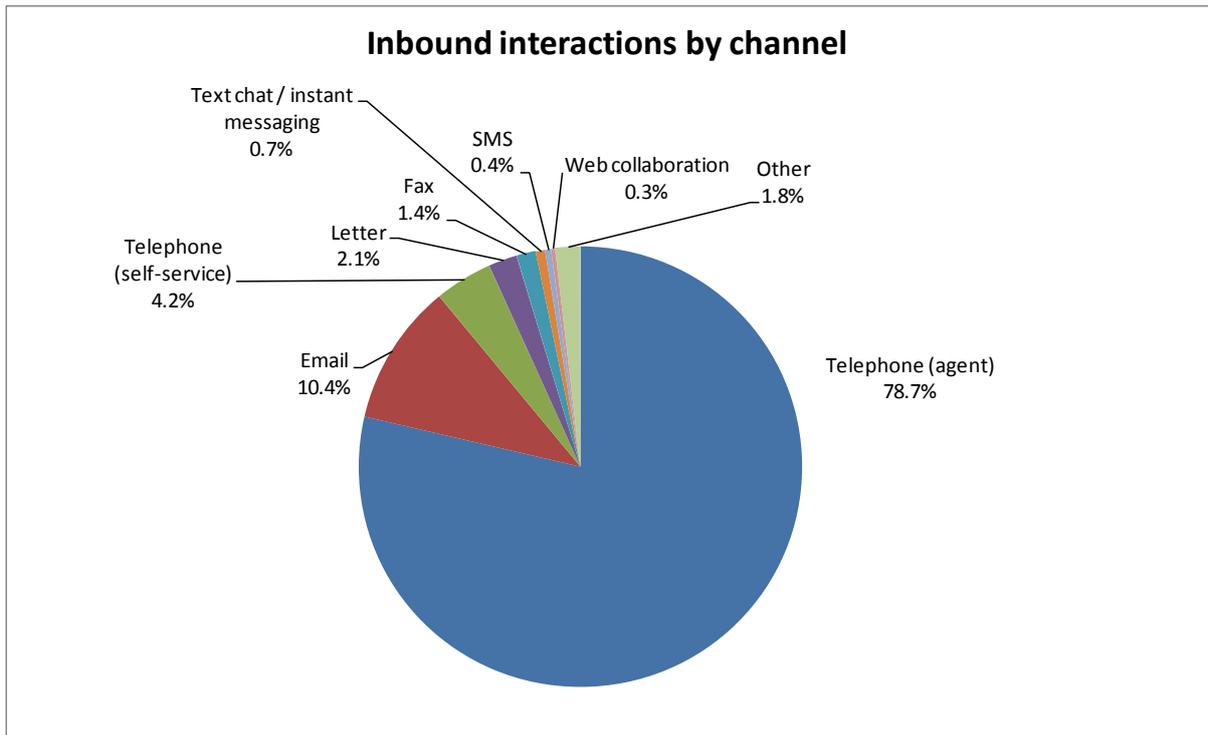


Figure 61: Channel usage

Channel	% of respondents accepting inbound interactions of this type
Telephone (agent)	100%
Email	87%
Letter	58%
Fax	38%
Telephone (self-service)	25%
Other	19%
SMS	20%
Text chat	14%
Web collaboration	8%

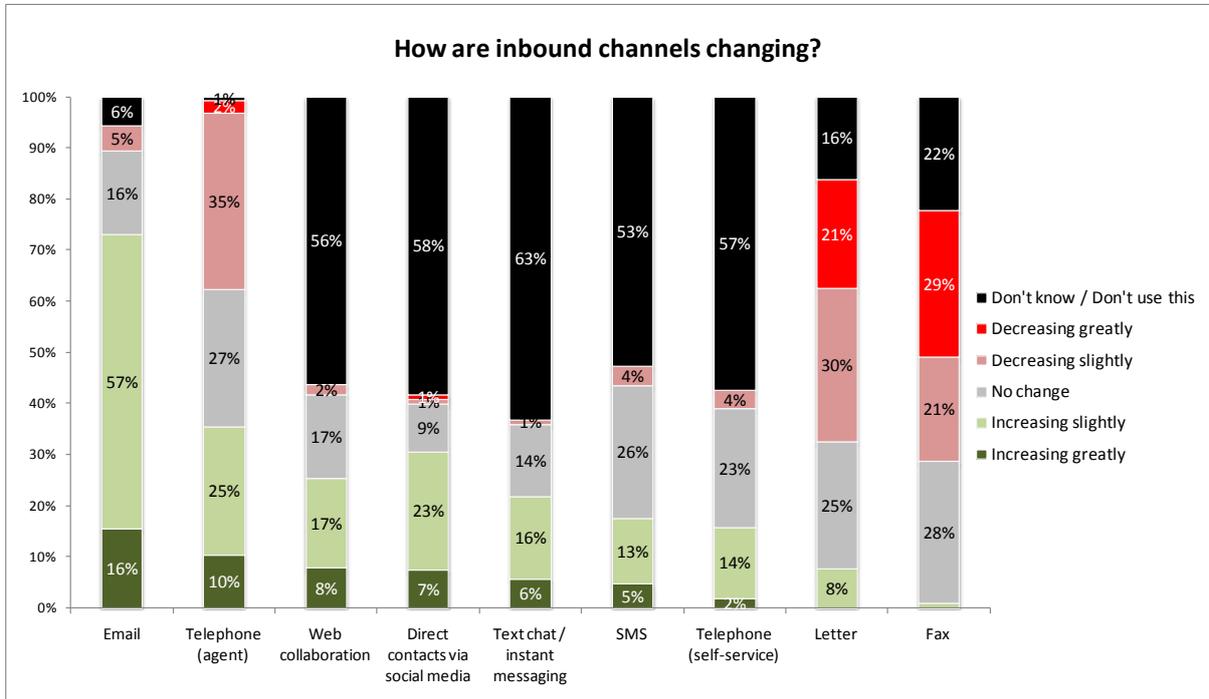
Of course, all respondents handle telephone calls to agents, with the vast majority accepting email as well. Traditional channels, such as fax and letter are also still popular, although volumes are low. New media - text chat, SMS and web collaboration - are still in the realms of the early adopter, and it is interesting to see that 3 in 4 of our respondents do not offer customers a full self-service solution via telephony.

Figure 62: Inbound interactions by channel, by vertical market

Vertical market	FS	HS	INS	MAN	OS	PS	RD	SVCS	TMT	TT	UTILS	Average
Telephone (agent)	75%	87%	84%	79%	82%	87%	73%	76%	67%	82%	73%	78.6%
Email	5%	11%	6%	10%	7%	8%	21%	8%	19%	11%	7%	10.4%
Telephone (self-service)	15%	0%	0%	0%	4%	1%	1%	3%	5%	2%	16%	4.2%
Letter	2%	1%	6%	1%	2%	1%	2%	2%	1%	5%	2%	2.1%
Fax	0%	0%	2%	10%	0%	0%	3%	0%	1%	0%	0%	1.4%
Text chat / instant messaging	0%	0%	0%	0%	1%	0%	1%	1%	3%	0%	0%	0.7%
SMS	1%	0%	0%	0%	1%	0%	0%	1%	1%	0%	0%	0.4%
Web collaboration	1%	0%	0%	0%	2%	1%	0%	2%	1%	0%	3%	0.3%
Other	1%	1%	1%	0%	1%	2%	0%	7%	3%	0%	0%	1.8%

It is interesting to note that the finance and utilities sectors, which have a large proportion of simple interactions to handle (balance checking, automated payments, etc) are easily the greatest users of telephony self-service. Email is particularly high in the TMT industry (especially the IT sub-sector), as well as retail & distribution sector, a pattern which is repeated with each year's survey. Text-chat / instant messaging is more prevalent in the TMT sector than elsewhere, although we would expect to see retailers increasing their take-up of this channel, in order to close more deals online.

Figure 63: How are inbound channels changing in your contact centre?



As not all of the same respondents take part in this survey every year, it is not always possible to have confidence that a jump in the usage of a minor multimedia channel is an industry-wide phenomenon, rather than the case of a couple of early-adopters skewing the results, which is certainly possible where only a few use a channel such as web collaboration. This year, we asked a question on how each inbound channel was changing, so being able to judge if any alterations in the use of channels was due to real changes at a contact centre-level, or was more of a statistical blip.

It seems that the change in telephone self-service is not as a result of contact centres dropping this as a channel, but that more respondents than previously do not even use it (this is particularly the case with the public sector, which has grown greatly in importance in recent years). Email is still looked upon as a growing channel (although the overall volume only went up from 10.2% to 10.4% this year), and web collaboration, text chat and social media are all looked upon positively. The traditional media of letters and fax are declining in our respondents' eyes, although still have their place in the likes of the insurance and manufacturing industries.

It is worthy of note that even though the figure for live agent telephony grew slightly this year overall, from 77.0% to 78.6%, it is very finely-balanced in our respondents' eyes as to whether it is in growth or decline.



... in uncertain times...
every penny counts ...



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Altitude is a partner that you can trust to support your business strategy and deliver a next generation contact centre suite

In the past 17 years Altitude Software has partnered with companies worldwide to deliver the most successful contact centres. In 60 countries over 200 000 agents are using our cutting edge contact centre suite.

Altitude uCI (Unified Customer Interaction) is a next generation customer communications solution, running natively over IP and PBXs, that offers a full contact centre suite with multimedia interaction routing, compliant outbound campaigns, smart agent workflow, real time monitoring, quality monitoring, staffing and historical reporting.

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Altitude uCI™ is recognised by several market analysts and the industry media; we have received more than 30 awards.



EMAIL MANAGEMENT

Customer-to-business email interaction had a series of false dawns in the early and mid-2000s. The relatively low levels of email usage still prevalent in many contact centres is sometimes a result of poorly-implemented email systems, a lack of understanding of the nature of the inbound email channel and the customers' natural response to the above – they use email carefully, because they never know if they'll get the same quality response as from a voice call (if they get any response at all). 'Mystery shopper' surveys of email response have consistently shown a generally poor level of service from this channel, although individual organisations (especially some in the IT and retail sector) have managed to make email the channel of choice for customers.

It is also the case that email does not fit the type of enquiries that people make in some cases, such as the need for quick, simple and confidential information (such as an account balance), and the increased requirements for identity checking places a cap on the usefulness of email as a channel for some types of business.

For businesses that do take substantial volumes of email, while it is not suggested that they should aim to answer an email in the same amount of time that it takes to complete a phone call, it is desirable to manage all interactions closely to consistent business rules, and to act quickly if service levels slip. Too often it seems, contact centres have become so used to managing the telephony queue that they neglect multimedia interactions. The result is that multimedia response times (mostly email) have been sacrificed to meet telephony service levels, although there have been steady improvements in the response rates in recent years.

Putting email on the back-burner may seem like a sensible way to manage things: after all, the emails will still be waiting for agents once a call spike has been dealt with, and no-one wants high levels of call abandonment. However, the email queue is not self-managing in the same way that a telephone queue is, when customers will drop the call if the wait is too long, and (hopefully) call back at a quieter time. Old emails stack up, and agents can spend all of their time answering requests which no longer apply because the customer or prospect has lost interest, gone elsewhere or, ironically, phoned the contact centre to get a response denied them by email. In most cases, telephony agents won't know that the customer has sent an email about the same thing, so the email will stay live and be dealt with unnecessarily and too late, meaning live emails sent later get ignored as a consequence.

Figure 64: Inbound interactions that are email, by vertical market

Vertical market	% of inbound interactions that are email
Retail & Distribution	20.5%
TMT	18.7%
Housing	10.9%
Transport & Travel	10.8%
Manufacturing	9.8%
Public Sector	8.0%
Services	7.6%
Outsourcing	7.2%
Utilities	6.5%
Insurance	6.4%
Finance	5.2%
Average	10.4%

As usual, it is the retailers and TMT (especially IT) respondents with the greatest proportion of inbound traffic as email. The former's email volume are often driven by sales via a website, with TMT/IT's more about technical support. The finance and insurance sectors do not deal with a large volume of email, mainly due to the restrictions on security, customer identification and customer data. Outsourcers are slowly increasing the amount of email they handle, and this is a good way to establish contact with new clients, and fulfils a definite need.

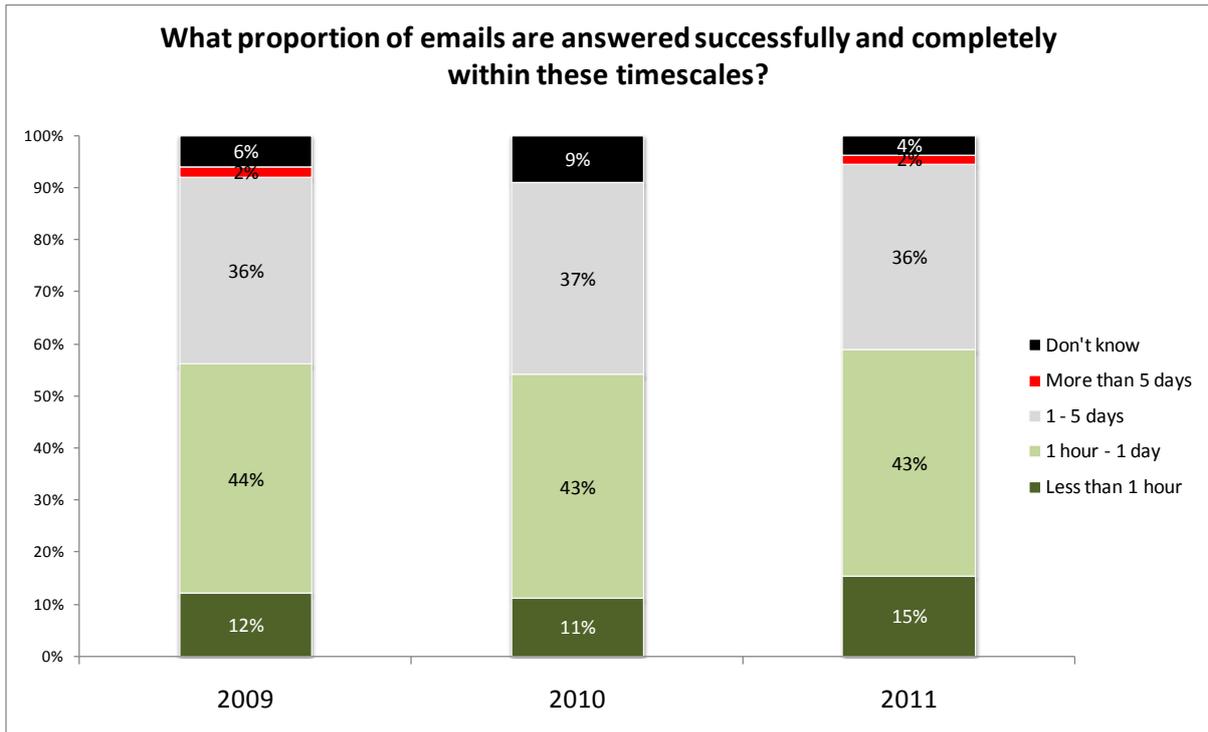
As with previous years, emails are proportionally less important for large contact centres, with the gap between large and small operations continuing to widen yearly.

Figure 65: Inbound interactions that are email, by contact centre size

Contact centre size	% of inbound interactions that are email
Small	15.3%
Medium	8.7%
Large	3.9%
Average	10.4%

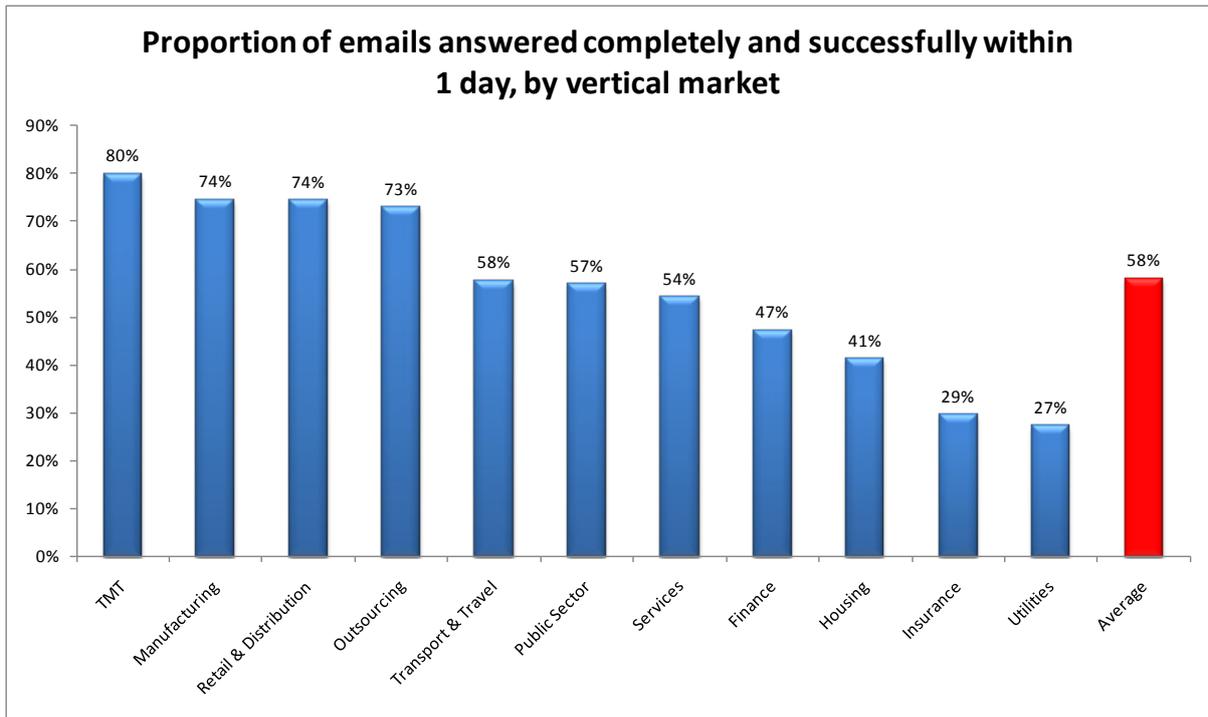
Email response handling times have shown a very slight improvement on 2010 (which were themselves slightly better than 2009), with the proportion answered within one hour going from 11% to 15%, and those answered the same working day staying the same. However, taking longer than one day to answer an email runs the risk of the customer losing patience, and going elsewhere or phoning the contact centre, placing a greater cost burden on the business than if they had just called in the first place.

Figure 66: What proportion of emails are answered successfully and completely within these timescales?



Although the previous chart looks at average email handling time, a relatively small number of tricky enquiries can pull the average email handling time upwards considerably, so it's also worth looking at the proportion of emails answered within 1 day (consider this measure to be similar to the traditional call centre benchmark of proportion of calls answered within 20 seconds).

Figure 67: Proportion of emails answered within 1 day, by vertical market



As with last year, the TMT sector (which includes IT) seems far better placed to handle its high volumes of email, and retail & distribution sector handles its large volumes of email fairly well too. Customers of insurers and utilities companies will have learned not to expect quick answers from them, and the housing sector too could do with improvements, as almost 11% of its inbound traffic is via email.

MULTIMEDIA BLENDING

There is no general agreement within the industry on how best to deal with email, although there are genuine reasons to encourage email/voice blending. On one side, there is a case made that letting agents answer email makes the job more interesting for them, lowering attrition and improving skills. The other side to this says that the skills required by email agents are different from voice agents, and that it is difficult to find the agents to do both jobs. Both sides make sense logically, and historically, of those contact centres which use voice/email blending, only around 1 in 5 have experienced problems finding the right staff for these types of role, a figure that decreased each year that it was surveyed.

From our respondents, the outsourcing, retail & distribution, TMT and transport & travel sectors are keenest on multimedia blending, with the vast majority of these respondents allowing at least some of their agents to carry out both email and telephony. However, email requires certain skills, including grammar and punctuation, which not every agent has, even with assistance from an email management system's response template.

On average, slightly more than half of agents in a blended multimedia environment are allowed to do both email and voice work.

Staff in smaller contact centres are expected to pitch in more with anything that need doing. 83% of sub-50 seat operations have some agents who deal with email and voice, compared to only 57% in the 200+ seat bracket. Within these blended contact centres, small contact centres allow 67% of staff to do both voice and email, compared to 47% in medium-sized operations and only 14% in large contact centres.

Figure 68: Use of multimedia blended agents by vertical market

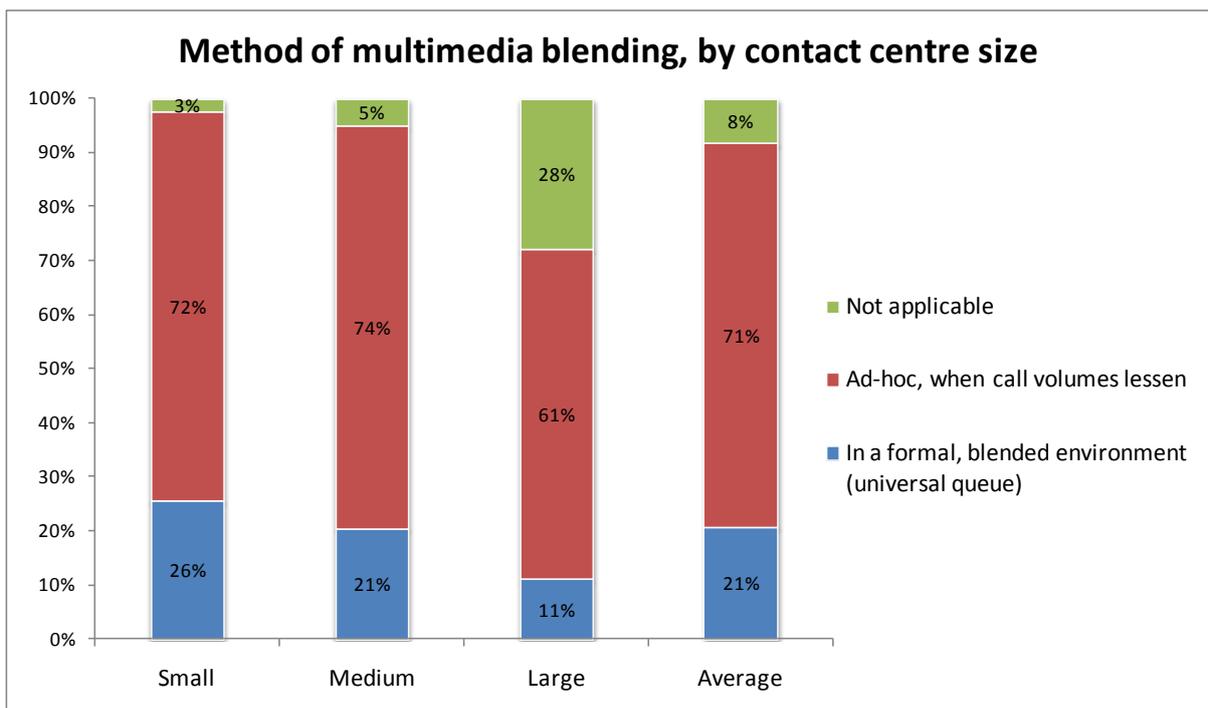
Vertical market	Respondent contact centres allowing multimedia blending	Proportion of agents answering both voice and email (only where applicable)
TMT	93%	78%
Outsourcing	92%	63%
Retail & Distribution	92%	59%
Transport & Travel	88%	41%
Housing	80%	70%
Public Sector	80%	37%
Finance	78%	35%
Insurance	75%	26%
Services	63%	52%
Manufacturing	50%	63%
Utilities	50%	20%
Average	78%	53%

As we can see, simply because a contact centre uses the same agents for email and voice does not mean that all operations use the same level of multimedia blending. For some operations, multimedia blending is a strategic decision which has been invested in with the right levels of technology and training being provided. For others, it is a necessity, with agents encouraged to answer emails in slack call times.

In past years, smaller operations - which may not have had sufficient email volumes, or the investment available to formalize the blending by forming a universal queue to deal with all types of interaction - had been much more likely to deal with emails on an ad-hoc basis, whereas there had been a positive correlation between contact centre size and the use of a formal blended environment or universal queue.

In the past 2-3 years, this has changed, perhaps as a combination of the larger volumes of emails coming into smaller operations, along with more reasonably-priced multimedia-capable solutions becoming available to this market. The result is that 26% of respondents from sub-50 seat contact centres state that they use a formally-blended environment, rather than an ad-hoc approach, whereas only 11% of large contact centres (which are far more likely to use dedicated email agents than multi-tasking agents) do so.

Figure 69: Methods of multimedia blending

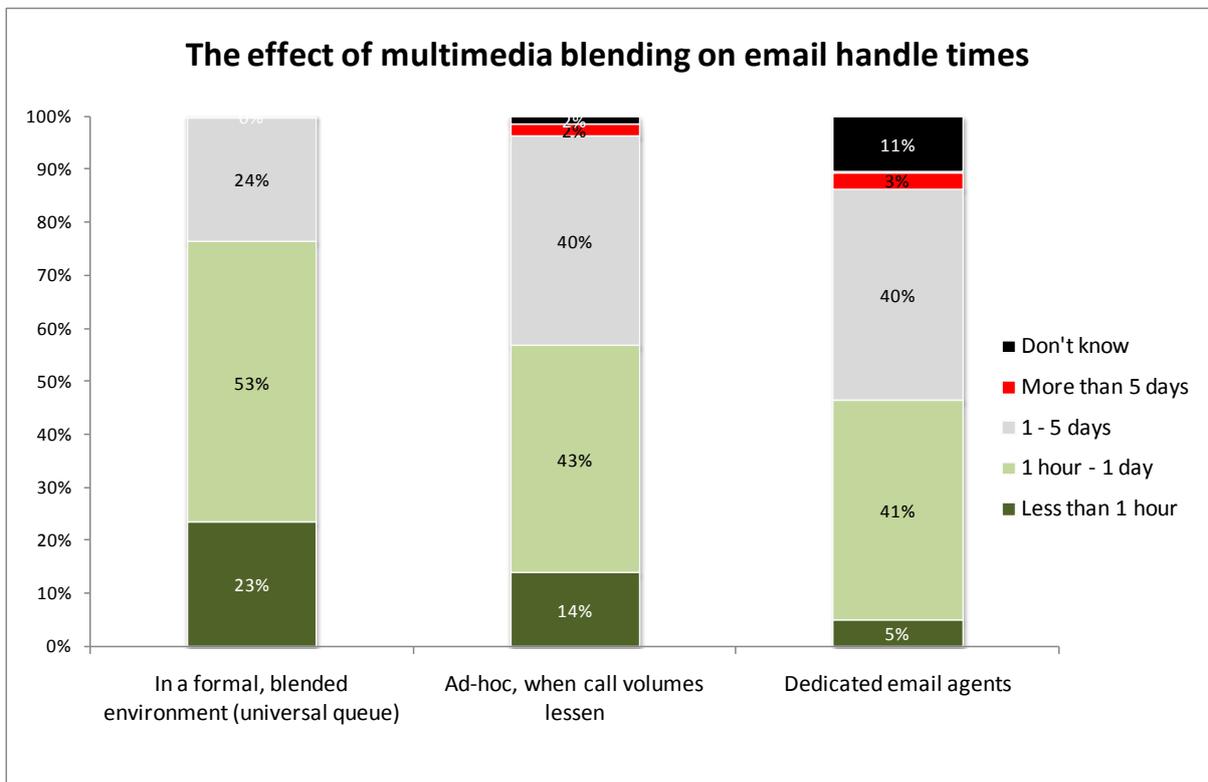


The following chart seems to indicate that a formalised blending environment, such as a universal queue, has a beneficial effect on email response times. 23% of respondents using a formal blended environment have average email handling times of less than 1 hour, with no respondent having an average handle time longer than 5 working days.

The ad-hoc approach is less successful, with only 14% of respondents having an average handle time within 1 hour. Only 5% of respondents which do not use multimedia blending at all have a sub-hour average handle time, and a surprisingly high proportion have no idea about how long email takes to be answered.

Usually, the economies of scale at work in a large contact centre means that calls are handled more quickly, with less queue time than in smaller operations. These figures show that for email handling, smaller contact centres, with blended agents supported flexibly by a universal queue have managed to turn this around.

Figure 70: The effect of multimedia blending on average email handling time



MULTIMEDIA BLENDING AND ATTRITION RATES

There is a hypothesis that allowing agents to mix up the type of work that they do will have a positive effect on staff attrition rates, in that the work will be more varied and interesting. Data have proven this to be the case for many years, and even though attrition rates are extremely low this year, the same pattern emerges, except less dramatically than in previous years.

On comparing attrition rates against the amount of multimedia/call blending that agents are allowed to do, there is evidence to suggest that staff attrition is eased by multimedia blending.

- In contact centres where fewer than half of staff were involved in multimedia/call blending, the average attrition rate was 22%. In contact centres where more than half of staff answered multimedia and calls, average attrition was 16%.
- This pattern is slightly more pronounced when looking at contact centres which do not allow any agents to deal with both telephony and multimedia. In such environments, average annual attrition was 21%, compared to 14% in operations where all staff dealt with both email and telephony
- The link between contact centre size and staff attrition problems is also relevant, as larger contact centres are more likely to run their operations along highly-specialised (and possibly monotonous) production-line methods, which discourages blending as a whole and promotes high levels of attrition. However, such operations are likely to have higher efficiency measures.

NICHE CHANNELS

Apart from email, which is the most important person-to-person multimedia channel, organisations may feel that their customer base and business model is suitable for other channels to be used as well.

SMS

A potentially key technology that many businesses have ignored is SMS. Many people do not have a landline phone, preferring to use their mobile phone. In the US, one-third of 18-29 year-olds only use a mobile phone for telephony⁵, while in the UK, 15% of all households are mobile-only⁶, a figure which is growing rapidly, especially as young people buy their first houses. While the mobile is more expensive to call, its ubiquity and responsiveness has a great advantage over landline phones and even emails, as the business is far more likely to reach the customer by calling their mobile number. Increasing the use of SMS as a channel to the customer would reduce many of the costs associated with mobile communication (including agent time, as well as transmission costs), while keeping the advantages of contacting a customer's mobile number.

Despite the effects of legislation on outbound calling being seen, SMS does not act as a substitute for voice calls, but rather as a complementary channel, and this is something that should be emphasised: outbound communications are now definitely seen by businesses as opportunities to add value and secure loyalty through proactive customer service, as well as being a powerful sales tool. Using a mixture of SMS and voice, a business can communicate quickly and effectively with its customer base, choosing the right channel depending on the urgency of the message and the customer's own preference.

SMS marketing is widely seen as 'edgy', and aimed primarily at young (and sometimes naive) consumers. It has also attracted more than its fair share of cowboys and con-men, lending a certain disreputability and gold-rush feel to the practice of SMS marketing, particularly around textback services. In future, SMS will work best where customers are happy to hear from a business (e.g. if their account is in danger of becoming overdrawn) and in cases where the business is saving money or strengthening their brand.

The link between mobile telephony and web is only going to get stronger with the path to smartphones looking clearer, with media and communications on the same device. This will mean the boundary between SMS and email will just blur, with the current visual drawbacks of SMS becoming irrelevant. Although the small screen of any mobile device means it's hard to do anything complex on-screen, the addition of voice-to-text technology will allow users to form longer and more complex sentences, more akin to email.

⁵ Harris

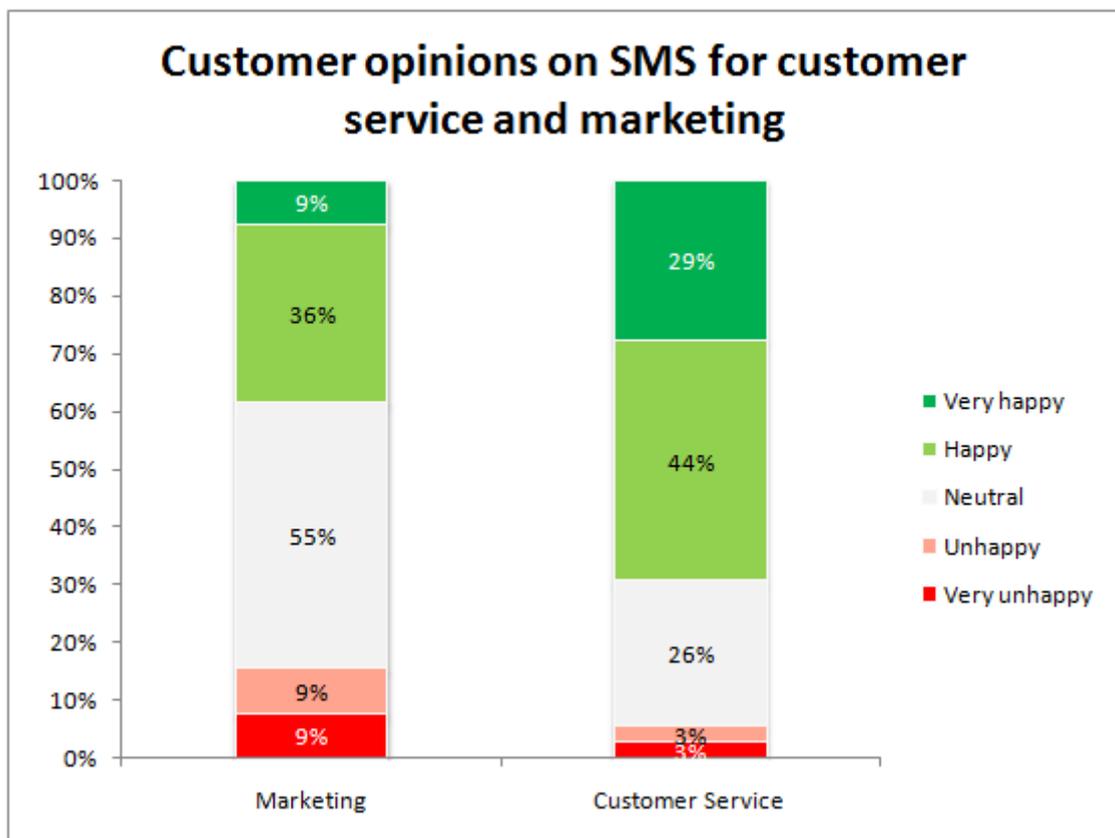
⁶ Ofcom, end-2010

CUSTOMER REACTION TO SMS

Customer reaction to SMS is very positive for proactive customer service (e.g. appointment reminders, delivery information, account balances, etc), and businesses which have implemented SMS as part of their outbound customer contact strategy are enjoying the twin benefits of high customer satisfaction and low costs, particularly when the cost of call avoidance is considered as well. 73% of respondents that use SMS for customer service say that their customers are either 'happy' or 'very happy' with this.

Unsurprisingly, marketing SMS messages are less well-received, although there are more positives than negatives. Much of the customer reaction will come as a result of which marketing messages are sent, to whom and how often. The financial result of a marketing campaign is vital, and the following section looks at the return on investment experienced.

Figure 71: Customer views on SMS for customer service and marketing



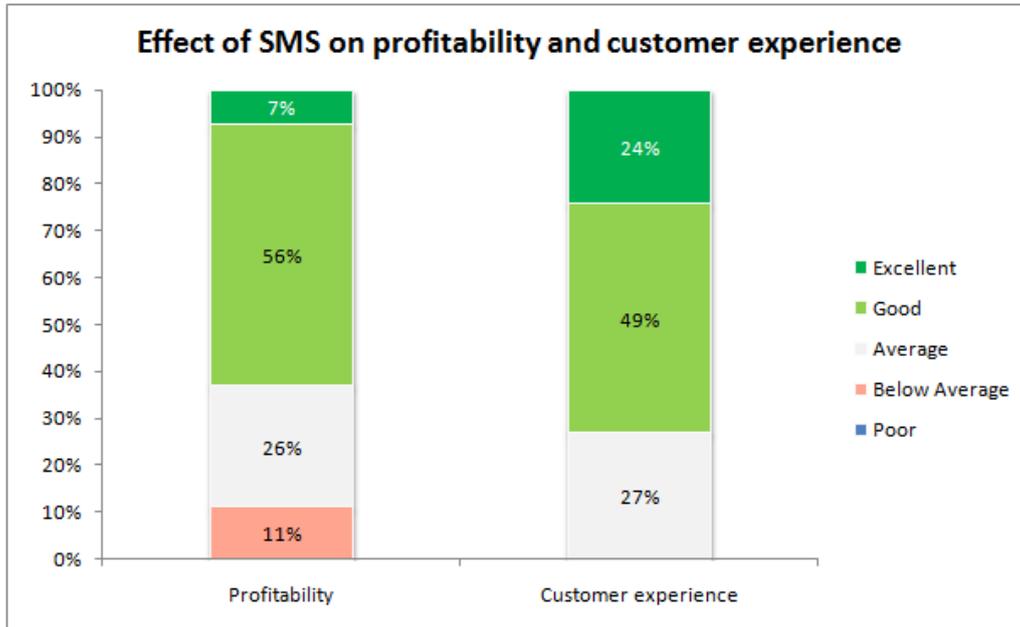
SMS: MARKETING RESPONSE RATES, RETURN ON INVESTMENT AND CUSTOMER EXPERIENCE

Businesses wishing to use mobile telephony - whether through voice or SMS - should be aware of the unique nature of the channel, including the psychological state of many mobile phone users towards the device. The mobile phone is seen as a private, personal communications channel, in a way that a PC or landline phone is not. The mobile phone goes everywhere with its owner at all times (the peak time for texting is between 10.30pm and 11.00pm), and the external appearance, sound and function of the phone can be personalised and modified to reflect the user's personality.

17% of UK customers volunteer their mobile number as their primary point of contact, suggesting that there is a significant number of people for whom being contactable is preferable to maintaining their distance from organisations, although this comes at a significant cost for the businesses making the calls. Against this background, using SMS as a marketing channel would seem to be a good way to achieve superior delivery and read-rates, and this is borne out by the surveys' findings. Although only around 30% of respondents had used SMS as a marketing channel, 46% said that the response rate was superior to direct mail and 37% said that it was better than email. However, 44% said that response rate was better in the telemarketing channel, although of course this method is far more expensive.

When considering the return on investment - i.e. bringing cost into the equation as well as response rate - SMS still bears up well, with 32% of respondents saying that SMS's ROI was much better than direct mail's. 48% said that SMS has a better ROI than the expensive telemarketing channel, and the same proportion of respondents said that SMS had a better ROI than the ultra-low cost email channel than disagreed with that assertion (40%). With these response rates and ROI figures, it is strange that more companies are not yet taking advantage of SMS as a marketing channel. Businesses that have used SMS for customer service and marketing report positively. 63% state that effects on profitability have been good or excellent, but it is the powerful positive effect on customer experience that is perhaps more noteworthy, with 24% of respondents stating that SMS has had an excellent effect on customers, with a further 49% stating a good effect. No respondents felt SMS has had a negative effect on the customer experience.

Figure 72: The effect of SMS on profitability and customer experience



TEXT CHAT AND WEB COLLABORATION

Text chat (instant messaging / IM) and web collaboration are similar in that they offer live assistance to the process of web browsing. Like email, they have been around for a long time, but have yet to achieve the usage that had been predicted. IM offers an organisation a chance to cut costs through running more than one chat session at a time with customers, using the time that a customer spends reading and replying to an agent's response to deal with other customers concurrently. Solution providers offer the option for an agent to deal with 4 or more sessions at the same time, but whether this is a sustainable model for the agent or provides an acceptable quality of service for the customer is another question. Agents can respond to frequently-asked questions by using 'hot-keys', which provide templatised answers and can escalate queries if required.

IM is not a cheap channel, and some businesses now offer it in the final phase of a web-browsing session, perhaps initiating a text chat session if the customer has revisited a page many times, or is pausing at the checkout process. Forrester Research indicates that investment in proactive IM capabilities will produce an incremental 105% ROI.

As an aside, some US contact centres report that gamers - those experienced in playing online games - are particularly suited to the fast-paced, text-oriented nature of IM, and some US businesses are actively recruiting such people to work as IM agents. It is also worth commenting that although offshore customer contact has received a mixed press (at best), many of the negative issues surrounding offshore are not applicable to the multimedia channel, such as the frequent mutual incomprehensibility of accents.

The customer of the future - especially the younger generation - are often accomplished Instant Messengers, and will be keen to use this option with the businesses they work with. However, IM is currently only really useful for generic information and sales purposes, as users usually aren't taken through security processes, so the agent can't help with specific account queries; the same usually applying to email. Putting some form of trusted biometric device on a PC or mobile device (such as a thumbprint reader) which then assures the

businesses' system of the user's identity could possibly overcome this issue. Alternatively and more simply, there doesn't seem to be any reason why the IM agent can't ask the standard security questions to the customer via IM, but this is rarely done today, perhaps for cultural reasons.

Web collaboration, including form-filling and page-pushing, is a very intensive, one-to-one channel, best used for high-value customers or in those cases where it is quicker and more effective for an agent to take over the reins than to talk the customer through the process. While it is useful for certain businesses, processes and customers, it is difficult to make a case for it on a cost-saving basis alone, although it will encourage the completion rate of sales, and as such, improve profitability.

SELF-SERVICE

THE USE OF IVR AND SPEECH RECOGNITION

Alongside the rapid growth in the use of web-based services, the popularity of contact centres continues to grow, albeit more slowly than in past years:

- Customers like to talk and find voice the most convenient, flexible and quickest communication channel in many instances, especially in older demographics and for complex enquiries
- Customers' expectations continue to rise. Not only do they seek out competitively-priced goods and services, but they require quick, efficient services as well
- Customers' general level of awareness of identity theft as a real issue has also grown, and they expect to see that their private and personal information is protected by those organisations with which it is shared.

The challenge for businesses is to improve the customer experience, protect their customers' private and personal information and control their own costs. As such, the use of automated voice-based solutions has become widespread and offers a rapid service option to customers while keeping contact centre costs down.

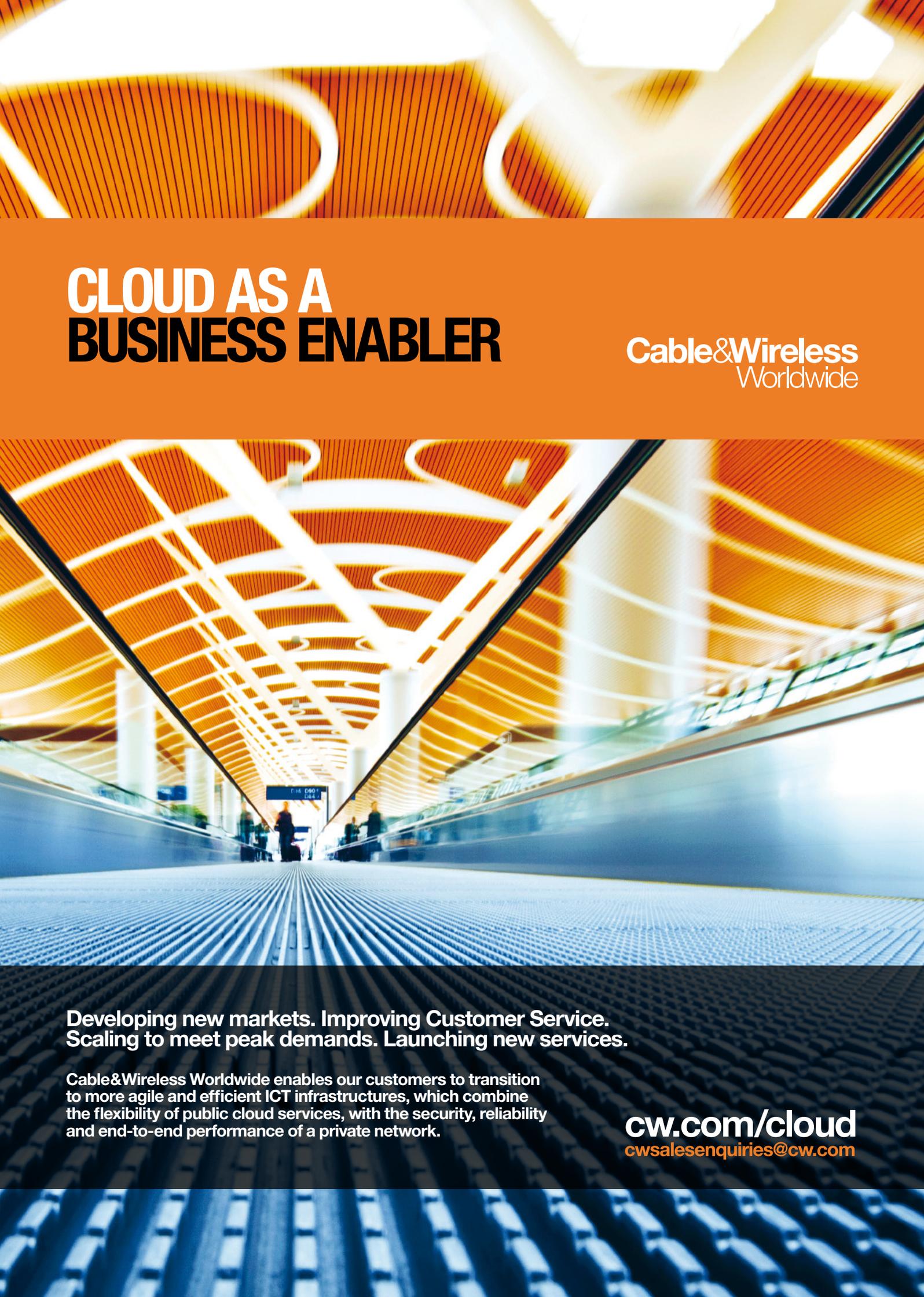
Telephone self-service as we know it has been around since the 1970's, when the first IVR (interactive voice response) units became widely-used. Touchtone IVR allows customers with a touchtone phone (also known as "DTMF" – dual-tone, multiple frequency) to access and provide information in a numerical format.

Recently, there has been strong growth in the use of automated speech recognition (ASR), which allows customers to speak their requirements to the system, allowing greater flexibility and functionality.

IVR – whether through touchtone or speech recognition - has four main functions:

1. to route calls to the right person or department (e.g. "Press 1 for sales, or 2 for service...") in auto-attendant mode
2. to identify who's calling via either caller-line identity (where the caller's number is recognised, and their records brought up immediately), or through inputted information, such as account number. The caller's information is then "popped" onto the screen of an agent who then understands who the customer is and what they are likely to want
3. to segment and differentiate between customers, identifying the most important in order to deliver a premium standard of service to them (e.g. minimizing time on-hold, spending longer on the phone with them, offering high-value services such as web collaboration, if required)
4. to deliver a total customer service interaction without having to use a human agent, saving the business money - 7 self-service IVR calls cost less than a single person-to-person call.

To learn more about IVR as a call routing solution (i.e. options 1, 2 and 3), please see the section on 'Call Routing and Queue Management' in the 'Maximising Efficiency and Agent Optimisation' chapter. This section considers IVR and speech recognition only as part of a full self-service solution, i.e. one that takes the place of an agent.



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Figure 73: Advantages and disadvantages of touchtone IVR

Advantages	Disadvantages
Fantastic cost-cutter: 7 IVR calls cost less than a single person-to-person call	Can be inflexible to change IVR options, due to proprietary nature of many existing IVR solutions
Captured customer data from an IVR enables key CTI (computer-telephony integration) solutions, such as screen popping and skills-based routing to take place	IVR menus difficult to visualise for customers, leading to stress and dissatisfaction. Users may feel “there is no end in sight” and become frustrated.
Frees agents from boring and repetitive work, reducing staff attrition and improving morale	Long-winded menus annoy customers, where shorter ones can reduce the options available, and thus, the functionality
Allows agents to spend more time doing high value-add work, like cross- and up-selling, and complex customer care and loyalty work	General negative perception of IVR: it is seen as a low-cost option aimed at helping the business, not the customer. Overuse of IVR makes customers feel as though the company does not value them
Reduces queue times and call abandonment rates, improving customer satisfaction for those needing live agent help	Expensive, proprietary hardware has kept businesses locked into existing suppliers in the past

Customers need to be persuaded to use IVR self-service, and you can measure success in two ways: through the “play” rate (what proportion of your customers try to use IVR), and the “completion” rate (how many can successfully interact with your company without having to involve a human agent by “zeroing-out”). Your customers need to be motivated to use IVR (i.e. there’s something in it for them), and you need to design, maintain and promote the self-service application to get them to keep using it.

Simply making IVR self-service available without too much thought or effort will result in perhaps fewer than 20% of possible calls being completed without human interaction. Designing the IVR self-service experience with customers’ needs in mind, marketing it as an aid for customers, rewarding the customer for using it and tuning the application to make it even better can mean up to 90% of relevant calls are dealt with automatically: a massive cost saving, an improvement in the customer service experience and a boost for the company’s reputation with its customers.

THE USE OF SELF-SERVICE

This section looks in depth at how contact centres are using IVR and speech recognition to provide automated self-service solutions for their customers, such as paying bills, checking balances, checking-in, buying tickets and other end-to-end automated processes. It does **not** cover the use of IVR and speech recognition as a front-end, for example, collecting customer details for security or routing purposes, which are applications studied in the 'Maximising Efficiency and Agent Optimisation' chapter.

Self-service is found across most industries - there is often at least one function that self-service is suitable for, regardless of what a company actually does - but some sectors use it far more than others. Some businesses are finding that web self-service is more popular with their customers, especially with the uptake of smartphones and feature phones which allow web browsing on the move.

Figure 74: Some functions for self-service, by vertical market

Self-service activity	Typical sector offering this form of self-service
Problem reporting and resolution	IT helpdesk
Account access	Banking
Product information	Retail
Online registration	Any
Order entry	Retail, travel
Balance enquiry	Banking, credit cards
Dealer or store location enquiries	Car sales, retail
Ticket booking	Cinemas, other entertainment
Real-time punctuality checks	Airlines, trains
Status checks	Retail (esp. online), IT helpdesk
Address changes	Subscription services, utilities
Form filling	Any
Brochure request	Travel, retail
Password reset	Finance, IT

However, there is wariness about IVR and indeed self-service of every type. Many businesses wish to be seen as strongly focused upon customers' needs, and putting what can be seen as a barrier between customer and business is anathema to them.

Although self-service is in widespread use, there are specific sector and business types where it can excel in reducing cost and increasing service levels. At a basic level, self-service can be seen as a function of the complexity and volume of interactions.

Self-service usage

		Self-service usage	
		Very high	Medium
Volume of interactions	High	<ul style="list-style-type: none"> - balance enquiries - ticket booking - utilities meter reading 	May use speech recognition <ul style="list-style-type: none"> - form-filling - stock purchase
	Low	Medium May use hosted solution <ul style="list-style-type: none"> - FAQs - low security interactions 	Low Cost of system purchase and update may be prohibitive compared to using live agents
		Simple	Complex
Interaction complexity			

Put simply, the greater the number of simple interactions a company deals with, the more likely it is that it can benefit from implementing self-service. Currently, this paradigm puts self-service in direct competition with inbound offshore contact centres, many of which deal in more routine tasks.

Put simply, the greater the number of simple interactions a company deals with, the more likely it is that it can benefit from implementing self-service.

- **Large** volumes of **simple** requests from customers (and who use agents simply as a means of reading the information from a screen) should have implemented self-service by now. There are estimates that 70% of calls to helpdesks are password/passnumber reset requests, which could be handled via self-service.
- Where businesses only deal in a relatively **small** number of **complex** interactions, the cost of implementing a sophisticated, probably speech-enabled self-service application – and keeping the knowledge base up-to-date – may be greater than any associated salary cost reduction.
- Businesses having a **small** number of **simple** interactions now have the option to have their voice self-service functionality hosted off-site, paying perhaps only for the number of times that it is used. This model allows self-service functionality at a fraction of the cost of owning and maintaining a premises-based system.

- Businesses which deal with **large** numbers of **complex** interactions are building and using some of the most interesting and potentially beneficial self-service applications. Examples include filling in insurance forms to get a quote – a lengthy and time-consuming business, which can last for tens of minutes, costing the business a great deal of money. Moving this to self-service can save huge amounts of money, as an agent may only need to be brought in to close the sale or clarify finer points of the policy. Stock purchase is another classic example of this: sophisticated users can buy and sell stocks as quickly as they could by talking to a human agent by communicating via speech recognition directly with a business's applications and databases.

IVR has been a notable success for many businesses, but it is now ready to move away from the limits of touchtone service. It can now leverage both the added flexibility and power of speech recognition as well as being able to share the functionality that businesses have recently developed with their web self-service applications. Of course, this is likely to come at an additional cost, and the thought of trying to find capital budget to invest in these solutions may put contact centres off right-away. In such cases, businesses should consider alternative application delivery methods, such as a hosted solution.

Speech Technology and Hosted Solutions

One of the most consistently strong inhibitors against the uptake of speech recognition is the initial cost involved, as well as the expected ongoing support costs.

Given the current economic climate, the hosted proposition has a particular appeal to organisations who don't wish to invest or tie-up large sums of up-front capital investment on in-house systems or pay for the in-house IT resource to run them. One advantage of hosting is that the need for significant upfront technology investment is lessened, providing on-tap access to extensive telephony resource, albeit of a third-party nature. Additionally, the use of hosted solutions means that businesses don't need continual ongoing investment to upgrade their own systems.

Like other self-service applications, automated speech has of course been more attractive for organisations with high volumes, where the cost of handling the call can even exceed the business value it represents. In this scenario, the need to reduce cost is imperative, but for speech-based self service to work well, the technology infrastructure on which it depends must be robust enough, and the number of phone lines linked to it large enough to accommodate the maximum number of callers ever likely to contact the service, or run the risk of turning callers away, a cost which can be very high. Hosted speech services, where the telephony and technology infrastructure is centrally-owned and managed by a third party overcomes this capital investment hurdle, and the pay-as-you-go model adopted by most hosted suppliers means that ongoing operating costs are directly pegged to transaction volume, providing valuable operational flexibility.

The utilities sector is a leader in voice self-service technology, with automated meter readings, balances and payments having been used for many years, with the finance sector also using self-service for balance-checking especially. Overall, 32% of respondents offer a full self-service option through a voice channel (down from 36% last year, which was itself up from 31% in 2009 - so self-service can be seen to be steady), although of course many more offer IVR for routing and CTI purposes, as well as a widespread and growing use of web self-service.

Figure 75: Overall proportion of calls handled entire through self-service (only in respondents which offer telephony self-service)

Vertical market	Overall proportion of calls handled entirely through self-service if offered	Proportion of contact centre respondents offering a full self-service option
Finance	23.4%	58%
Services	17.8%	38%
TMT	16.2%	27%
Utilities	15.0%	85%
Manufacturing	12.5%	11%
Outsourcing	11.0%	46%
Transport & Travel	10.9%	27%
Public Sector	8.6%	28%
Retail & Distribution	5.5%	22%
Insurance	0.3%	6%
Housing	0.0%	0%
Average	12.4%	32%

NB: proportion of calls handled through self-service refers only to the 32% of respondents offering a full self-service option. A full-industry view of self-service, including non-users can be seen in the Multimedia chapter.

On average, 25% of voice self-service is handled through automated speech recognition, rather than touchtone IVR, up from 21% last year. As in 2010, 86% of self-service interactions in small contact centres are through touchtone IVR, with automated speech recognition becoming increasingly widely-used in larger operations, with 27% of medium-sized contact centres and 28% of large operations using ASR. This is a clear example of how the more expensive and complex ASR applications are more likely to be used by those with the resources to implement and support them, but also are operations that can really benefit from the power and flexibility that automated speech recognition can bring.

Figure 76: Proportion of self-service calls handled through touchtone IVR or automated speech recognition, by vertical market

Vertical market	Proportion of self-service calls handled by touchtone IVR	Proportion of self-service calls handled by automated speech recognition
Finance	95%	5%
Transport & Travel	92%	8%
TMT	83%	17%
Utilities	75%	25%
Services	73%	27%
Outsourcing	73%	27%
Public Sector	71%	29%
Manufacturing	50%	50%
Retail & Distribution	50%	50%
Average	75%	25%

SUITABILITY AND EFFECTIVENESS OF SELF-SERVICE

Self-evidently, many calls are not suitable for self-service, as they may require multiple requests within the same call, be of a complex nature or be from a caller who feels that they need to speak with a human agent. Additionally, some small businesses may have such a low volume of calls that it is not cost-effective to implement self-service.

Although 68% of respondents do not offer any full self-service solution via telephony, only 30% do not believe that self-service is entirely unsuitable for them, meaning 38% of UK contact centres do not offer self-service to customers via telephony, but believe that some of their workload could be fully automated. It may be that these respondents have decided to skip the voice self-service option, preferring to focus upon web-based self-service.

Even amongst those which offer telephony self-service options to customers, there is a feeling that the majority of calls are not suitable for complete automation. For example, the utilities sector, which is an avid and early user of voice self-service solutions, believes that it could only increase the use of self-service to around 20%, up from 15%. However, some sectors strongly believe that self-service has a great untapped potential, with the recently cost-conscious public sector stating a potential usage several times greater than currently is used. The IT sector is particularly well-placed to take advantage of web self-service, through a technical knowledge base, which is a much better way of disseminating very complex information than doing so over the telephone.

It's no use trying to shift every customer service interaction onto IVR self-service, as if customers don't want to use IVR, they will "zero-out" (press 0 for a live agent) straightaway. And if you don't offer a live agent option to an irate and frustrated caller, you won't need to worry about providing customer service to them in the future. It is worth reiterating that if callers agree to try a company's self-service system rather than insisting upon talking to an agent, there is an implied understanding that if the self-service session is unsuitable, the caller should be allowed to speak with an agent. Few things can frustrate callers more than being hectorred into using an unhelpful and irrelevant self-service system.

Overall, a mean average of 10.5% of calls that go into the self-service option are "zeroed-out": instances where the customer decides that they in fact wish to speak with an operator, which is similar to last year's improvement, and is hopefully a sign that self-service applications are being considered as beneficial from the point of view of the customer. (NB, 1st quartile performance for 'zeroing-out' is 1.5%, the median is 3.5% and the 3rd quartile is 13%, which indicates that there are a relatively few number of contact centres where self-service failure rates are high, which this year's data indicate are more likely to be in the utilities and public sectors).

Due to the potential additional flexibility and functionality offered by automated speech recognition over touchtone IVR, we would expect the zeroing-out rate (which can be viewed as connected to customers' rejection of the self-service option) to be lower for speech recognition than touchtone IVR. However, the opposite is the case:

- In contact centres where the majority of self-service is offered through speech recognition, the mean zero-out rate is 17.3%.
- In contact centres where the majority of self-service is offered through touchtone IVR, the mean zero-out rate is 8.6%.

Without interviewing these respondents in more depth, there is no certainty as to why this is happening. It is possible that customers are simply more used to touchtone IVR; that speech recognition often offers an option to speak to an agent early in the script (which is taken as the easy way out); or that customers do not know what to say to an automated system to make it work, so look to speak with a live agent. That customers may actually prefer a closed group of options is an interesting conundrum, and one which deserves more attention in future studies.

Cost differentials in self-service and live voice support

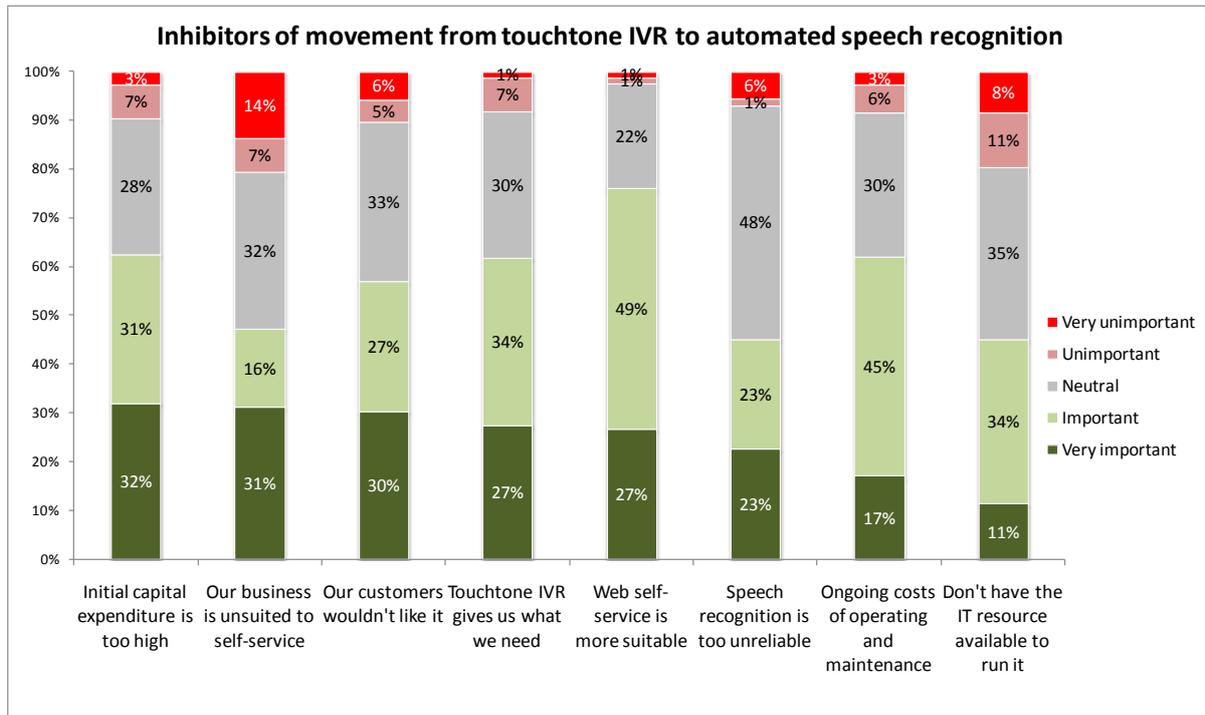
- The average cost of a live telephone call varies considerably, but has a mean average of £3.97.
- Respondents state that the average cost of a telephony self-service session is 58p.

NB: ContactBabel statistics from 2010 and 2011 research

FROM TOUCHTONE IVR TO AUTOMATED SPEECH RECOGNITION

Respondents were asked to give their views on some of the issues that impact the future uptake of automated interactions.

Figure 77: Inhibitors of movement from touchtone IVR to automated speech recognition



In previous years, the main issue that held back speech-enabled self-service was that their business wasn't really suited to automation. However, the previous section showed that more than half of the contact centres that offer no full self-service options today could see some benefit in automating at least a small part of their processes.

As such, there are likely to be issues around expenditure, operational costs and customer reaction to address for these potential users of self-service. Respondents are more concerned than in past years that they do not have the in-house IT resource to run automated speech self-service, and many thought that the ongoing costs and effort would not be worth it. However, the biggest inhibitors were the initial investment (which could be alleviated through a hosted model) and that fact that customers would not like it. As touchtone IVR (when badly-implemented) is a major bugbear for customers, replacing it with a quicker and more powerful alternative (ASR) could be seen as a benefit, although the inflated zeroing-out rates associated with ASR should be considered. Even after many successful implementations, almost half of respondents this year still thought that ASR was not yet up to the job technically.

In all, there is still a great deal of work to be done by solution providers to offer delivery of ASR solutions - either as a replacement for touchtone IVR, or as a new solution - with innovative payment and service delivery methods, and especially a greater focus upon market awareness of the success stories in this area. However, there is more than a hint that respondents to this year's survey may look to stick with touchtone IVR and/or

focus upon web self-service, as 76% of respondents state that the latter is more suitable than automated speech recognition.

VIDEO AND IVVR

Away from the self-service options that are opening up, video agents are a step towards more personalised, high-quality customer contact. The customer will be able to see to whom they are talking, either through a multimedia PC or interactive digital television.

There are a number of cultural and business issues to consider:

- Customers may prefer the impersonality of non-visual contact, and may be uncomfortable with the agent seeing them in a domestic environment, which would suggest one-way video may be more popular
- Eye contact is critical for establishing trust and 60% of the communication process is actually visual. For sensitive purchases such as financial services, being able to see the financial advisor can help to establish trust and put the customer at ease. The entire contact may be captured and distributed electronically for further reference
- Verbal abuse, a major problem for some agents, may decrease in a virtual face-to-face setting, however, agents may feel their privacy is decreased if they are on camera, especially one-way, and the incidence of disturbing crank calls may increase
- The contact centre environment will need to be altered to impress the customer, and voice agents will need to be trained in visual communication.

This application has a great deal of potential, especially in a sales environment, and with technical support, where the agent show the customer what they mean. Various businesses – usually banks – are already using video kiosks to offer virtual branch banking services in areas where physical branches have closed.

IVVR - interactive voice and video response

IVVR - the placement of visual self-service options on a screen (PC or smart/feature 3G phone) adds a new dimension to the caller's experience: in addition to hearing traditional IVR voice menus and announcements, a caller can now see menu choices, and receive video presentations while waiting for an agent, during call transfers, or wherever appropriate in the self-service experience. As people can read a menu far more quickly than they can listen to it, IVVR can provide a much wider choice of self-service options than a voice-only IVR. IVVR can be used as a video front-end to a traditional contact centre, or as part of a full video contact centre where callers and agents can see each other.



THE CUSTOMER OF THE FUTURE



White Paper: "The Customer of the Future" (ContactBabel, in association with Exony, Cisco and Jam IP, 2008)

Synopsis: 30pp study of the technologies and cultural factors impacting upon future customer contact. Expands on the subject matter of this section of the UK Contact Centre Decision-Makers' Guide.

Download: <http://www.jamip.co.uk/research/default.asp> (requires registration)



White Paper: "Customer 2.0: Customer Experience and Profitability in the New Economy" (ContactBabel)

Synopsis: An extended, free White Paper investigating what UK organisations can expect from post-recession consumers, and how to move beyond traditional customer satisfaction measurements towards an insightful and actionable customer experience framework.

Download: <http://www.contactbabel.com/reports.cfm> (requires registration)

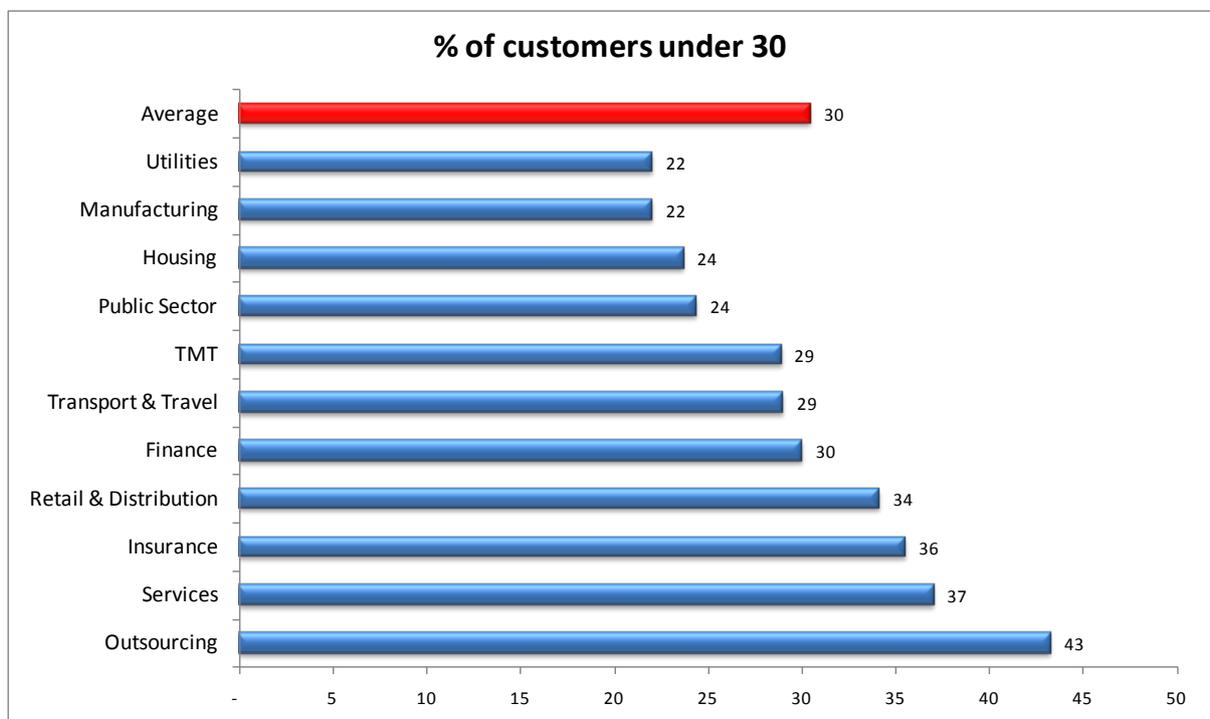
SOCIAL MEDIA

The 'customer of the future', for many businesses, is also the customer of today. Rightly or wrongly, the phrase 'customer of the future' itself creates a thought of technologically-capable, media-aware *wunderkind*, who are constantly in touch with each other and the world around them, perhaps through devices rather than face-to-face contact. A group for whom data is more important than voice, although the mobile phone or smart device has a totemic aspect and is never away from its owner. A demographic that businesses may feel will have to be addressed sometime, but not necessarily today.

This latter statement is, for many businesses, wrong. With around 30% of respondents' customers being from 'Generation Y' (roughly, those under 30 years of age), it would be the case that social media should be high on everyone's immediate agenda. Yet even more importantly, the past year or two has seen the preserve of the young trespassed on by the over-30s, those whom are most important to the majority of businesses. Social media is no longer just about young people, and the fact that most people using Twitter are over 35 shows that social media is a question for today.

Social media is no longer exclusively a young person's game: as Digital Surgeons reported at the end of 2010, 53% of Twitter users and 37% of Facebook users are under 35 years of age.⁷ While a few businesses still hold a mistaken perception that social media is restricted to teenagers and does not fully apply to their own customer base, a glance at the table below shows all sectors have a significant proportion of under-30s, but the majority are older and perhaps not much less likely to be using social media.

Figure 78: Proportion of customer base under 30, by vertical market



⁷ <http://www.digitalbuzzblog.com/infographic-facebook-vs-twitter-demographics-2010-2011/>

The time is right to turn social media into social engagement

Four critical steps to social media integration

by



One of the key findings of the new research by ContactBabel – on behalf of Genesys and Alcatel-Lucent Enterprise – is that businesses now recognise the need to use social media in a more sophisticated way. They want to go beyond simply 'monitoring' what consumers are saying about them on social media sites such as Facebook and Twitter; they want to be able to 'act on it' – quickly and effectively, and engage pro-actively with the customer. However, the report shows that most companies are not fully geared-up to provide customer service via social media with anywhere near the same quality as other customer engagement channels, such as telephony or email.

Many businesses are still focused on the brand and sales impact of social media, which, in the main is handled by the marketing department. This is also confirmed by recent research by Gartner who found that 75 percent of organisations do not connect social media operations with customer service operations. Yet through an integrated approach, companies not only gain the ability to listen to customer sentiment about their brands, but they can prioritise these sentiments to determine the appropriate actions, engage with consumers as never before possible, and integrate the resulting interactions across marketing, customer service, and other customer touch points to deliver a truly effective and satisfying customer experience.

To build strong customer engagement in the age of social media, Alcatel-Lucent Enterprise recommends businesses follow **four critical steps for social media integration**:

- 1. Listen** – companies need to gain visibility into social media communities and to develop ways to capture customer sentiment about products, services, and the level of emotional engagement that exists around the brand. It is critical to establish a robust presence on social sites, so that specific comments or concerns can be tied directly to customers or prospects, in order to make responses much more productive.
- 2. Prioritise** – new business rules and work flows need to be developed to help organisations use social media information. A key part of this is prioritising what action, if any, is warranted from social media posts – and by whom. It's important to distribute any unresolved posts so queries can be handled appropriately and quickly, to dramatically enhance the customer experience.
- 3. Engage** – when responding to issues, interactions should ideally occur in-media. So if a customer tweets, the response should be in a tweet. Social media can also be used to reach out to offer new products and services to high-target, high-worth customers via their most-used channels. At this point, it's important to understand a customer's influence: one customer may spend millions with a company each year, but perhaps only has 75 Twitter followers. Another customer may spend very little, yet has 5 million followers.
- 4. Integrate** – there is often a great divide between the various departments that are engaged in social media throughout the enterprise – marketing, communications, online sales, the contact centre – with each running their own siloed operations. Failure to integrate these operations results in duplicated efforts to resolve issues, which leads to a poor customer experience. From a customer perspective, integration is key: the ability to create one seamless operation in answering a query, regardless of which channel used, is extremely important in terms of customer satisfaction.

The simple truth is that the integration of social media and customer service operations is no longer an option. By integrating social media within existing channels managed by customer service, organisations can significantly extend its value through the enterprise, and in today's competitive marketplace, companies that understand and capitalise on this power of social media will take control of their industries. Smart brands will start bolstering their position – and banking the rewards – now.

There are a huge number of definitions for social media, but the majority highlight certain aspects and traits in common, including, but not limited to:

- interactivity between peers supported by a collection of online tools
- dialogue rather than monologue
- ubiquity
- free-to-air
- user-generated content
- person-to-person communication.

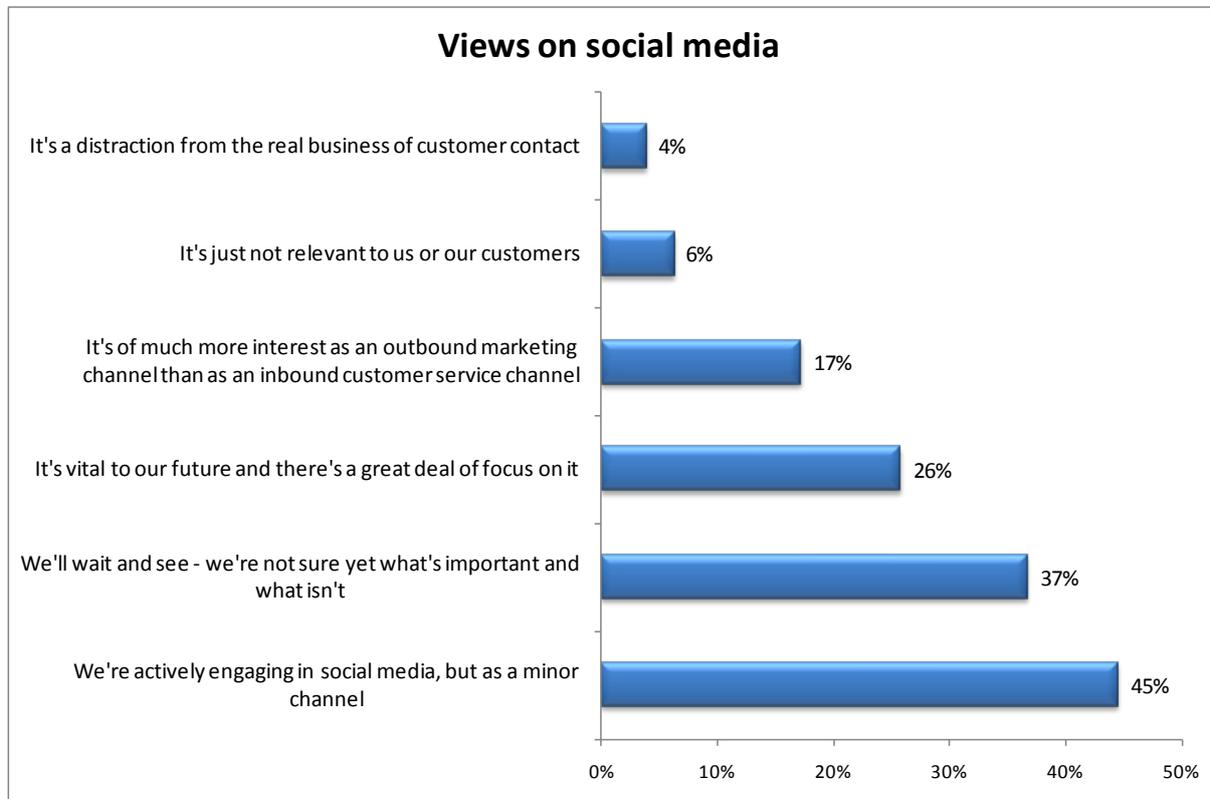
On the face of it, social media seems more about individuals communicating with each other, leaving companies out of the loop. However, many organisations have been eager to step up to the plate, setting-up Twitter, Facebook and Google+ accounts (or Quepasa, Renren, Mixi etc, depending on their geographic location), as well as YouTube channels for marketing and customer support, with corporate blogs and customer communities also widely supported.

As the following chart shows, UK businesses are quietly enthusiastic about social media. Businesses were allowed to agree with more than one of these statements, with 45% saying that they were dipping a toe in the water, and 26% seeing social media as vital to their future. Yet the second-highest response was to "wait and see", with a small minority writing it off altogether. 1 in 6 respondents see it as another outbound channel to get to customers - which is contrary to the 'dialogue not monologue' ethos generally accepted.



It is important that sites such as Facebook and Twitter are able to feed into customer services systems effectively, as social media is an important channel that some customers want to communicate through – and definitely one through which enterprises can learn about their customers. But with less than half of respondents actively engaging in social media, it is clear that companies need to start viewing social media differently and listen to what's going on in these highly collaborative channels in order to prioritise actions and engage with their customers.

Figure 79: Which of the following comments describes how your company views social media?



The relatively small number of respondents in some vertical sectors make quantitative analysis less appropriate for this question. However, some key messages can be drawn out:

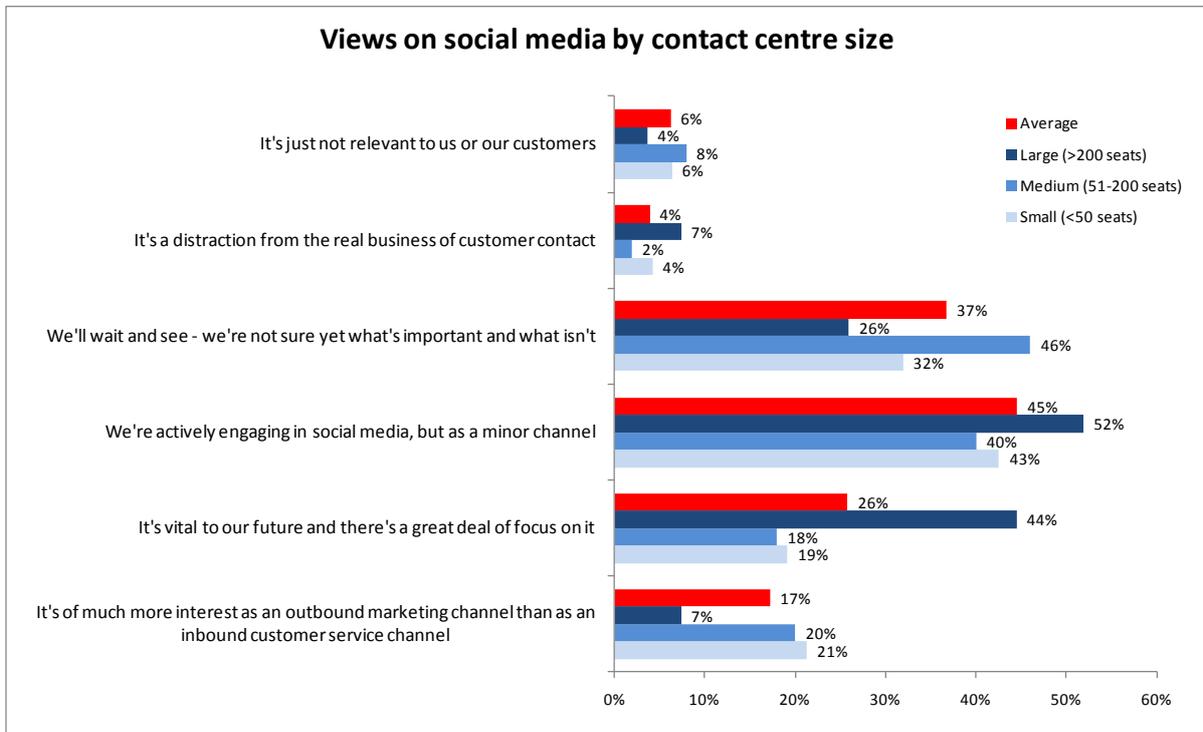
The **housing** and **insurance** sectors had the greatest proportion of respondents that were unenthusiastic about social media. The housing sector is similar to the wider public sector in the type of activities that it does, and is relatively new to the contact centre industry, so some respondents seem more keen to get their telephony operations working efficiently before venturing into new fields. As it is not a particularly competitive market, elements of social media such as learning more about the competition or broadcasting marketing messages are less relevant. The sales in the insurance sector are highly price-sensitive and are 'distress purchases' rather than something actively sought for its own sake. As such, opportunistic demand is difficult to generate through marketing, and customer communities are less relevant than in other sectors. However, insurers would do well to track what customers say about them to other individuals, as it can highlight deficiencies in the customer experience.

The **manufacturing**, **outsourcing**, **retail** and **transport & travel** sectors are all very enthusiastic about the future of social media in their business. Manufacturers seem to value the ability to see what is being said about their company, products and competition, with retailers and outsourcers getting far more benefit than most users from social media as a customer service channel. Manufacturers and retailers are also very keen to use social media as an outbound marketing channel.

Finance, **public sector** and **services** respondents are more likely to be taking a 'wait-and-see' approach, although there is little cynicism about social media in any of these sectors.

The **TMT** (technology, media and telecoms) and **utilities** verticals are actively engaging in social media as a minor channel, with some in the utilities sector being particularly active in using social media as an outbound communication channel with their customers.

Figure 80: Which of the following comments describes how your company views social media? (by contact centre size)

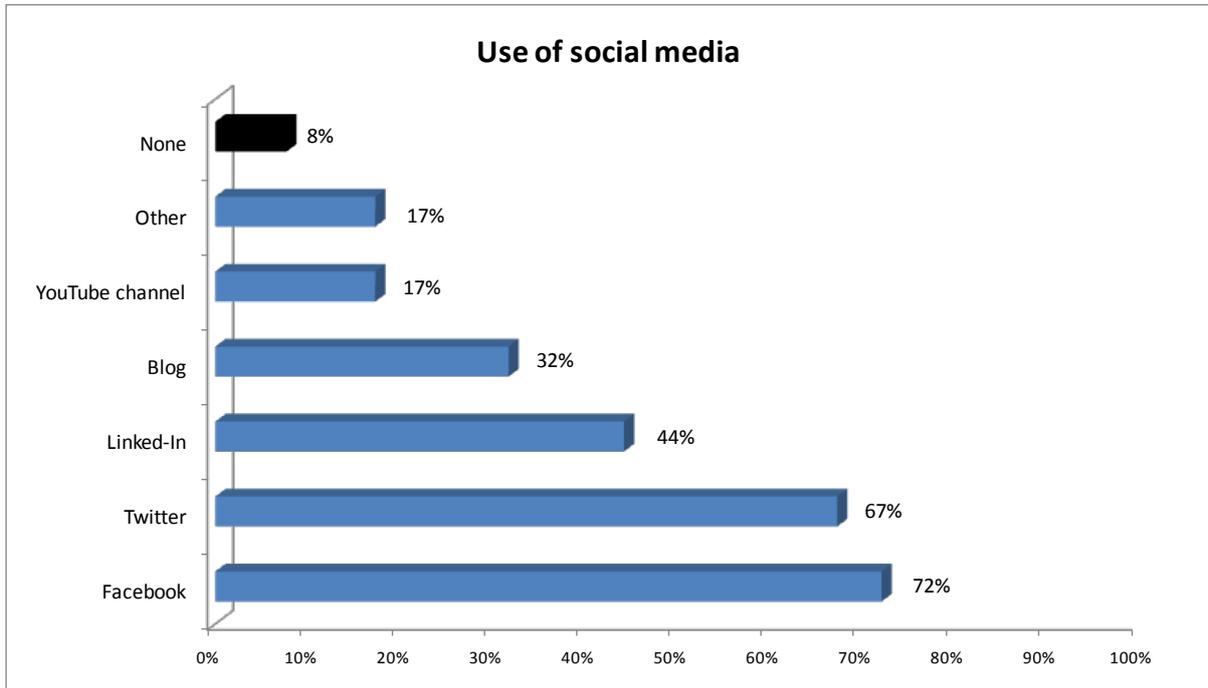


The greatest conclusion to draw from the preceding chart is that operations with large contact centres (and thus, the most customers), predict the greatest things from social media, and not just from the point of view of it being another channel with which to bombard customers with marketing messages. Large operations are least likely to have taken a watching brief over social media, and the majority engage actively now.

Small and medium operations are more likely than large businesses to see social media as an easy - and cheap - way to broadcast to customers, but even so, only 1 in 5 of these respondents see social media as more important outbound than inbound, suggesting a good appreciation of the two-way nature of this medium.

Large contact centres are leading the way in their adoption of social media, but there is also real advantage for smaller contact centres to look at this channel as a cheaper and better way to communicate with both existing and potential customers. Smaller contact centres may require a low cost of entry deployment model for benefiting from social media as a communication channel - such as deploying a SaaS based model - but this will enable them to very cost effectively reap the same advantages of social media which are available to larger contact centres.

Figure 81: Current usage of social media



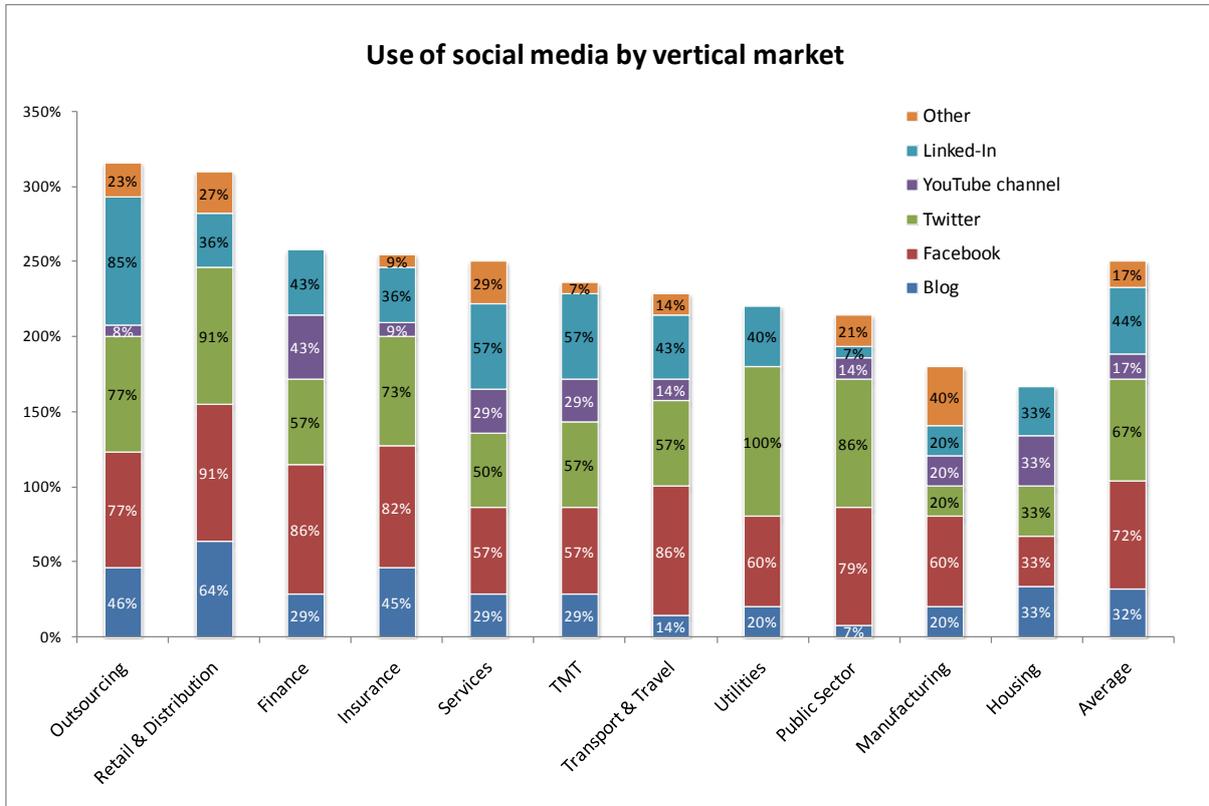
Having chosen various types of social media channel to investigate, it probably comes as no surprise to find Facebook and Twitter as the most widely-used, although the use of the B2B channel 'LinkedIn' should be noted too.

Twitter is mainly used as an outbound broadcast tool (assuming follower numbers are sufficiently high) but also as an inbound customer communication channel, and through using the @mention function, a way in which the company can see how it and its competitors are being perceived by the market. A negative global mention by a very popular Twitter user can be damaging to the brand, although the viewing of any direct communications between company and user tends to be restricted to those that follow both parties.

Facebook is used in a similar way to Twitter, as a portal for information. However, with the majority of companies allowing fans (customers) to post on their wall, this is also being used as a two-way customer service channel, especially by large businesses who can dedicate resources to dealing with such matters. However, this can be risky, as an irate customer who posts negatively many times can tarnish the brand far beyond their actual reach.

An example of this was seen in Summer 2011, when many thousands of Twitter and Facebook users demanded that UK companies stop advertising in the News of the World, as retribution for phone-hacking allegations. Some companies stopped immediately (such as Mitsubishi, whose consequent donation of their advertising fee with News of the World was given to the Childline charity, to much acclaim), but others decided not to alter their policy. The Facebook pages of such companies quickly held many hundreds of negative comments from their customers, and although it's not possible to gauge the cost of any temporary or longer-term customer boycotts of these companies, such businesses would very quickly have understood the power that customers are being given by social media.

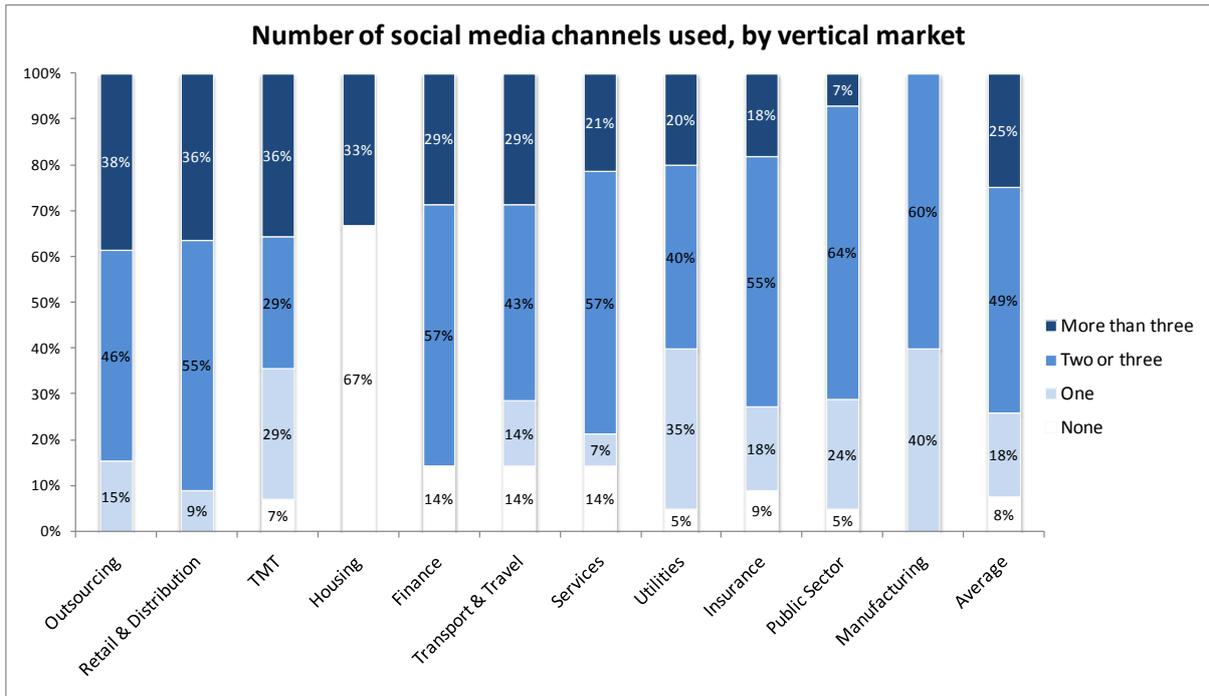
Figure 82: Current usage of social media by vertical market



As can be seen by the cumulative chart above, the outsourcing and retail & distribution sectors are most widely-engaged in multiple social media channels, with manufacturing and housing the least. With some vertical markets having relatively few respondents from which to draw conclusions, it is misleading to draw too much into this chart at a social media channel-level.

The following chart shows this information in a slightly different light. While the biggest users of social media are retailer and outsourcers, the public sector, with its remit to be contactable and open with its citizens, shows that it is certainly not being left behind with social media, as very few state there are doing nothing with social media, despite not having the drivers of increased revenue or competitive information to attract them to supporting these channels.

Figure 83: Number of social media channels being used, by vertical market



When considering contact centre size, it is interesting to see that unlike many technology-driven solutions, small operations have not restricted themselves to a single channel. Twitter and Facebook are even slightly more popular with smaller operations, although this does not address the level to which they support these: large businesses may have a dedicated customer service team, whereas smaller operations could use them more as broadcast and branding opportunities.

Figure 84: Current usage of social media by contact centre size

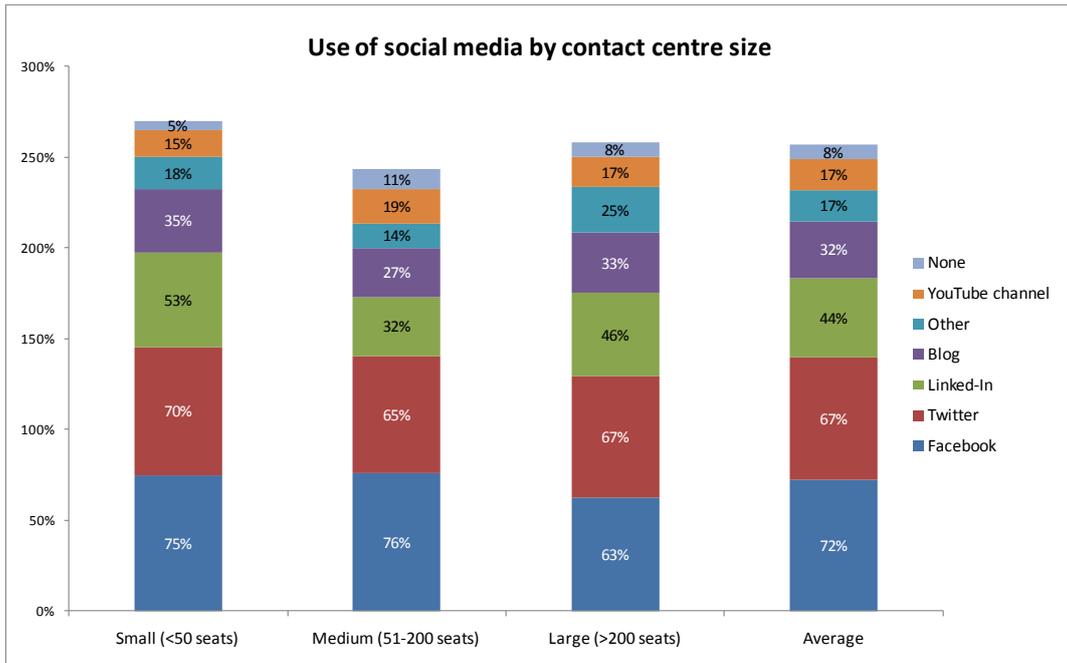


Figure 85: Number of social media channels being used, by contact centre size

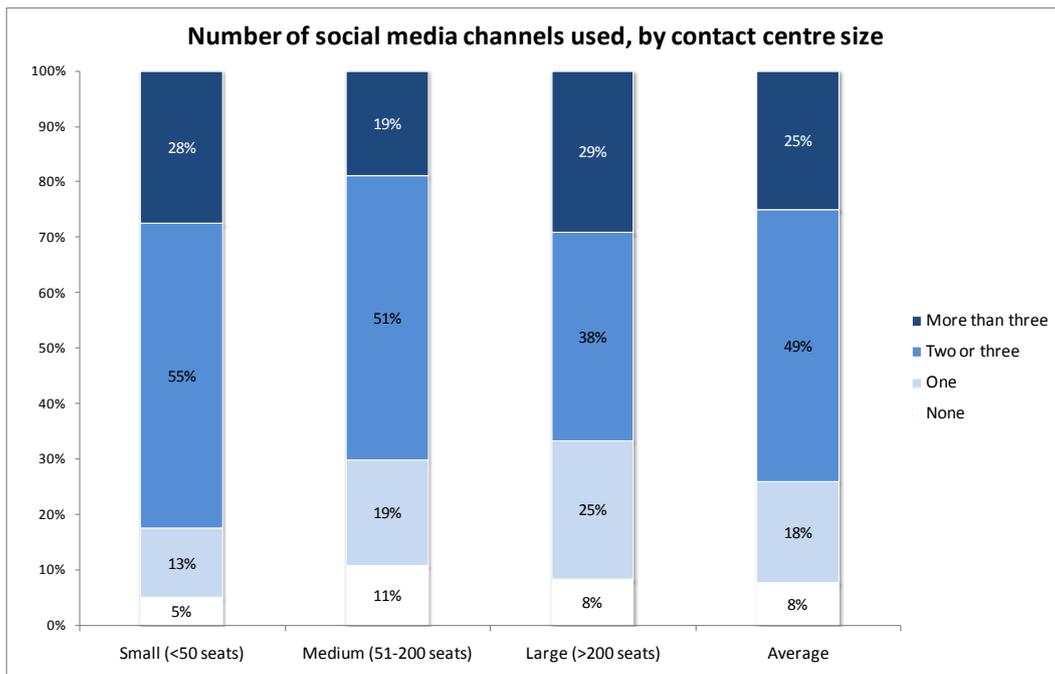


Figure 86: Usefulness of social media for business activities

Vertical market	Average score / 10	% scoring 1 or 2/10	% scoring 9 or 10/10
Monitoring what is being said about the company, products and marketing campaigns	7.3	3%	34%
Acting directly upon negative comments and complaints about the company	7.0	5%	27%
Delivering marketing and product information to the customer	6.9	8%	25%
Learning more about our competition	5.8	11%	9%
Offering customers a fully-supported customer service channel	5.5	20%	16%

The preceding table shows the usefulness that businesses are using for social media. The most important use is the monitoring of what customers are saying about the business and its products, with over a third of respondents that use social media for this scoring it at 9/10 or 10/10. As this is a relatively easy use of social media, this is perhaps unsurprising.

However, the ability to act directly upon negative comments and complaints is seen as almost as useful, despite this requiring somewhat greater resources as the need for a rapid response is far greater than for monitoring comments which aren't directed at the company itself. Yet against this, the least-popular option, that of offering customers a fully-supported customer service channel via social media rates very low, with more respondents scoring it very low than very high.

This indicates what many customers have experienced already - that most companies are not fully geared-up to providing customer service via social media with anywhere near the same quality as via telephony, or perhaps even email. This is not surprising - for some companies, taking sufficient people out of the frontline to deal with social media can weaken their bread-and-butter voice operation. As responses to social media queries are by their nature public, the quality of agent dealing with these tends to be very high, exacerbating the potential problem. There are even anecdotal tales told of savvy customers who, knowing that their public complaint or issue will be dealt with quickly, prefer to go straight to a social media channel rather than wait in a telephone queue.



It is clear from this research that enterprises do want to utilise social media, yet most companies are still using it as a channel through which to manage their brand, driven by their marketing departments to reach out to customers. Very few companies are realising the power of social media for effective customer service by forming a dialogue between a company and its customers, and most aren't yet ready to provide customer service via social media at the same level as other communication channels - such as telephony. The time is right for companies to start to understand the options available to capitalise on the power of social media integration with other, more traditional customer service operations.

Figure 87: Usefulness of social media for business activities, by vertical market

Vertical market	FS	HS	INS	MAN	OS	PS	RD	SVCS	TMT	TT	UTILS	Average	% of respondents scoring this as 9 or 10/10
Monitoring what is being said about the company, products and marketing campaigns	7.0	7.0	8.8	9.0	7.2	5.8	8.1	7.9	6.9	7.5	7.7	7.3	34%
Acting directly upon negative comments and complaints about the company	6.5	7.0	7.5	8.5	6.1	6.0	7.6	8.8	6.3	8.3	7.3	7.0	27%
Delivering marketing and product information to the customer	7.0	1.0	5.8	7.0	7.3	6.6	7.6	6.6	7.0	7.7	8.5	6.9	25%
Learning more about our competition	6.3	3.0	4.5	7.7	6.7	1.8	5.9	6.1	6.9	6.5	4.3	5.8	9%
Offering customers a fully-supported customer service channel	4.0	1.0	3.8	3.0	7.2	3.9	6.6	4.9	5.9	6.0	7.7	5.5	16%

Looking from a vertical perspective, manufacturers, insurers and retailers find monitoring customer sentiment most useful. The services and transport & travel sectors use social media to respond quickly to complaints, with retailer and utilities companies getting benefits from taking social media channels to customers as a formal and well-supported channel.

Most sectors, except for the non-competitive housing sector, see social media as fairly useful in terms of the outbound direct marketing mix, although the utilities sector seems most bullish about this.

In terms of garnering competitive information, the non-competitive public and housing sectors are of course less keen, but to find the utilities companies unconcerned about what the competition is doing is perhaps a little strange, although it may be to do with the commoditised nature of their products.



DELIVERING ENTERPRISE CUSTOMER SERVICE IN A CROSS-CHANNEL WORLD

As rapidly evolving, multi-channel customer expectations pressure your service organisation, how do you enable cross-channel conversations, enhance speed and responsiveness, and deliver the service your customers demand?

Market-leading Genesys solutions from Alcatel-Lucent Enterprise meet all your contact centre needs with solutions including:

- **Genesys Social Engagement** - integrates social media into your customer service mix and delivery
- **Genesys eServices** - enables Web customer service and helps you turn Web visitors into customers with online messages, media-rich channels and proactive chat sessions
- **Genesys intelligent Workload Distribution** - dynamically prioritizes the distribution of any work tasks to the people best suited to handle them
- **Genesys Workforce Optimization** - Creates a more engaged, efficient and effective organization whilst minimising overhead and automating workforce management
- **Genesys intelligent Customer Front Door™** - integrates self-service with customer data and business logic to create a more personalised and proactive customer experience

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Customer communities

It is worth talking about customer communities separately. Apart from the globally-recognised names like Facebook and Twitter, which promote B2C and C2C communications, there are a large number of self-built customer communities that band together - not uncritically - around a brand or product that they are interested in that tends to support the site at one remove. The case study below, although a few years old, explains why these unheralded social media methods can be quietly effective.

Customer communities - effects on brand perception and loyalty

A major academic study of eBay community participants⁸ studied how such membership of online communities altered behaviour, psychology and attachment to the eBay brand. Groups of active participants ('enthusiasts', who post messages to forums), and passive members ('lurkers', who may read posts, but do not enter into conversations) were considered.

Customer communities on eBay exist in the form of clubs for people with similar interests, such as specific car types, Barbie dolls or other special interests. There are also live chat rooms. Conversations exist both on-topic and off-topic, with some forums dedicated to non-business conversations.

The results of the research, which encouraged people to use communities, and then tracked behaviour, found that "with increasing community participation, customers bid more, won more auctions, paid higher final prices, spent more money for buying items and were more motivated to make purchases if they didn't do so before." The same positive effects were witnessed on the sales side, where community members sold more, made higher revenues and received better feedback than non-community members.

The researchers suggest several reasons why this should be:

- Community membership means that a person is more likely to identify themselves with the brand, using it and recommending it more often
- Members gain educationally from the experience, receiving tangible benefits
- The shared goals and values of the group reinforce member identity
- Trust emerges as a result of asking for, and receiving help and advice, making the member more likely to give back in return
- This trust means that members are less likely to fear fraud, and to hold back from purchasing behaviours
- Continual positive experiences within the customer community mean that the supporting brand is considered in a positive light, even if the brand itself is peripheral to what is happening within the community

The researchers estimate that the increased use of customer communities within eBay that were created by this experiment produced a rise in revenues of £59m over the course of a year. The costs of encouraging greater community participation was around £7,000, a return on investment of almost £8,500 for every £1 spent.

⁸ "The Long Term Effects of Joining and Participating in Customer Communities", Algesheimer and Dholakia (Zurich / Rice Universities), 2006

The study's researchers, Algesheimer and Dholakia, identify three types of business which would most benefit from supporting customer communities:

- Those with complex products and services, to offer educational services and to enable rapid peer assistance with technical issues, which can work out extremely expensive otherwise
- Firms with already strong brands and customer identity (e.g. Ducati and Apple iPod are noted by as having positive experiences from running customer communities) where customer communities further strengthen the brand
- Those companies with rapidly-evolving products and services, especially "objects of desire", such as the latest mobile phones or games consoles. Customer communities can offer the most up-to-date information to customers and browsers, who will react by checking the community more frequently so as not to miss anything.

Businesses can also benefit from closely tracking the community's views, extracting high-quality, unbiased feedback about products, services and competitors, and as everyone knows, an unsolicited opinion is far more likely to be honest and useful than asking someone directly what they think. It may be that independent and objective customer service review websites emerge, whereby benchmarking of performance metrics and experiences means that potential customers can check out how good a company is to deal with before they use them.



Organisations able to help with New Media and the Customer of the Future:



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BT Global Services has developed and implemented new customer care systems that set unprecedented standards for customer interaction, timely response and/or attention to customer needs.



We believe in total commitment to customer services and work hard to establish close relationships with our customers to build up a detailed understanding of their business challenges, having dedicated teams of sector, service and technical specialists to make sure we deliver the best service available, every time.



Future-proof your contact centre with full multimedia capabilities including SMS and social media integration whilst maintaining open-standards and flexibility for future technology investment – with Enghouse Interactive



Genesys social media solutions help businesses establish social media as an emerging market and customer service touch point and turn this opportunity into a way to deliver a satisfying customer experience and real business benefits.



[Infinity](#) – proven contact centre solutions with a performance guarantee.



A complete [contact centre](#) platform for multichannel interactions, offered with a choice of deployment models – as a cloud-based service, on-premise, or a managed service where we do it all.



Nexidia's [Customer Interaction Analytics](#) allows organisations to analyze every phone call, chat, email and tweet and translate this data into a total picture of the 'Voice of the Customer' to quickly discover customer issues impacting their business.



Improve agent efficiency and customer satisfaction, with [Zeacom's Multimedia Contact Center](#), and enjoy a tangible ROI.

INCREASING PROFITABILITY

Not only are contact centres under pressure to reduce their costs, but many - either directly or indirectly - are also major revenue-generators for their businesses, and the recent drive to maximise profitability has made many businesses look at whether their contact centres can add more to the bottom-line. Although much responsibility for revenue generation lies with senior management, production and sales divisions, the contact centre also has an important part to play in maximising revenues through selling the right product to the right customer at the right time (aided by a CRM system or similar), and through proactive and efficient outbound selling.

This chapter considers CRM and outbound automation in depth, and also looks at two alternatives to the usual ways of doing things: outsourcing and hosted & managed solutions. Both offer contact centres new financial and operational options which can make a very significant difference to the bottom-line.



CRM AND INBOUND PROFITABILITY

CRM is not a technology, or even a group of technologies. It is a continually evolving process which requires a shift in attitude away from the traditional business model of focusing internally. CRM is an approach a company takes towards its customers, backed up by thoughtful investment in people, technology and business processes. Focused upon the idea of keeping and growing the existing customer base, the concept of CRM contains everything that all businesses need to succeed.



If you want to improve a single area of customer management, or embrace opportunities offered by the latest cloud-based services, or mitigate potential exposure to the unexpected, BT Global Services has the business understanding, the portfolio range, the partners and the deployment expertise to accompany you on your journey to making your contact centre more efficient.

Customer:

All businesses, when they first start, strive to focus upon the needs of their customers. As businesses get larger and more complex, they become more inward-looking as they try to cope with their internal issues. Often, the customer gets treated as an afterthought. With CRM, one goal is to make the individual customer become important once again, at an acceptable cost to the company.

Relationship:

Until relatively recently, it was impossible for large companies to form relationships with customers – with a customer base of millions, how can a company know their preferences or dislikes? This is an area where technology can help businesses build lasting relationships with customers, to keep them loyal and increase their value to the company.

Management:

Realistically, businesses are not implementing CRM because they have had a change of heart and decided to be nice to the long-suffering customer. Loyalty equals profit: both customer and business gain from it. The “management” part of CRM demonstrates that it is the business which ultimately controls the relationship with the customer: it provides the right information at the right time; it offers the right price to keep the customer happy enough to stay; it anticipates what else the customer would like to buy, and understands why.

The business objective of CRM is to maximize profit from customers, as a result of knowing them, treating them well and fulfilling their needs. As such, increasing ongoing sales from the existing customer base is one of the most important results of a CRM strategy.

Beyond. Satisfaction

We help our customers make their customers **happier** – by providing scalable contact centre services that route calls, SMS and emails speedily.

“

BT technology and service plays a fundamental role in ensuring that our customers unfailingly enjoy a great experience, while helping us to be a more efficient business. We highly value that support. ”

Parthi Cumarasamy, Regional IT Director
Enterprise Rent-A-Car





Sales force automation, customer contact solutions, multimedia routing and data management tools have all been claimed as being the key to a business's CRM solution. While these are all useful and reliable aids to a business, none of them on their own are CRM solutions. As before, this is for a very simple reason: CRM is not just about technology.

Instead, try to think of CRM as a holistic approach to refocusing your business on customers, rather than on the internal structure of your organisation. It is more about the competencies that you have, rather than a list of technologies, the goal being to win, know and keep profitable customers. There are several ways in which you can implement processes and technologies to assist your business in this goal:

- provide a single view of the customer across the enterprise to whoever needs it
- help your agents to fulfil customer needs and business strategies in real-time
- provide customers with a high level of service no matter which channel they decide to use
- proactively and intelligently inform customers about products and services they will be interested in, while keeping your marketing costs under control
- know who your most profitable customers are, and treat them accordingly
- have the strategy and tactics in place to keep profitable customers, and manage to convert loss-making customers into valuable customers.

The contact centre plays a crucial role in the wider CRM space. For companies whose main channel to their customers is through the telephone or e-mail, they cannot become truly CRM-focused without putting the contact centre at the heart of any improvements they make to their operations and their CRM strategy. CRM is about increasing revenues and growing the business aggressively, through influencing and matching the needs of the customer in a timely manner.

While CRM is not a technology, few companies can re-engineer themselves to be truly customer-facing without providing their business and staff with the tools they need, such as real-time information about customer history and preferences, routing technology which puts the right call through to the right agent at the right time, and the ability to be able to help the customer immediately, even with complicated matters.

Cross-selling and up-selling have been major sales strategies since commerce began, but it took the advent of CRM to get businesses firmly focused on them.

One definition of up-selling is that it is the process of offering a customer who just placed an order, either a bigger or better deal on a more expensive item than that which they have just bought. This also includes the process of "accessorising", where a customer who has bought a high-value item is persuaded to add (probably higher-margin) accessories to it. For example, a customer purchasing a DVD player may be offered insurance, better leads, a dust cover and various other items connected to the DVD's operation.

Cross-selling, unlike up-selling, refers to offering customers additional items in different categories. These items may be related (e.g. a television to go with the DVD player), or unrelated (e.g. a digital camera).

Although there are differences between cross-selling and up-selling, the purposes are the same:

- to increase overall revenues
- to increase profit per customer
- to decrease customer churn
- to lower the costs of associated marketing (e.g. there is no need to send out brochures to customers who have already received a sales pitch on a call)
- to make sure that the customer has all of the right products and services for their situation



- to make the customer more dependent on the business and its products so they are less likely to defect, helping the customer retention strategy.

Cross-selling and up-selling can happen on both inbound and outbound calls, but the importance of selling off the back of an inbound service call is greatly increasing, as legislation against outbound calling tightens ever-further. Added to this is the stated aim of many businesses to move their contact centres away from a being a service-based cost centre to becoming a sales-focused profit centre: cross-selling and up-selling have become crucial to the business.



Your customers want to communicate when they want, how they want – and expect a consistent level of service across multiple contact channels.

What's more, with multi-channel customers spending 20-30 per cent more than single channel customers, going multi-channel can directly impact your bottom line.

Our solutions enable you to route different types of contact across your organisation seamlessly. Your customers can access the right person with the right skills to deal with their enquiry, and agents can manage all channels through a single interface.

Figures for successful cross-selling and upselling conversion rates are difficult to come by. The question was asked in this year's report, but so few respondents are able to give an exact, meaningful figure that any segmentation would be misleading. Of those industries that provided enough answers, the insurance sector claims a 25% conversion rate (ranging between 5% and 45%), services 24% (5% - 40%), and utilities 5% (range 3% - 10%). Of the rest, the huge disparity in claimed conversion rates means no insight could be given here.

This year's overall average figure for the prevalence of cross-selling and upselling are lower than in previous years, but only because non-sales contact centres such as the public sector have been included in this year's figures to give the most accurate view of the industry.

As with last year, the transport & travel sector has the greatest proportion of service agents able to sell opportunistically, with the finance and utilities sectors also geared-up to achieve extra sales. The retail & distribution and utilities sectors are most likely to feel that their cross-selling and upselling activity could be increased further.



Figure 88: Agents capable of cross-selling and up-selling, with future requirements, by vertical market

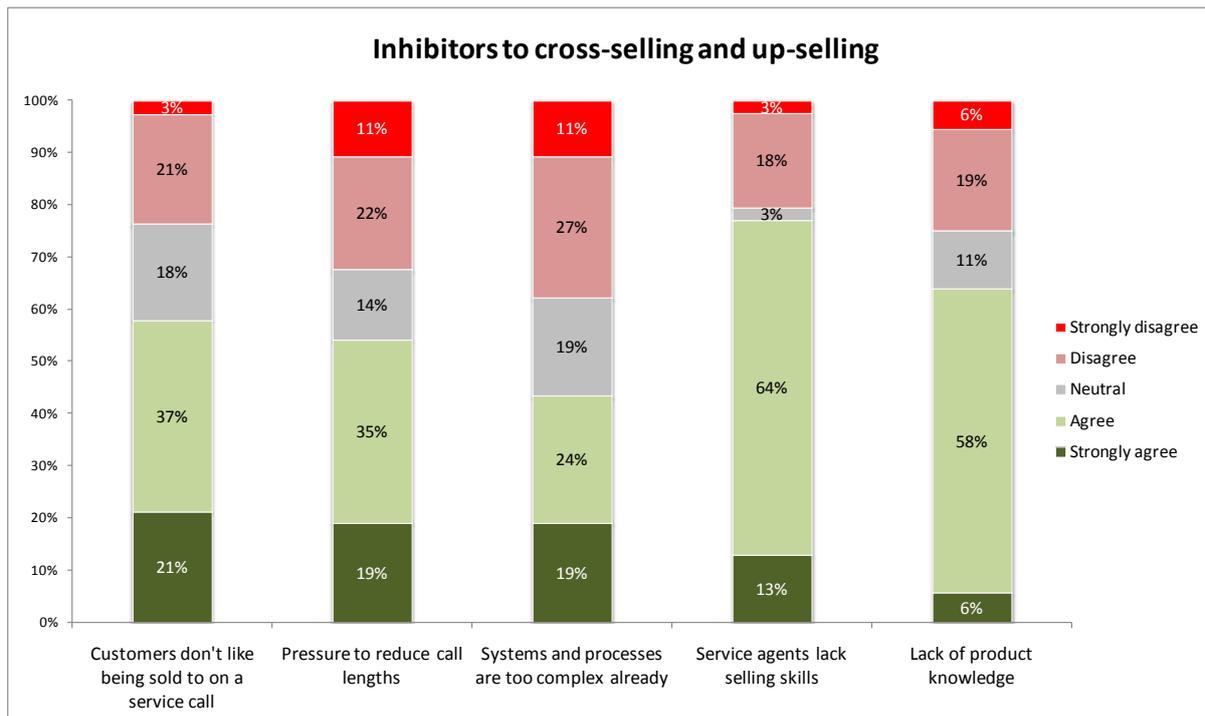
Vertical market	% of service agents able to cross-sell and up-sell	% of service agents desired to be able to cross-sell and up-sell	% increase required
Utilities	70%	93%	33%
Transport & Travel	84%	88%	5%
Finance	69%	82%	20%
Insurance	68%	72%	6%
Retail & Distribution	48%	68%	43%
Services	52%	63%	21%
Manufacturing	60%	60%	0%
Outsourcing	34%	41%	22%
TMT	35%	38%	10%
Housing	0%	0%	n/a
Public Sector	0%	0%	n/a
Average	48%	55%	15%

Larger contact centres were more likely to have support for cross-selling and upselling in place for their agents, although respondents from small and medium operations were optimistic about increasing this activity.

Figure 89: Agents capable of cross-selling and up-selling, with future requirements, by contact centre size

Contact centre size	% of service agents able to cross-sell and up-sell	% of service agents desired to be able to cross-sell and up-sell	% increase required
Small	38%	45%	17%
Medium	49%	58%	20%
Large	67%	73%	9%
Average	48%	55%	15%

Figure 90: Inhibitors to cross-selling and up-selling



With 77% of respondents agreeing (whether strongly or not), the greatest inhibitor to increasing the amount of cross-selling and up-selling was once again the concern that service agents do not have the necessary skills of sales agents. It is a debatable point whether this is a matter that can be rectified with training, or whether it is a deep-rooted truth that a service mentality excludes sales. While the latter point is certainly true for some agents, for most a successful transition into sales mode depends upon having the confidence that the system and their own knowledge will support them in this uncharted territory, and that they are in fact, servicing the customer at the same time, by offering products and services that are relevant and helpful. It is up to the contact centre and the wider business to make sure that the agent is helped with this new task, rather than



just issuing a blanket statement that all callers are to be offered Product X through a heavily-scripted approach.

64% of respondents cite a lack of product knowledge as being something of an inhibitor, a matter that can be addressed through training, but also through offering support systems such as dynamic scripting within the conversation, and also being more realistic with the number of products on offer through cross-selling and up-selling.

43% of contact centres believe that their environment is so complicated already that they can't carry out additional sales work. While this is a minority, it is still a missed opportunity for businesses - which should certainly be addressing the underlying systems as well as the presentation layer - as effectively their systems and procedures are stopping them from moving their business forward.



BT's CRM solutions bring the contact centre into the heart of your operations, organising all customer-facing resources into one fully integrated service centre, providing cost-effective voice and data communications over a single network.

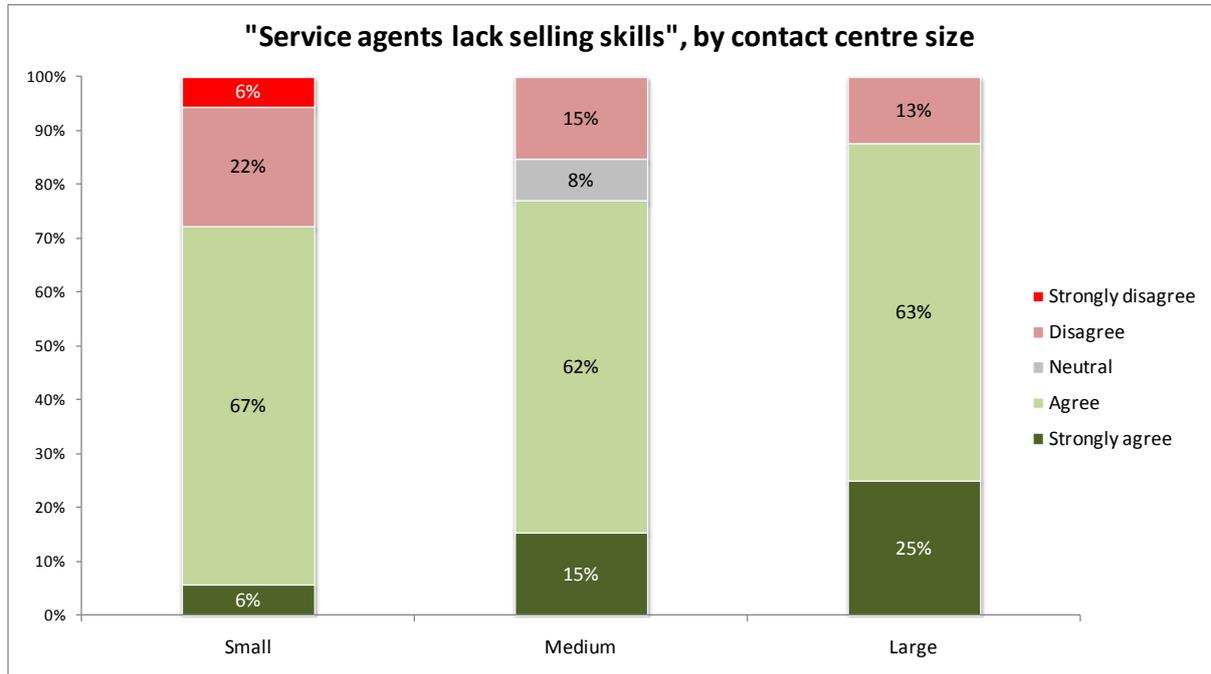
54% of contact centres say that the pressure they are under to cut call times means that any drive to increase cross-selling and up-selling on the call (and thus, increase average call lengths) is much more difficult. Such businesses should consider their recruitment policy (working out a cost-benefit analysis to see what sort of additional revenues would be achieved through cross-selling and up-selling, against the cost of recruiting and paying additional staff), as well as looking at a call avoidance policy (such as self-service) and efficiencies possible within the call (such as automated security).

58% of contact centres - up very considerably on last year - say that customers dislike talking off-topic, and here is a clear case of one size not fitting all. Cross-selling and up-selling is far better left to the end of a conversation which has gone well, rather than any where the customer is clearly disgruntled or even in a hurry. Agents have to be trusted to use their experience and intuition to judge whether to start a sales conversation, although of course supervisors have to make sure agents push themselves as well. There is also the fact that some customers are very aware that they are paying for a call, and trying to sell them something and make them pay for the privilege of the time spent doing so is seen by many to be negative. Of course, offering a freephone number takes this element away: a table later in this chapter shows the prevalence of such an approach.

Looking more deeply at inhibitors to cross-selling and upselling - and thus increasing profitability - the majority of respondents from all sizes of operation feel that service agents can lack the sales ability needed to increase profitability on a service call.

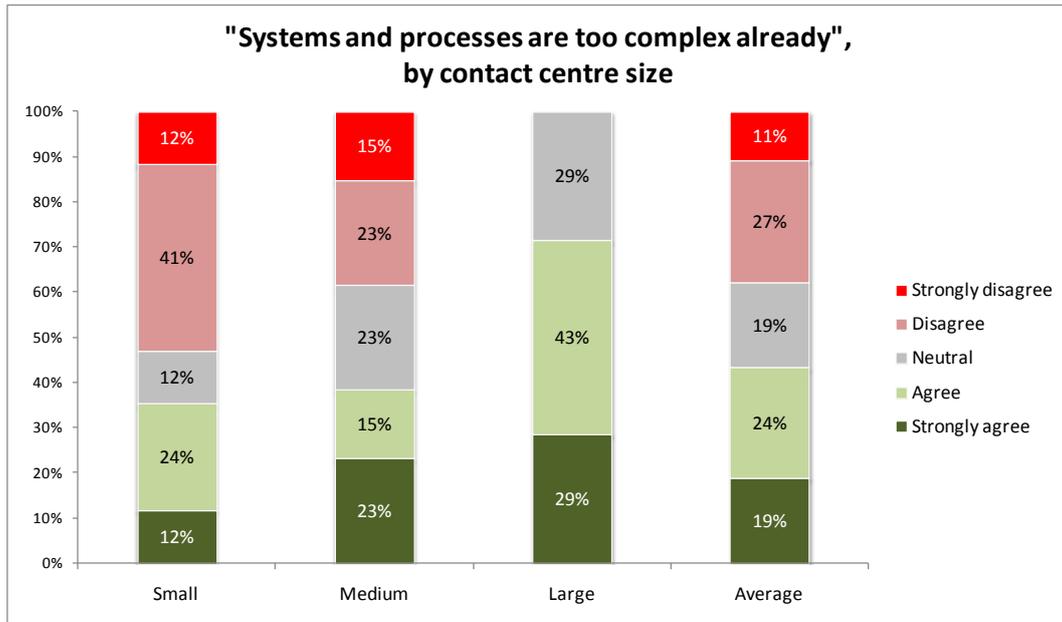
On the face of it, this is strange, as a large part of successful sales is about listening to the potential customer and empathising with them, identifying what their concerns and requirements are, and suggesting a solution to them: in fact, many of the same skills that are used on a service call.

Figure 91: Inhibitors to cross-selling & upselling: "Service agents lack selling skills", by contact centre size



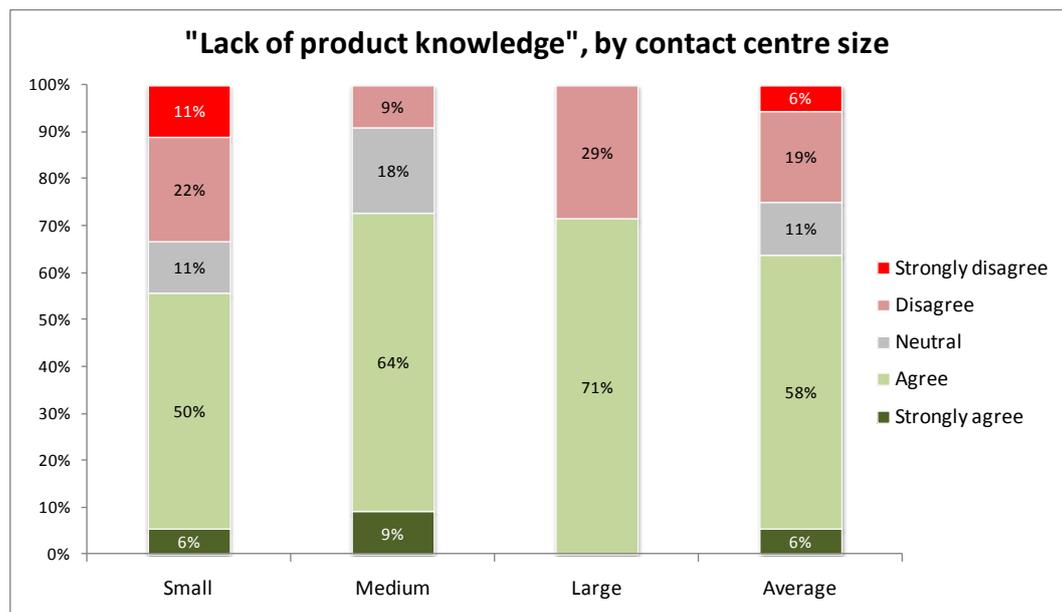
Large operations are far more likely to plead that their existing systems and processes preclude cross-selling or upselling, as they are more likely to be using more applications within the call, and also for post-call wrap-up than smaller operations. A unified agent desktop with single-screen access to relevant data sources and databases would go a long way to avoiding the dreaded in-call silence caused by the navigation of multiple screens.

Figure 92: Inhibitors to cross-selling & upselling: "Systems and processes are too complex already", by contact centre size



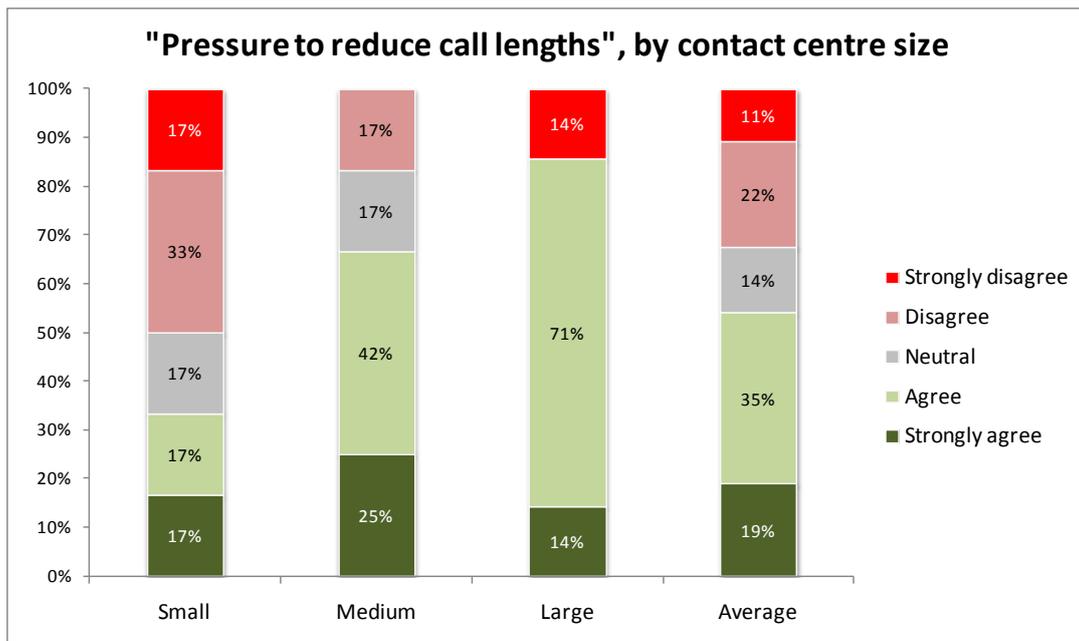
There is a general feeling - although not particularly strong - that lack of product knowledge holds back cross-selling and upselling, although training and scripting could certainly get around most of this issue.

Figure 93: Inhibitors to cross-selling & upselling: "Lack of product knowledge", by contact centre size



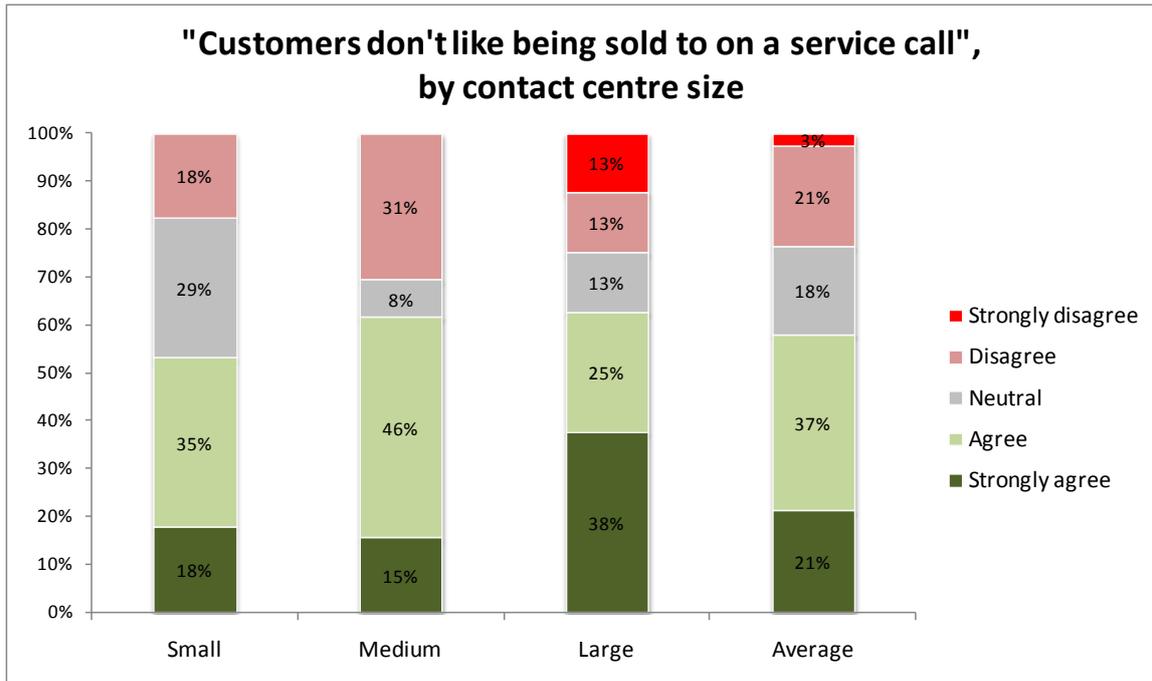
Pressure to reduce call lengths is seen as a far more important inhibitor in large operations than in small, as the costs involved in calls that are 10 or 20% 'too long' can make an annual cost difference of several hundreds of thousands of pounds, if not millions. As such, cutting call lengths in multi-million call environments is still very important to profitability, and encouraging indiscriminate cross-selling and upselling without providing the necessary tools, checks and measures is felt to risk increasing costs enormously.

Figure 94: Inhibitors to cross-selling & upselling: " Pressure to reduce call lengths", by contact centre size



Customer dislike of being sold to on a service call is widely felt to be a problem, especially by respondents from large operations. Agents have to be trained in whether to attempt a sales element depending on the signals given by the caller, as well as the result of the original service call. Whether the customer is paying for the call is also relevant, as many are very aware of the prefix dialled, and are less likely to be receptive if they are paying for the privilege of listening to a sales pitch. The table at the end of this chapter shows the numbers by which contact centres advertise their presence.

Figure 95: Inhibitors to cross-selling & upselling: "Customers don't like being sold to on a service call", by contact centre size



Only just over half of respondents use freephone, which is an important tool in the cross-selling and upselling armoury, especially to the demographic segments which are more cost-aware and less likely to respond well to a sales pitch. Slightly more of these respondents use a geographic, 'normal' phone number, especially smaller operations, and particularly as a secondary or direct line to a department or even specific agent. The shared cost 0845 number is widely-used, as being seen as 'professional', well-known and a good halfway-house between freephone and premium-rate or other high-cost calls.

Figure 96: Use of non-geographic numbers

Number type	Explanation of number type	% of respondents using this number type
0330	Alternative to chargeable 08 numbers such as 0870. Calls cost the same as calls to standard geographic numbers (i.e. those beginning 01 or 02). Not revenue-sharing.	9%
0800 and other freephone	Non-geographic freephone. Costs borne by the business, not the caller.	51%
0844	The cost of the call is covered by the person calling at a fixed rate, but the business can choose that a caller pays a rate lower than 5 pence per minute, thus sharing the cost.	31%
0845	Cost of the call is shared by the caller and the business.	55%
0870	Cost of the call is shared by the caller and the business, costing no more to a customer than a geographical call.	22%
0871	Revenue-sharing number, the business bears no cost of calls. Callers charged up to 10p/min.	15%
Geographic	'Typical' telephone number with area code. Cost borne by caller.	54%
Other	Includes other 03, 08, 0990 and international numbering	13%

NB: explanation of number types taken from <http://business.bt.com/phone-services/08-and-09-numbers/> (12/9/2011). Multiple usage of various numbering systems means total adds up to more than 100%.

HOSTED AND MANAGED SOLUTIONS

Building an effective contact centre can be very expensive due to the capital expenditure required to purchase, install and integrate client premises-based technology (CPE). There has been a genuine alternative to the traditional approach to the purchase and management of CPE for many years, but a proportion of the industry is either unaware or misinformed of the abilities of network-based or hosted solutions.

The target audience and the overall market share these providers have secured have been growing rapidly, fuelled in part by the effectiveness that those solutions have had the opportunity to prove. However, there remains much uncertainty about the potential advantages or even the exact nature of the various non-CPE solutions.

Hosted solutions: often built from tried-and-trusted CPE equipment that has been modified to offer functionality to various separate clients at multiple locations, although has not been originally designed to be partitioned. As with reliance on any single piece of equipment, a fault at that point would cause issues for clients. Access to the hosted solutions is generally provided by fixed access links installed specifically for the purpose, but can also be via connecting to existing private WAN networks.

Network-based solutions: not based on a single piece of equipment or at a single site, which should allow greater up-time and fault tolerance. Designed from the beginning for multiple users, and supporting easy scalability as it is not held back by fixed bandwidth, capacity can be increased very easily, supporting true geographical independence including offshore operations. As inbound contact centre or outbound dialling equipment is physically held in multiple locations, this permits users to access the various services via a combination of the contact centre's internet connection and the standard PSTN networks.

In general these solutions fall into one of two camps; network-based or hosted solutions, but in both cases, a service provider owns and operates a contact centre technology platform and leases its services and features to end-users for a monthly or usage-based fee.

Software as a Service (SaaS)

Although hosted and network-based solutions involve hardware and physical networks as well as software, it is worth understanding the concept of SaaS - 'Software as a Service' - which is an increasingly-widely used phrases.

SaaS is a model of software deployment whereby a provider licenses an application to customers for use as a service on demand. SaaS software vendors may host the application on their own web servers or download the application to the consumer device, disabling it after use or after the on-demand contract expires. The on-demand function may be handled internally to share licenses within a firm or by a third-party application service provider (ASP) sharing licenses between firms.

On-demand licensing and use alleviates the customer's burden of equipping a device with every conceivable application. It also reduces traditional End User License Agreement (EULA) software maintenance, ongoing operation patches, and patch support complexity in an organisation. On-demand licensing enables software to become a variable expense, rather than a fixed cost at the time of purchase. It also enables licensing only the amount of software needed versus traditional licences per device. SaaS also enables the buyer to share licences across their organisation and between organisations, to reduce the cost of acquiring EULAs for every device in their firm.

Using SaaS can also conceivably reduce the upfront expense of software purchases, through less costly, on-demand pricing from hosting service providers. SaaS lets software vendors control and limit use, prohibits copies and distribution, and facilitates the control of all derivative versions of their software.

The sharing of end-user licenses and on-demand use may also reduce investment in server hardware.

Source: ContactBabel, Wikipedia (http://en.wikipedia.org/wiki/Software_as_a_service)

The Leader in Network Contact Centre Solutions

... working in partnership with our clients.

Intelligent solutions to help you grow:

▶ Inbound, IVR, Outbound and Call Blending

▶ Call Recording inclusive

▶ PCI Compliance for secure payments

▶ Fully functional ACD

▶ Inclusive monitoring tools and real time MI

▶ All dialling options available

A technology partner who offers unequalled benefits:

- Low risk trial before commit
- Scale up, and down to meet demand
- Achieve unmatched productivity
- 24/7/365 call centre support included
- Easy integration in days
- Flexible OPEX pricing models
- Virtual contact centre capability
- In-built Business Continuance

Ultra Communications is the **leading technology provider** of CTI intelligent network contact centre solutions.

Ultra's solutions offer you **complete operational and financial scalability**, with more efficiency and flexibility than traditional on-site technologies; and all backed with our matchless, comprehensive 24/7/365 UK support service.

Contact us now and see why Ultra is recommended throughout the industry.

0207 965 0207
www.UltraASP.net



WHAT TYPES OF COMPANY SHOULD CONSIDER HOSTED/NETWORK SOLUTIONS?

- Small and medium businesses, especially those needing rapidly deployable, easy-to-use services, such as enhanced routing
- Any size company looking to start a contact centre - outbound, inbound or both or move at low risk, or increase size for a temporary campaign
- Any size company looking to provide or leverage the advantages of a multi-site capability
- Enterprises that desire advanced contact centre functionality and are interested in acquiring a complete solution as a service
- Businesses needing contact centre business continuity plans
- Businesses needing to expand and contract quickly for peak seasons/traffic/campaigns
- Any size company wishing to gain access to technology with uncertain potential gains, such as call blending, and callback services.
- Enterprises with CTI-like functionality today who wish to enhance enterprise functionality with network call queuing and network routing or other components such as outbound, call blending, workforce management, Internet or web functionality (see following box).

Profit-based calls

Contact centres need to get the most value from each customer interaction and maximise the potential of every call.

Many contact centre systems can route calls by agent group or individual skills generally. However, there is also a need to route by the customer value involved: some customers are worth more to the organisation than others. Collecting information about the dialled number (e.g. a number only available to Gold customers) or by information collected within the IVR session means that businesses can then route the calls to low cost offices or countries.

This adds value to the business by ensuring appropriate agent gets right level of call, that customers get right level of service they need for first call resolution and cost per contact falls and makes the contact centre more profitable.

Put simply, whether delivered by customer premise equipment (CPE) solutions, by hosted or network systems, or a mixture of both, enterprises always demand control, choice and intelligence in a financial framework that is acceptable. Hosted & network solutions offer businesses the opportunity to deal with operating costs rather than capital expenditure which will always get a positive hearing at the budget-holder level of a business, although some CPE providers also offer leasing options.

The bottom line is that a successful hosted/network solution should offer everything a business could achieve with CPE, but yet be available on a pay-per-use or pay-as you-talk basis (per minute or second / call / month, etc), be scalable and reliable, and offer easily-added functionality if required. Offering functions on ad-hoc basis - rather than customer having to pay for them up-front and then maybe never using - is an ability offered with many hosted/network solutions. Customers can choose to 'turn on' functions when campaigns require, and then 'turn off' if needed. In comparison, on-site systems need all the functions installed to begin with.

While these solutions already offer some inherent benefits provided by their design - such as simpler disaster recovery planning - their providers should also have the ability to offer functionality and managed services that would not be possible with CPE: the very nature of providing a service on equipment based external to the contact centre means that the real time activity of that operation can be monitored. For example, a good provider of outbound dialler solutions will be able to monitor and advise on the use, management, configuration and results achieved while using their dialler services, all in real time. As the supplier / manufacturer, they should be best-placed to supply answers, support and advice on the best configurations of the dialling platforms.

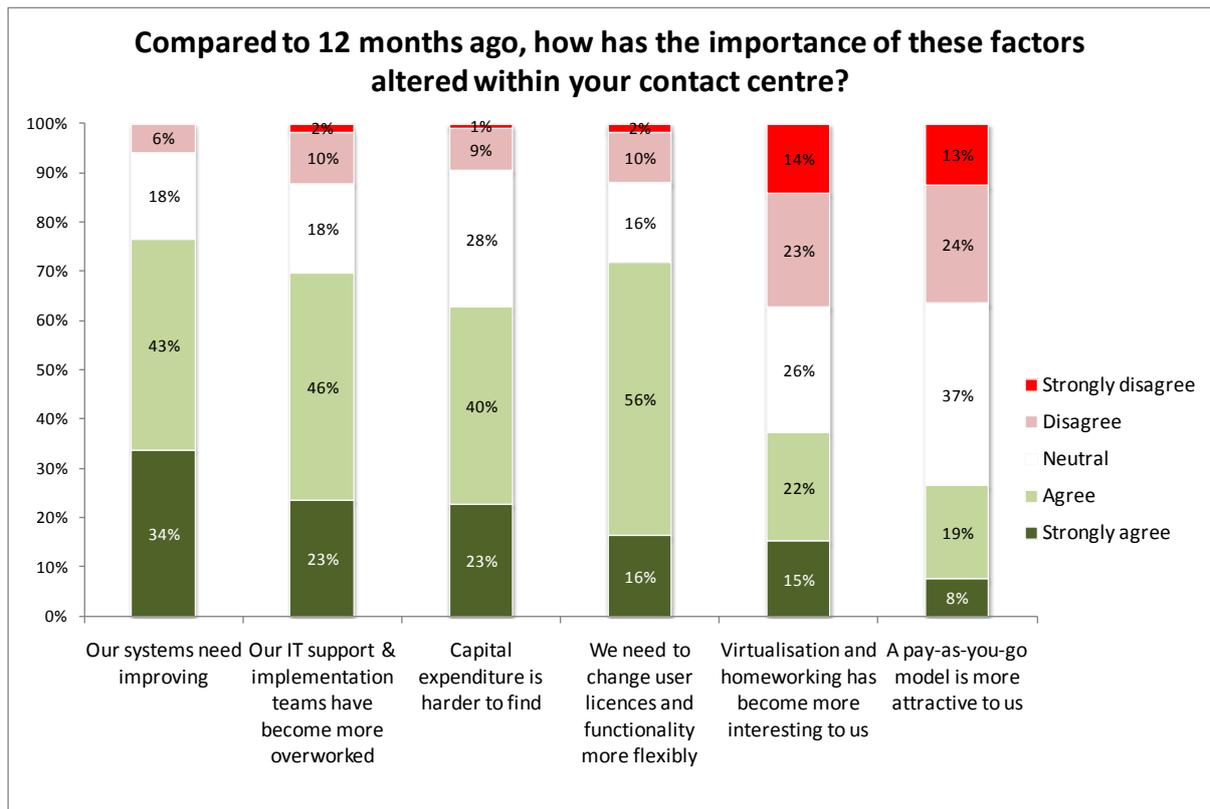


Cloud solutions as part of every business: by 2013, at least 75% of customer service centres will use some form of SaaS or cloud application as a part of the contact centre solution, according to industry analyst firm Gartner. "Given the new investment philosophy, a growing number of enterprises are looking towards hosted contact centre services to reduce capital outlay and to access a wide range of technology options," maintains Ovum, another analyst firm.

DRIVERS FOR HOSTED AND MANAGED SOLUTIONS

In order to make a change in the way things work, there needs to be pressure exerted to make change worthwhile. After considering several potential financial and operational drivers for hosted / managed solutions, respondents were asked how the importance of these factors had altered within the past 12 months in their own contact centre operations, to see if there is a growth in the forces that would make a contact centre consider changing the way they do business.

Figure 97: Compared to 12 months ago, how has the importance of these factors altered within your contact centre?



There is a very strong feeling held by the majority of respondents that systems need updating urgently, which offers contact centres the opportunity to look at other options to the traditional CPE model, as it becomes a matter of choosing which change to make, rather than deciding whether any change is necessary. The transport & travel and public sectors are particular aware of their need to upgrade systems, but this is generally felt across the board.

69% of respondents say that their IT staff are more overworked now than 12 months ago, despite a cut in new IT projects (being an increase from the 2010 figure of 61%). A hosted solution can offer a significant reduction in the level of on-site support required. The financial services and retail respondents were especially keen to indicate that their IT staff were increasingly overworked.

Opex expenditure continues to be much easier to find at the moment than Capex for many respondents, especially public sector, and the emergence of SaaS should fuel interest in non-traditional infrastructure and financial models. Surprisingly, though, interest in the pay-as-you-go model has not generally increased, except for our outsourcing respondents.

Virtualisation and homeworking has changed little in the past 12 months, with only the public sector showing much more interest than previously. As more solutions become available and more businesses actually go ahead with this, the non-centralised model is something that is being revisited on a wide scale. The flexibility of adding agents and licences is also important to a significant number of respondents in most sectors, especially the public sector which, along with outsourcing, seems to be under most commercial pressure to improve without having the capital expenditure means to do so.

Figure 98: Compared to 12 months ago, how has the importance of the following altered within your contact centre? (by vertical market)

	FS	HS	INS	MAN	OS	PS	RD	SVCS	TMT	TT	UT	Average
Our systems need improving	1.1	1.2	1.1	1.0	0.9	1.4	1.2	0.7	0.9	1.3	1.0	1.0
Our IT support & implementation teams have become more overworked	1.2	0.8	1.0	0.5	0.7	0.8	1.2	0.8	0.7	0.6	0.5	0.8
Capital expenditure is harder to find	1.0	0.8	0.6	0.5	1.1	1.3	0.5	0.5	0.3	0.6	0.3	0.7
We need to change user licences and functionality more flexibly	1.0	0.6	0.8	0.3	0.9	1.1	0.6	0.5	0.5	0.9	0.8	0.7
Virtualisation and homeworking has become more interesting to us	-0.6	0.6	-0.2	0.0	0.3	0.6	0.3	-0.3	-0.4	-0.1	-0.5	0.0
A pay-as-you-go model is more attractive to us	-0.8	-1.0	-0.5	-0.2	0.6	0.0	-0.6	0.1	-0.5	-1.2	-0.5	-0.3

NB: scores relate to the 5-point scale of "Much less important = -2, Less important = -1, No change = 0, More important = 1, Much more important = 2"



Flexibility / Scalability / Availability – all from network/hosted solutions: to cope with the changes in the UK market these phrases should be key to every UK contact centre with particular regard to the changing regulation and demands from any business for increased performance.

The flexibility of the Ultra network contact centre solutions have allowed our clients to reduce their numbers and operating costs, through the recessionary period, and then to completely change their contact centre activities to gain new business opportunities and once again scale up to take on/win new work – enabling them to weather the economic climate and then prosper.

Network solutions allow companies to just layer new functions/features over the existing infrastructure, where and when needed - with low capital outlay, little IT resource and in a concise simple trial to permit 'try before you buy' confidence. Migration to additional users and offices can then be controlled by the business.

PCI Compliance & the Future for Contact Centres...

VIRTUAL CONTACT CENTRES

THOUGHT PIECE



Supervisor remote, real time monitoring screen

PCI compliance – do you know what it takes to be compliant?

Compliance at any time is time consuming and costly to arrange & most PCI solution offerings do not address the full issues so companies are still exposed to possible security breaches.

The main objective of PCI compliance is to prevent the card number and 3 digit security number (CCV code) being recorded ANYWHERE when businesses take payments on them. Many companies have not come to terms with how far reaching this compliance is and most have only considered the voice recording – many have still done nothing, or are unable to do anything due to current technology constraints placed upon them.

There also has to be consideration in regards to the agent, their access to the card details on the call and how the card details are recorded in any database.

There is now more advanced PCI technology to provide full compliance – protecting the customer, the business and providing easy compliance, safe card payments and consumer confidence.

Card details are entered by the customer by their phone keypad, while the customer and agent are still conversing, and the payment is then processed automatically for the agent. No details are recorded anywhere and the relationship is maintained during the most important part of the call – thereby enabling simple but thorough PCI compliance.

Ultra Communications provides such PCI compliance as an option to their complete network contact centre technology solutions for contact centres and these are uniquely provided with proactive 24/7/365 support.

“Ultra’s products and services have freed us of the shackles of technology and allowed us to focus on our people and their skills in order to meet the demands of our customers & that of the business.”

“The future for contact centres... is flexible technology solutions”

Contact centres are one of the most rapidly growing forms of employment in Britain today and also one of the most controversial, having attracted some poor press coverage for the stressful working conditions which apply in some of the larger centres.

Reports have also focused on staff recruitment and retention difficulties experienced in certain local contact centre areas. Most problems appear to be associated with having large numbers of agents concentrated together in one location.

However, today’s smart company executives can take advantage of technology so that large geographic concentrations of agents are no longer required and new contact centres can be developed in line with the company’s normal modus operandi.

The availability of **network technology** which combines high-speed digital telephone networks and sophisticated software, and switching technology which underlie modern computer telephony integration (CTI), means that both inbound and outbound calls can now be routed seamlessly to any point.

Additionally contact centre operations can be managed in either a distributed or centralised manner or any combination that suits the company’s executives.

Scalable and flexible...

The **virtual call centre**, as this technology is known opens up many opportunities for flexible management of variable workloads including facilitating the balance of work between multiple offices, maximising performance, even permitting outsourcing (whole or partial) or the use of home-workers.

Using this technology, companies can utilise and manage multiple sites, remotely-based agents, whether home-based or in another site exactly as if they were physically together in one contact centre, scaling up and down to suit business demand.

Benefits –

Centre – there is potential for sharing of services across sites and the variety of cost savings that brings, a wider employment demographic to choose from, and the ability to expand and set up quickly in new areas – so there is a strong need for the flexibility network technology for many companies that need added scalability and growth without commitment.

Expensive legacy contact centre technology can be replaced with ultra-modern technology with much lower capital and operating costs. This new way of working can also be trialled and tested prior to commitment to determine the optimum solution for a company.

Agents – choice of times to work to fit home life, ability to work from home for those with a disability making it hard to leave the home environment - nearly 6% of the workforce are now home-working at least one day per week - using a computer and a telephone link to communicate with their employer.

ULTRA COMMUNICATIONS

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THE VALUE PROPOSITION OF HOSTED/NETWORK SOLUTIONS

There are several factors driving the adoption of these solutions. The first is the 'pay-as-you-go' financial model that allows business of all sizes to move away from high front-end expenditures in favour of a more manageable operational expenditure approach. Small and mid-size companies typically do not have the ready access to cash to make the necessary capital expenditures for expensive CPE. As a result, making the shift from capital expenditure (Capex) to operational expenditure (Opex) is especially relevant for these firms. Additionally, the pay-as-you-go model also simplifies overall cost management and business planning, making it more favourable than the Capex model. Recently, poor market conditions have affected companies and finances and some organisations that would not have previously considered Opex investments (e.g. public sector, utilities companies) are now doing so, as large Capex projects have been shelved indefinitely.

However, the lack of growth in interest shown in pay-as-you-go from respondents to this survey - despite their stated lack of Capex funding - is puzzling, and runs quite contrary to logic. It may be that there is a misunderstanding about this form of solutions funding, messaging which must be addressed by solution providers, as all of the commercial drivers for Opex-funded hosted implementations are present: lack of capital; the need for improve systems; the lack of in-house IT availability and the need for greater flexibility.

From a customer perspective, the low upfront investment, instant access to cutting-edge technology and rapid results should make the model difficult to ignore. The real enabler of the low cost model is, surprisingly, a technical one; leveraging multi-tenancy architecture. End-users, referred to as tenants, share server capacity in a partitioned environment. This allows the hosted provider to pass on some of the cost savings from the economies of scale realised through the use of shared resources.

Cutting the cost

- Decreased capital expenditure:
 - Businesses can scale down future customer premises equipment (CPE) investment, with a resulting decrease in capital expenditure
 - There is also an opportunity to buy services using a pay-per-use or even pay-as-you-talk pricing model, which helps to keep operating expenses to a minimum
 - Additionally, issues surrounding the total cost of ownership of CPE do not arise with hosted solutions: outright purchase of equipment isn't for everyone, perhaps for reasons of budget or the ability to maintain the systems
 - Low-risk ability to start up or move or expand without risking existing business plans
 - Business retain the freedom to downscale change targets and plans to meet demand, rather than commit themselves to long-term arrangements needed to justify the purchase approach of high value CPE.
- Lower development costs:
 - Businesses can experience a decrease in development costs and an increased speed of implementation, as hosted solution providers will already have solutions up and running

- Network-based providers can arrange solutions to be integrated in days, as no specialised onsite equipment or dedicated connections are required. This reduces project times and costs, and allows business to react to requirements far more quickly.
- Managing calls at the network level decreases costs:
 - There are benefits of scale available with Hosted and Network solutions, which may offer business far greater overall capacity that would normally be provisioned with onsite CPE equipment. There are invariably transient periods where dialler equipment will calculate that it should be making more calls than there are phone lines provisioned, however the shared services approach means that providers may permit these higher demand periods to be serviced. This feature can save critical agent time and improve the consistency and overall performance achieved by the dialling solution
 - Business are able to reduce associated infrastructure Capex and Opex costs, such as telecoms requirements, as only one PSTN line per agent is needed for outbound & inbound campaigns. The overcall is carried out in the network and only live calls are placed to the agent, therefore the telephony line and terminating equipment costs are reduced
 - Network/hosted solutions can save on staffing/resource as they are no longer needed to manage the physical technology as it is not on-site
 - Call queuing at the network level also saves money. In multi-site operations - rather than pass a call down to a contact centre which may not have an agent immediately available to take the call – it makes sense to queue the call at the network level until an agent is capable and available to take it. The call is then passed – once – to the agent in the specific contact centre
 - Infrastructure and processes which are held at network level can avoid issues which CPE resources can experience, such as unnecessary duplication across multiple sites and a corresponding increase in management costs for configuration, administration and performance checking.

Improving the service

- Open access to systems allows greater functionality and lower costs:
 - CPE systems are, in the main, proprietary. Although they may be feature-rich, this can often mean that they are difficult to integrate, time-consuming to maintain and limited in scalability. A superior network or hosted solution should be designed to be open, offer multi-site remote management and scale easily to accommodate multiple clients with high growth rates
 - Using CPE often means that development cycles are long, and that technology imposes its own limitations on what can be achieved
 - Hosted solution providers have continually to enhance and develop their services which bestows a competitive advantage to business users who can deploy the latest technology and the often inherent advantages of improved functionality, service and reduced costs, through their contact centres. In effect, a hosted solution removes the technology stranglehold experienced by many contact centres with CPE and allows them to concentrate on their core business.

- Maximize existing resources:
 - Hosted/network solutions enable a business to make the most of their existing call routing infrastructure. By holding the calls in the network and allowing unlimited database lookups, the solution maximizes CPE resource usage and improves routing accuracy: the call is transferred only when the correctly-skilled agent becomes available
 - Network solutions permit a substantially reduced telephony and switch infrastructure. ACD functionality is controlled via the network and inbound calls are routed through a variety of selected rules and then using a script application 'pops' the agents screen with all information collected from the call.
- Disaster recovery (DR):
 - Ensuring business continuity during outages, facility emergencies and inclement weather is a critical requirement. The hosted and network contact centre models ensure business continuity by enabling agents to be connected to the technology platform and necessary applications from anywhere with Internet access. Even in an outage, companies maintain the ability to service and sell to the client base, undermining what could otherwise be a disastrous situation resulting in lost revenue, dropped calls and negative customer experiences
 - Hosted contact centre solutions eliminate the costly and time-intensive process of building and maintaining a back-up site from which to take calls and deal with emergency situations
 - Superior managed service solutions are fully-redundant, sharing the weight of disaster recovery or unplanned outage with the hosted solution provider
 - With network solutions, superior solutions will offer complete disaster recovery and business continuance as their solutions have the ability to be delivered from multi-site locations, and deliver to alternate warm sites, with flexible and immediate switching between sites should an outage or problem occur
 - Network solutions can provide back-up disaster recovery protection to centres with on-site CPE, as reserve protection - although indeed, a good network solution provides a high level of disaster recovery integrally, meaning clients should not require additional disaster recovery cover.
- Improve agent morale and availability:
 - Hosted self-service options such as IVR and voice portals mean businesses can save money through not having to employ line receptionists to route calls. Self-service also frees up time which would otherwise be taken up with answering repetitive questions, improving the happiness of your agents, which goes some way to reducing staff attrition
 - Real-time monitoring across multi-sites (and home-workers) allows identification of contact centre best working practice, which contributes to improved Agent/Team/Campaign productivity and cost reduction. In effect, a hosted solution removes technology from the equation when comparing productivity and efficiency in a contact centre.

- Expand/move/increase or try out new functionality without the high initial set-up costs:
 - Using a pay-per-use model allows businesses to start a contact centre or move at low risk or increase for a temporary campaign or try out new functionality without having to spend excessive amounts of time and money first. This is especially the case with speech recognition which can be a very expensive solution to implement
 - Pay-per-use or pay-as-you-talk tariffs also allow cost-effective coverage of peak loads and overflow based upon seasonality.
- Take steps towards a virtual contact centre:
 - Managed service solutions support virtual contact centre functionality, including real-time monitoring across sites, sometimes even at an agent level, critical to promote a fair and effective working environment
 - For a network-based solution, the only requirement for the agent apart from bandwidth is a PC and a DDI phone, therefore multiple sites and home-working can be achieved more easily and rapidly
 - Scalability is key: contact centres want to be able to gear up and down to suit business demands and cope with peaks and troughs without unnecessary expenditure, and with network-based solutions they can do this on a daily basis, instead of spending on capacity that they may not use for months
 - Network access to real-time reporting allows the ability to see performance across multiple sites down to campaign-, sale- and even agent-level.
- Keep a consistent feel to the business:
 - Self-service and call routing scripts are held centrally, managed from a single interface, so that any changes can happen quickly and consistently



The Real Value - Quick Return of Investment (ROI) & Value Adds: every business needs to gain value from the purchases that they make, and with low initial outlay, ability to trial and compare performance against current systems/processes, hosted solutions do provide fast ROI to the users.

As a Pay as You Go service hosted suppliers are incentivised to provide exceptional performance, superior functionality and unsurpassed resilience – they have to care about your ongoing business to get paid and so become a partner rather than a supplier.

The value adds can often be hidden but are obvious when compared to a typical CPE solution costs – e.g. no cost to upgrade or add new functionality, in-built resilience, no maintenance, and no support charges.

CPE OR HOSTED/NETWORK SOLUTIONS - OR BOTH?

There is a common misunderstanding within the industry that the choice is either CPE or a hosted/network solution. Where expansion is required, superior hosted/network solutions can be easily integrated into existing CPE ancillary systems, allowing the business to experience the functionality and advantages of a hosted solution without compromising existing investment. From a financial perspective, most hosted solution functionality is paid for as an ongoing operating cost, rather than requiring an upfront major investment: this should make it easier for contact centre management to persuade the budget-holder to upgrade the systems in place.

The flexibility of hosted solutions allows a business to experience hosted solutions as an additional 'bolt-on', the use of which can be expanded as the current CPE reaches obsolete / depreciated / non-regulatory status, or further functionality and capacity is required by the contact centre. Network systems can be available in days and are cost-effective option, as the only requirements are IP connectivity and phone lines – something the centre would already have. Hosted solutions will require a complete change in the connection between the centre and the hosted solution provider's equipment and may take longer to integrate.

A perceived lack of control over operations and the security of critical customer data in a hosted environment continue to cause end-user concern. But the reality is that a well-engineered hosting environment will have deeper security infrastructure in place than many SMEs could afford on their own. This is a significant advantage in being able to leverage the financial investment that the hosted provider has made in security standards and measures. Tenant self-administration capabilities, along with process/methodologies with enhanced security options, can play a critical role in overcoming these reservations.

Network and hosted solutions need at least the same level of functionality as CPE-type equipment, and there is no reason a good provider does not offer remote web-based access to authorised users. Suppliers of hosted/network solutions must offer fully managed and supported services, with the trend moving towards offering proactive monitoring. On outbound pay-as-you-talk solutions, for example, there is clear synergy in between the contact centre and the dialler solution provider to ensure the system is efficient, and is configured to operate at the optimum level, as this benefits both parties. This support offered by hosted/network providers is an essential factor in the decision-making process for businesses, and is vital to driving the non-CPE industry forward.

CHECKLIST WHEN CHOOSING A HOSTED/NETWORK SOLUTION

Vendor background and experience

- What is the company's history and experience in contact centre operations?
- Can the company provide references and implementation examples?
- How many contact centre seats are currently in production?

IT considerations

- Is there additional hardware or software to install on-site?
- What bandwidth and reliability issues should we address with our ISP?
- Are there additional costs required to integrate existing back office applications?
- What kind of resources & skill sets will I need to commit to the project, and when?

Network/hosting environment

- What reliability parameters are included in the Service Level Agreements?
- How can you maintain control, minimize business risk, & maximize service quality?
- How does the company address security and privacy concerns?
- How is your data separated from other clients' data?
- Do you provide 24x7 monitoring and support?
- What backup/disaster recovery procedures are in place?

Implementation expectations

- How long is the training cycle and is it administered on-line?
- Are there additional support and service expenses?
- How long and complicated is a typical implementation?

Data Access

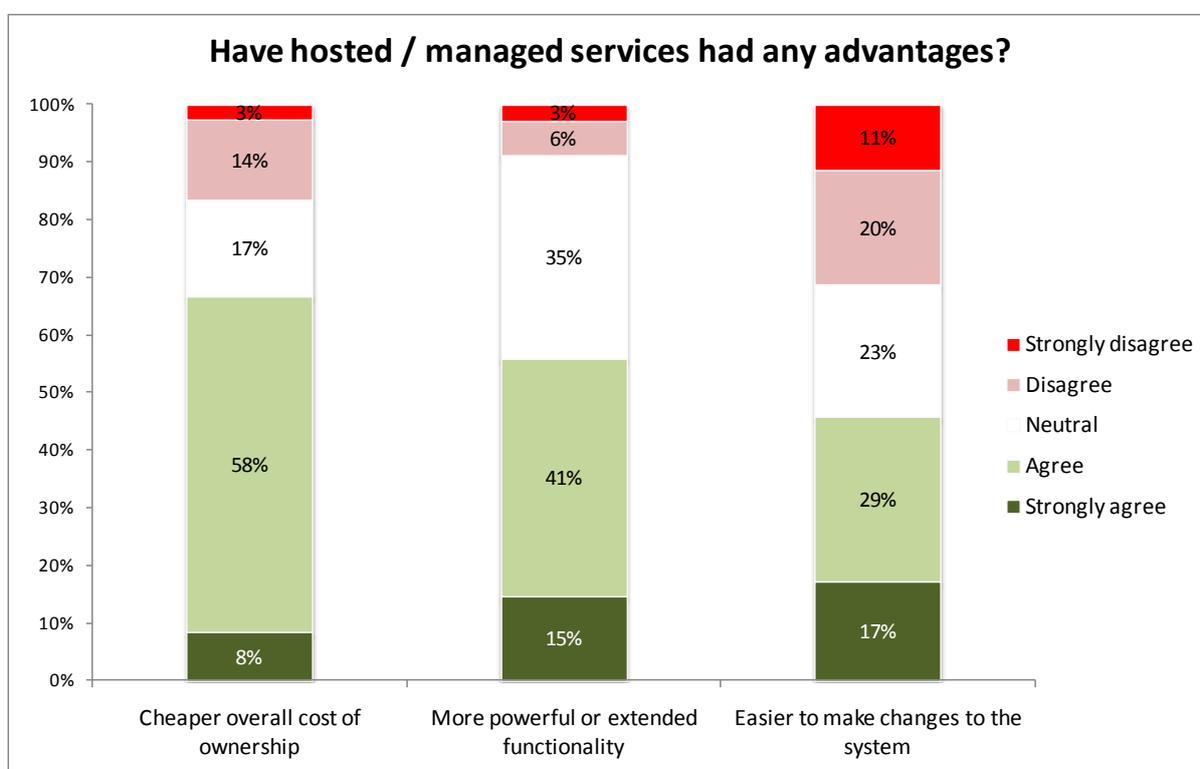
- Can I access my data outside of the provided contact centre application (e.g. sales or marketing queries and reports)?
- How does the vendor return data to you at the end of the hosting agreement?
- How do I integrate my local data and applications?

RESULTS OF USING HOSTED AND MANAGED SOLUTIONS

Those contact centre respondents who have actually implemented a hosted or managed solution have generally found that it has delivered significant advantages in most cases.

The strongest experience was a reduction in cost, with 66% of respondents agreeing that the overall cost of ownership was cheaper, very similar to last year's findings. 56% experienced more powerful or extended functionality in a hosted or managed environment, with only 9% disagreeing. 46% found that making changes to the system was now easier, compared with 31% who felt the opposite. These research findings have been extremely consistent for some years despite different companies taking part each year, and readers can treat these findings with considerable confidence.

Figure 99: Have hosted or managed services had any advantages?

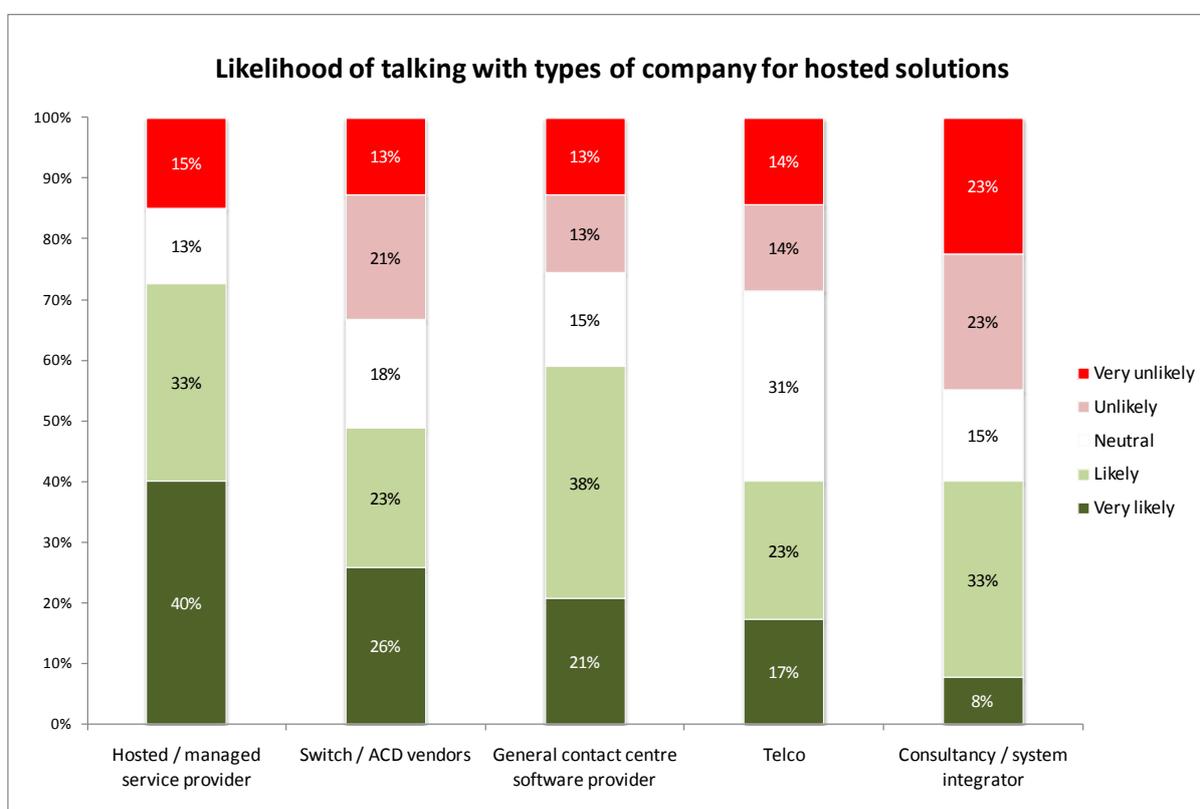


HOSTED AND MANAGED SERVICE PROVIDERS

Providing a service rather than a piece of software or hardware has been a theme for a growing number of solution providers for the past few years, with ever-fewer providing their functionality through a CPE-only method. This has meant that companies have a large number of solution providers of various types trying to win their business. The chart below shows respondents' views on the likelihood of visiting (or revisiting) certain types of solution provider for a hosted solution.

The dedicated hosted provider is stated to be the most likely option, despite sometimes not having the omnipresent visibility of their older competitors, many of whom will be the incumbents, such as switch / ACD / PBX vendors who usually have long working relationships with contact centres, as do general software companies.

Figure 100: If you were looking for a hosted contact centre solution, how likely would you be to talk with the following types of company?



OUTBOUND CALLING

The traditional outbound call was simply about selling more products to new and existing customers. However, legislation and customer pressure is having a continuing impact on cold calling, and the past years have seen an increasing proportion of outbound calling being made to existing customers, either to deliver customer care or proactively to inform them about events and circumstances which affect them. Outbound calling is fundamentally different from inbound, and – facing significant and growing cultural and legislative issues - must be managed sensitively:

- the nature of outbound is intrusive and usually driven by the needs of the business rather than the customer (except in cases of call-back requests and for proactive outbound service)
- this means that customers are more likely to be defensive and wary of the purpose of the call. Trust needs to be built very quickly in order to overcome this negative start point: having the right information about the customer to hand will improve the experience for both agent and customer
- outbound work can be very hard on agents: few people actively welcome most outbound calls, and persistent refusal, lack of interest and rudeness can be very wearing for agents, especially if productivity-enhancing technology such as diallers are being used. Management should consider ways of alleviating agent stress, through sensible scheduling and call blending, judicious use of technology, focused training and improving working environments, amongst other ways
- especially where the technology exists to do so, it can be tempting to treat outbound calling campaigns as an exercise in maximizing call volumes and (theoretically) revenues. However, this can result in brand damage and high staff attrition rates through over-pressured and exhausted agents delivering poorer quality interactions
- there has been a tendency to use offshore contact centres for low-value outbound sales campaigns which would otherwise be unprofitable to run. However, the same high standards of training and support are needed by offshore agents to do their job properly: too many businesses simply put the agents on a dialler with an inflexible script in front of them and then wonder why their customers and prospects become negative towards their brand (for example, 73% of the UK public who considered offshore customer contact to be inferior cited inflexible scripts as a key issue)⁹
- tough legislation has emerged which is reducing the amount of cold calling which businesses can do. Cold calling is illegal in Germany, and the Do-Not-Call register in the US and the Telephone Preference Scheme in the UK allow customers (and now businesses in the UK) to opt out of receiving any sales calls at all. Over 10m consumer telephone numbers in the UK are registered with TPS.

⁹ ContactBabel, "Finding the Balance: The Effects of Offshore Customer Contact on Profit and Brand"

Call blending is an element of outbound calling which has perhaps not yet reached its full potential, as it stands against some of the conventional wisdom of the traditional contact centre industry, which implies that the more one can segregate the contact centre into a series of production lines, the better-run the operation will be.

Call blending gives the ability to deliver both inbound and outbound calls seamlessly to the agent, regulating outbound call volume based on inbound traffic. When inbound traffic is low, outbound calls are automatically generated for a specified campaign. When inbound traffic picks up, the dialler dynamically slows the number of outgoing calls to meet the inbound service level. Results can include increased agent productivity, streamlined staffing, and improved customer service. However, this process needs to be understood and managed carefully, as not all agents are adept at dealing with both inbound and outbound calls.

Sales to both new and existing customers are obviously still key reasons why companies carry out outbound calls, and the hybrid method – customer service leading to a cross-sell/up-sell opportunity – is seen a good way of circumventing the increasing numbers of people registering for the Telephony Preference Service. However, businesses must be careful not to pester customers or abuse the relationship they have built up with frequent calls about products and services that are not tailored to the customer. Increasingly, turning an inbound service call into a cross-sell or upselling opportunity has become a widely-use tactic.



Flexibility and stability are key components of an effective contact centre solution provider. For over 20 years, Noble Systems has provided powerful, open platforms for 4,000+ customers worldwide, delivering award winning contact centre solutions for inbound, outbound and blended communications.

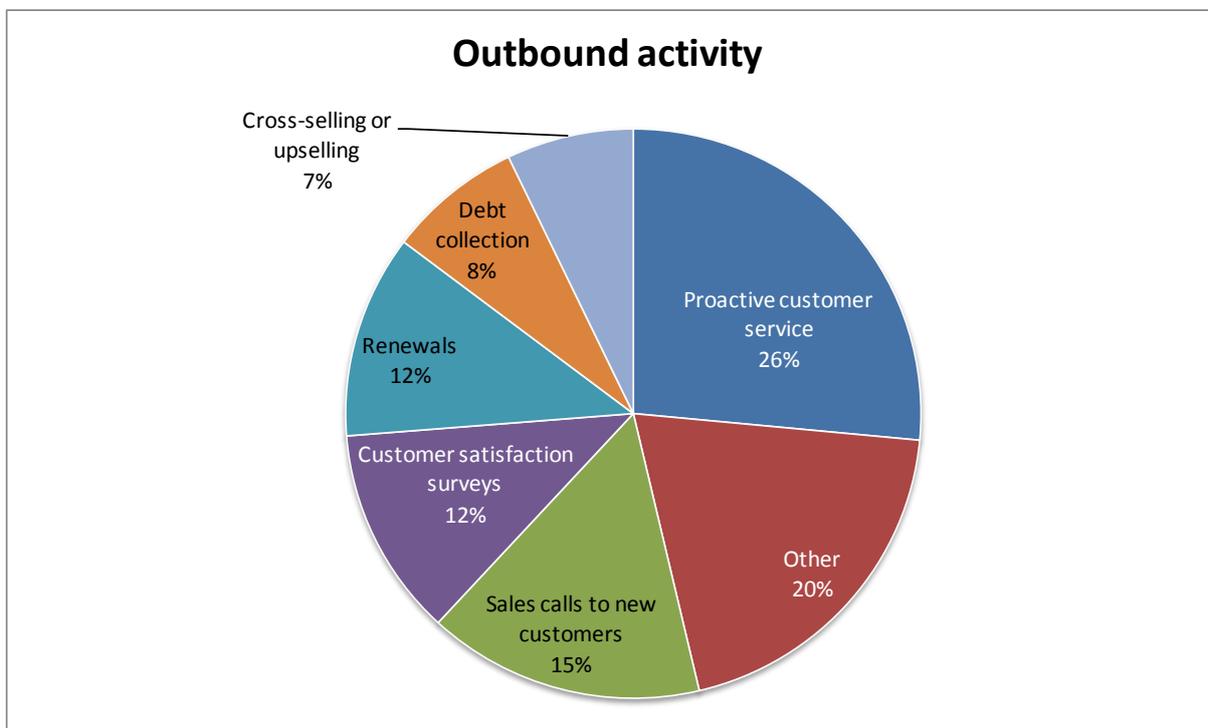
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 **NOBLE SYSTEMS**
CUSTOMER CONTACT TECHNOLOGIES

OUTBOUND ACTIVITY

The single most popular outbound activity continues to be proactive customer service - a strong brand builder as well as an effective call avoidance tactic, which is at 26% compared to last year's 27%. Last year's jump in sales calls has not been matched this year, with the overall proportion of sales calls reverting to 2009's figure of 34% (47% in 2010), although sales calls to potential new customers continues this year as the top sales-related outbound activity. However, the increase seen last year in cross-selling/upselling has not continued, perhaps as a result of the growing prevalence of carrying out this activity as an extension to an inbound call. (More information on cross-selling and up-selling can be viewed earlier in this chapter). Renewals calls have stayed relatively steady at 12%.

Figure 101: Outbound activity



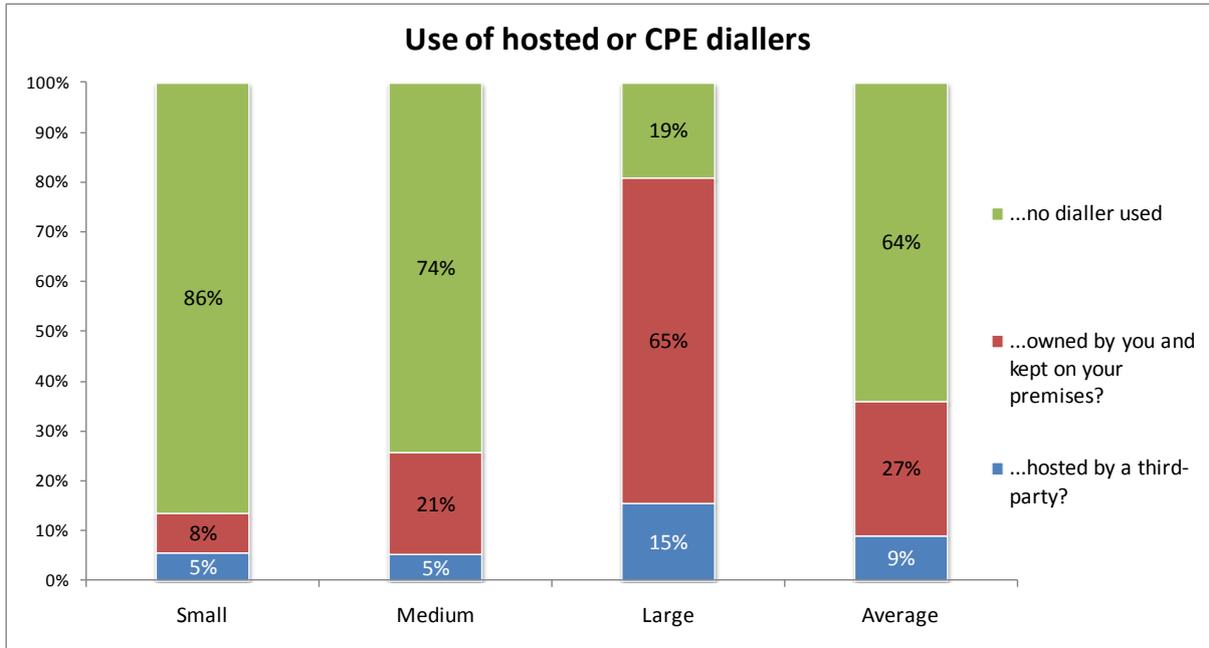
Vertical market patterns are very different from each other, and there is not even a great deal of homogeneity within sectors, so these figures should be treated with some caution. However, there are some interesting findings to bring out.

Over half of the retail & distribution and TMT sectors' outbound activity is proactive customer service, advising of delays and deliveries in the main. The manufacturing sector is also actively seeking and giving information up and down the supply chain and the public and housing sectors are also very involved in this. The services and outsourcing sectors are the hungriest for new business and most likely to cold-call (within the law, of course). The outsourcing sector, as might be expected, is keen on sales with 49% of all outbound activity being sales-related.

The contract-based business models, often found in telecoms and insurance, are most likely to be carrying out renewal sales calls to existing customers, with the transport & travel sector also carrying out a lot of this type of activity. The finance and particularly utilities sectors carried out a lot of debt collection.

64% of respondents do not use a dialler to automate their outbound calls. Of those that do, 25% use a hosted solution, and three-quarters own their own dialler. Larger contact centres are far more likely to be using a dialler, and 15% of these use a hosted dialler rather than owning and managing it themselves.

Figure 102: Use of hosted or CPE diallers



A hosted offering gives contact centres immediate access to a compliant, secure system that contains all of the latest reporting tools without an upfront capital investment. Market demands for hosted solutions are expanding rapidly and the award winning Noble Enterprise Hosted offers a seamless alternative to a CPE solution with advantages in scalability, business continuity and cost-of-entry, and all of the benefits of a cloud-based Communication-as-a-Service (CaaS) infrastructure. Noble differs from other CaaS solutions in that it provides a true enterprise solution, and not a stripped-down version of functionality, with options for a quick, cost-effective path to a premise-based platform or the creation of a unified hosted/premise hybrid that looks and feels identical on agent and management screens.

EFFECTS OF LEGISLATION

The Telephone Preference Service (and the EC Regulations on Electronic Communication which deals with email and SMS) are part of the general social and political drift towards allowing consumers and businesses the right not to be contacted by companies. This is part of a global movement, perhaps indicated best by the state government of California, which does not allow over-dialling at all. In the UK, Ofcom is getting progressively stricter in its outbound regulations, a summary of which appears here.

Summary of Ofcom's Dialling Regulations

- Call abandonment rate shall be no more than 3% of 'live calls' on each individual campaign over any 24 hour period;
- In the event of an 'abandoned call', a very brief recorded information message is played within one second of the call being answered, which;
 1. identifies the company on whose behalf the call was made;
 2. identifies the intended purpose of the call (i.e. "unsolicited sales call", "call as part of debt recovery", etc)
 3. offers the called person the possibility of declining to receive further calls from that company by contacting a no charge or basic rate number;
 4. includes no marketing content and is not used as an opportunity to market to the called person;
- calls which are not answered should ring for a minimum of 15 seconds before being terminated;
- when an 'abandoned call' is made to a particular number, that number is not called again in the following 72 hours, unless a dedicated operator is available;
- for each outbound call a CLI number is presented, to which a return call may be made which is not charged at a higher rate than the national call rate;
- either a recorded message or a live operator is available at the CLI number presented to inform called persons of the identity of the organisation that called them, the intended purpose of the 'abandoned call' and that the called person's number will be deleted from the organisation's database and added to its in-house suppression list at the called person's request if they leave their name and telephone number;
- any call made by the called person to the contact number provided shall not be used as an opportunity to market to that person;
- records are kept that demonstrate compliance with the above procedures.

The entire document, including the commentary on ongoing proposals for change, is downloadable from :
<http://stakeholders.ofcom.org.uk/consultations/silent-calls/>

Noble Systems, a unified contact centre solutions provider, believes that when used appropriately and responsibly, AMD is a valuable tool for driving productivity in a compliant contact centre. We are committed to ensuring that all Noble platforms can be managed in full compliance with all regulations for customer contacts. The flexible Noble Systems' solution allows users to control the pacing of their outbound dialling campaigns to ensure full system compliance at all times. The Solution automates, organises and manages our clients' outbound dialling campaigns and resources, allowing them to build productivity, improve efficiency and increase call volumes in line with the abandoned and silent call constraints set by Ofcom.

Effective Ways to Regain Trust in Outbound Dialling

By



The traditional outbound dialling market has seen a substantial shift in recent years due to the growing cultural distrust in telemarketers and the heavy fines enforced by Ofcom for companies that flaunt the silent call regulations. These driving forces are encouraging companies like Noble Systems to review our solutions to enable organisations to delight their customers with a unified customer service offering whether they are in collections, telemarketing, lead generation or customer services.

Unified contact centre solutions enable these organisations to offer a service to their customers that can provide quick and simple access to information – as and when it is required, and more importantly through their medium of choice. Whether that's a bank balance via text, confirmation email of a purchased item, or a payment reminder via Intelligent Voice Messaging – the priority is that the customer is king and they should be able to choose how and when they wish to be contacted.

Noble Systems believes that contact centre solutions will remain as the important foundation for businesses today and in the future, but this is based on the premise that they should be used in smarter, more customer focused ways. By implementing a **'unified' face** to their customers, many Noble customers have seen huge growth in their revenues and rapid Return on Investment, not to mention increased customer satisfaction and retention.

Contact Centre fraud and PCI compliance has been extensively covered in the press over the last few years, with over £440m of payment fraud reported in the UK. Today, contact centres are able to eradicate any customer fears of taking payments over the phone with a simple and effective solution that seamlessly directs the caller to input their payment details via the keypad, 'masking' DTMF tones from the agent, but enabling them to stay on the phone to help if required.

Another source of mistrust has traditionally been **silent calls**. Intelligent Voice Messaging effectively removes all silent calls, as in the event of an answer phone, by playing a personalised voice message rather than a dead tone. This message must not contain any marketing information, but needs to state where the call has been made from and provide a free or local rate number to call back to decline further contact.

Personalised automated messages can also be used to trigger inbound activity. **Call blending** has been proven to gain higher productivity from agents as well as lower attrition. It is important to manage every form of inbound communication with the same 'voice' as outbound to maintain the relationship and the 'trust' element. Blended agents should be trained to respond to inbound calls/email/twitter/SMS within the specified SLAs and in the manner that is pre-defined by the organisation.

Skill based routing allows agents with particular skills to have calls directed to them based on a set criteria, eg age matching agents with called parties, high value customers, Spanish speaking customers, etc. If an agent has been speaking to a specific customer, then the call can be routed to or dialled from the same agent every time.

These examples are just a few of the techniques that growing contact centres should be implementing to ensure that customer retention and acquisition is maintained. Noble Systems would be happy to carry out a complimentary review on your current operations.

For more information, please contact Sian Ciabattoni, Marketing Director EMEA - sciabattoni@noblesystems.com.

OUTBOUND PERFORMANCE METRICS

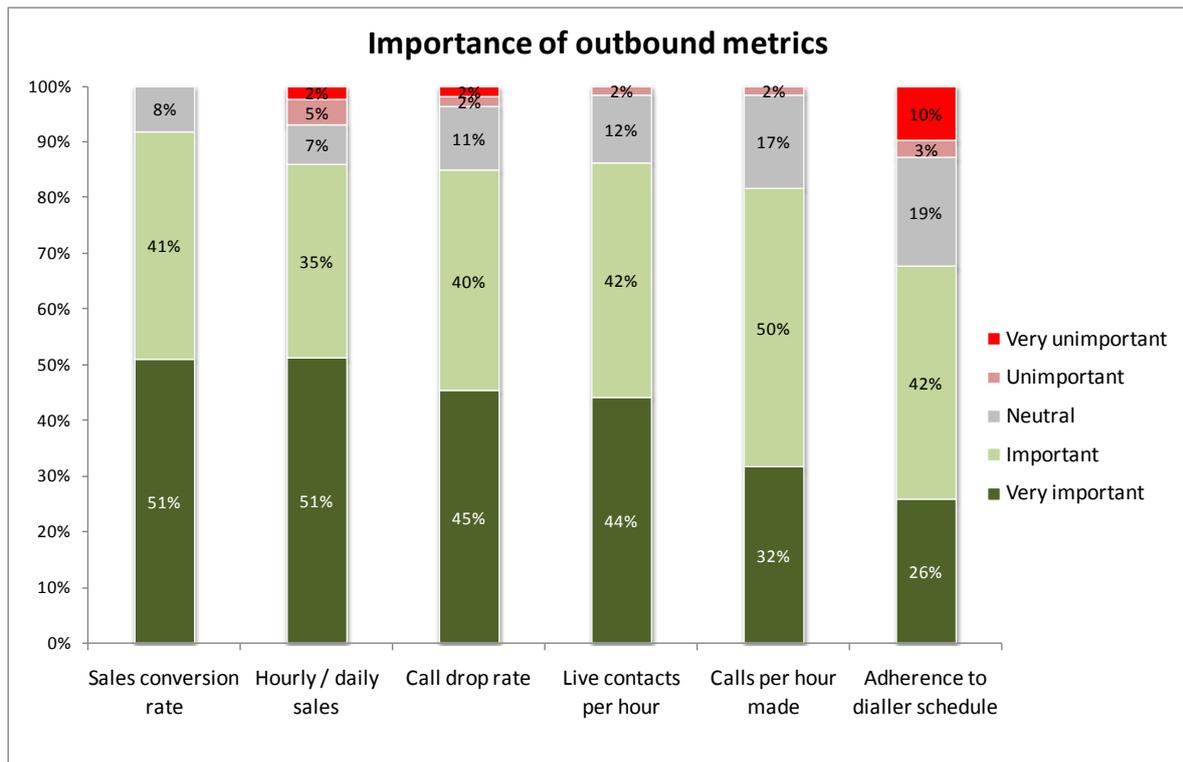
The most widely-used outbound metric is perhaps the simplest - how many calls are made per hour? In second place comes the number of calls dropped or abandoned, which is important to see if the contact centre is keeping to Ofcom regulations. Around half look at sales-related figures (the large public sector element to respondents should be noted here), with only around one-third judging themselves on how closely they stick to the dialler schedule.

Figure 103: Use of outbound performance metrics

Outbound performance metric	Proportion of relevant respondents using this metric
Calls per hour made	62%
Call drop rate	58%
Live contacts per hour	54%
Sales conversion rate	53%
Hourly / daily sales	47%
Adherence to dialler schedule	34%

Most of these metrics are seen as important - the insurance and services sector are very focused upon conversion rates, while the utilities sector also focuses upon the number of live contacts made. Outsourcers look more at hourly / daily sales, placing less emphasis on dialler schedule adherence.

Figure 104: The importance of outbound metrics

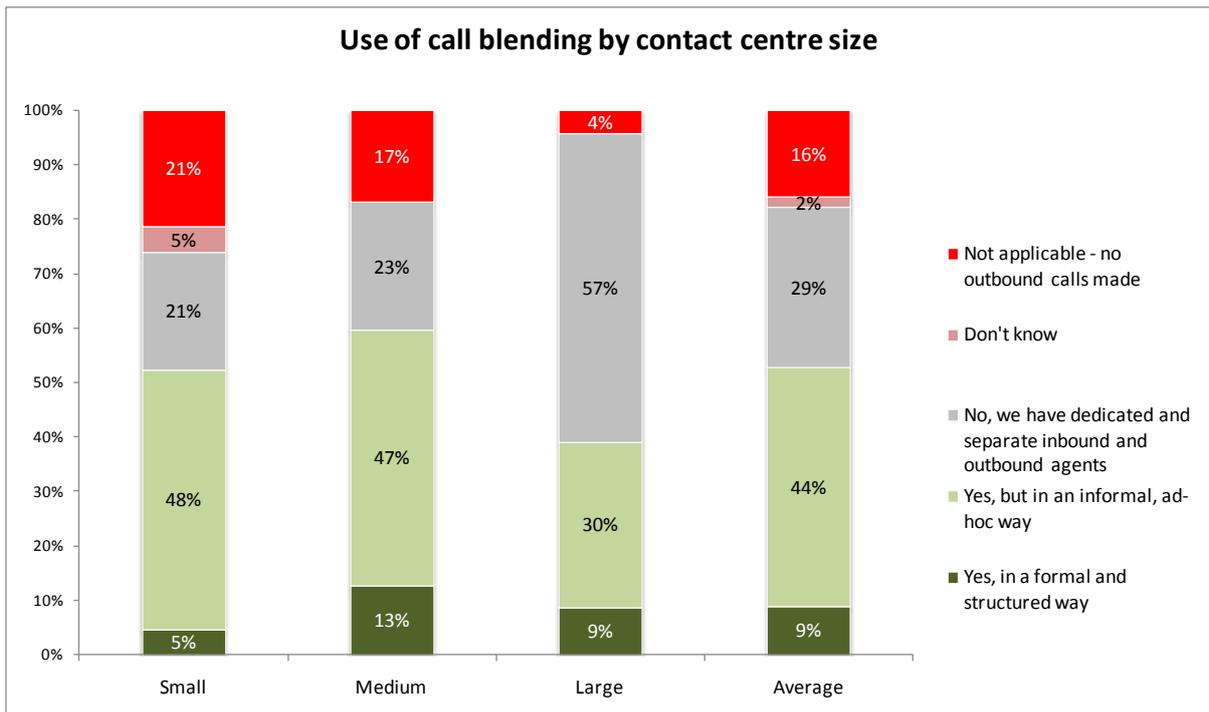


CALL BLENDING

A contact centre handling different processes involving customer service, sales orders, and outbound telemarketing, will have different groups of agents with specific skills for these areas. Some agents are more capable and adaptable than others, and can be used as blended agents. For example, these agents may have a primary responsibility to handle inbound calls, but when the inbound call volume drops, the dialler will send a message to these agents indicating that they have been switched to outbound mode and start offering outbound calls to them. Where relevant, a CTI link will prompt a script for the outbound calls to run on the agent desktop and - depending on the call volume in the inbound queue, the agents will be switched automatically, improving productivity. However, if there is a constant switching from inbound to outbound and back again, the agent may lose concentration and the productivity may go down.

A structured blended environment, where agents are moved seamlessly and dynamically between inbound and outbound, is used in only 9% of respondents' operations - something of a drop on previous years' findings - although medium and large contact centres are more likely to be able to do this, with the latter also far more likely to use dedicated outbound agents. Small and medium operations will tend to operate blending on a manual, ad-hoc basis.

Figure 105: Use of call blending by contact centre size



It is interesting to put the use and type of call blending against key contact centre performance and operational metrics, such as annual attrition rate and average speed to answer.

As with previous years, the attrition rate in contact centres using blending is lower than in those that do not, as perhaps the variety of work may have a positive impact. There are other variables at play that affect attrition, such as contact centre size, location, salary, working conditions and type of work, and although

attrition is currently a serious problem for only a small proportion of operations, the use of blending as a palliative for attrition should be considered for the future.

 **NOBLE SYSTEMS**
CUSTOMER CONTACT TECHNOLOGIES

Customers of Noble Systems have seen a real improvement in agent attrition since adopting call/contact blending technology; the system seamlessly adjusts the pace of outbound dialling to fill in the ‘gaps’, placing fewer calls when inbound volumes are high and more outbound dials when incoming communications are lower, so that agents are always kept busy. Because the system automatically delivers the relevant workflow and customer data to the agent’s screen for each call, no productivity is lost – in fact, agent efficiency is improved as redundant keystrokes and manual look-ups are eliminated. This makes the business far more efficient and creates additional revenue without additional cost.

The average speed to answer is considerably less in formal, blended environments than in ad-hoc operations, with agents moved between tasks seamlessly. There is considerable difference between average speed to answer in formally-blended and dedicated inbound/outbound environments this year.

Figure 106: Average speed to answer, by call blending environment type

Call blending environment	Average speed to answer (seconds)
Dedicated and separate inbound and outbound agents	38
Blending used in an informal, ad-hoc way	26
Blending used in a formal and structured way	15
Not applicable - no outbound calls made	21

THE ROLE OF MOBILE TELEPHONY ON OUTBOUND CALLING

In around 50 countries, mobile telephony analysts have put out seemingly counter-intuitive mobile phone penetration rates of well over 100% - that is, there are more phones than people. The UK is one such country.

Businesses wishing to use mobile telephony - whether through voice or SMS - should be aware of the unique nature of the channel, including the psychological state of many mobile phone users towards the device. The mobile phone is seen as a private, personal communications channel, in a way that a PC or landline phone is not. The mobile phone goes everywhere with its owner at all times (the peak hours for texting in Western countries are between 10pm and 11pm), and the external appearance, sound and function of the phone can be personalised and modified to reflect the user's personality.

Currently, as a mean average, UK respondents make 42% of their outbound calls to mobile phones (35% in 2010, 36% in 2009, and 28% in 2008). It costs an average of 4-8 times more to call a mobile phone than a landline (depending on whether the mean or median averages are considered):

- Mean cost of outbound call to landline (ppm): 1.9p
- Median cost of outbound call to landline (ppm): 1.0p (1st quartile 0.8p, 3rd quartile 3p, low 0.5p, high 5.0p)

- Mean cost of outbound call to mobile (ppm): 8.2p
- Median cost of outbound call to mobile (ppm): 8.0p (1st quartile 4.5p, 3rd quartile 11.5p, low 2.5p, high 15.0p)

Large contact centres were far more likely to have negotiated a lower price for calling mobiles, with a mean average of 4.3p, against medium-size operations' 9.0p, and small operations' 10.5p. There was much less difference in the price paid to call landlines (small - 1.9ppm, medium - 2.6ppm, large - 1.0ppm).

Faced with such a growth in the costs of calling, businesses may feel tempted to cut back on outbound communications, perhaps even going as far as not to accept mobile numbers as the primary contact method. However, this would be too much of an over-reaction, as its ubiquity and responsiveness has a great advantage over landline phones and even emails, as the business is far more likely to reach the customer by calling their mobile number. Increasing the use of SMS as a channel to the customer would reduce many of the costs associated with mobile communication (including agent time, as well as transmission costs), while keeping the advantages of contacting a customer's mobile number. See the 'New Media and the Customer of the Future' chapter for more about the role of SMS.

OUTSOURCING

This chapter looks closely at the use of outsourcing, whether being served by domestic operations, looking further afield to offshore contact centres, or increasingly a mixture of both (sometimes referred to as rightshoring: restructuring a company's workforce to find the optimum mix of jobs performed locally and jobs moved abroad).

A judicious use of outsourcing can assist a contact centre with its operational goals:

- hitting performance targets (through helping with call spikes)
- providing a better customer service (through offering an out-of-hours service)
- quickly ramping up to assist with outbound sales campaigns
- measuring customer satisfaction with regular outbound surveys.

However, outsourcing also offers a strategic alternative to running an in-house contact centre, with BPO (business process outsourcing) companies also providing a back-office outsourcing function in alignment with the front-office contact centre as well. The international reach of these BPOs allows them to distribute work and functionality to the most cost-effective locations, reducing the risk of providing lower levels of service to the ultimate customer. (See the following box for more details on the differences between outsourcers).

Outsourcing allows businesses to focus on their core business, and to benefit from the experience and knowledge of specialist contact centre operators. It is a sector which has been hit in recent years by the increase in outbound legislation and the competition from offshore, but which still accounts for over 13% of UK agent positions, and has been growing more rapidly than any other sector.

There are three main types of outsourcer: traditional, diversifying and emerging.¹⁰

- Traditional outsourcers have some of the best-known players in the sector. A large part of the traditional outsourcing sector in the UK consists of large, multiservice companies which may deal with telephone calls, email and query fulfilment (e.g. sending out brochures or bills). It may well be part of a multinational group, whether UK- or foreign-owned. Additionally, the large number of smaller telemarketing companies should also be considered, which take on *ad-hoc* outbound sales contracts to both consumer and business sectors.
- Diversifying outsourcers include large system integrators, consultancies and telcos.
- Emerging outsourcers include businesses involved in hosting or hoteling, which are often venture-capital funded, and are often found offshore. However, some of the largest offshore-founded companies have bought up domestic outsourcers to provide a full-service rightshoring solution, which includes offering analytics and business insight, as well as telephony-focused activities such as customer care, billing and collections, sales and transaction processing. By matching activity with the location, the outsourcer is able to keep costs low while still offering a high-quality, profitable level of service to specific segments of the customer base.

¹⁰ Source: CM Insight

The UK outsourcing industry - Tier 1 and Tier 2

Over recent years, the UK outsourced contact centre market has polarised into two distinct tiers.

Companies in Tier 1 undertake more complex and strategic customer management contracts and fulfil some or all of the key elements of their clients' customer relationship management (CRM) requirements. Increasingly, this so-called CRM-BPO work involves an explicit obligation to service the lifetime needs of customers – to the proven satisfaction of clients and their customers alike. Such work commands higher fees, equating to between £22-28 per hour, although the contracts are unlikely to be structured on a simple resource or transaction basis. Incentivisation of vendors in these cases invariably involves ongoing measurement of customer satisfaction, through mystery shopping, customer surveys and benchmarking, and of average revenues per customer (ARPU) and average customer lifetime values.

Tier 2 consists of companies undertaking what might be called 'low-level' or transactional work; for example, business-to-consumer telesales, simple administration tasks, etc. They command commoditised fees (e.g. £12-18 per hour) and tend to be measured on standard metrics, such as average handle time (AHT), calls per hour and abandon rates. Pigeon-holing customer management outsourcers into either contact centre-only or BPO businesses is of course an oversimplification. A small number of vendors are in fact seeking to maintain both growth and margins not by entering the BPO market but instead by developing premium contact centre services. These services, known sometimes as either customer experience management (CEM) or customer interaction management, typically involve some level of technology provision and a much greater understanding (and delivery) of multi-channel interaction handling (rather than simply call taking/making).

In what is a highly labour-intensive business model, where employment costs for discounted call centre services can represent well over 75% of revenues (including management), this polarisation is putting less well-capitalised Tier 2 vendors under severe pressure. The economic downturn has forced most clients to re-examine their outsourcing cost structures, including the option of heading offshore or mixing onshore and offshore resource. Many clients are also seeking to conserve cash by holding off creditors for much longer than usual and by avoiding up-front set-up fees in any new outsourcing agreements.

For those OSPs (outsourced service providers) in a strong fiscal position, these pressures of course mean new opportunities, through replacement of weaker OSPs at contract renewal and through the development of 'low start' outsourcing terms in which even quite significant set-up costs are amortised across the term of first-generation outsourcing contracts.

Source: "The UK Contact Centre Outsourcing Industry in 2009" (ContactBabel & The Outsource Junction)

THE OUTLOOK FOR THE OUTSOURCING INDUSTRY

As the following table shows, the contact centre outsourcing sector is set for steady growth over the coming years, with outsourcers consistently reporting growth in excess of the in-house average.

Figure 107: Growth in outsourcing and in-house contact centre industries

	Number of contact centres (2013)	% CAGR 2009-13	Number of agent positions (2013)	% CAGR 2009-13
In-house	5,250	0.6%	695,000	2.5%
Outsourced	410	1.3%	88,750	6.3%

Despite increased consolidation and the effect of offshoring, opportunities for the outsourcing industry include:

- The early adopter sectors are still growing (e.g. financial services)
- Biggest growth will be in newer markets, especially the public sector, retail, mobiles, non-voice BPO and the SME arena
- Biggest growth potential for companies offering:
 - True BPO, with a mixture of onshore and offshore resourcing options
 - Proven capacity to invest
 - Consultative relationships
 - Ability to integrate client's culture into their own
- Outsourcers can charge more (up to double) for these more complex service offerings
- Opportunities exist in the marketplace for outsourcers which credibly demonstrate they can offer the following:
 - Flexible and transparent pricing models to show clients what they are buying for their cash
 - A fully integrated service, including proven BPO capabilities, preferably under one roof
 - Preparedness to enter into challenging risk/reward arrangements
 - +/- 20% based on qualitative as well as quantitative outcomes
 - Ability to invest for the long term
 - Including amortisation of set-up & transition costs and ability to demonstrate capability and credentials in significant TUPE transactions.
 - Ability to develop and maintain a consultative partnership with each client
 - Including demonstrable investment in both client services personnel/processes and R & D
 - Willingness to invest in importing each client's culture into outsourced operations or processes,
 - Including preparedness to co-locate client personnel with outsourced operations
 - Including willingness to accept a high degree of client involvement, overview, and transparency
 - Strong credentials in Public Services delivery, especially in Health, Transport & Financial Processing.

THE USE OF TACTICAL AND OPERATIONAL OUTSOURCING

As respondents to this survey run their own contact centres (including some outsourcers as well of course), there are few opportunities to ask about wholesale, strategic outsourcing experiences. Therefore, the data below refer to tactical and operational outsourcing of specific functionality and projects, rather than the outsourcing of an entire operation.

Figure 108: Type and amount of work outsourced

Type of work	% of contact centres outsourcing any of this work	% of this work outsourced (only including figures from those which outsource)
Market research / surveys	25%	88%
Out-of-hours	14%	90%
Back-office processes	13%	42%
Overflow	10%	61%
Ongoing customer service	9%	34%
Outbound sales campaigns	7%	75%
Multimedia response	6%	70%

This year, 38% of respondents used outsourcers in some way.

The use of outsourcers' services vary greatly between vertical markets, with the transport & travel sectors being the most likely to use outsourcers' particular skills, especially overflow and out-of-hours.

The use of a third-party to survey customer satisfaction is a strong trend which has become even more popular over the past few years, as the desire to improve customer satisfaction has continued to hold its position as the top priority for contact centres.

A growing number of respondents, especially from large operations, use outsourcers on an ongoing basis to provide back office services such as billing, data entry, document scanning and transaction processing, as the costs of doing so offshore are far cheaper than within the UK, with much less risk of a negative response from UK customers.

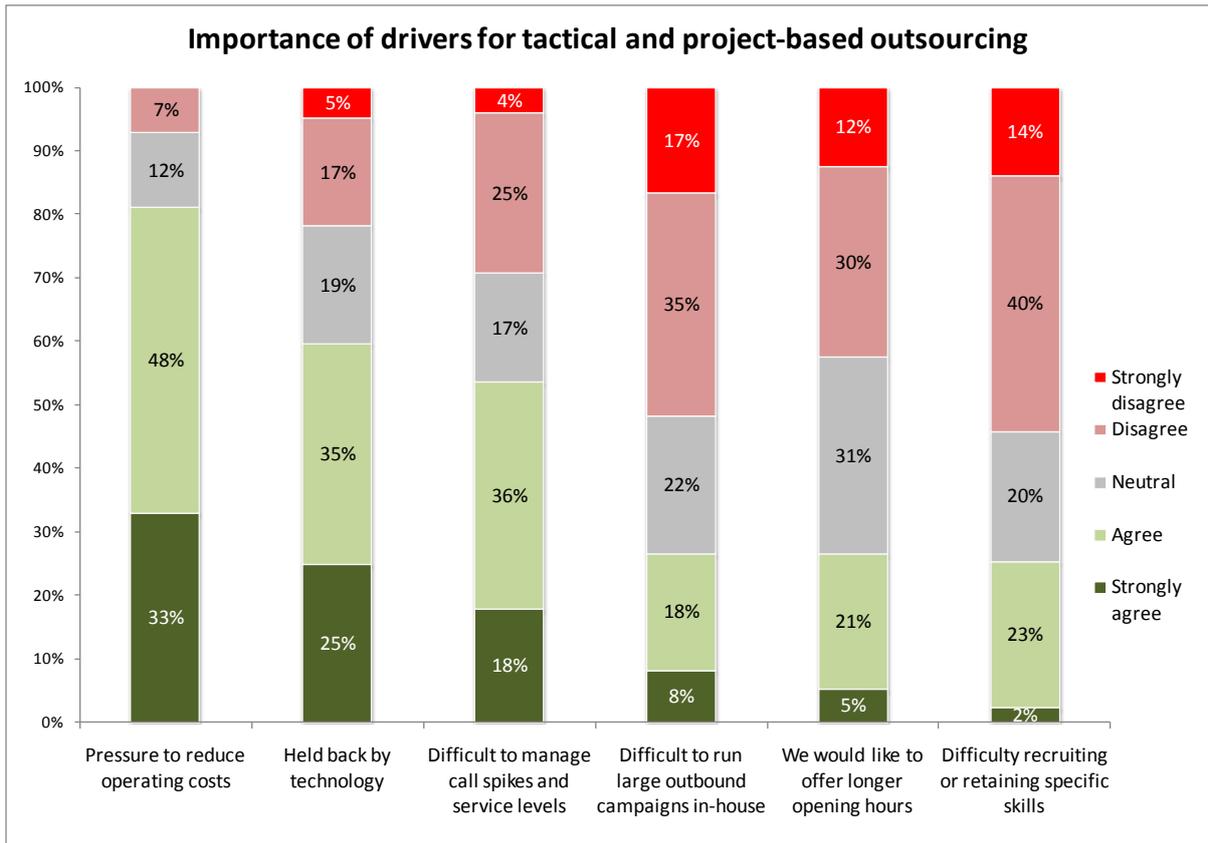
Some businesses which provide long opening hours do so through the use of a third-party, as their customers expect 24/7 service, but it may not be economical to provide this in-house, especially in smaller operations.

Larger operations are more likely to use outsourcers for outbound campaigns, which would otherwise require massive amounts of recruitment and training efforts, as marketing to a large customer base is a major investment. Large operations are also more likely to outsource some of their multimedia response.

DRIVERS FOR TACTICAL AND PROJECT-BASED OUTSOURCING

This question addresses the drivers for tactical outsourcing - do businesses move away from in-house activity because of cost, inflexibility or lack of skills? (This question does not look at the drivers for strategic outsourcing, as the question is answered by contact centre managers, who by definition, have not seen their contact centres outsourced in their entirety).

Figure 109: The importance of drivers for tactical and project-based outsourcing



"Pressure to reduce operating costs"

For contact centres of all sizes, the pressure to reduce ongoing operating costs continues to increase. Outsourcing can reduce some of this pressure by passing overflow or out-of-hours calls to a third-party, reducing the maximum number of agents required and also reducing the need for extra space.

"We are held back by our technology"

60% of respondents agree that their business and operational performance is restricted by the technical capabilities of their contact centre. Outsourcing can provide assistance with this, for example, through handling multimedia or social media enquiries while the contact centre focuses upon what it is set up to do - answering calls.

"It is difficult to manage call spikes and maintain service levels"

Over-staffing wastes money, and understaffing risks a service level meltdown if call spikes occur outside the forecast. The use of outsourcers to handle overflow is well-established, although it is used by only 10% of respondents.

"It is difficult to run large-scale outbound campaigns in-house"

It is almost impossible and certainly not cost-effective to recruit and train hundreds of agents almost immediately, only to let them go after a few months when the campaign has ended. Yet that is the flexibility that outsourcers can provide to their clients, with a partial shared-risk scenario based on results encouraging the outsourcer to achieve the greatest level of success.

"It's cheaper than doing it in-house"

The judicious mixture of offshore and domestic outsourcing means that larger outsourcers can provide customer contact from a location that is acceptable to their client's customer base, while being able to offer lower-cost options in other cases if that is what the client desires. Matching the resource to the activity can reduce the overall cost of outsourcing while not compromising on quality.

"We would like to be open longer hours"

Customers expect longer opening hours, but it is difficult to staff a contact centre outside of core opening hours, especially if staff rely on public transport links. Operations risk the higher levels of attrition associated with anti-social hours, and may prefer to let an outsourcer handle out-of-hours operations (perhaps in association with homeworking). Businesses may also avoid the cost of keeping buildings open outside of normal working hours.

"Difficulty in recruiting or retaining agents with particular skills"

Small and medium contact centres are more likely than their larger counterparts to admit to lacking specialist abilities which may be difficult and time-consuming to recruit. Very large outsourcers will have a pool of labour of all levels of education, and international outsourcers will also be able to draw on language skills from almost any country in the world. To a lesser extent, large operations also use outsourcers to augment their existing operations on a long-term basis, especially when the contact centre is located in a hot-spot where any sort of major recruitment is a very difficult proposal. Over time, the outsourcer becomes virtually a part of the client organisation, with its management and agents reflecting the brand and values of the client.

CHOOSING AN OUTSOURCER

Whatever the scope of your project, there are some questions you should ask yourself and your team before picking up the phone to any potential partners:

- Are we outsourcing a process or a problem?
- Why are we outsourcing this process? (Or – why are we thinking of changing our outsourcer?)
- Are we clear what the brief is?
- Do we have specific objectives?
- Would we consider offshore?
- Do the outsourcer and their staff need to be FSA-cleared?
- What management information will you need from them?
- How will you want them to monitor quality and customer satisfaction?
- Do your calls need to be recorded?
- What are the technology requirements?
- What type of contract do we want with this partner?

You also need to ask yourselves how difficult your project is. For example: attempting to direct sell a product or service worth £50,000 to CEO's of FTSE Top 100 companies is hugely more difficult than an exact repeat of a past campaign selling services worth less than £500 to existing residential customers. Depending on the complexity of your project, you may now produce a written brief to send to potential partners – again before you start a serious search. Apart from the fact that they will ask you for one, it will assist you greatly in defining your expectations and objectives.

a) Logistics around the set-up:

- Location: where will the project be sited and why?
- Please describe the management processes and activities that will take place during set-up
- How will you keep all key stakeholders informed and engaged?
- What types of contract are you willing to enter into?
- Who will be working on the project?
- What resources will you need from us?
- Assumptions around agent productivity, allowing for leave, sickness, training, etc

b) Operations:

- Are the targets and KPI's achievable?
- How do you forecast your resource needs?
- How much flexibility is there for a changes in call volumes?
- How will you report on a daily/weekly basis? (with example)
- What will be the split of responsibility in terms of data management, including dependencies, restraints, exceptions etc
- Overview of the outsourcer's IT and telephony systems and infrastructure, detailing age of equipment and average time in operation
- Outsourcer's key IT supplier relationships and length of these relationships
- Method of capturing contact history for each customer record?
- (If outbound) Describe the functionality of dialler technology
- Business continuity: describe contingency plans, in terms of buildings, personnel, IT, telephony

- How is call quality monitored (possibly including the validation of sales or appointments made)
- Capabilities of your call recording system?
- Complaint management process

c) Management and staff:

- Management team structure that would be allocated to this project, including ratio of staff to team leader, staff to managers etc
- How will project be managed on a daily basis?
- Processes for change control, issue resolution etc
- Processes for selecting, recruiting and training the staff for our project
- Current attrition rates for both inbound and outbound staff?
- Approach and processes for managing individual and team performance

d) Pricing:

- Set-up costs, covering project management, IT and telephony, processes, recruitment, training, and any other costs
- Ongoing costs, covering telephony costs, commission on sales, conversion rates, additional training if the scope changes, data cleaning, etc

One other consideration must not be forgotten: the people you will be working with, perhaps for a long time period, and maybe through some difficult phases. Do you need a large multi-national with a proven track record world-wide, or would you prefer an owner-managed company, where you know you can pick up the phone to their Managing Director and get an immediate, responsible reply?

Are you prepared to treat your new partner as you would like to be treated yourself? We suggest that a partnership will work better than a client-supplier relationship. This implies honest and open communication, teamwork, and equity. It will take an investment of time and energy from all parties to ensure a successful relationship. If you are about to embark on finding and appointing an outsourcing partner company for a long-term project – say 3-5 years, where many millions of pounds will change hands, there will be many further questions, crossing over into the due diligence your own organisation will insist upon.



Organisations able to help with Increasing Profitability:



Organisations running Altitude Software in their contact centres do more with existing resources to meet new challenges, their overall technology spend costs less, and they simplify business processes involved in customer interaction.



BT Global Services has developed and implemented new customer care systems that set unprecedented standards for customer interaction, timely response and/or attention to customer needs.



We believe in total commitment to customer services and work hard to establish close relationships with our customers to build up a detailed understanding of their business challenges, having dedicated teams of sector, service and technical specialists to make sure we deliver the best service available, every time.



Datapoint solutions cut through complicated contact centre information to reveal the goldmine of hidden, valuable data that an organisation can use to improve the performance and profitability of the business as a whole.



Genesys contact centre solutions from Alcatel-Lucent direct more than 100 million customer interactions every day, helping organisations achieve key business goals by optimising customer interactions, enhancing employee performance, and improving operational efficiency.



[Infinity](#) – proven contact centre solutions with a performance guarantee.



Noble Systems is a global leader in unified contact centre technology solutions, our award winning platform allows companies to communicate more effectively with their customers via multiple channels, including inbound/outbound/blended voice, email and web.



Ultra is the leading provider of Network Contact Centre solutions, including Inbound/IVR/ACD/skills based routing, Call Blending, Automated Outbound dialling including Predictive, CTI, Call recording, PCI compliance & inclusive real-time reporting & monitoring tools all with unique 24/7/365 UK support – providing unmatched performance results and first call resolution that optimises the client campaigns and SLAs and delivers quick ROI to the centre through OPEX cost models.

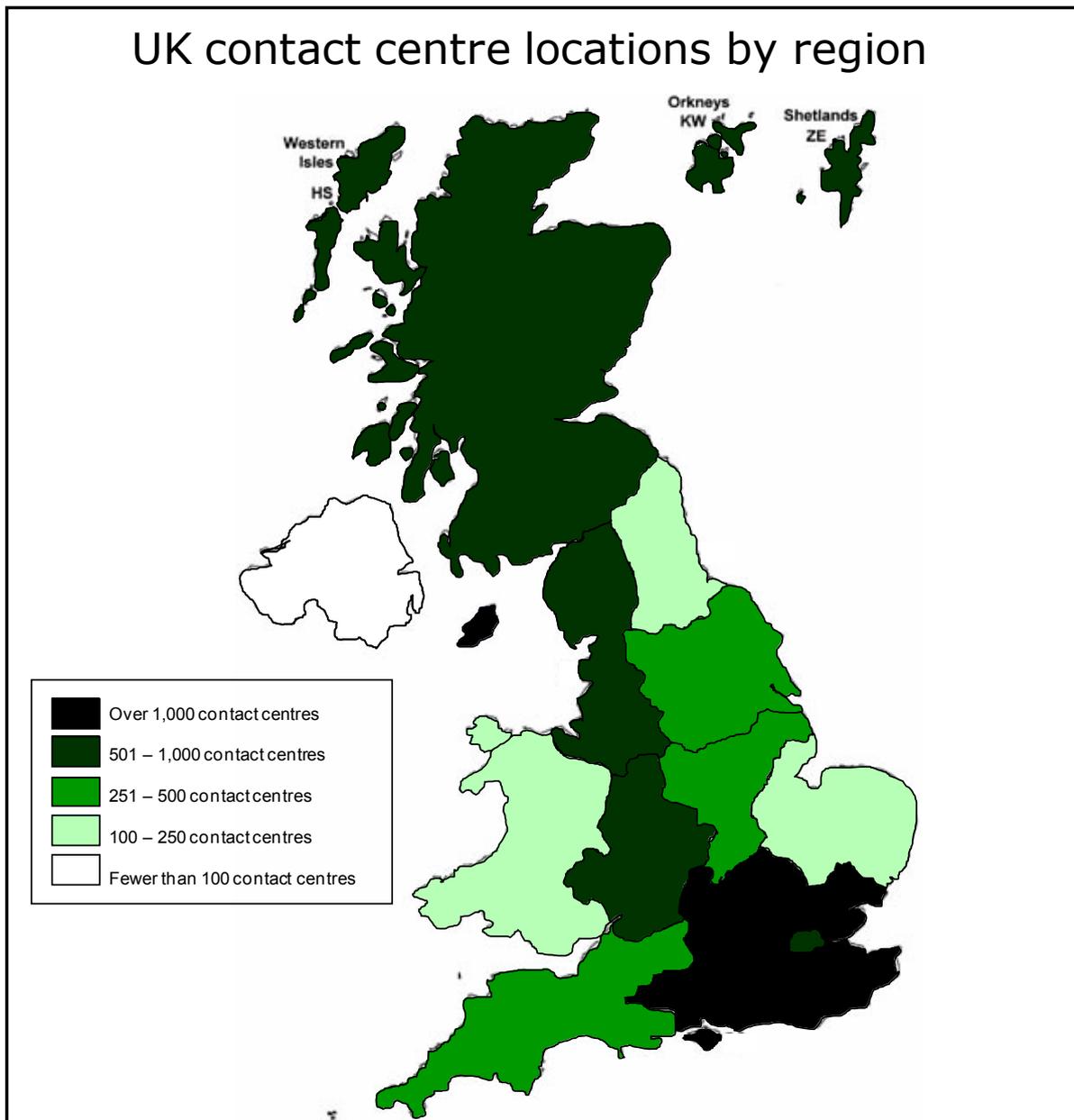


Voice Commerce Group's solutions allow customers to verify their identity using their unique biometrically based voice signature, and when linked to a VoicePay(R) account automate and secure financial transactions simply by speaking, facilitating significant cost savings and profitability within a contact centre operation.

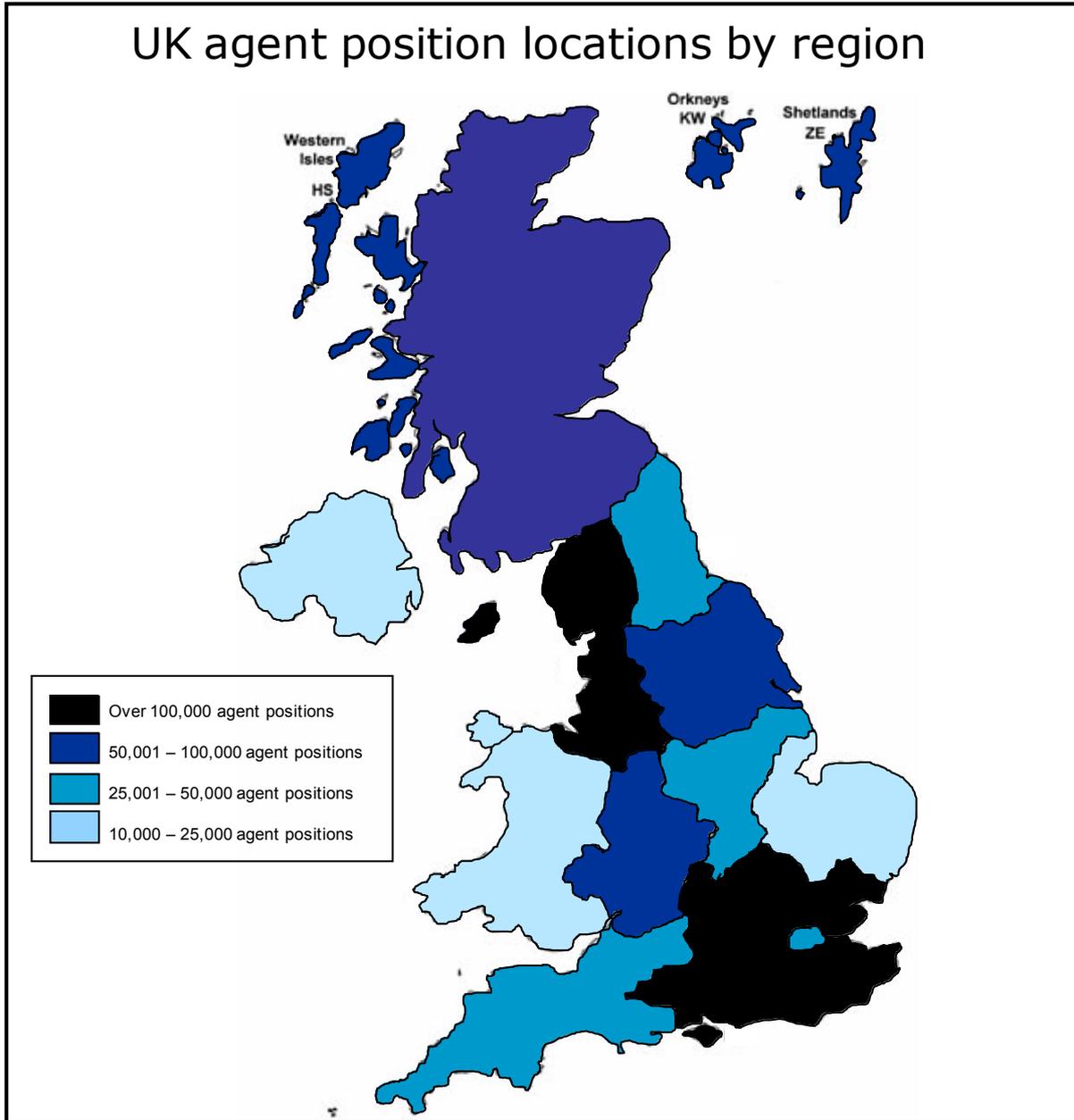
CHOOSING A LOCATION

Choosing a contact centre location is a complex business, involving elements such as labour force and quality, transport links, the availability of the right buildings, labour cost, external assistance and the historic links of the company with the area.

It is not the case that all contact centres are based in the North of the UK – although there are a large number of big contact centres based in the North of England and Scotland – as the South-East has more contact centres than any other region.

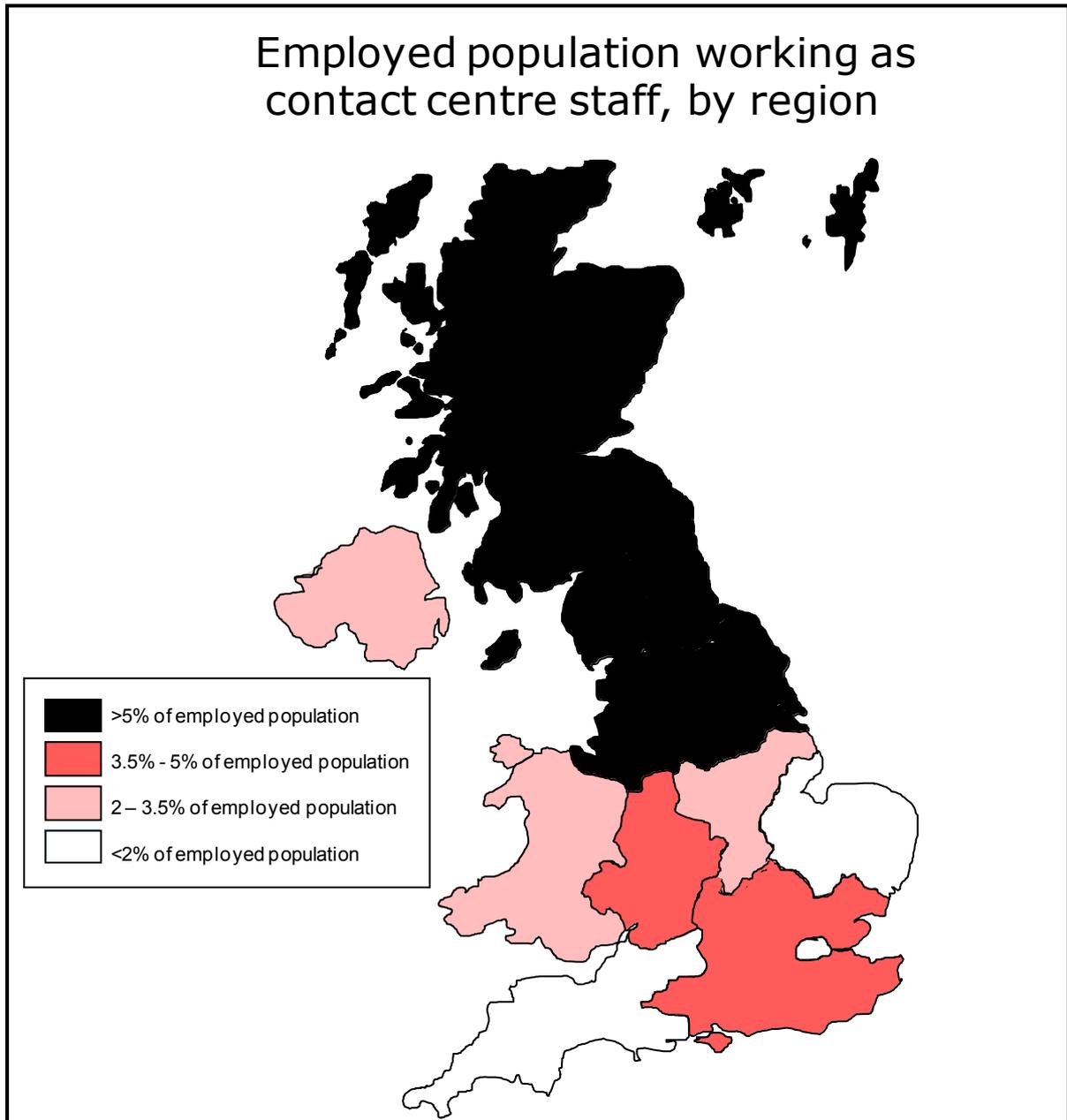


The North-West and South-East have the greatest number of contact centres, with London, Yorkshire, Scotland and the West Midlands also having significant numbers. Although Northern Ireland has fewer than 100 operations, many of these are of a considerable size.



Again, the South-East and North-West dominate the regional standings, with Yorkshire and Scotland each having around 75,000 agent positions.

Employed population working as contact centre staff, by region



Around 3.5% of the UK's employed population are now employed in contact centres. The map above shows the importance of the contact centre industry to the northern parts of the UK: the North-West, Yorkshire, Scotland and the North-East having over 5% of their employed population working in the contact centre industry, with close to this figure as well.

The contact centre industry is least important to East Anglia, London and the South-West.¹¹

¹¹ For more detail on the structure and forecasts of the UK contact centre industry, by region, size and vertical market, please see "[UK Contact Centres in 2011: The State of the Industry](#)".

REGIONAL RATINGS

The **cost-effectiveness** of staff (including recruitment and remuneration) is one of the key elements to choosing a location, and includes more than just the actual salary: expectations of cost vs reality, and the expense of recruiting and replacing staff is all taken into account. East Anglian, Yorkshire and Northern Irish contact centre respondents were most pleased about staff cost-effectiveness - although as usual, the high London new agent salary, which is several thousand pounds above the national average is reflected in the significantly lower score for cost-effectiveness.

The **quality of staff** available is as important as any other measurement. North-Eastern respondents show their particular satisfaction at the quality of staff in their region. Only London is significantly below the average.

The third staff measurement is the **availability of staff**: are there enough of the right people to allow a business to expand or replace any attrition that is being experienced? North-Eastern, East Anglian and Scottish respondents have no problems with finding new staff, but this is less the case in the South-West.

Transport links (both public and private) may not be seen as being as important to a contact centre's success as having a large pool of skilled labour, but without it, contact centres are likely to experience higher levels of staff attrition and difficulty in filling shifts, especially those in anti-social hours, particularly important in that many contact centres now operate way beyond the traditional 9-to-5 opening hours. One of the main reasons that businesses start up in city centres – despite the high rents they usually have to pay – is that public transport links are usually superior to those found in rural or business park areas, allowing more people to consider taking work in the contact centre, including students. Out-of-town business parks can offer good car parking, but there are numerous examples to be found of contact centres that have expanded so rapidly that car parking is no longer guaranteed. London's respondents are most enthusiastic about their transport links, as we would expect.

As the government has abolished **regional development agencies**, it is no longer possible to ask how effective they are at promoting and supporting the contact centre industry. It is very positive that some individuals and universities have taken it upon themselves to offer networking and training support to contact centres at a regional and local level, and it is to be hoped that contact centres themselves will use and support these ventures.

The UK contact centre industry is still growing, although few greenfield sites are opening. This means that existing operations – such as those interviewed for this report – are growing their numbers. In order to do this, there must be the **future expansion possibilities**. Those respondents from Northern Ireland, London and the West Midlands are most positive about this.

The **availability of suitable buildings** is one of the main elements in deciding where to locate a new contact centre, along with the availability of high-quality, cost effective staff, and good transport links. Northern Ireland and Wales are by far the most enthusiastic about this factor.

Figure 110: Rankings of locations by factor

Rank / Location factor	Cost effectiveness of staff	Quality of staff	Availability of staff	Transport links	Future expansion possibilities	Availability of suitable buildings
1st	Northern Ireland	North-East	North-East	London	Northern Ireland	Northern Ireland
2nd	Yorkshire	Northern Ireland	East Anglia	North-West	London	Wales
3rd	East Anglia	Wales	Scotland	North-East	West Midlands	Scotland
4th	East Midlands	Scotland	Yorkshire	Scotland	South-West	South-West
5th	Scotland	South-East	Northern Ireland	South-East	Yorkshire	Yorkshire
6th	North-West	North-West	West Midlands	West Midlands	East Anglia	South-East
7th	South-West	East Anglia	South-East	Yorkshire	Wales	London
8th	Wales	East Midlands	Wales	South-West	North-West	North-West
9th	South-East	Yorkshire	London	Wales	South-East	East Anglia
10th	West Midlands	West Midlands	North-West	East Anglia	Scotland	West Midlands
11th	North-East	South-West	East Midlands	Northern Ireland	North-East	East Midlands
12th	London	London	South-West	East Midlands	East Midlands	North-East

It is controversial, and worse, risks inaccuracy to rely upon a raw score to indicate how effectively each area of the UK supports its contact centre industry. As such, the following table should be used only as a rough guide to regional performance.

There are three main rankings given here:

- The 'overall rating score' is calculated as follows. Respondents' answers were converted into a score from 10 for each of the 6 categories. The 'Overall Rating Score' shows the total of the 6 categories and gives a raw score for direct comparison. Results do not include the actual importance of each category to the contact centre industry and should be read as such.
- The 'number of categories in which the region outperforms the national average' is calculated by looking at the raw scores in each of the 6 categories, and placing it above or below the overall national average score for that category. This method lessens the risk that a very high or low raw score in one category will sway the overall result disproportionately.
- The 'number of categories in which the region is in the top 3' shows which regions are high-fliers and which more solid all-rounders. (For example, the North-East scores averagely overall, but is exceptional for the quality and cost-effectiveness of staff, and its transport links, and if readers value those things above others, then the region is worth considering as a contact centre location).

Figure 111: Regional ratings: overall scores

Region	Overall rating score	# of categories in which the region outperforms the national average	# categories in which the region is in top 3
Northern Ireland	48.8	5	4
Scotland	44.8	5	2
Yorkshire	44.4	4	1
North-West	43.7	3	1
Wales	43.6	3	2
South-East	43.0	3	0
North-East	42.9	3	3
West Midlands	42.2	3	1
South-West	42.1	3	0
East Anglia	42.0	3	2
London	41.4	2	2
East Midlands	37.1	1	0
Average	42.9		

NB: Scores are calculated as follows. Respondents' answers are converted to a score out of 10 for each of the 6 categories. The 'Overall Rating Score' shows the total of the 6 categories .

Results do not include the actual importance of each category to the contact centre industry and should be read as such.

CITY VS BUSINESS PARK VS RURAL

In 2002 and 2003, ContactBabel carried out two large-scale surveys of contact centre location type¹², looking at city centre, edge-of-town/business park and rural areas. The characteristics of each location type are, rightly or wrongly, clearly defined in people's minds: the city has a large labour pool and good public transport, edge-of-town/business park locations have good road links and suitable buildings, and rural contact centres are nice places to work and have loyal staff.

The reality was not far from this: rural areas tended to support small-to-medium size contact centres well, and were likely to be pleasant places to work in. High value-add, skilled operations seemed to do especially well in rural locations. Many operations based in edge-of-town/business park locations have mushroomed into hundreds or even thousands of seats without too many problems. City centre operations also coped well with very large operations, but felt their attrition rates and costs were much higher than other operations.

In a recent survey, ContactBabel revisited these findings to see what had changed, in particular, whether the advent of new technology such as IP could overcome some of the disadvantages that had plagued rural contact centres, such as poor transport links hindering their expansion.

In fact, the research found that little had changed in some ways. The quality of staff in rural contact centres was above average, as a result of the contact centre being more likely to be an employer of choice in these areas. Transport links were still rated as poor by rural respondents, however, and suitable buildings were also less likely to be found here, unsurprisingly.

However, staff availability was very positive in rural areas, possibly due to increased car ownership, with future expansion possibilities in these areas looking positive as a result.

City centre locations were obviously strong for transport links, as well as having lots of buildings available. Edge-of-town/business parks were more likely to be strong in the cost-effectiveness of the operation, along with building availability, although this category was a good all-rounder.

Figure 112: City centre vs edge-of-town vs rural contact centres, by category (rating out of 5)

Category / Location type	City centre	Edge of town / business park	Rural	Average
Cost effectiveness	3.5	3.7	3.3	3.6
Quality of staff	3.8	3.7	4.1	3.8
Availability of staff	3.8	3.7	4.0	3.8
Transport links	4.1	3.3	2.0	3.6
RDA support	2.8	2.8	2.4	2.7
Future expansion possibilities	3.2	3.4	3.7	3.4
Availability of suitable buildings	3.3	3.5	2.9	3.3

¹² "Town and Country: Changing Views on UK Call Centre Location Types" and "Successful Rural Contact Centres", ContactBabel on behalf of BT eLocations

HR MANAGEMENT

With HR accounting for 75% of operational cost, issues such as attrition, recruitment and training are always towards the front of any contact centre manager's mind. This section looks at how time and money are spent on the human element to contact centres.

This chapter contains headline statistics around contact centre HR benchmarks. ["The UK Contact Centre HR and Operational Benchmarking Report"](#) gives detailed analysis of salaries, bonuses, attrition, absence, training methods and costs, segmented by vertical market, contact centre size, region and contact centre activity type where relevant. Historical trends are observed with a view to predicting what future standards will look like.

The report also contains operational benchmarks such as speed to answer, call abandonment rates, call duration, call transfer rate, cost per call, agent occupancy, target service levels and first-call resolution rates.

ATTRITION

Throughout the studies that ContactBabel has carried out over the years, whether in the US or Europe, staff attrition has consistently been quoted as one of the major worries of contact centre management. Along with staff absences, high levels of unexpected attrition can cripple a contact centre's ability to provide even an acceptable level of service, raising costs and creating a negative customer experience, as well as placing massive stress on those agents who remain at work.

For many years, attrition has been one of the greatest challenges facing the industry, and one which has rarely been addressed with much in the way of a truly radical approach. The recession has reduced attrition greatly over the past two years, but contact centres must understand that this is nothing more than a temporary respite: with no structural change to the industry, its recruitment and train methods, management techniques or job types, the same problems will emerge as the economy picks up.

The reduction of attrition has two main factors - that the successful candidates are suited to, and competent for the work which they will undertake, and that the work and conditions in which they find themselves will be conducive to a long-term stay.

Solution providers experienced in analysing attrition state that that understanding the 0-to-90 day attrition data is critical to being able to reduce attrition. Most organisations believe that 50 to 60% of their annualised attrition occurs in the first 90 days after recruitment. This strongly suggests that there are often errors made in the type of people employed, who are all but doomed to failure by their unsuitability for the task. Businesses should collect information on the sorts of behaviour and characteristics of people likely to do well in each role - preferably analysing the people who are successful in the roles already - and pre-screen applicants against those criteria.

Getting a high proportion of the right sort of people through the doors and onto the induction course can greatly reduce early attrition: attrition is something that should be focused upon at the recruitment stage, rather than leaving it until the candidates are already in the business before noticing the problems.

Staff attrition in small doses can be good for a contact centre, bringing in fresh blood and enthusiasm. However, high levels of staff attrition have some serious side-effects:

- Increased recruitment and training costs
- Decreases the average agent competency as there are so many 'learners'
- Can decrease the quality of the customer experience, as the agent may not know how to answer the query correctly first-time
- Adverse affect on contact centre performance indicators, including first-time resolution, call transfer rates, queue time and call length
- Bad for the morale of the remaining staff
- Inexperienced staff are more likely to miss cross-selling and up-selling opportunities
- Increased pressure put on team leaders and experienced agents
- Difficult to bring on-board new systems and ideas, as the agents are struggling with what is already in place.

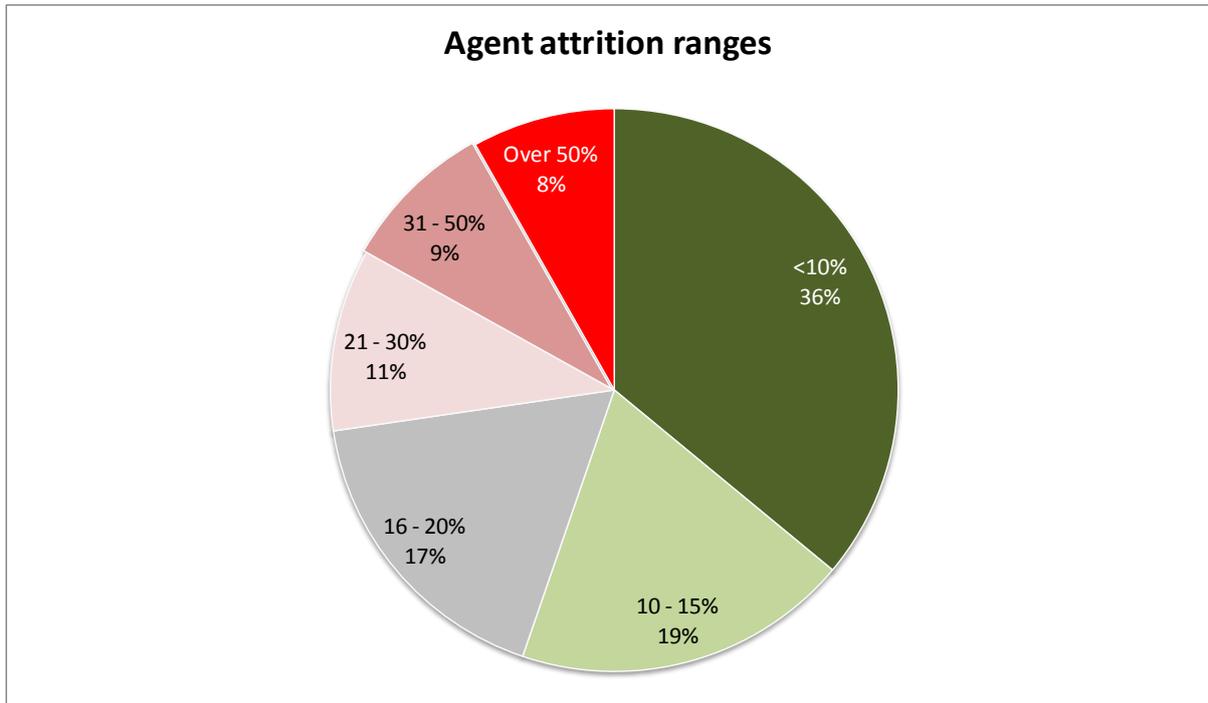
Attrition rate: *the total number of agents leaving the contact centre in a 12-month period, divided by the average number of occupants during the same 12-month period, expressed as a percentage.*

In the mid-2000s, staff attrition rates crept up from the mid-teens to well over 30%. In 2009, attrition slackened to a mean average of 24%, with the median (the midpoint of all respondents' answers) being significantly less, at 14%. 2010's data show that the economic downturn continued to impact on staff movement, with attrition levels dropping further to a mean average of 16% and median of only 12%.

In 2011, respondents report attrition rising, to a mean of 21% and median of 15%. This is a fairly small increase, especially when considering historical attrition rates, although it may show the economy being seen by workers as providing employment alternatives, whether within or outside the contact centre sector.

One of the difficulties with tracking metrics such as attrition over time is that the companies responding to the research programme are not exactly the same year-on-year, meaning comparing like-for-like is difficult. This year, the question was asked, "How does your current attrition rate compare with 12 months ago?", giving a consistent view of changes at a company level. In fact, 47% of respondents say that there has been little real change, with 18% saying the attrition is on the way up, and 30% saying it has decreased, the 5% remainder being unsure. This suggests that the increase in average attrition this year, particularly of the mean average, could be driven by a minority of sharp increases in attrition, not counterbalanced by any significant drops in attrition at an operational level. The 47% of 'no change' respondents are unlikely to have had exactly no alteration in attrition whatsoever, and a general unnoticed increase of 2 or 3 percentage points would go a long way to explaining this seeming-anomaly.

Figure 113: Agent attrition rate ranges



Detailed analysis of agent attrition, including historical patterns and segmentation by vertical market, contact centre size, region and activity type is included in ["The UK Contact Centre HR and Operational Benchmarking Report"](#).

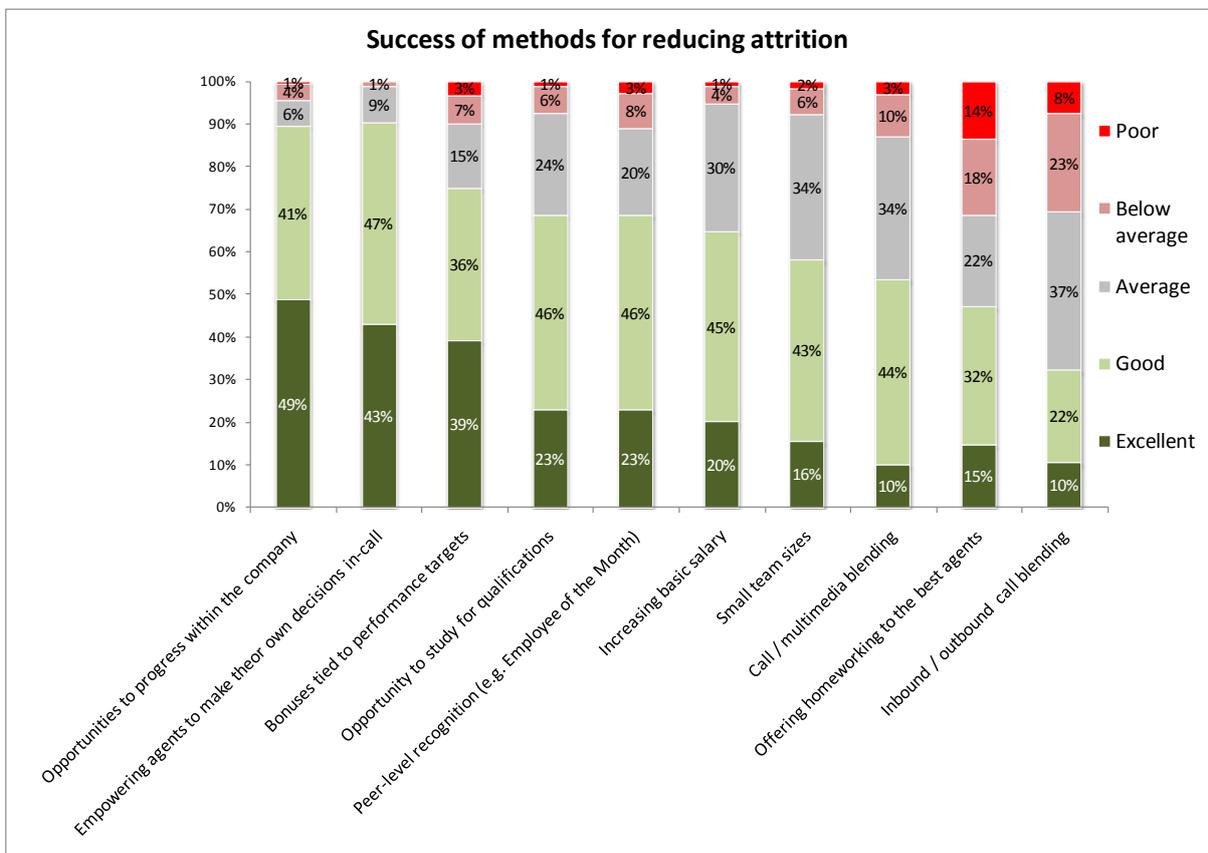
It also includes research on the best method of retaining contact centre agents.

METHODS OF REDUCING AGENT ATTRITION

One of the most effective ways of motivating agents was felt to be to empowering agents to make their own decisions, as the agent takes on more responsibilities and challenges if they do not just feel like a tiny part of a machine, which is one of the problems of working within a large contact centre. However, agents will need training and the right system support to be able to do this effectively, so it is not a cheap or quick option.

Offering them a clear and achievable chance to take up roles in the wider company is also very positive. Organisations such as banks and public sector have a large selection of non-contact centre roles to aim for, but this is far harder in an outsourcer, for example, where the contact centre itself is most of the business.

Figure 114: Success of methods for reducing attrition



Bonuses that are aligned with the required performance targets and behaviours is a more quickly-implemented motivational tool, although of course these have to be monitored closely, as it's often possible to hit a goal (e.g. a shorter average call duration) by failing in other areas (e.g. putting the phone down on a customer in mid-sentence to keep the average call duration down).

Many of the other motivational tools are seen to be generally effective, although it is interesting to see that multimedia and especially call blending are not rated relatively highly by management, although both blending methods have proven their worth in terms of staff attrition and productivity.

The use of homeworking as a reward for the best agents gather mixed opinions. It may be that management does not want to lose the example that such agents set to their peers by having them work at home, or that it

is a divisive method which demotivates those people left in the contact centre, as if stating that the contact centre is a second-class place to be.

CAUSES OF STAFF ATTRITION

Historically, it has been the lack of progression opportunity for agents, and the repetitive nature of some contact centre work that were cited as key by a significant proportion of respondents for agent attrition, and this year they are still important, ranked second and third most important. However, contact centres seem to be giving a collective shrug by putting 'just the wrong type of person for the job' into no.1 position, as if there's nothing they can do about it.

As research in the later Recruitment section shows, psychometric testing and the assessment of behaviour and character as well as competency will go a long way to stopping the wrong type of person for the job at source.

Figure 115: Reasons for agent attrition (ranked in order)

Rank	Vertical market
1st	Just the wrong type of person for the job
2nd	Lack of promotion or development opportunity
3rd	Repetitive work
4th	Low pay
5th	Excessive pressure or stress
6th	High numbers of seasonal or temporary staff
7th	Competition from other contact centres
8th	Abusive or unpleasant calls
9th	Poor working environment and conditions

Interestingly, in a industry which outsiders often deem as a dead-end job, the lack of opportunity to move up the career ladder is marked on average as being the second-greatest cause of staff attrition.

As for other causes, much of the repetitive work can be alleviated by using self-service (whether voice-driven or web-based), and the blending of tasks (especially email and voice) has been proven many times to counteract boredom.

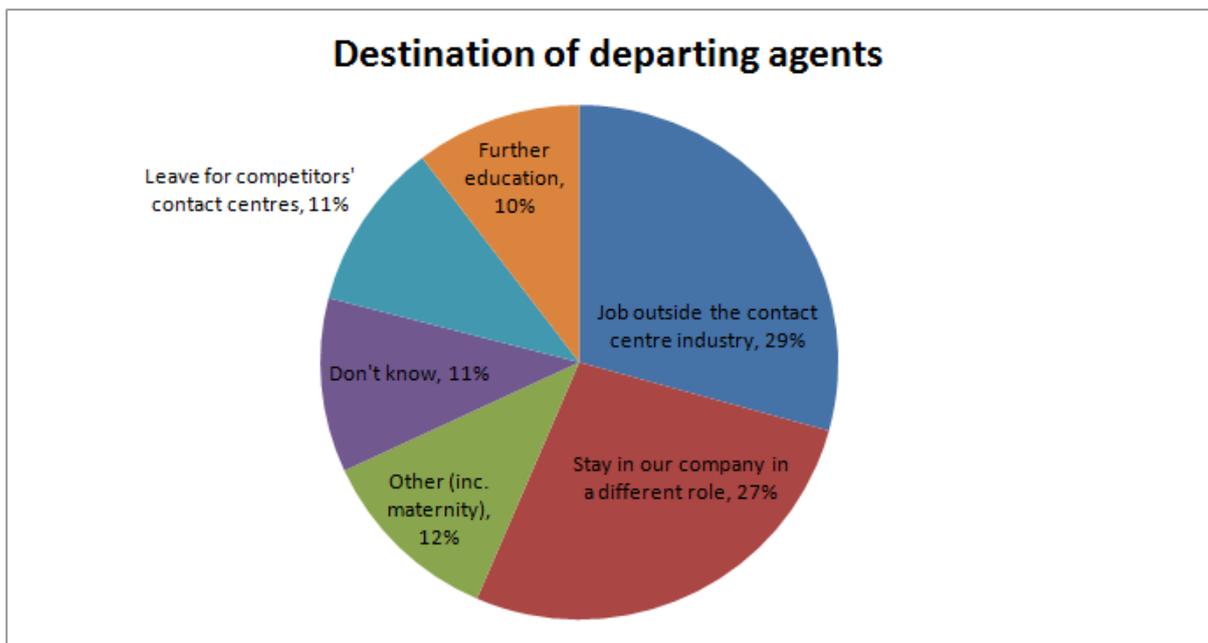
Looking outside the norms on a sectoral basis, the IT sector has a lot of competition for keeping its knowledgeable and skilled staff, as well as a high proportion of these IT staff being sales-oriented, which in itself is a highly salary-sensitive area. The outsourcing sector has a lot of contract and short-term staff which pushes up attrition, and the retail sector has a lot of seasonal staff as well. Both sectors also state that low pay is an issue driving their attrition as well.

DESTINATIONS OF DEPARTING AGENTS (2010)

In 2010, 29% of departing agents quit the contact centre industry for a completely different type of job, which diminishes the skill-sets available to contact centre employers as a whole. A significant number of contact centre agents see contact centres as a stop-gap role, and these figures show that. In most cases, the conventional wisdom that says agents leave a contact centre to go to a competitor is wrong: this is only true in 11% of cases within respondents' operations. However, an encouragingly high (and growing) proportion of agents (27%) take the step into the wider company.

(NB - as these findings tend to change little year-on-year, this question was not asked in 2011 research).

Figure 116: Destination of departing agents (2010)



ABSENCE

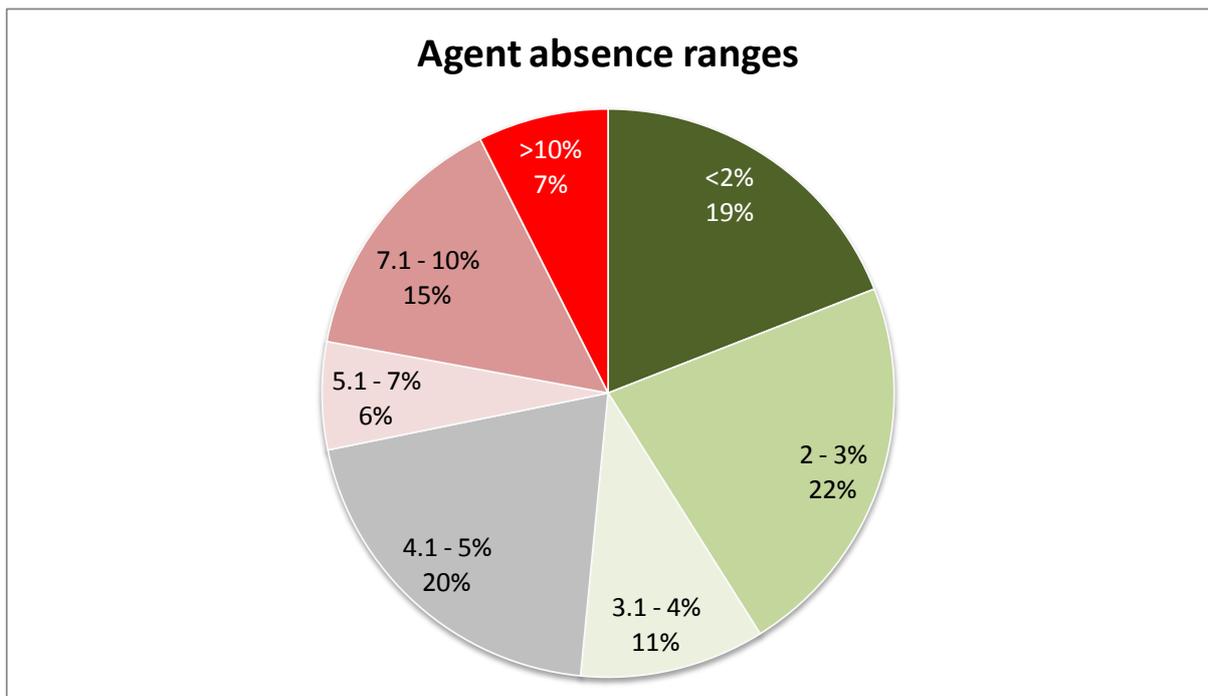
In a tightly-run operation like a contact centre where costs and performance are closely managed, significant levels of staff absence can cause major problems with contact centre performance and the customer experience. Even just a slight increase in absence rates can mean a major difference to how well the contact centre performs on that day. Staff end up over-worked and stressed, and more likely to take time off as a result. Morale suffers, which increases staff attrition, overwork and thus, further absence.

Short-term (no-show) absence - this is the average number of agent days lost through short-term sickness and unauthorized absence as a percentage of contracted days annually. This is included in this year's report.

Long-term absence - this includes long-term sickness, maternity leave, sabbaticals and other long-term absences where the business is able to expect and plan for the absence. This is not included in this year's report.

The mean average for staff absence is 5.5%, with a median of 4.0%.

Figure 117: Short-term absence



Detailed analysis of agent absence, including historical patterns and segmentation by vertical market, contact centre size, region and activity type is included in ["The UK Contact Centre HR and Operational Benchmarking Report"](#).

RECRUITMENT

Rather than just asking about which recruitment methods they use, contact centre managers were also asked for their experience of how effective each recruitment method was. There is a definite pattern: the closer you get to the candidate, the more likely you are to make the right decision. The average contact centre role is slowly changing into something requiring higher skills – a high level of IT, business and communication abilities are needed in many contact centres now and this trend will certainly continue – yet agent salaries are not taking this into account. Coupled with this is the popular view of contact centres as career dead-ends, not helped by the biased and erroneous media view of contact centres (and by extension, their employees) as an unpopular and unloved part of modern life. Improving the contact centre “brand” is a vital part of the industry’s future success, which will feed directly into the recruitment process.

While most contact centres do not admit to having problems with staff recruitment, many of the same operations have problems with staff attrition, although this is temporarily less of an issue. The case could be made that high-attrition operations **do** have a problem with recruitment, but they just don’t realise it. Having filled their job roles, the recruitment process is deemed to have been a success, but how many of these new recruits turn out to be no-shows, leave before the induction course is complete, or shortly into the job? These recruits are gauged to be part of the **attrition** problem, when in fact, they are indicative of a **recruitment** problem. As such, businesses should try harder to understand what skills and attributes successful agents are already demonstrating in this role - empathy, resilience, reliability, sales technique, technical capability, etc - and seek to recruit more people with this specific factors and behaviours.

RECRUITMENT METHODS

Recruitment has traditionally been about asking the question “Can the applicant do the job?”. Having the skills to carry out the task is obviously important, but most skills can be learned, and in an environment such as a contact centre - where both tasks and environment are not suited to everyone - other factors are perhaps more important. This is borne out by the findings earlier in this chapter, which indicated that the main reason for staff attrition was that they were just the wrong type of person for the job. Firstly, the business must understand the competencies, characteristics and behaviours that are most suitable for the contact centre positions that they are trying to fill, for example:

- dependability
- customer focus
- empathy
- problem-solving
- the ability to understand and follow instructions
- a focus on a goal.

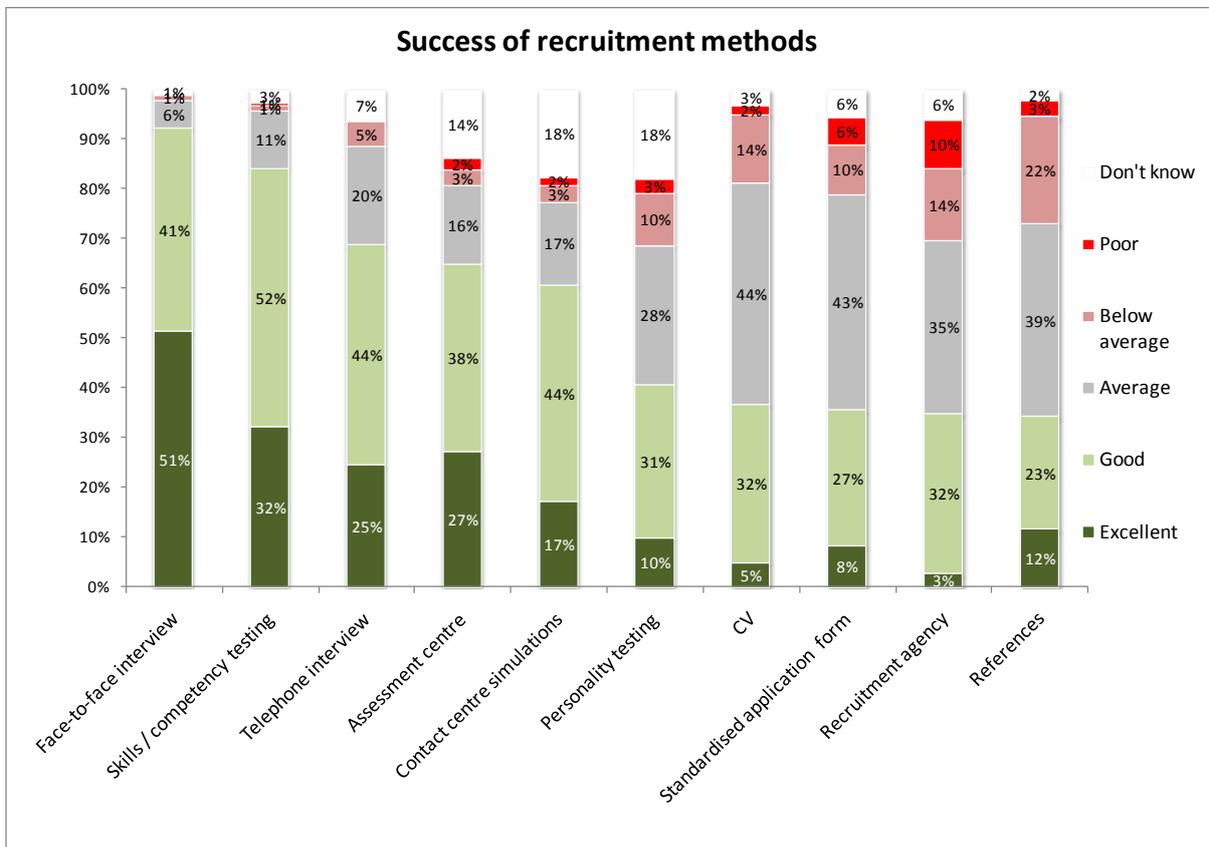
Successful agents will also require some hard skills, although many of these are more easily-learned. Through judging competencies objectively, and using a combination of processes (for example, telephone and face-to-face interviews, with upfront psychometric analysis to determine the likelihood of the prospect being a long-term success in the contact centre), the business reduces the risk of high attrition and growing costs, and can focus upon its strategic goals.

The most effective form of recruitment method is consistently said to be a face-to-face interview, with assessment centres, contact centre simulations and skills-testing also effective. There is a definite split between how directly the company interacts with the candidate and how successful the recruitment method is. Those that keep the candidate at arm’s length – through standard application forms, recruitment agencies and CVs – have a lower success score, with studies having shown that half of applicants admit to stretching the truth on their CVs, and 10% lie outright.

52% of respondents using personality testing did report high levels of success through this method, which is a figure that continues to grow year-on-year, reflecting the awareness that it is the type of person at least as much as what they can do, that is crucial to being a successful agent. Many contact centres employ large numbers of recent university graduates, whose biodata and work experience may not show much of the applicants’ abilities (see later in this section for graduate agent information). In such cases, getting a better scientific idea of what makes the candidate tick, and being quite sure about their personality traits will reduce the high risk associated with recruiting straight from higher education.

By tracking the in-job performance of applicants who scored either well or poorly in pre-job assessments, businesses can improve their ongoing recruitment techniques. For example, agents who have high assessment test scores often have higher revenue-per-call ratios, lower average call lengths and lower attrition rates than those who scored lower in pre-job character and personality assessments. The behaviours, personality traits and characteristics that a top agent is most likely to have can then be identified, and the results fed back into the top of the recruitment process. This allows the recruitment process to seek out the types of people who have already been proven to succeed in that role.

Figure 118: The success of recruitment methods



THE COST AND PURPOSE OF RECRUITMENT

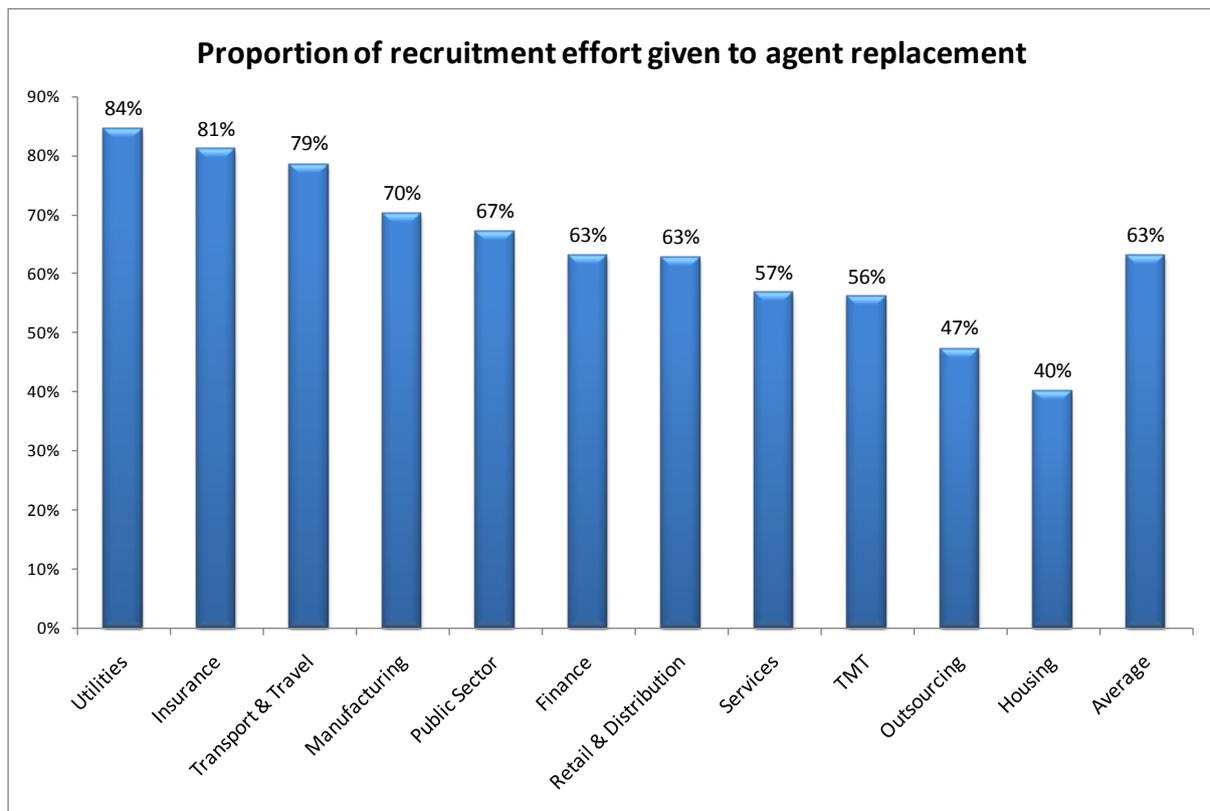
On average, it costs £1,831 to recruit a new contact centre agent, with a median cost of £1,520. The 1st quartile cost is £2,500 and the 3rd quartile is £750.

The public sector pays the most to recruit a new agent (a £2,250 median), and the outsourcing and sectors the least (a £1,000 median).

It may seem an odd question to ask "what is the purpose of recruitment?", but it is important to know, as there are two types of recruitment: the replacement of staff who have left (caused by attrition), and new staff positions (caused by contact centre growth). In the case of the former, much of this recruitment cost is wasted, as - with the exception of replacing an incompetent or undesirable agent - the contact centre is certainly no better off than where it was previously and may now have an inexperienced agent to train up: it is running to stand still.

The utilities and insurance sectors believe that they spend the greatest amount of effort on replacing agents who have left, with the housing and outsourcing sector stating that it spends the least. In all, 63% of recruitment effort is spent by contact centres just to stay where they are.

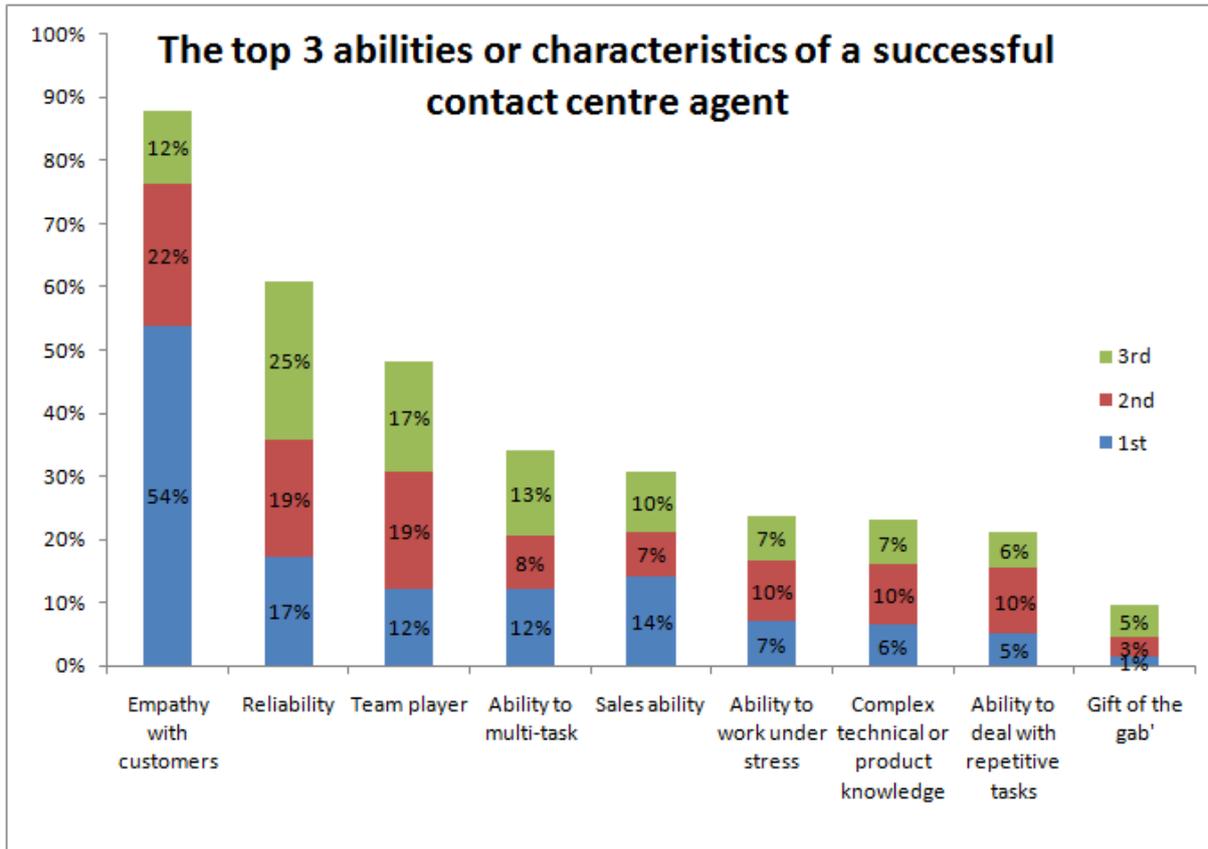
Figure 119: Proportion of recruitment effort given to agent replacement, by vertical market



MOST IMPORTANT ATTRIBUTES OF A SUCCESSFUL CONTACT CENTRE AGENT

While each contact centre has different ideas about the attributes that contact centre managers believe are most important for a successful contact centre agent to have, some key findings emerged. (These figures are from 2010, as they tend not to differ greatly from year to year).

Figure 120: The top 3 abilities or characteristics of a successful contact centre agent (2010)



54% of respondents stated that **empathy** - the ability to see another's point of view - is the no.1 most important attribute for a contact centre agent to have. This is a characteristic which is hard to learn, and which is ripe for identifying in the recruitment phase through personality testing, for example. Empathy is important for an agent to display in order to make the caller feel that someone is listening to and understanding them, and that they are trying to solve their issue, rather than just seeing the caller as a nuisance. As such, empathy is vital for improving customer satisfaction and loyalty, cross-selling and up-selling.

The attribute of **reliability** appears second most-often in the top 3 agent requirements. Reliable agents have low absence rates and keep working away at their tasks, a trait which the process-focused contact centre prizes highly.

Perhaps surprisingly, 47% of respondents stated that one of their top 3 requirements was for the agent to be a **team player**. Making and answering calls is by its nature, a solitary role, albeit one usually surrounded by other people, but the impact upon morale, and thus performance that a team player can have is prized highly.

Amongst other traits, **sales ability** of course was rated no.1 in most sales-focused environments, and the **ability to multi-task** was often placed no.2 or 3.

Having the **'gift of the gab'**, the **ability to deal with repetitive tasks** or **stressful working environments** did not feature particularly highly with most respondents, all factors which the layman might think were vital to contact centre agents. The IT and finance sectors appreciated **complex technical or product knowledge**, but most contact centres felt that this could be taught to the right candidates.

The picture painted of key attributes of successful contact centre agents is one of a versatile, reliable good listener - nothing flashy or highly-strung, nor a simple automaton which is happy to plod on doing the same thing for hours. An observer untrammelled by the requirement to be politically correct might state that many such successful contact centre agents could be found in the relatively untapped labour pool of middle-aged women who are currently outside of the workforce, rather than in the younger generation which makes up a very considerable part of the contact centre industry: the average age of a contact centre agent is around 27.

GRADUATE AGENTS

In fact, a considerable proportion of contact centre agents are straight out of university, with many seeing the contact centre as a fill-in job, although as we have seen, a high proportion of departing agents will move into the wider business, so it can be a good place to start.

Currently, 18% of contact centre agents have a university degree. The apathy that graduates feel towards the contact centre industry is seemingly echoed by the lack of enthusiasm that contact centre management has for increasing this proportion, with respondents stating that an average of 25% of agents with degrees was what they would like. Clearly, industry-wide, a higher education qualification isn't vital for many agents, as most contact centre jobs won't require this, and graduates are less likely to be content with their role and will seek other opportunities.

The services, finance and TMT sectors (especially the IT sub-sector) have significant proportions of graduates in their contact centres (c. 25%). The outsourcing sector also has a high proportion of graduate agents (30% this year), but many of these will be in short-term, filler jobs. Graduates are under-represented in the utilities, housing and transport & travel sectors.

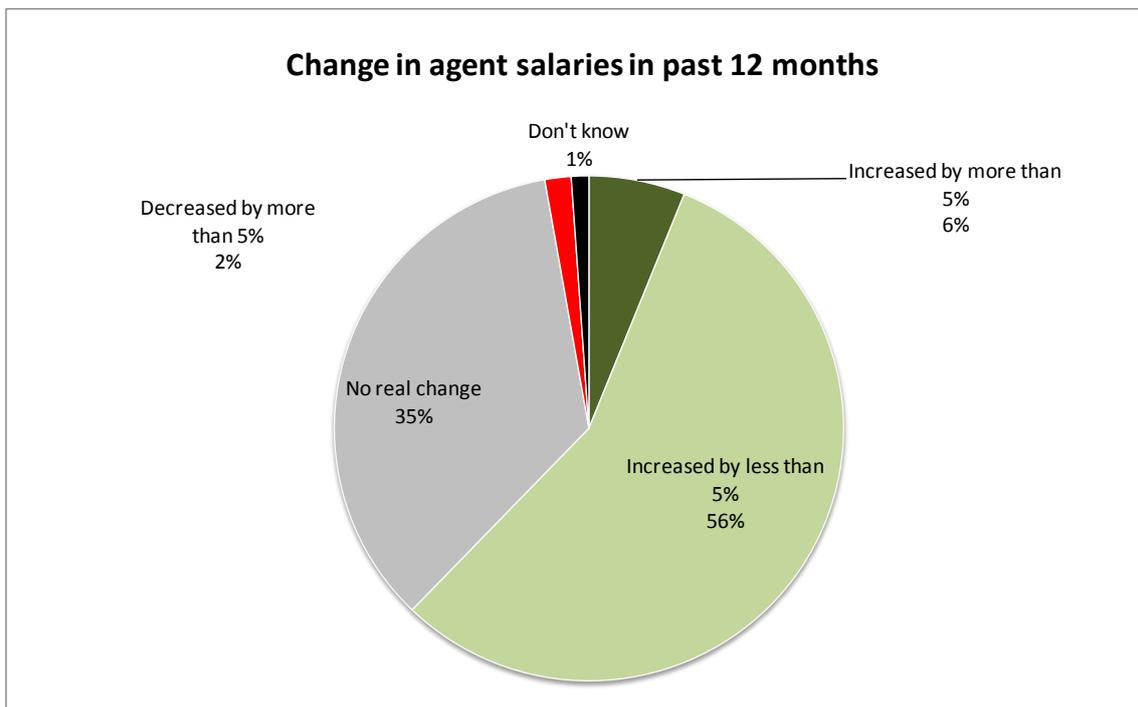
SALARIES

New agent salaries have increased by a mean average of 4.2% in the past twelve months, to attract new entrants to the industry, and has been around the recent rate of inflation. Contact centre manager roles have increased very little on average, below the rate of inflation. This is borne out by the respondents' own changes in the past year, where 91% report either no change or a sub-5% increase.

Figure 121: Contact centre salaries and changes

Role	2011 mean average salary	Change 2010-2011
New agent	£15,361	+4.2%
Experienced agent	£17,681	+3.1%
Team leader / supervisor	£22,715	+2.2%
Contact centre manager	£36,044	+0.1%

Figure 122: Contact centre salaries and changes



Detailed analysis of salaries, including historical patterns and segmentation by vertical market, contact centre size, region and activity type is included in ["The UK Contact Centre HR and Operational Benchmarking Report"](#).



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STRATEGIC DIRECTIONS

Much of this report is about how contact centres are performing today, but this final chapter looks at the more strategic decisions and issues that contact centres are facing.

HR issues have often been what make contact centre managers most concerned, but the past years have seen a growing feeling that the technology in place is letting the operation down, or at least, preventing it moving forward to the extent that it needs. Contact centres are also aware that they have to modernise their processes as well as the technology, but as ever, cost, time and the need to keep the operation running smoothly make this sort of strategic thinking very difficult, especially in a situation where many contact centres still do not have much in the way of a champion at the higher levels of the business.

The need to measure and improve customer satisfaction, and its impact upon profitability, has become an obsession throughout the industry, which is positive for customers and businesses. However, much of the short-term investment coming from the wider business seems to be focused towards improving efficiency than effectiveness. As many of the issues that the contact centre has to deal with come as a result of sub-optimal or even broken processes, both within and without the contact centre, spending money on doing unnecessary things more quickly seems strange.

Our own view is that while the industry is growing in terms of increased volumes of interactions and agents, more needs to be done to increase the effectiveness of agents. Self-service levels are low across much of the industry, and more must be done to take low-value work away from agents, freeing them up to do more profitable and difficult work. For businesses where self-service is not an option, great opportunities still exist to trim unnecessary elements of the calls, from identity verification through system navigation to post-call wrap-up: consistently high and growing levels of wrap-up time and non-call time is worrying, as over 40% of an agent's time is spent doing something other than talking to customers. Agent desktop optimisation – putting the right things on the desktop at the right time in the conversation, without disrupting the underlying system functionality – is gaining in popularity, especially in very large contact centres with multiple, complex processes and legacy systems.

Yet the background against which the technologies and HR issues that contact centre management now talks about is that of customer satisfaction and improved customer experience. This is the common ground where senior executives and contact centre operations can now meet and discuss how to head in the right direction together. Much of what respondents to this survey have talked about is coloured by improving customer satisfaction, the almost-certain driver of where the contact centre industry is headed long-term.



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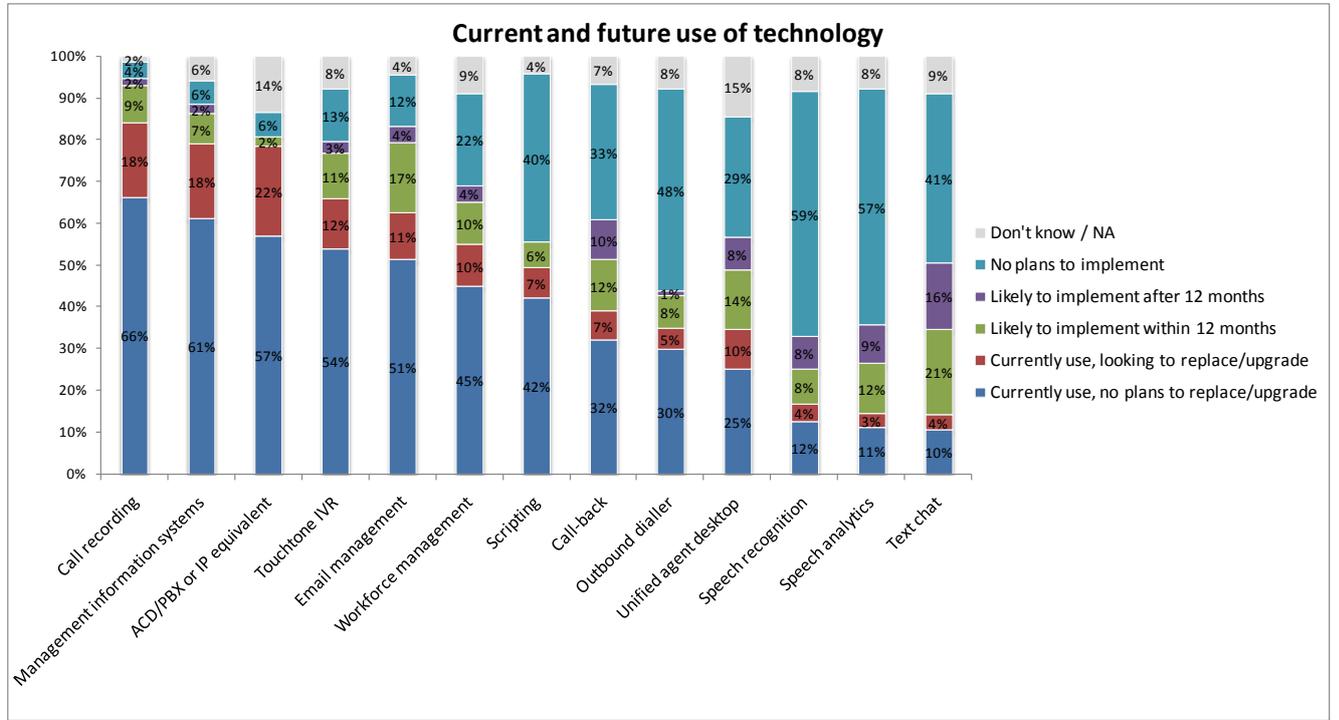
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TECHNOLOGY USAGE AND PLANS

Figure 123: Most important areas of IT expenditure in the next two years



	Currently use, no plans to replace/upgrade	Currently use, looking to replace/upgrade	Likely to implement < 12 months	Likely to implement > 12 months	No plans to implement	Don't know / NA
Call recording	66%	18%	9%	2%	4%	2%
MIS	61%	18%	7%	2%	6%	6%
ACD/PBX or IP equivalent	57%	22%	2%	0%	6%	14%
Touchtone IVR	54%	12%	11%	3%	13%	8%
Email management	51%	11%	17%	4%	12%	4%
Workforce management	45%	10%	10%	4%	22%	9%
Scripting	42%	7%	6%	0%	40%	4%
Call-back	32%	7%	12%	10%	33%	7%
Outbound dialler	30%	5%	8%	1%	48%	8%
Unified agent desktop	25%	10%	14%	8%	29%	15%
Speech recognition	12%	4%	8%	8%	59%	8%
Speech analytics	11%	3%	12%	9%	57%	8%
Text chat	10%	4%	21%	16%	41%	9%

The preceding table and chart show respondents' current and future use of specific contact centre solutions. Telephony infrastructure, call recording and management information systems are the most likely to be upgraded or replaced in the next year, with more than 1 in 10 also expecting investment to be made in email management, touchtone IVR, workforce management and unified agent desktop.

In terms of new implementations, multimedia seems to be a focus, with text chat and email management being singled-out, with call-back, speech analytics and unified agent desktop also receiving attention. IN the longer-term too, text chat and call-back were seen as likely investments.

Recognising that the reality of contact centre investment does not always match the intention shown in the previous table and chart, the following gives closer analysis of the priorities of respondents over the next two years. Viewed together, these data are likely to give a more accurate picture of likely investment.

Analysing the areas that contact centres are focusing their IT expenditure upon is quite complicated, as there is rarely exact concurrence or use of the same phrases, so similar types of expenditure have been grouped together.

Figure 124: Most important areas of IT expenditure in the next two years

Expenditure type	1st	2nd	3rd
ACD/PBX/VoIP	28%	11%	0%
CRM / CMS	17%	8%	4%
Increasing channels / multimedia	7%	7%	9%
Self-service / IVR / Speech recognition	6%	14%	11%
Outbound automation	6%	0%	2%
Workforce management	5%	11%	9%
Call recording	5%	6%	11%
Cloud / hosted solutions	5%	4%	4%
Desktop optimisation	4%	0%	5%
Integration	3%	7%	5%
CTI / call routing	3%	1%	0%
Queuing and callback	3%	0%	2%
Social media	2%	6%	9%
Speech analytics	2%	5%	9%
Hardware upgrade	2%	4%	5%
Call blending	1%	2%	0%
Phone / headset upgrades	1%	2%	0%
Homeworking and virtualisation	1%	1%	5%
Instant messaging / web chat	0%	6%	4%
Management information systems	0%	4%	4%
SMS	0%	1%	2%
PCI / security / compliance	0%	0%	4%

As has been the case for many years now, moving to an IP environment has been the most popular priority amongst respondents, with 28% of respondents stating that upgrading their telephony system was the most important area of expenditure, with a further 11% putting it as their second priority.

CRM (taken to indicate an improvement to the core customer management systems as well as company-wide CRM) is a very definite no.2 to IP investment, with 29% of respondents putting it as one of their top 3.

The movement to support multimedia - perhaps made more urgent by the enthusiasm for social media management, which itself appears high on the list for the first time - looks likely to attract the required funding, with 23% of respondents putting this as a priority.

Although self-service maintains its importance in this year's survey, only 6% of respondents put this as their no.1 IT investment priority (down from 16% last year), although a further 25% rate it as no.2 or no.3 (up from 14% last year).

Speech analytics has increased greatly, with 16% of respondents making this a top 3 priority (up from 4% last year), and workforce management has risen from 16% to 25%.

Investment areas that have slipped include homeworking / virtualisation (from 20% to 7%), desktop optimisation (from 20% to 9%) and SMS (from 9% to 3%).

PRESSING MANAGERIAL ISSUES

The following tables investigate what keeps contact centre managers awake at night. As usual, the focus upon customer satisfaction improvement is still out in front by some distance, with focus upon cost reduction and revenue increase (i.e. improving profitability) of course still important. Although staff attrition reduction has fallen off the radar entirely for many of the report's respondents, it is interesting to note that the desire to improve staff morale and perhaps the quality of service provided as a result has gained greatly in relative importance this year.

Some of the most-noteworthy statistics have been highlighted in red as being particularly notable.

While most respondents have a strong focus on decreasing costs, it is particularly noticeable in the public sector, which is feeling the budget cuts most severely. The outsourcing, TMT and transport & travel sectors are particularly keen to increase their revenues, with these sectors marking this as their no.1 priority, even above customer satisfaction.

The housing and utilities sectors are keenest to improve first-call resolution rates - which of course link to cost and customer satisfaction - with this aim being the no.1 priority of the housing sector.

Manufacturing respondents seem in buoyant HR mood, wanting to increase headcount and improve the morale of the staff that they already have, while outsourcers as usual are amongst the most concerned with lowering their higher-than-average staff attrition rates.

Figure 125: Most pressing managerial issues, by vertical market

Vertical market	FS	HS	INS	MAN	OS	PS	RD	SVCS	TMT	TT	UTILS	Average	% of respondents scoring this as a maximum
Improving CSAT	8.0	9.2	8.5	9.2	8.1	8.5	8.5	7.7	8.3	8.3	10.0	8.4	35%
Decreasing costs	6.7	6.6	7.8	8.2	7.7	8.7	8.0	8.2	7.1	8.5	8.3	7.9	30%
Improving staff morale	6.4	7.8	7.1	9.0	7.0	8.3	7.3	7.6	8.5	7.8	8.5	7.7	18%
Increasing revenues	6.7	5.3	6.9	8.2	8.3	4.7	6.7	8.2	8.6	8.7	6.5	7.4	29%
Achieving set metrics	5.1	7.8	7.4	8.4	7.2	6.9	7.3	7.8	7.2	6.4	7.0	7.2	19%
Improving first-call resolution rates	6.2	9.4	6.4	6.8	6.6	7.2	7.6	6.2	7.1	5.8	8.8	6.9	18%
Growing or maintaining staff numbers	4.8	6.4	6.8	8.2	6.5	6.6	6.3	7.2	7.4	5.7	4.3	6.6	12%
Improving staff attrition	5.1	4.0	6.5	6.4	6.9	5.3	5.0	5.6	6.7	4.7	5.3	5.8	11%

DATAPOINT KATALYST

OPTIMISING THE CONTACT CENTRE

OPTIMISING THE CONTACT CENTRE

The major challenge facing contact centres today is optimising performance to keep pace with customer demands and expectations on easy, quick access to information through the technology of their choice.

Failure to meet these demands can have a dire impact on the business. According to TARP, a US research firm focused on customer experience, 96 per cent of dissatisfied customers stop doing business with an organisation without even making a complaint.

A blurred picture

Optimising a contact centre can be very difficult because it is hard to accurately measure its current performance and see where improvements need to be made.

As contact centres have grown, the volume and complexity of data gathered has increased, becoming fragmented, difficult to correlate and frequently out of date.

To exacerbate that, performance has been traditionally measured by speed of agent response, rather than customer satisfaction. Even if useful data is collected, agents cannot share it with the rest of the organisation – meaning it cannot contribute to future successes or stop the repetition of current failings.

Finally, contact centres face high agent turnover, low skill levels and a patchwork of IT, information and communication technologies, provided by multiple vendors that often act as independent silos of information.

Datapoint Katalyst

Datapoint has created Katalyst to put the contact centre at the heart of the enterprise. Katalyst empowers the contact centre, providing an all-in-one contact optimisation solution that addresses many of the vital business and technology issues facing enterprise leaders today.

Datapoint Katalyst is delivered as a managed service, combining expert consultancy with an innovative suite of tools.

There are three main capabilities of Katalyst:

CONTROL - ORGANISATIONAL COMPLIANCE

- Ensure executive control over compliance and SLA performance
- Manage business risk and analyse operational performance
- Implement service level agreements and key performance indicators for outstanding delivery

OPTIMISE - OPERATIONAL INTELLIGENCE

- Align business and operational goals
- Understand how the current operation model impacts upon your business
- Deliver real-time business intelligence for enhanced operational effectiveness

TRANSFORM - TRANSFORMATION ASSURANCE

- Use Katalyst scenario modelling for business case analysis
- Assess and validate the impact, risk and outcome of business decisions
- Eliminate risk from technology-enabled transformation projects

Datapoint understands contact centres, what needs to be measured, how to measure it and what actions then need to be taken with that information. Katalyst makes a contact centre more efficient, reduces operational costs and brings tangible business benefits.

www.datapoint.com



As last year, revenue generation is more important to larger contact centres, although profitability in general is sought-after across all contact centre sizes. Staff attrition is far more important in larger operations than smaller, but this year, morale is seen as generally important in all size bands. Customer satisfaction is once again no.1 in every size segment.

Figure 126: Most pressing managerial issues, by contact centre size

Contact centre size	Small	Medium	Large	Average	% of respondents scoring this as a maximum
Improving CSAT	8.0	8.6	8.6	8.4	35%
Decreasing costs	7.5	8.3	7.7	7.9	30%
Improving staff morale	7.7	7.9	7.5	7.7	18%
Increasing revenues	7.1	7.5	7.7	7.4	29%
Achieving set metrics	6.9	7.4	6.8	7.1	19%
Improving first-call resolution rates	6.6	6.8	7.5	6.9	18%
Growing or maintaining staff numbers	7.1	6.3	6.2	6.6	12%
Improving staff attrition	5.2	5.7	6.6	5.7	11%

INDUSTRY TRENDS

Respondents were asked how important specific industry trends would be to them in the future. The focus on customer experience improvement, as in previous years, rated the highest, and this year extends its lead considerably. This strong showing indicates that many other issues, concerns and trends within the contact centre are being viewed in the light of customer satisfaction. For example, “I’m concerned about contact centre productivity” really means “I’m concerned about how contact centre productivity is impacting upon our customers’ satisfaction”.

There is a wide and growing acknowledgment that business processes have to change, and the work that the contact centre does will need to be more closely coupled with the back office and also the wider business. This was felt especially strongly by the respondents which kick off a great many back office processes through their work in the contact centre, such as the public sector and insurance. As many of the calls that most contact centres take are about failures elsewhere in the organisation to deliver what the contact centre has promised, fixing broken or sub-optimised processes, and allowing the contact centre agent to access the relevant information is vital to getting a satisfactory conclusion to these calls. Mending the processes that are identified as broken could have a major impact upon call avoidance as well.

It is very noticeable that issues around compliance with legal regulations has become far more important in the past 12 months, with 29% of respondents scoring this as a maximum, compared to only 10% last year. As we would expect, finance and insurance companies are very focused on compliance, but this year the public sector is particularly concerned about meeting legal obligations and being seen to do so.

Improving the desktop to make it easier for agents to do their job was rated as the fifth most-important trend, especially by financial services respondents. These agents often have to deal with multiple systems within a call, and also often have long wrap-up times as well as the excessive training requirements that dealing with labyrinthine systems cause.

The public sector is also under pressure to cut costs, and its even-greater interest in self-service (despite historically low levels of this channel) can be viewed in this context. The utilities sector, a great user of self-service already, continues to rate this application highly as a future focus.

A significant proportion of housing, public sector and manufacturing contact centres are relatively unsophisticated compared to the longer-established sectors such as finance, utilities and telecoms. This is shown in their greater-than-average interest shown in virtualisation, which has already occurred, or has been investigated already in the more mature verticals.

Figure 127: The importance of industry trends, by vertical market

Vertical market	FS	HS	INS	MAN	OS	PS	RD	SVCS	TMT	TT	UTILS	Average	% of respondents scoring this as a maximum
Customer experience improvement	9.7	9.6	9.0	9.2	8.1	8.8	8.7	8.5	8.5	9.1	10.0	8.8	45%
Business process optimisation	7.8	8.6	8.6	7.8	6.9	8.9	7.6	7.8	6.7	6.1	6.7	7.7	27%
Legislation / compliance	8.7	8.0	8.8	8.3	6.6	9.1	5.8	6.8	7.6	5.1	8.0	7.5	29%
Multimedia	7.1	7.0	5.7	5.5	7.5	7.1	6.8	5.2	7.4	7.6	6.0	6.7	11%
Desktop optimisation	7.7	6.8	7.7	8.0	5.6	7.0	7.0	6.6	6.3	5.3	4.3	6.6	12%
Self-service	7.0	7.3	5.4	6.3	5.8	8.6	6.2	5.6	6.3	5.8	8.5	6.6	22%
IP / unified communication	5.2	6.0	5.6	4.8	6.1	7.0	4.8	5.3	6.3	6.4	7.5	6.0	9%
Social media	5.7	4.8	4.4	4.7	6.4	5.7	5.8	5.6	6.9	7.4	6.0	5.9	5%
Virtualisation	5.8	8.0	2.6	6.0	5.0	6.1	5.6	4.7	5.9	3.7	4.0	5.2	9%
Domestic outsourcing	3.6	2.0	2.1	3.0	N/A	3.4	3.2	2.7	4.3	2.4	4.3	3.6	7%
Offshoring	1.2	1.0	1.1	2.6	4.9	1.4	1.2	2.3	2.9	2.1	5.3	2.4	2%

Looking at data segmented by contact centre size, self-service is - as would be expected - more positively thought about by mid-sized and large operations with a potentially greater cost saving, with the same logic applying to virtual contact centre functionality as well.

Generally, across the board, respondents from large operations are more enthusiastic about almost every industry trend than they have been for years, signifying perhaps a re-emergence of opportunity and ambition after some years of difficulty and stagnation.

Figure 128: The importance of industry trends, by contact centre size

Contact centre size	Small	Medium	Large	Average	% of respondents scoring this as a maximum
Customer experience improvement	8.4	8.9	9.3	8.8	45%
Business process optimisation	7.7	7.7	7.5	7.7	27%
Legislation / compliance	7.0	7.3	8.4	7.5	29%
Multimedia	6.2	6.8	7.3	6.7	11%
Desktop optimisation	6.2	6.5	7.6	6.6	12%
Self-service	5.8	6.9	7.7	6.6	22%
IP / unified communication	5.4	6.3	6.3	6.0	9%
Social media	5.6	5.7	6.5	5.9	5%
Virtualisation	4.8	4.6	6.6	5.2	9%
Domestic outsourcing	2.9	3.1	5.3	3.6	7%
Offshoring	2.3	1.9	3.5	2.4	2%

THE CONTACT CENTRE AND THE WIDER BUSINESS

This section looks to understand how the contact centre is integrated into the wider business, and the extent to which the insight and experience within the operation could benefit business decisions made at the highest level.

Only 56% of operations state that they report broken processes that they discover in the course of their customer-facing activity, despite the contact centre usually being the one to deal with any ensuing fall-out. The TMT sector's low levels of feedback about broken processes is particularly notable, as many customers of telecoms companies have experienced being passed around various departments - billing, provisioning, technical, etc - and may have themselves wondered why these departments and processes don't work together better.

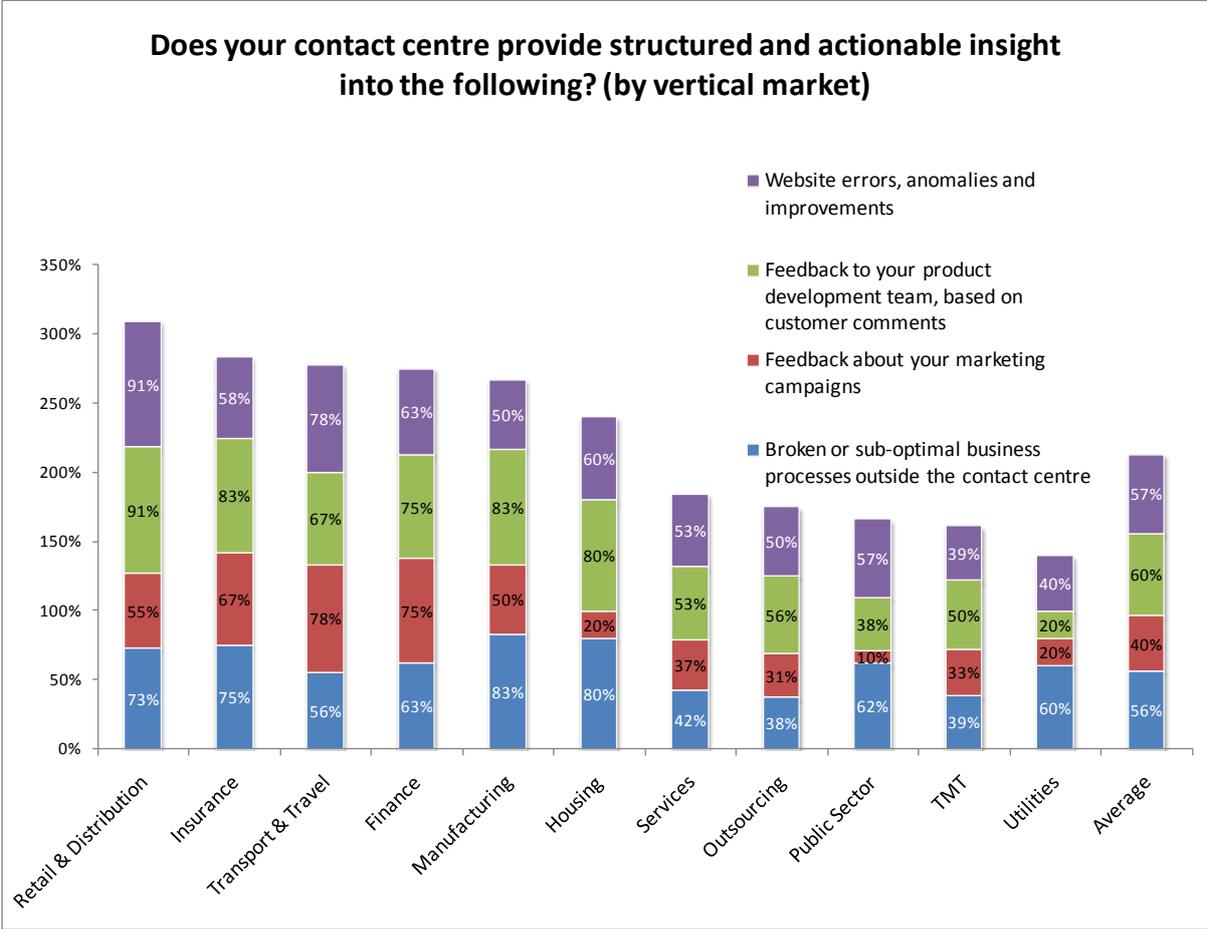
40% of respondents say that their contact centre provides feedback about marketing campaigns, despite having an ideal opportunity when talking to customers to gather any commentary or even to gauge the level of awareness of the campaigns.

60% feed back product information based on customer comments, with retailers, insurers and manufacturers most capable of doing this.

Only 57% of respondents report that they pass website errors onto their web team, yet the ability to know in almost real-time if there is false information or something stopping a sale that is being broadcast to any customer visiting the site is surely vital.

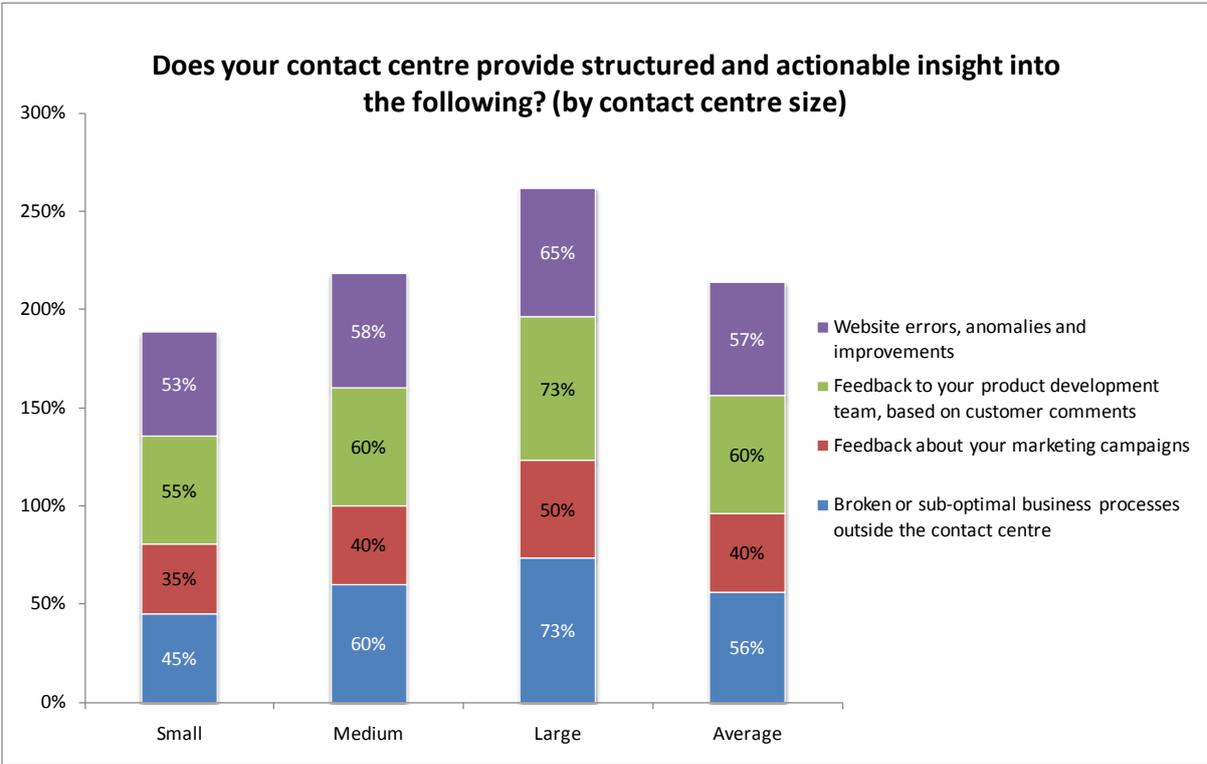
The following chart really shows that if the contact centre is geared-up to provide information to the wider company, then it is likely to pass over business process, website and product improvement information, as well as to a lesser-extent, marketing feedback. However, there are a large number of businesses that are simply not set up to listen to what their contact centre can tell them.

Figure 129: Does your contact centre provide structured and actionable insight into the following? (by vertical market)



At a contact centre size-band level, we can see that smaller operations are less likely to be able to gain from the contact centre's experience especially where business process improvements could be made, although notification in problems with the website are provided by more than half of this sector's respondents.

Figure 130: Does your contact centre provide structured and actionable insight into the following? (by contact centre size)



72% of respondents say that, with greater support, they could provide senior management with actionable information about broken processes elsewhere in the organisation, usually as a result of having these pointed out to them by their customers. This is a particularly prevalent feeling in the retail & distribution sector, and also amongst all but the smallest of operations.

Figure 131: Could your contact centre provide senior management with more information about suboptimal processes elsewhere in the organization? (by vertical market)

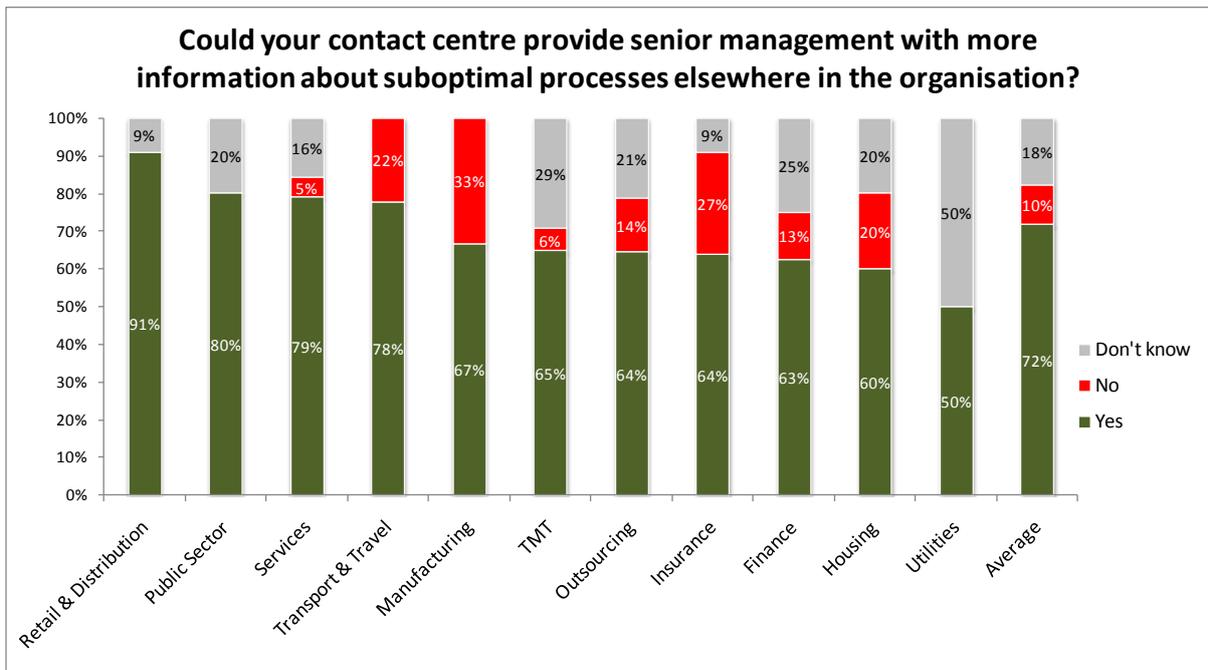
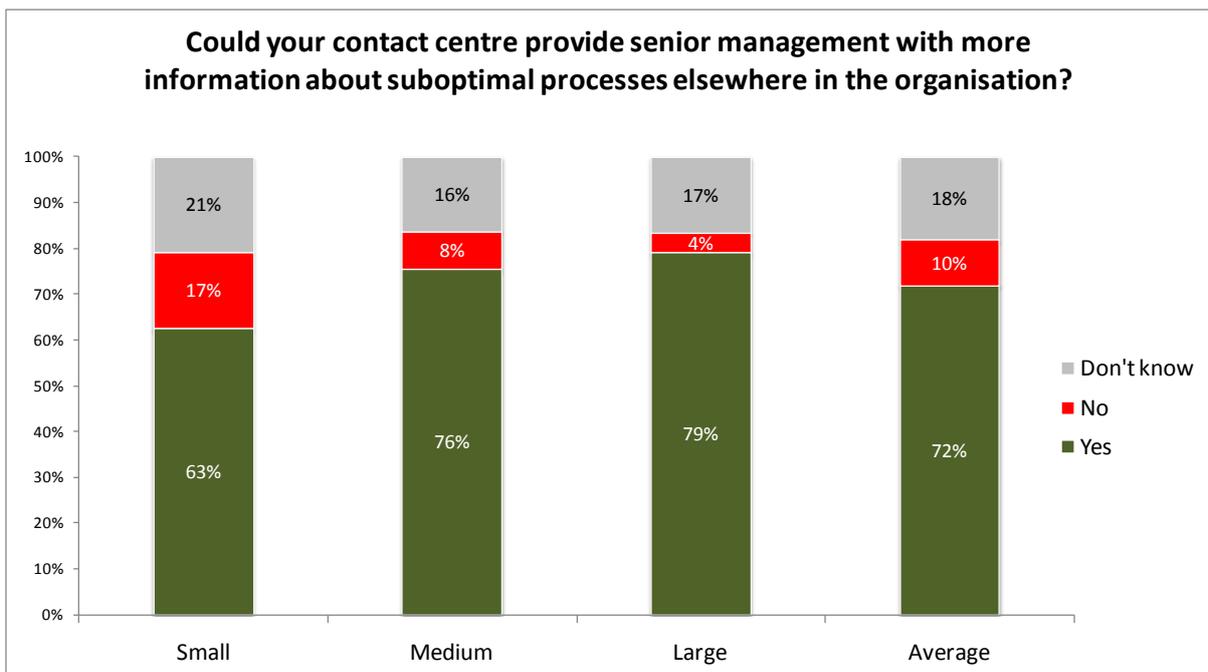


Figure 132: Could your contact centre provide senior management with more information about suboptimal processes elsewhere in the organization? (by contact centre size)



There is a roughly 50-50 split between whether contact centres are seen as strategic assets or operational cost centres by the organisation's executives, which goes some way to explaining why so many operations do not share their insight with the wider business. Finance and insurance contact centres are most likely to be seen as strategic, and this view is far more likely to be taken if the contact centre is sufficiently large to have a very real physical and cultural presence.

Figure 133: Does your executive board see the contact centre as a strategic asset or operational cost centre? (by vertical market)

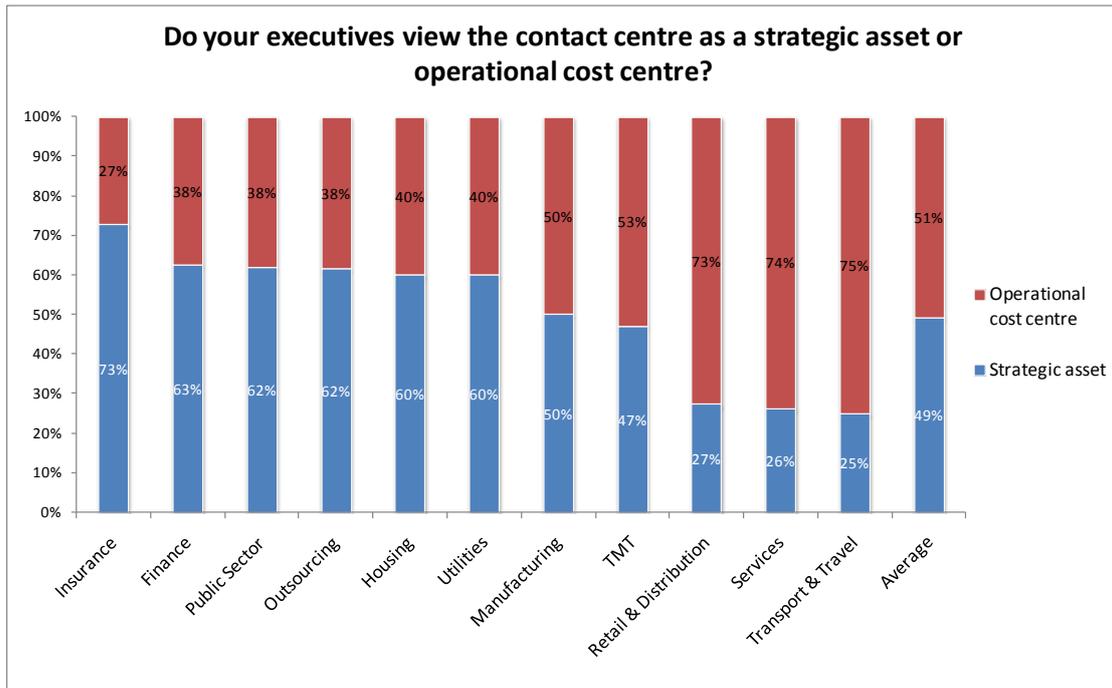
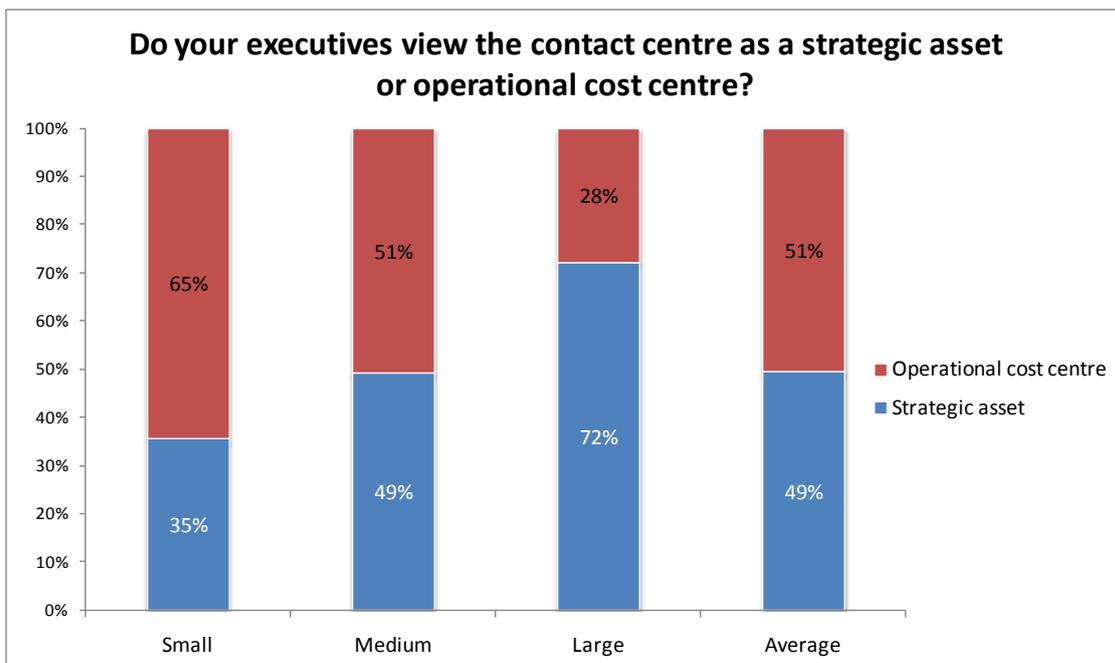


Figure 134: Does your executive board see the contact centre as a strategic asset or operational cost centre? (by contact centre size)





Organisations able to help with Strategic Directions:



Organisations running Altitude Software in their contact centres do more with existing resources to meet new challenges, their overall technology spend costs less, and they simplify business processes involved in customer interaction.



BT Global Services has developed and implemented new customer care systems that set unprecedented standards for customer interaction, timely response and/or attention to customer needs.



We believe in total commitment to customer services and work hard to establish close relationships with our customers to build up a detailed understanding of their business challenges, having dedicated teams of sector, service and technical specialists to make sure we deliver the best service available, every time.



[Enghouse Interactive](#) brings together the union of products and expertise including: [Arc Solutions](#), [CosmoCom](#), [Datapulse](#), [Syntellect](#), [Telrex](#), and [Trio](#) - under one single, global organisation in order to fulfil the full spectrum of customer interactions.



[Infinity](#) – proven contact centre solutions with a performance guarantee.



Opinion-8 is an innovative and effective customer-experience management tool which allows you to gain customer, employee and stakeholder feedback in a simple and highly cost-efficient way: its powerful, integrated web and voice survey technology with unified online reporting offers you a variety of telephone and web survey solutions.



Ultra is the leading provider of Network Contact Centre solutions, including Inbound/IVR/ACD/skills based routing, Call Blending, Automated Outbound dialling including Predictive, CTI, Call recording, PCI compliance & inclusive real-time reporting & monitoring tools all with unique 24/7/365 UK support – providing flexible, evergreen, scalable solutions to allow the contact centre and business to change direction and grow (& reduce) with the market, without technology limitation.



APPENDIX: ABOUT CONTACTBABEL

ContactBabel is the contact centre industry expert. If you have a question about how the industry works, or where it's heading, the chances are we have the answer.

The coverage provided by our massive and ongoing primary research projects is matched by our experience analysing the contact centre industry. We understand how technology, people and process best fit together, and how they will work collectively in the future.

We help the biggest and most successful vendors develop their contact centre strategies and talk to the right prospects. We have shown the UK government how the global contact centre industry will develop and change. We help contact centres compare themselves to their closest competitors so they can understand what they are doing well and what needs to improve.

If you have a question about your company's place in the contact centre industry, perhaps we can help you.

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