

The UK Contact Centre Decision-Makers' Guide

10th edition - 2012

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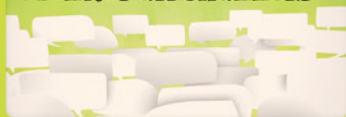
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INTRODUCTION AND METHODOLOGY

The "*UK Contact Centre Decision-Makers' Guide (2012 - 10th 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 216 contact centre managers and directors between June and July 2012. Analysis of the results was carried out in August and September 2012. The result is the 10th 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 216 contact centres interviewed in this study were broken down into discrete segments:

Vertical markets

- Finance - 21
- Housing - 12
- Insurance - 19
- Manufacturing - 16
- Outsourcing - 31
- Public Sector - 23
- Retail & Distribution - 20
- Services - 27
- Technology, Media and Telecoms (TMT) - 25
- Transport & Travel - 11
- Utilities - 9
- Others (not included in vertical analysis): 2

Size bands

- Small (10 to 50 agent positions) - 86
- Medium (51 to 200 agent positions) - 70
- Large (200+ agent positions) – 60.

Inbound / outbound

- Mostly inbound (75%+ inbound) - 125
- Mixed (between 25% and 75% inbound and outbound) - 48
- Mostly outbound (75%+ outbound) – 43.

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.

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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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With more than 2,000 customers in 80 countries, Genesys is uniquely positioned to help companies bring their people, insights and customer channels together to drive today's new customer conversation.

Genesys software directs more than 100 million interactions every day from the contact centre to the back office, helping companies deliver fast, simple service and a highly personalised cross-channel customer experience.

Genesys software also optimises processes and the performance of customer-facing employees across the enterprise.

Contact:

w: www.genesyslab.com



Infinity CCS (ICCS) was created in 1998, to deliver solutions that specifically accommodate the high demands of the world's leading contact centre operations. The company has continued to assist its clients to achieve higher levels of productivity and enhanced customer experience by breaking the commercial, technical and business processing barriers, which inhibit a centre's ability to serve customers better. Without barriers you have infinite possibilities.

The Infinity Contact Manager Suite provides:

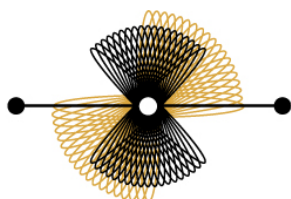
- Rapid CRM with unified agent desktop
- Contact management & Scripting
- Knowledge base and Agent knowledge assessments
- Performance reporting & KPI alerts
- Agent Quality Assurance & Timesheets
- Predictive dialling & CTI

Contact: Stuart Bidwell

t: 0121 450 7830

e: sbidwell@infinityccs.com

w: www.infinityccs.com



INTERACTIVE INTELLIGENCE

Deliberately Innovative

Deliberately Innovative All-in-One Communications for Business.

Interactive Intelligence is a global provider of unified business communications solutions for contact centre automation, unified communications, and business process automation.

The company's standards-based all-in-one communications software suite was designed to eliminate the cost and complexity of multi-point systems.

Founded in 1994 and backed by more than 4,500 customers worldwide, Interactive Intelligence is an experienced leader in delivering customer value through its on-premise or cloud-based Communications as a Service (CaaS) solutions, both of which include software, hardware, consulting, support, education and implementation.

At Interactive Intelligence, it's what we do.

Contact:

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

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e: info.uk@inin.com



IP Integration is an Avaya contact centre specialist, with additional expertise in CTI and unified communications. Value added software applications are developed internally that provide additional functionality in the areas of intelligent call routing, call recording, self-service and business intelligence.

The company employs over 70 dedicated and skilled individuals, who service customers range across numerous markets, in both public and private sectors, including The Co-operative Group, Ladbroke's, Autoglass and Carnival Cruises.

Our technology solutions are supported by professional services capabilities that include consultancy, integration and support, to ensure that our solutions meet business requirements and demonstrate a tangible return on investment.

Contact:

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Reading RG31 4UH

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mplsystems bring together multi-channel contact centre technology with customer service and sales software.

Our intelligent desktops offer a single view of customer activities, integrating back office applications with voice, email, social and mobile channels, to help resolve queries faster whilst benefiting from more integrated processes.

Our technology is available as a series of modules, cloud or premise based, which sit alongside existing infrastructure or we can provide a fully integrated solution.

Our mobile customer service applications have been shortlisted in the 2012 European Call Centre & Customer Services Awards for “Best Use of Technology” and “Innovation of the Year”.

Contact:

Paul White (CEO)

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e: info@mplsystems.co.uk

w: www.mplsystems.co.uk

Noble Systems is a global leader in unified contact centre technology solutions, providing innovative products since 1989. Every day, millions of customer contacts are made by agents at 4,000+ client installations worldwide using the award-winning Noble platforms for inbound/outbound/blended communications.

The Noble Solution suite is a unified Customer Interaction Management solution for today's multimedia business environments. Noble Systems helps our clients control costs and improve operational efficiencies with information management and functional tools to manage blended voice, email, and web-based communications. Our solution combines an open platform with an integrated relational database, script and centre management tools and real-time reporting to offer a complete, integrated platform for managing customer contact campaigns.

Contact:

Sian Ciabattoni

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e: sciabattoni@noblesystems.com

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As market leader in enterprise application software, SAP (NYSE: SAP) helps companies of all sizes and industries run better.

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

SAP Business Communications Management software helps organisations efficiently manage contact centre operations including inbound and outbound customer communications across multiple channels. This bundled contact centre solution helps you improve customer service, adapt your contact center operations in real time, and lower the total cost of ownership.

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.

Contact:

t. +44 (0)800 0852 631

w: www.sap.com/uk

w: www.sap.com/bcm



Ultra provides highly-featured pay-as-you-use Cloud contact centre technology and PCI compliant card payment handling services, recording 6 million inbound/outbound/IVR minutes a month - with unmetered 24/7/365 client support and a unique real-time performance monitoring service.

Our network-based platform is flexible, scalable and resilient to provide risk-free and location-independent operation. Ultra applications include outbound dialling, inbound call management, voice portal/IVR, contact recording, PCI-compliant card payment handling, customer callback and MI.

Through its open architecture and APIs, the Ultra platform integrates to a broad range of popular CRM, speech analytics and back office systems. In partnership with our clients, Ultra solutions are fully OFCOM, DMA, PCI DSS, FSA and CSA compliant.

Contact:

a: Ultra Communications Ltd, The Granary, Cams Hall Estate, Fareham, Hampshire PO16 8UT

t: +44(0)207 965 0207

e: Sales@UltraASP.net

w: www.UltraASP.net



Verint® (NASDAQ: VRNT) is a global leader in Actionable Intelligence® solutions and value-added services.

Our solutions capture and analyse complex, underused information sources, such as voice, video, and unstructured text, to enable organizations to make more timely, effective decisions.

Today, more than 10,000 organisations in 150 countries — including over 85 percent of the Fortune 100 — use our solutions to improve enterprise performance and make the world a safer place.

Verint is headquartered in Melville, NY, with 3,100 dedicated professionals, offices worldwide, and an extensive global partner network.

Verint is a member of the Russell 3000 Index.

Contact:

w: www.verint.com



Vocalcom helps organisations to transform their contact centre with their unique, web-based contact centre application suite that is used today by more than 600,000 agents across 4,500 organisations.

Vocalcom enables proactive customer care across voice, web, SMS, email, kiosks and social mediums.

We believe that our solution offers the most comprehensive end-to-end contact centre platform at the lowest total cost of ownership.

We understand contact centres and apply technology to improve performance.

Contact us for a demo of our easy-to-implement, intuitive-to-use solutions in the area of inbound multi-media, automated outbound dialling and unified agent desktop.

Contact:

w: www.vocalcom.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



ABOUT PLANTRONICS – SIMPLY SMARTER COMMUNICATIONS™

Plantronics is a global leader in audio communications for contact centres worldwide. For 50 years we've pioneered innovations in audio technology, creating solutions that combine superior call clarity and noise reduction with uncompromising quality and service. Plantronics products allow you to simply communicate.

Contact:

w: www.plantronics.com or

www.plantronicscasestudies.com

a: Plantronics UK Ltd, Interface Business Park

Royal Wootton Bassett, SN4 8QQ (UK)

t (sales enquiries): +44 (0) 1793 842426

t (technical support/ customer service): 0800 410014

Facebook: PlantronicsUK

Twitter: @PlantronicsUK / @contactcentred

Youtube: PlantronicsUK

Linked-In:

www.linkedin.com/company/plantronics

Flickr: www.flickr.com/photos/plantronics

INDUSTRY ORGANISATIONS

south
west
contact
centre
forum



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

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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w: www.swccf.co.uk



MAGAZINES AND PUBLICATIONS



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: Annual Welsh Contact Awards

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Call Centre Helper is the UK's most popular contact centre magazine with over 150,000 readers. It is a free, weekly online magazine aimed at giving contact centre people advice on how to make their businesses work more effectively.

There are 4 distinct 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:

a: Trevethin, Dixon Road, Monmouth, NP25 3PR

e: newsdesk@callcentrehelper.com

w: www.callcentrehelper.com



Contact Centre LIVE!

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.

Contact:

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

a: 132 Bromyard House, Bromyard
Avenue, London W3 7BF

OUTSOURCING



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

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

The company is one of the UK's top 10 contact centre providers and employs over 3,500 people in the UK & Ireland in centres in Belfast, Londonderry, Cardiff, Middlesbrough, Dublin and Cork, with over 32,000 employees worldwide, in 48 operational centres in the UK & Ireland, US, India, Sri Lanka and the Philippines.

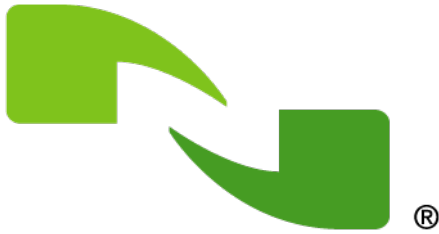
Contact:

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e: marketing@firstsource.com

t: 0800 328 2502

SPEECH SOLUTIONS



NUANCE

At Nuance, all our expertise and experience is focused on customer oriented solutions for automating inbound calls, radically reducing your cost to serve your customers while at the same time improving customer satisfaction, raise levels of security and privacy, and reduce fraud.

Nuance Voice Biometrics solutions offer organisations an innovative alternative, providing the caller with a faster and more pleasant experience while allowing the enterprise to reduce costs and improve security. By verifying a person's identity using their voice, the ID&V process can be reduced to a mere 5 seconds and is fully automated within the IVR.

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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.

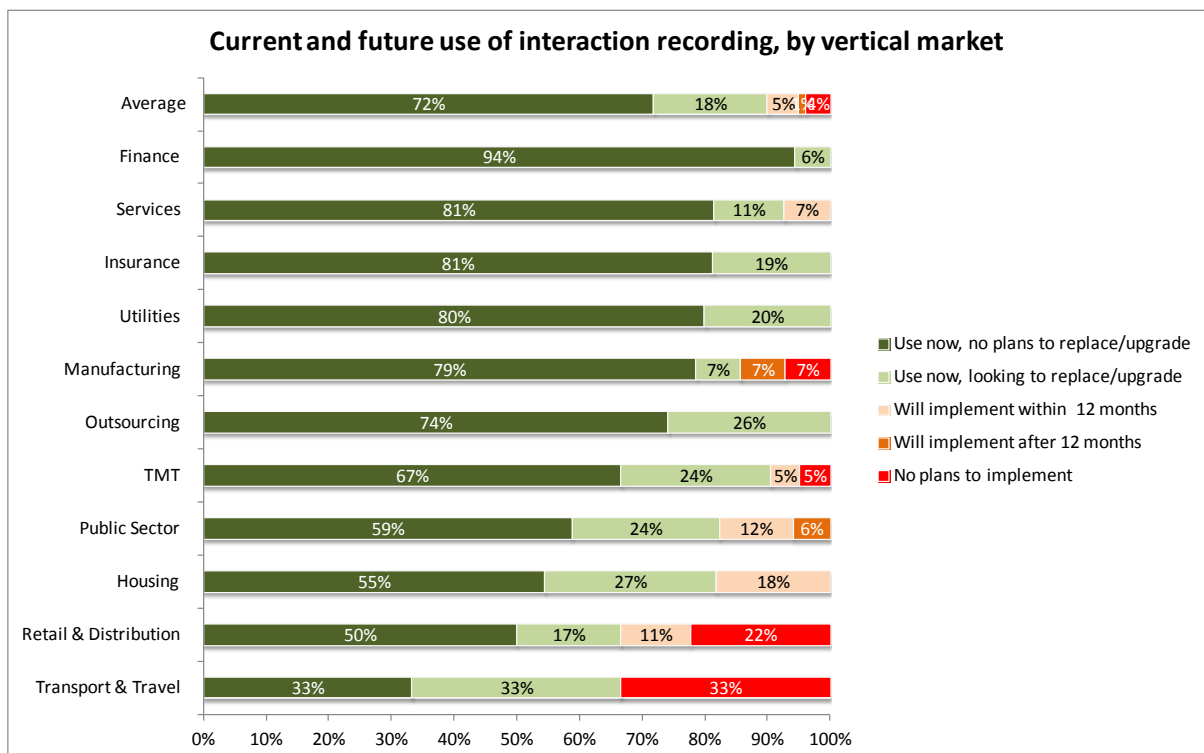
INTERACTION RECORDING

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 prevalent contact centre solutions, having many applications around quality assurance, compliance, security and agent training. It is used by 90% of respondents, 20% of which state that they wish to replace or upgrade their current system. Only 4% of respondents have no intention of using call recording.

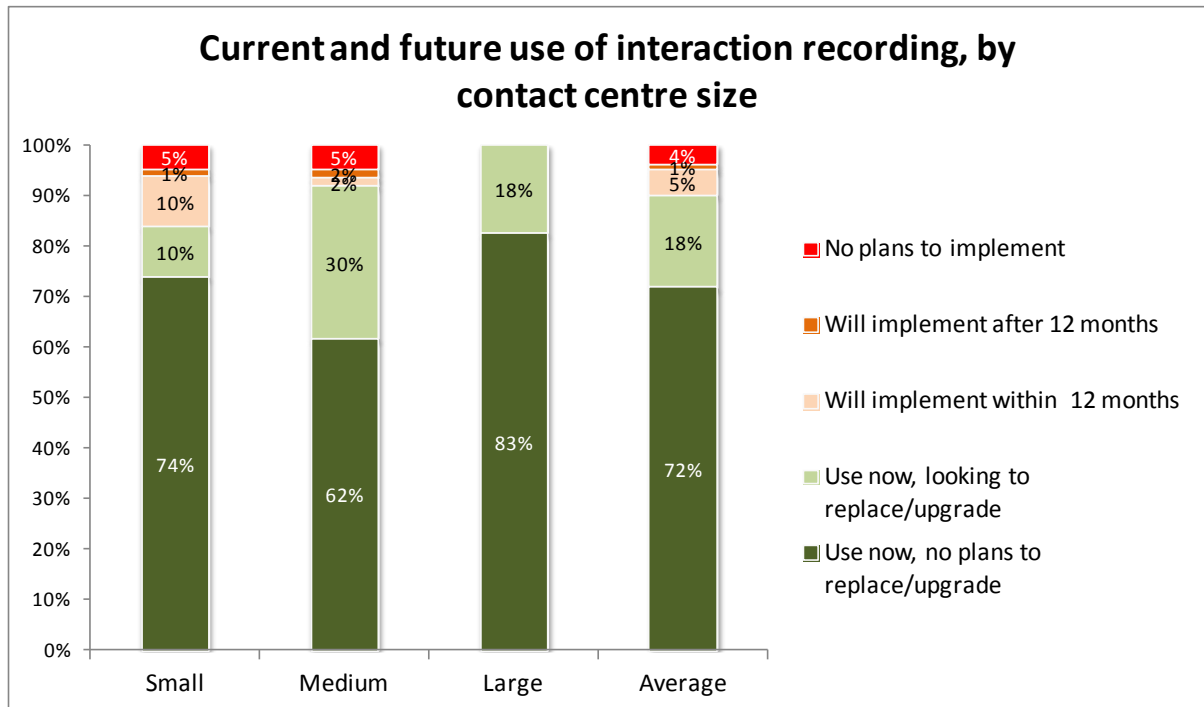
Figure 2: Current and future use of call recording, by vertical market



The majority of respondents in all sectors surveyed, use call recording today, a solid background upon which new applications based on call recordings can thrive.

The use of call recording is somewhat influenced by the size of the contact centre operation although the figure of 84% penetration in small operations shows that vendors have been able to offer solutions successfully at various price points.

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



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.

The traditional user of interaction recording solutions has been the contact centre supervisor or team leader. The **supervisor** deals heavily with quality monitoring at the agent and team level, using the recording facility along with data about the call (e.g. deal size) to provide examples of best practice to other team members. This means the supervisor does not have to listen in live to the call, but can choose which ones to listen to, and when. This considerably reduces cost.

The supervisor may also be responsible for customer dispute resolution, and can find out exactly what has been said by customer and agent in order to deal with the matter accurately. In industries where recording may be a legal requirement – an increasing trend - businesses may have **compliance officers** to deal with disputes. Even in areas which do not require bulk recording, many companies look upon this solution as a tool to protect against an increasingly litigious world.

With some of the more sophisticated interaction recording solutions available, the supervisor can move into a more analytical role, understanding not only what has happened, but the reasons for it as well. Taking a top-level view of team performance, a supervisor may see that certain types of call have been dealt with very quickly by a specific agent. Standard management information systems may show this as a positive situation, but using interaction recording capabilities may illustrate that this agent cannot help the customers, and is

simply passing the calls through to colleagues. Now the supervisor has a chance to improve the situation, rather than missing the problem in the first place which may happen without this interaction analysis.

Agents can be given the chance to add to the value which interaction recording can provide. By using agent-initiated tagging of calls, your front-line team can add to the store of useful information which the company as a whole acts upon. For example, if customers talk about the competition and what they are offering specifically, these agent-tagged calls can be reviewed for possible action by a business's commercial team. This has the added benefit of making agents feel a key part of the overall business.

A more strategic use of call recording may occur at the **management or executive** level. When all interactions are recorded and analyzed, a complete performance management program may be put in place. Agent performance can be viewed by supervisors, team performances can be analyzed by the operational manager, and contact centre performance can be evaluated by executives. Analysis of interactions is also vital as part of a wider process optimisation strategy, to identify good and bad business practices and process bottle-necks.

Using interaction recording, the performance of the contact centre as a whole can be viewed in terms of quality, not just quantity. Key performance indicators can be set and reviewed (such as average revenue per call), which are directly relevant to the needs of a business as a whole. Contrast this with the traditional efficiency measures of a contact centre's success: average speed to answer, average call duration and occupancy rate. Measurement and improvement in key performance indicators, due to interaction recording analysis, will help to **prove** the contact centre capable of making a real impact on a company's profit.

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. Many 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.

Call recording may be used in three modes:

- 100% call recording: often used for compliance purposes, this records the entirety of every call
- Random / Scheduled Call Recording: priority-based call recording schedules can be defined based on business rules, using multiple criteria on each schedule
- On-Demand Call Recording: contact centres may have situations where they do not need to record an entire call. On-demand recording can be customized to support agent-initiated call recording through a desktop interface, or automated through call recording triggers sent from third-party software.

The need to prove compliance with industry regulations is not solely restricted to financial services companies, with outsourcers, insurers and medical respondents particularly aware of their regulatory requirements, with 100% call recording a key element in proving compliance and dispute resolution. As of January 1, 2012, organizations that take payment card data must comply with the Payment Card Industry Data Security Standard (PCI DSS) v2.0. It is highly recommended that when implementing a recording solution, organizations chose one that offers automatic audio and video "blackouts" that will prevent the recording of sensitive cardholder data, in accordance with the PCI DSS.

Survey respondents are very positive about the effectiveness of call recording for quality monitoring and agent training, including the demonstration of best practice to other agents. Recording is also seen by most as an effective tool in proving compliance (most likely to be effective when linked with automated speech analytics that can check specific phrases or sentences have been used in the conversation).

However, there is less enthusiasm for call recording's effectiveness at getting feedback from customers - it can be a difficult manual task to pick the right calls to demonstrate customer sentiment - and there is a strong link between those who find call recording very effective and those who use speech analytics. The majority of call recording users find it effective at understanding why customers are calling, which is a similar type of task to getting customer feedback.

However, call recording by itself does not seem able to provide users with insight into their customers. It is possible in theory to brief agents to record a conversation in which a caller mentions a competitor's name, but in practice the moment will have already passed, and it might be seen as disrupting the flow of the conversation and breaking the agent's concentration in any case. Interaction analytics can hunt for specific words and phrases automatically, and should be a more effective method of gaining competitive information, but this is less used by businesses at the moment.

INTERACTION 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.

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.

Interaction 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, interaction 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.

As the rise of multichannel contact continues, with more than 20% of work handled in most contact centres being non-voice-related, 'interaction analytics' can be seen as a more accurate description of the solution than 'speech analytics', with leading providers expanding their multichannel functionality at a pace.

The elements of interaction analytics

There are various elements to interaction analytics solutions, including:

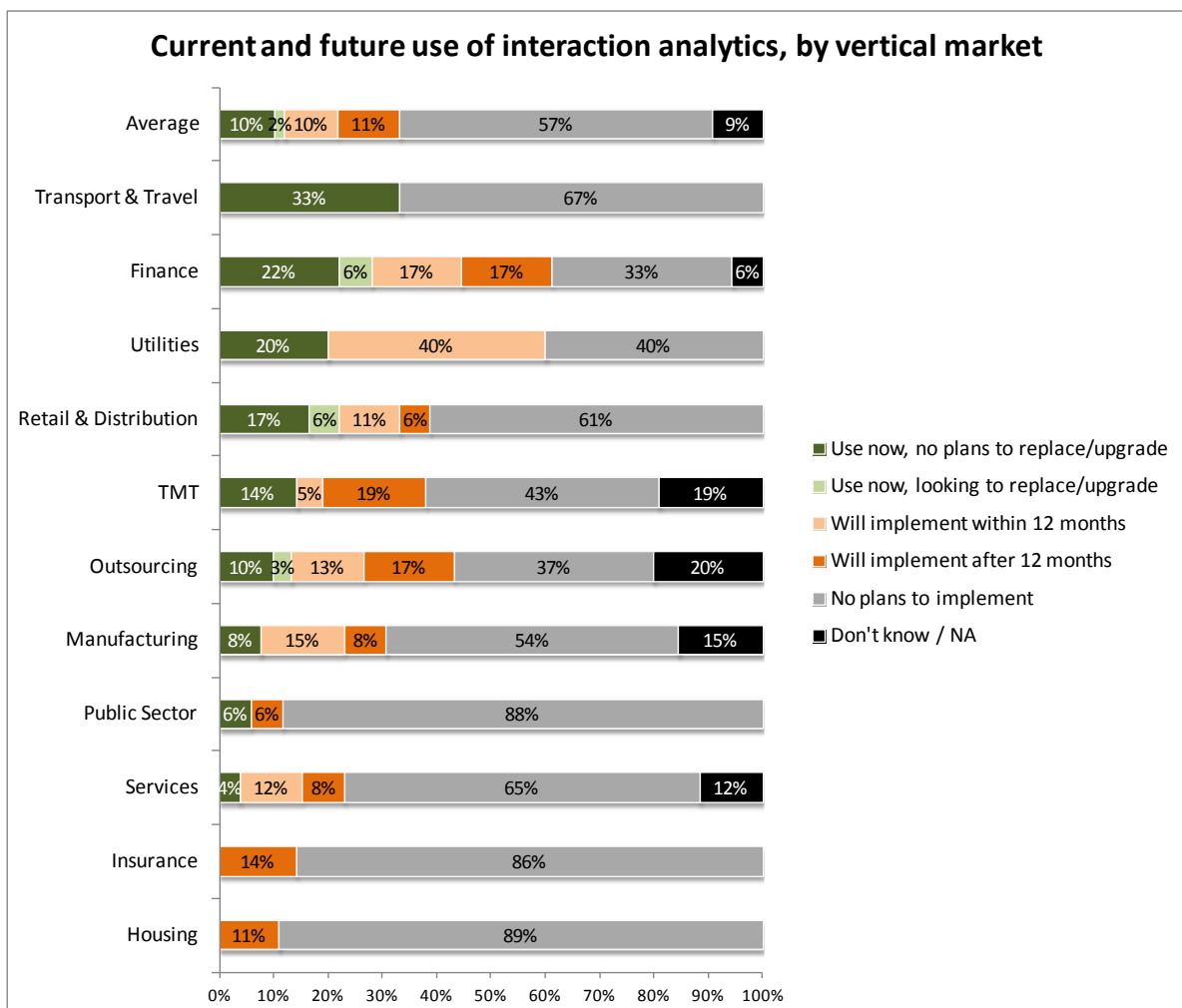
- Speech engine: a software program that recognizes speech and converts it into data (either phonemes - the sounds that go to make up words - or as a text transcription)
- Indexing layer: a software layer that improves and indexes the output from the speech engine in order to make it searchable
- Query and search user interface: the desktop application where users interact with the interaction analytics software, defining their requirements and carrying out searches on the indexed data
- Reporting applications: the presentation layer of interaction 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.



The power of Speech Analytics is to take vast amounts of unstructured data and turn it into something meaningful – ‘actionable intelligence’. Not only this, but critical to success in realising benefit is the speed in which Speech Analytics can provide you with a window on what is happening in the organisation, as well as early warning as to what is likely to follow.

Against a ubiquity of call recording, the penetration rates of interaction analytics are low, with 12% of respondents using it today, higher in respondents from the finance, transport & travel and utilities sectors. Although penetration rates are currently low, there is a great deal of intent to implement interaction analytics in a short timeframe, with 10% of respondents looking to use the solution within the next year, and 11% intending to do so in a longer timescale. Utilities respondents are most enthusiastic about their plans for interaction analytics, with records of their generally-huge customer base ripe for providing insight. Outsourcers and finance respondents are also keen to implement. However, 57% of respondents state that they have no firm plans to do so.

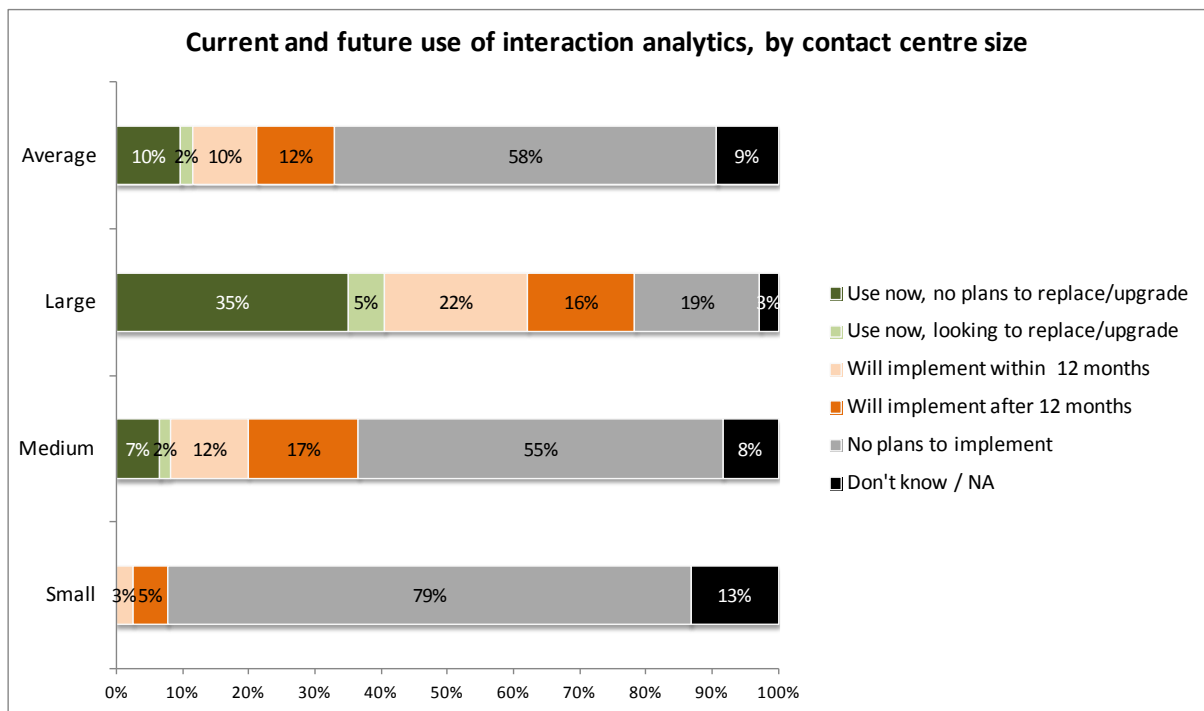
Figure 4: Current and future use of interaction analytics, by vertical market



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

35% of respondents from large contact centres are already using interaction analytics, with those in the mid-sized sector demonstrating enthusiasm in the near future, as the mid-market becomes increasingly well catered for by vendors, with cloud-based options being available.

Figure 5: Current and future use of interaction analytics, by contact centre size



Your 360-degree view: delivering customer delight from back office to contact centre – *and beyond.*

For many businesses, back office operations play a crucial role when it comes to customer satisfaction and brand perception.

Together, the back office and the contact centre form the customer service chain; if a process fails or a service level objective is missed in the back office, it is the contact centre that typically feels the impact, with unhappy customers expressing their discontent and problems which can take call after call to resolve. Get processes working efficiently in the back office, and resourcing and service issues in the contact centre diminish – then customer satisfaction improves.

TARP^{*1} Worldwide has found that up to 60 percent of customer dissatisfaction issues have their roots in the back-office. That's not surprising when you consider that in some organisations, almost every transaction routes through the back office; including new account set-up, order fulfilment, sales order processing, claims management or customer account maintenance.

Armed with this insight, the organisation can address the most critical problems and achieve the optimum return on investment.

What's needed is a 360-degree view which embraces the contact centre and the back office and can pinpoint process failures, bottlenecks and resourcing issues and identify how these issues impact customer satisfaction. Armed with this insight, the organisation can address the most critical problems and achieve the optimum return on investment.

Get the big picture

Verint® Impact 360® Workforce Optimisation suite encompasses Voice

of the Customer Analytics™ and Workforce Management solutions that work together to provide a holistic view of enterprise customer service. The result can be better performance and productivity throughout the entire customer service chain, along with substantial cost savings and a better overall customer experience. Organisations can listen to a huge range of verbal and written interactions and other customer feedback processes and examine workflow in both the contact centre and back office, to identify bottlenecks and failures. This delivers valuable intelligence, such as how easy or difficult the organisation is to do business with and how this affects customer spending; it can identify broken processes, communication issues and the causes of unnecessary repeat calls, joining up data to provide a unified view and importantly, intelligence on which action can be taken.

Aviva increase productivity



Aviva uses Verint Impact 360 to resource, plan and optimise staff and ensure they precisely match supply of staff to customer demand. Using Verint it was able to reduce call wait times by 40% and increase staff productivity by 17%.

Telefónica O2 Ireland transforms insight into action



Telefónica O2 Ireland wanted to gain deeper insight into drivers of customer interactions to improve the overall customer experience. Verint Impact 360 Speech Analytics helps enable them to uncover insight in their recorded call interactions and identify service issues. By spotting call trends and root causes, it can eradicate process failures to improve quality of service and minimise unnecessary calls. O2 was able to reduce call volumes from 5,000 per month to 1,500.



Contact centre productivity

Verint Impact 360 also helps simplify contact centre forecasting and scheduling, while providing performance management and eLearning capabilities. This enables organisations to reduce costs by staffing appropriately for workload, improve service by scheduling the right agents with the right skills at the right time, and improve employee effectiveness and retention with eLearning capabilities.

Verint Impact 360 Workforce Optimisation solutions can help organisations:

- Capture and analyse customer interactions
- Improve workforce performance and efficiency
- Uncover business trends and competitive advantages
- Discover the root cause of employee and customer behaviour
- Make better decisions faster
- Connect customer care operations more tightly with the rest of the enterprise
- Enhance service across the entire enterprise
- Deliver improved customer satisfaction and loyalty

^{*1} John Goodman, co-founder of TARP, at SpeechTek 2006 and available through: www.speechtek.com/East2006/Presentations/Tues/Music%20Box/11%20AM/goodman01.ppt#310,13,Causes of Customer Dissatisfaction

THE COMMERCIAL APPLICATIONS OF INTERACTION 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.

Interaction 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 interaction analytics is claiming to solve every problem that a contact centre could possibly have. However, depending upon how interaction 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.

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. Interaction 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 interaction analytics for compliance is widespread, but more in North America than the UK.

AGENT EVALUATION AND IMPROVEMENT

Improve the quality monitoring program

Interaction 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, interaction 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.



Long periods of silence can also lead to customers believing that their call has been disconnected – particularly if the agent is non-compliant with procedure when placing customers on 'Hold'. This builds further frustration and customer dissatisfaction and leads to repeat calls as the customer hangs-up and calls again. Using Analytics, poor agent expectation setting is often uncovered as a root cause in customer dissatisfaction and avoidable contact.

Cut new-starter attrition rates

Additionally, interaction 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, interaction 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 interaction 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.

Why are customers calling?

Categorizing types of calls or emails, and then analyzing them for the occurrence of similar types of words and phrases can give an insight into the reasons for customers' interactions. 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. Analysing some of these conversations, it may be found that the website does not highlight delivery times effectively enough, leading to unnecessary calls or emails 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), interaction 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-contact 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. Multichannel interaction analytics can also track contacts across channels, as many callers may first send an email, then try to call, which may appear to be a voice-only issue when in fact it is a multiple contact interaction.

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.

Interaction analytics allows businesses to categorize each type of contact, and through root-cause analysis, determine what a reasonable length for each type of contact 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 contact now compared to the past. The identification of contacts resolved successfully in a reasonable amount of time will also provide the training department with examples of best practice.



Not only does Analytics provide this rich vein of 'actionable insight', trending allows the business to further track and trend behaviours and initiatives put in place to understand the effectiveness of training, coaching and feedback etc. In a recent survey, 44% of customers stated they do not believe that companies care what they think*. Therefore valuable insight into customer wants and needs could go unspoken/unwritten, as more and more customers defect to competitors. With Analytics, the organisation can not only prove it is listening to the Voice of the Customer – but that it is doing something positive about it.

*Survey Source: Verint/CCA/IPSOS MORI 2011

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. Interaction 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.

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, interaction 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 interaction 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

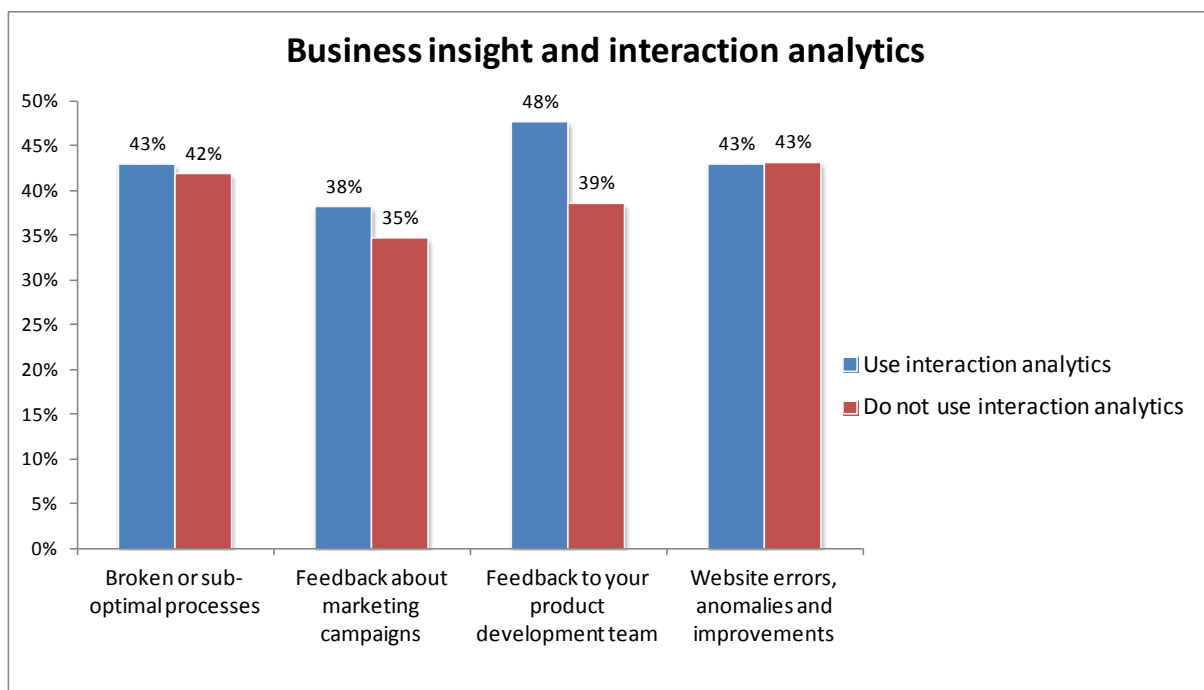
Interaction analytics allows businesses to seek out key words and phrases, such as competitors' names or any instances of pricing, or to gather feedback after a marketing campaign goes out.

The following chart shows the extent to which respondents can influence processes and actions outside the contact centre itself. Interaction analytics, for the reasons detailed above, offer a huge amount of inside, quantitative knowledge that can be fed to the rest of the organisation.

However, the relatively immature adoption of this solution can be seen by the very small differences between the amount of insight provided by users and non-users of interaction analytics solutions, with the only significant difference being that users seem more likely to be providing feedback about products and services gained from customer insights.

This could suggest that interaction analytics is not being used to anywhere near its full potential for the provision of business intelligence, being perhaps more focused upon concrete issues such as compliance. There is also the possibility that the level of detail and actionable insight provided by users and non-users of interaction analytics is very different. This will be an interesting metric to track as the sophistication of users grows over the years.

Figure 6: Business insight and the use of interaction analytics



Do you know what your customers really think of you?

Verint Systems identifies how Voice of the Customer Analytics delivers detailed insight into customer feelings and behaviours.

Gone are the days when all you had to deal with were letters and phone calls. Customers today expect to be able to email, text and connect with you via web chat, too. They blog, leave reviews and comments on websites, and talk about you on Facebook, Twitter and a dozen other social networks. They may be praising your customer service or condemning your latest product, but how can you possibly keep track of what they're saying?

You want to be accessible, but the downside is that you're now hearing all sorts of things that never used to get any further than a grumble down the pub, or a moan by the school gate. And you can't stop your customers "going social" and broadcasting

Every time a customer makes their voice heard, they deliver vital intelligence and powerful insight

their views even if you wanted to. So what was once a trickle of feedback is now a flood – a flood that has the potential to reach far into the global social network.

Every time a customer makes their voice heard, they deliver vital intelligence and powerful insight. The deluge of views, opinions, bouquets and brickbats offers a huge opportunity. But how do you mine this rich source of feedback? How do you deliver relevant intelligence to your stakeholders that relates to specific business priorities? And is it possible to spot early warning signs and pre-empt critical problems?

Listening to the customer

Organisations that want to understand what their customers are thinking, or even predict what they're going to do next, can turn to the wealth of insight contained within their contact centres and on the web and social networks. But it's no easy task; they cannot hope to listen to the mountain of data, no matter how substantial their resources. What is needed is a way to consolidate the millions of voices into clear, prioritised insights, which business leaders can leverage.

The solution lies in technology. Speech analytics is now relatively well established as a means by which to uncover trends within spoken transactions. A complete, unified Voice of the Customer Analytics solution,

which embraces sentiment, text and data analytics, will reach much further.

Voice of the Customer Analytics™ enables the business to "listen" to a huge range of verbal and written interactions and other customer feedback processes. This lets an organisation uncover valuable intelligence, such as how agents engage with customers and how customers react to the agents and the processes, products and services being offered.

Voice of the Customer Analytics also gives a business an insight into how easy or difficult it is to do business with and how this affects customer spending. It lets an organisation learn about what its competitors are offering, and allows it to track trends and changes in customer behaviour and to identify the root causes of changes. It offers a business a deep understanding of the end-to-end customer journey and the quality and consistency of its communication process across multiple channels. Finally, Voice of the Customer Analytics can uncover the early warning signs of bigger issues hidden among the millions of interactions.

Transforming insight into action

Voice of the Customer Analytics can provide value from the start with a few "low-hanging fruit" opportunities. But that's just part of the picture. A much larger opportunity exists in making Voice of the Customer Analytics an integral part of the organisation and using it to transform the analysis into targeted actions that drive strategic change in the way customers are handled, communicated with and sold to. Applying the latest Voice of the Customer Analytics best practices gives a business a complete 360° view of the customer experience.

Benefits with a real value to the organisation and its stakeholders can be achieved. For example, a communications provider was able to fix back-office processes that were generating unnecessary repeat calls and driving increased customer dissatisfaction. The corrective action helped to increase customer satisfaction by 30 per cent and saved millions of pounds through more streamlined processes.

A payment processing team was able to identify "customers at risk", based on recent conversations with them. In ranking them by value and listing the root cause of their potential defections, before passing them to a dedicated win-back team, the payment processing team was able to save more than 2,000 accounts in the first year alone.



Uncovering valuable intelligence with Voice of the Customer Analytics

Then there is the mortgage company that was able to identify process improvements after analysing customer interactions relating to invoicing, taxes and other frequently mentioned topics. By highlighting the five key customer queries, and developing FAQs for agents, the company was able to reduce significantly the average handling time on these calls.

Finally, a food manufacturer identified opportunities in verbatim customer feedback to address specific customer segment needs. By meeting these needs, the manufacturer increased sales by 30 per cent the following year.

Best practice

Where Voice of the Customer Analytics can deliver quantifiable, meaningful benefits to the enterprise, the best results come from partnering a market leader and accessing its extensive experience of implementing solutions across a range of industry sectors. Verint® has this experience. Verint's consulting team uses structured, tested methodologies to support enterprises in developing meaningful analysis that delivers quantifiable evidence – evidence which the organisation can use to implement changes that directly impact the bottom line.

But is it for you? What is Voice of the Customer Analytics worth to your business? What value the intelligence that enables you to shave 10 seconds off every incoming telephone call? What value the early warning of a glitch in an online purchasing process that is driving web customers to abandon their shopping carts and buy from the competition? What value the knowledge that one of those super-influential online networks doesn't like the way your business is advertising these days? Only you can say.

For more information about Voice of the Customer Analytics contact:
marketing.emea@verint.com

IMPROVING THE CUSTOMER EXPERIENCE

Factors that impact the customer experience - such as first-contact resolution and shorter call and queue times - have been addressed already. This section looks at the handling of complaints, and how interaction 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.

Interaction 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. 5% of UK calls and 8% of US calls received by contact centres are complaints, with respectively 77% 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-contact 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.

Many customers prefer the written word when it comes to complicated and potentially antagonistic interactions, so the ability to analyse emails as well as phone calls when looking at complaints is very useful.

The customer experience outside the contact centre

There is an increasing requirement and interest in multichannel analytics, including considering email, web 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 12% 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 interaction 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. Interaction 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 interaction 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 INTERACTION 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 interaction 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 interaction 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 interaction 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 interaction analytics comes from actionable insight around **why** customers are calling.

Interaction 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 interaction 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 interaction 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 interaction analytics.

A major inhibitor to uptake is an awareness within the company that their environment is not yet ready for interaction 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 interaction 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 interaction 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 interaction analytics, please download ContactBabel's ["Inner Circle Guide to Speech Analytics"](#).

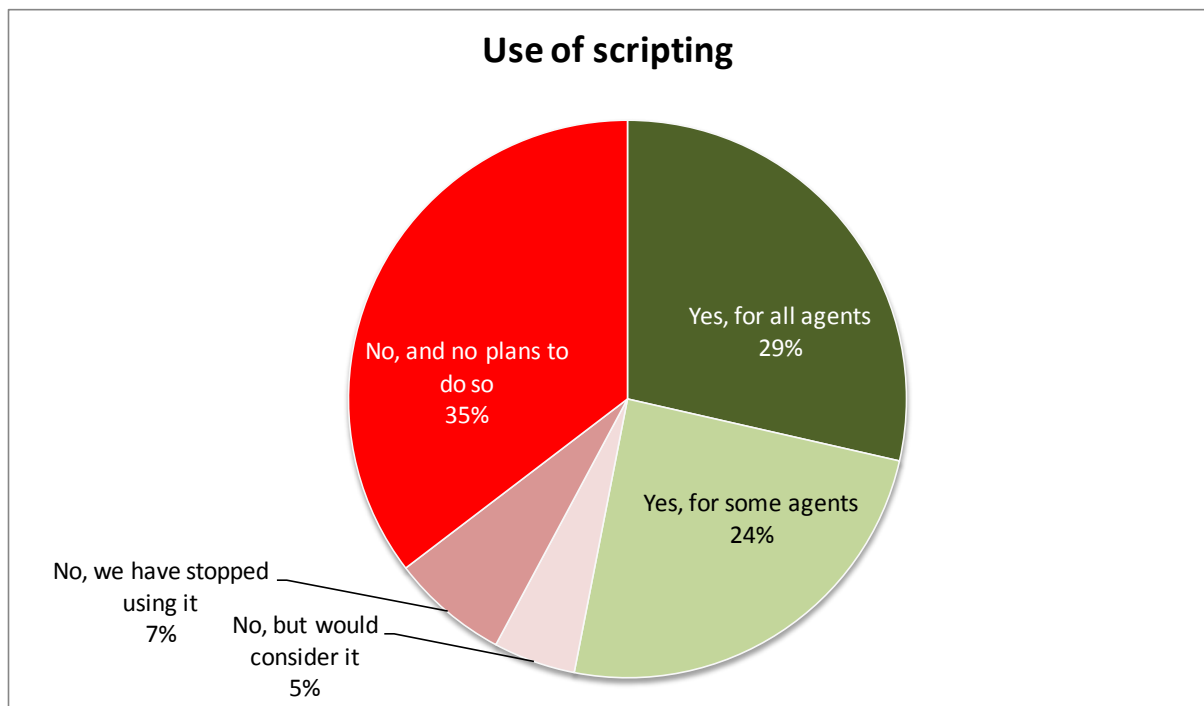
DYNAMIC SCRIPTING AND THE UNIFIED DESKTOP

The variable capabilities of agents is 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 analysis, and delivering the right training and in-call information.

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 7: Do you use scripting?



The use of scripting as a whole has changed little from last year, but it is worth noting that more contact centres are using this selectively (to help inexperienced agents for example) than have done so in previous years.



Break the barriers of customer contact.

If you can break the traditional barriers of customer contact... You can create new opportunities, with excellent customer service...

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- Create workflow quickly
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- Lower your technology cost of ownership
- Maximise number of campaigns per agent
- Aligns QA and business processes into a single 360 degree process
- Reduce call handling times

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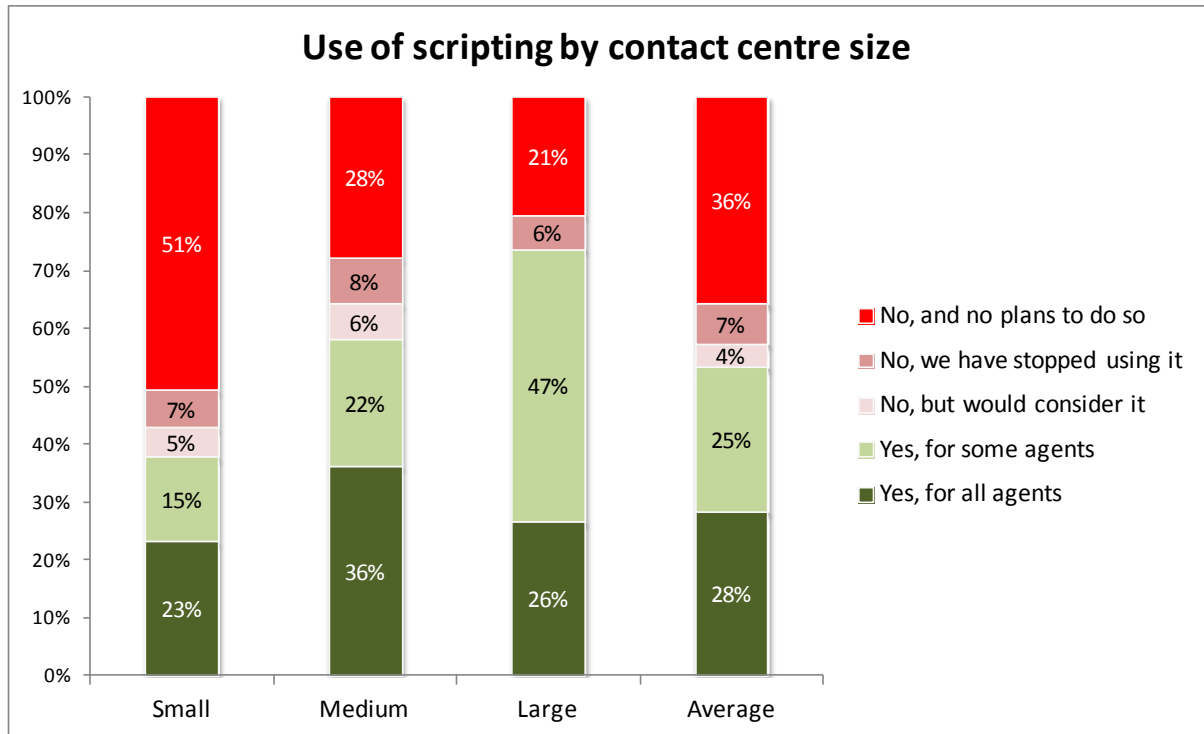


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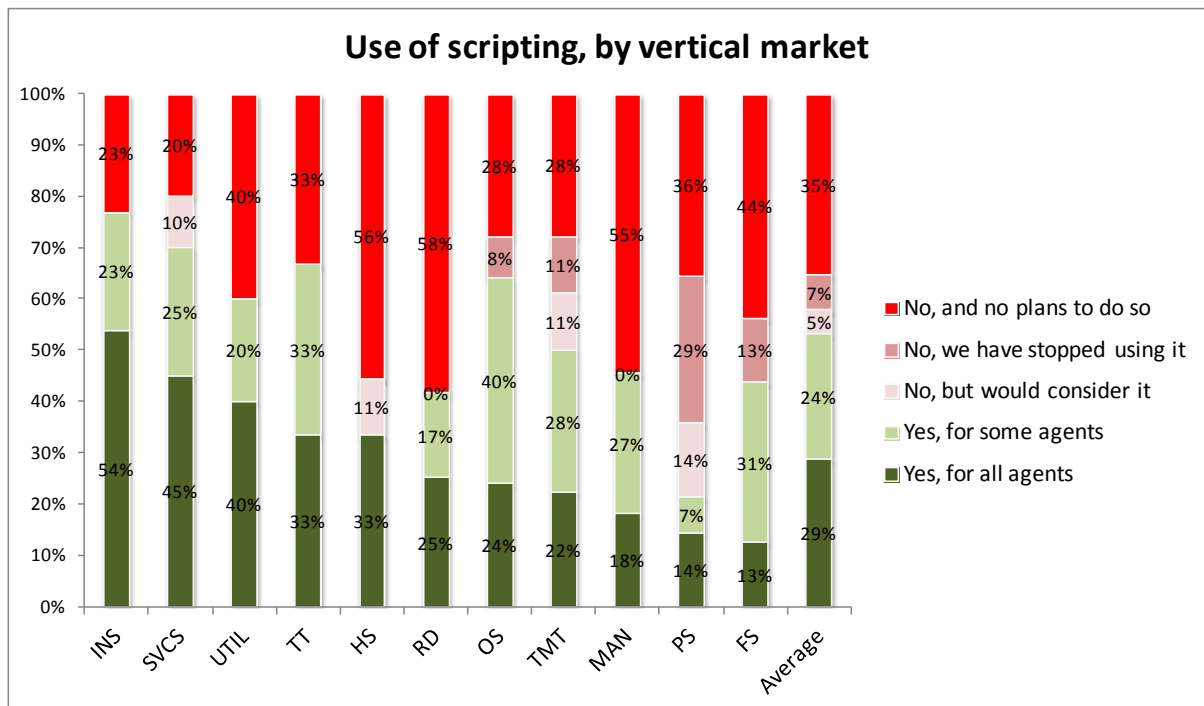
This partial use of scripting is a factor of contact centre size. In a large operation, there may be distinct groups of agents (e.g. a large dedicated sales outbound team) that use scripting whereas inbound agents may not. Large contact centres, by their nature and also because of generally-higher attrition rates, may have more requirements to help new agents learn the ropes.

Figure 8: Use of scripting, by contact centre size



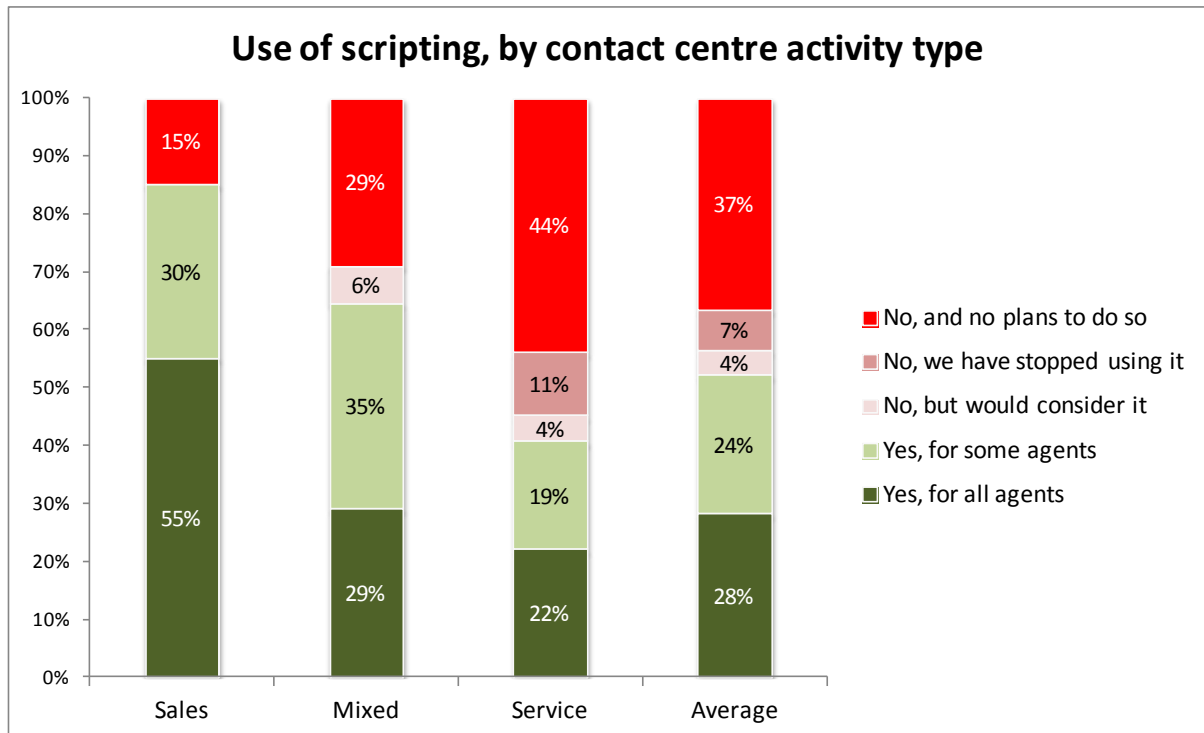
Insurance, services and utilities are amongst the greatest users of scripting, with 40-60% of respondents from each of these sectors stating that all agents used the application (although we should not assume this is for 100% of calls - scripting may be used widely in some industries for legal disclaimers, terms and conditions, etc). Those in outsourcing were most likely to use scripting to help inexperienced agents, and public sectors was most amenable to considering scripting in the future. Of those respondents who have rejected the idea of scripting, retail, manufacturing & housing operations were the most prevalent.

Figure 9: Use of scripting, by vertical market



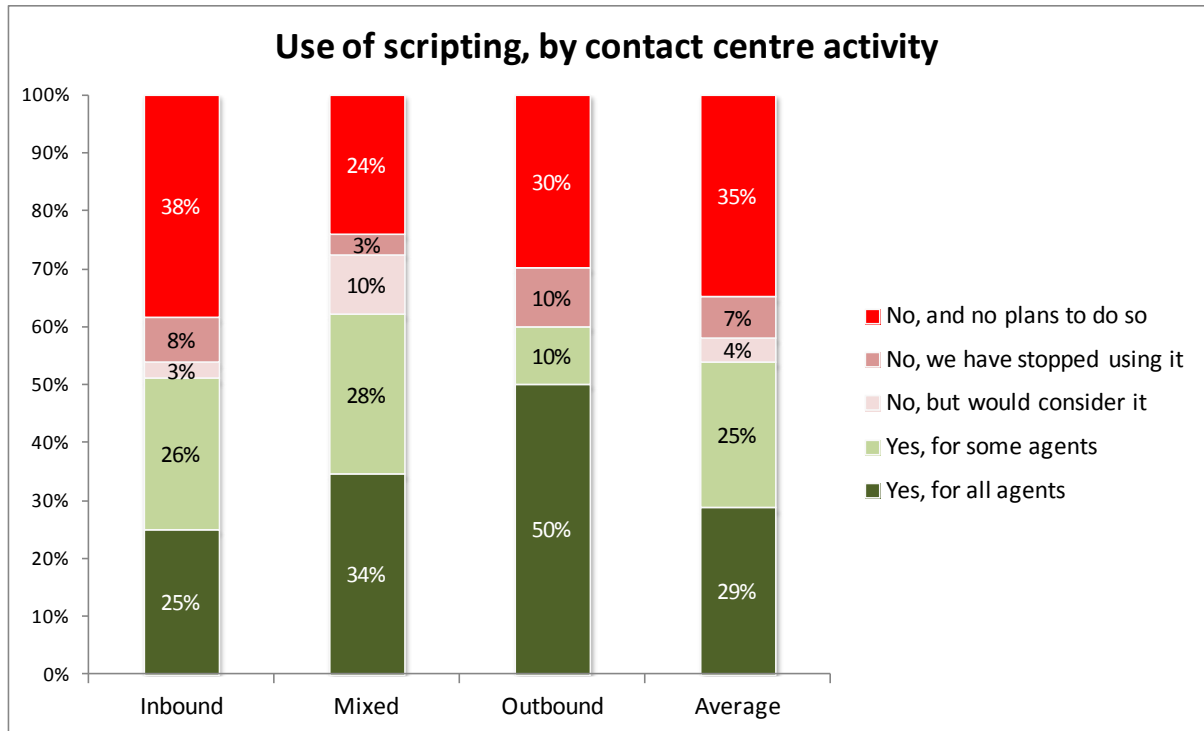
As we would expect, scripting is used heavily in sales-focused operations, which have a prevalence of outbound work involved.

Figure 10: Use of scripting, by contact centre activity type



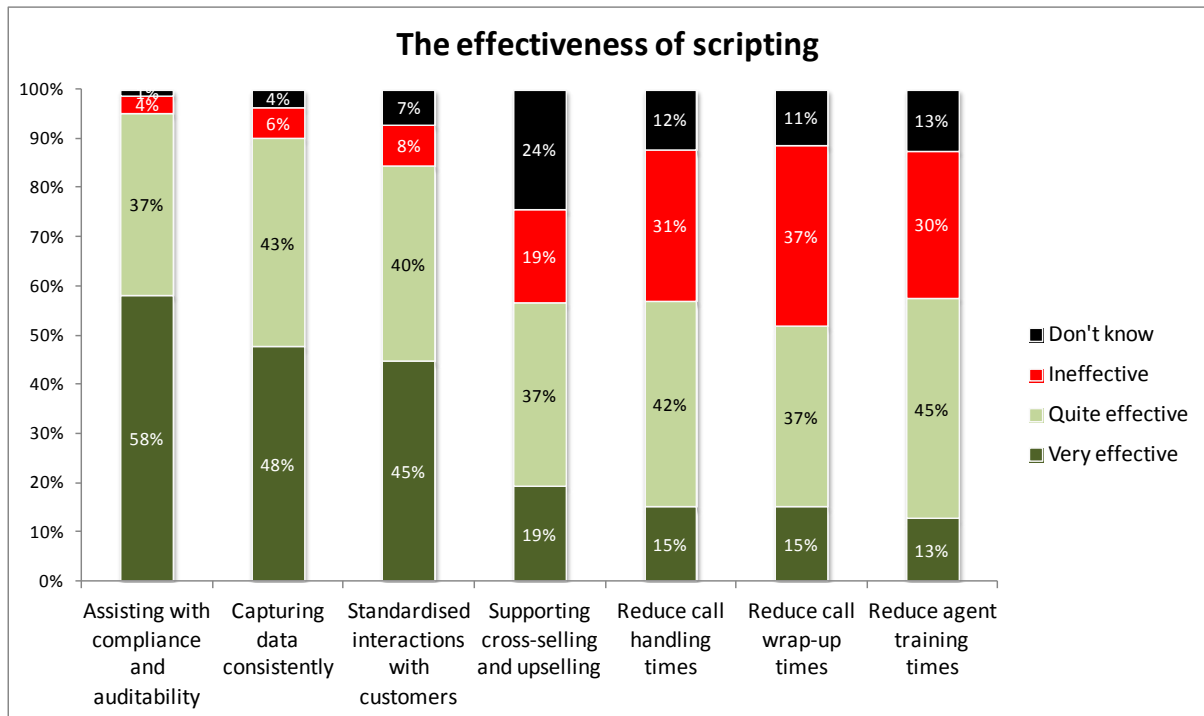
Around half of outbound respondents use scripting for all calls, with a further 10% using it partially. However, those in mixed and inbound environments also use a considerable amount of scripting, suggesting that contact centre size and the amount of sales carried out are the dominant factors in deciding the level of scripting used in contact centres.

Figure 11: Use of scripting, by contact centre activity



A fairly small proportion of respondents in any sector or size band have stopped using scripting, but there are a 35% which have no intention of using the application, particular in small and service-focused operations. The next pages will look at what scripting is used for, how effective it is, and why some businesses are against it.

Figure 12: 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). 85% 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.

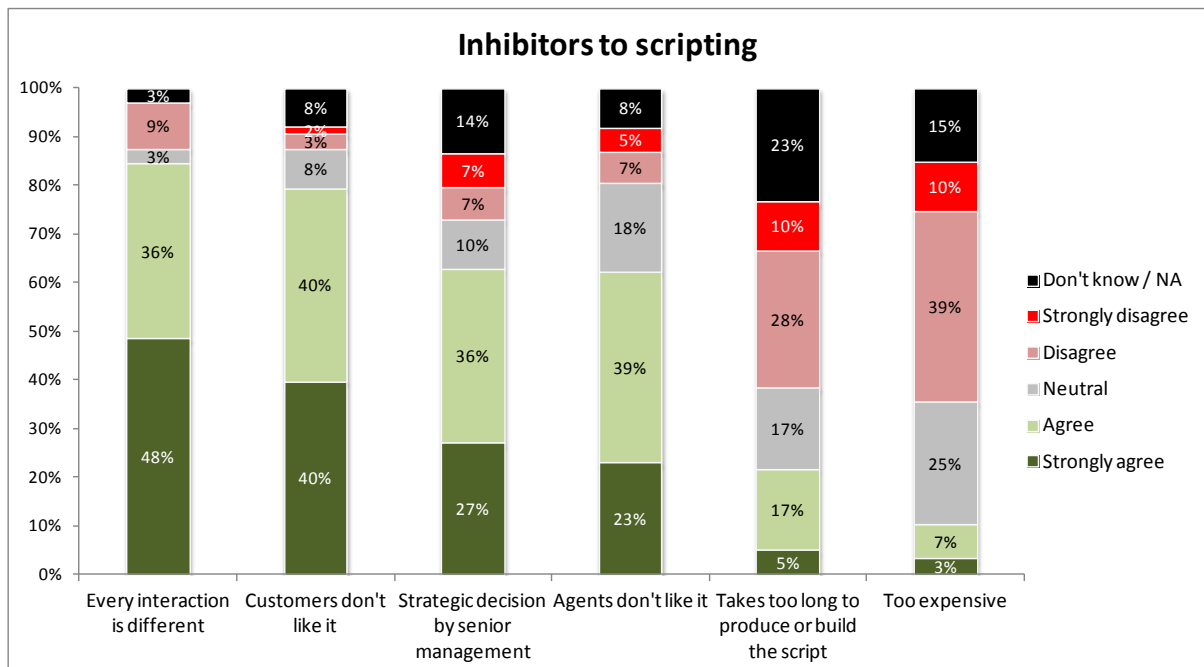
It seems fair to say from looking at these results that, while overly-scripted conversations are frustrating for both caller and agent, a dynamic script or prompt which guides an agent through a conversation and provides relevant information and suggestions is certainly worth considering and tends to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



Whether you are running tight scripts in a very controlled environment, perhaps due to legislative or compliance requirements, or have the opportunity to utilise a more free form or loose scripting, the use of scripts can and should be largely driven by an intelligent unified agent desktop that automatically pulls customer-specific information from back office applications and populates them onto a single screen. This approach helps to break down the typical barriers of customer contact, giving the agent easy access to all information and opening up the freedom to build a quick rapport and provide a positive experience that makes the customer feel special.

Despite these positive responses from users, scripting has had a bad name, engendered by the uncomfortable-sounding scripts often used by outbound sales agents, particularly those from offshore. 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 13: 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.

Completing the Circle

Introducing a single 360 degree process to align compliance with commercial goals

As regulatory pressures increase, it is becoming more difficult to optimise sales via the contact centre *and* comply with various industry regulations. Naturally you need to ensure that the necessary scripting is employed so that you stay within the law and curtail any damage to your brand and subsequent loss of business, but what about measuring and improving performance overall?

The Quality Conundrum

Whilst your QA may tick the relevant compliance boxes, it can sometimes overlook or be at odds with the performance of agents and their ability to complete business transactions properly. Where many contact centres fail is how they internally manage their compliance and QA processes. One of the biggest problems, is that some of the systems used for measuring quality and agent performance are still quite antiquated, relying on paper-based score cards. These manual approaches are time-consuming and cause delays in establishing true performance results. By the time that reports are produced and acted upon you may have already lost the gains that any corrective action could have produced.

What's missing? – 'A 360 degree' approach

What's often missing is the ability to produce meaningful data quickly and distribute this to the key people that can address the quality issues in real-time. ***If you can't measure it then you can't manage it.*** Once a quality/compliance issue has been identified, perhaps 'mis-selling' by an agent or you recognise that elements of a script need modifying, there should also be a structured chain of command in place to take the appropriate action. In our experience, there is too much reliance on Team Leaders to identify and fix quality issues which in many cases simply fall into a black hole with poor follow up. Instead you need a 360 degree approach whereby any issues are flagged and the information disseminated to ***all*** relevant departments - from Training to Senior Management.

Align QA with business goals

With compliance taken care of, you also need the capability to highlight where agents are failing to carry out certain procedures that will prevent a sale or transaction being completed. For example in the claims management industry the 'pack-back' rate measures when an application pack is returned because it has not been filled in properly. Whilst the original conversation between the agent and the customer may have been fully compliant, you also need to create alerts when procedures are overlooked, repeated or incorrect data is captured. An early warning system means you can take any remedial action immediately, so agents do not repeat their mistakes and lose more potential business in the future.

In the round

Finding a balance between compliance and commercial success is much more achievable if you have the right quality systems and procedures in place. If you want to get greater value from your operation then 360 degree QA technology is the way forward. As one of our customers put it, ***"With a 360 degree approach to QA we could drive efficiencies into the advisor/customer process, improve overall bottom line profitability and help with the company's continuing philosophy of treating customers fairly."***

What does a 360 degree QA solution offers

- Ability to prove retrospectively regulatory compliance e.g. FSA / TCF
- Eliminate the need to use manual labour-intensive spread sheets
- Implement procedures that ensure that their agents adopt best business practice and correct any non-compliant behaviour at source and in real-time
- Save money by reducing their volume of failed transactions
- Incentivise their staff to become top-performers, thus encouraging loyalty of valued staff and reduce expensive churn

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.

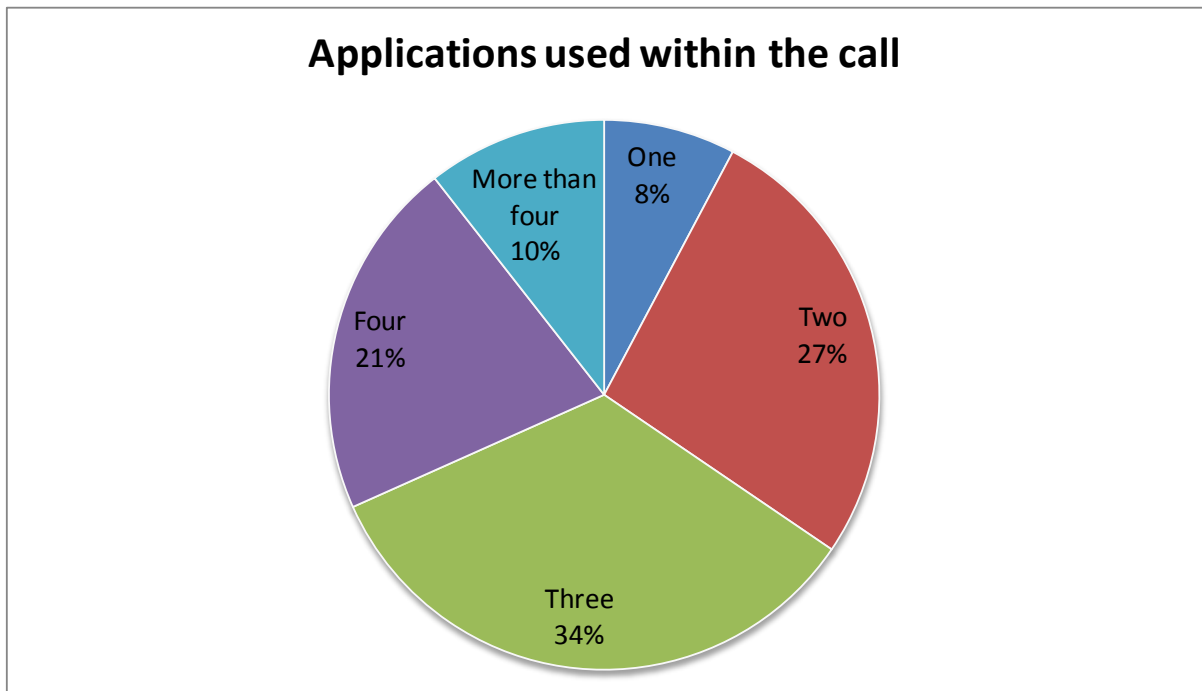
Figure 14: Use of multiple applications across vertical markets

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 92% 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 15: How many applications does an agent use within a call?



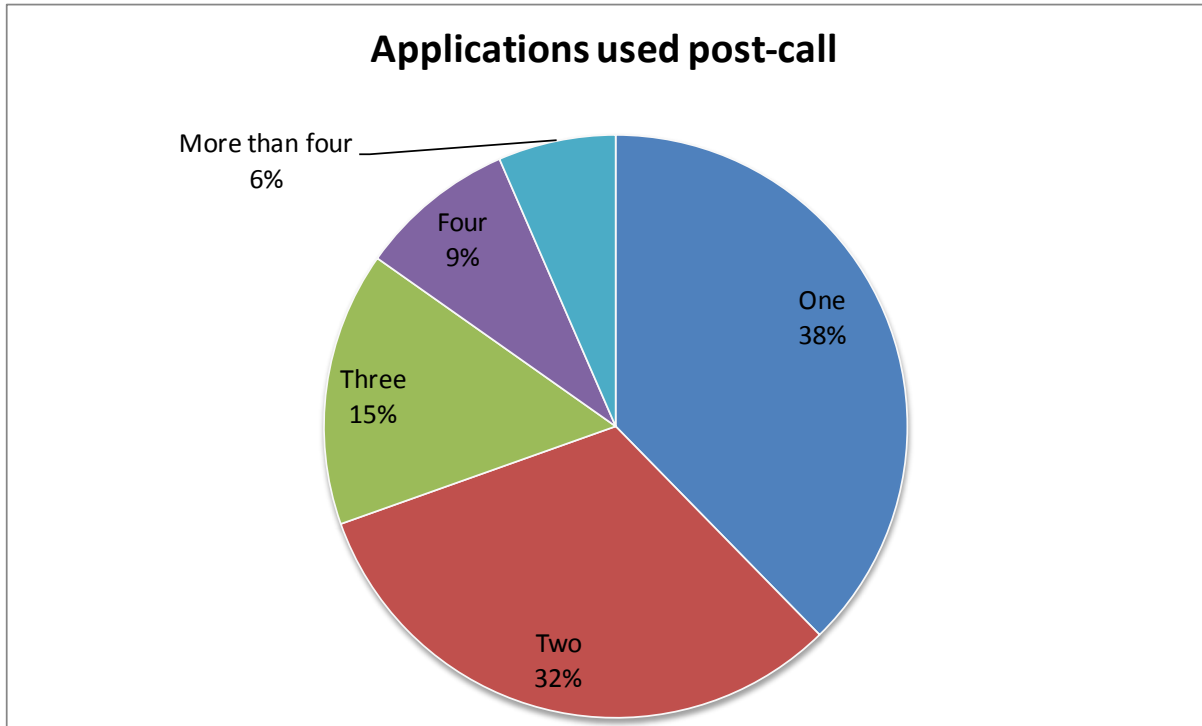
In most cases where complex, multiple applications are used, they are necessary for the agents to do their job, so the question is not “How can we reduce the number of applications?”, but rather “How can we improve how the agent uses the applications?”. At the moment, due to complexity, expense and the 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 16: 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.



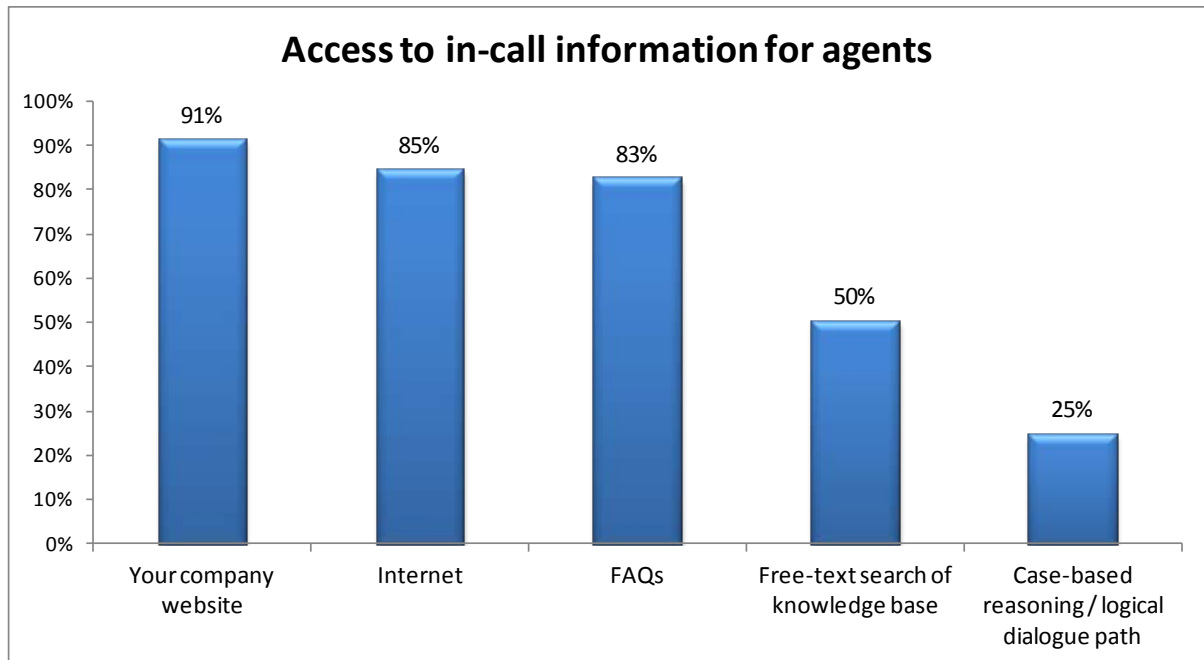
Contact centres will only be successful by reducing the focus on purely metrics and finding the lowest cost of service. Instead they need to look at a more balanced picture and grasp that each customer has a huge lifetime's worth of value. Customer experience and overall customer satisfaction often fly in the face of cold commercial realities based on performance.

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 25% 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 17: 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).

A balance can only be achieved by eliminating siloed systems and centralising agent workflow into a single view, so it's easier and faster for agents to respond to the customer on a truly one-to-one basis. If we want to change the negative perception of call centres in this country, the industry needs to let go of short-termism and embrace culture, systems and technology that serve customers better.

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.



Gain customer feedback
Capture the voice of your customers
Increase agent engagement

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

— Turkish Proverb

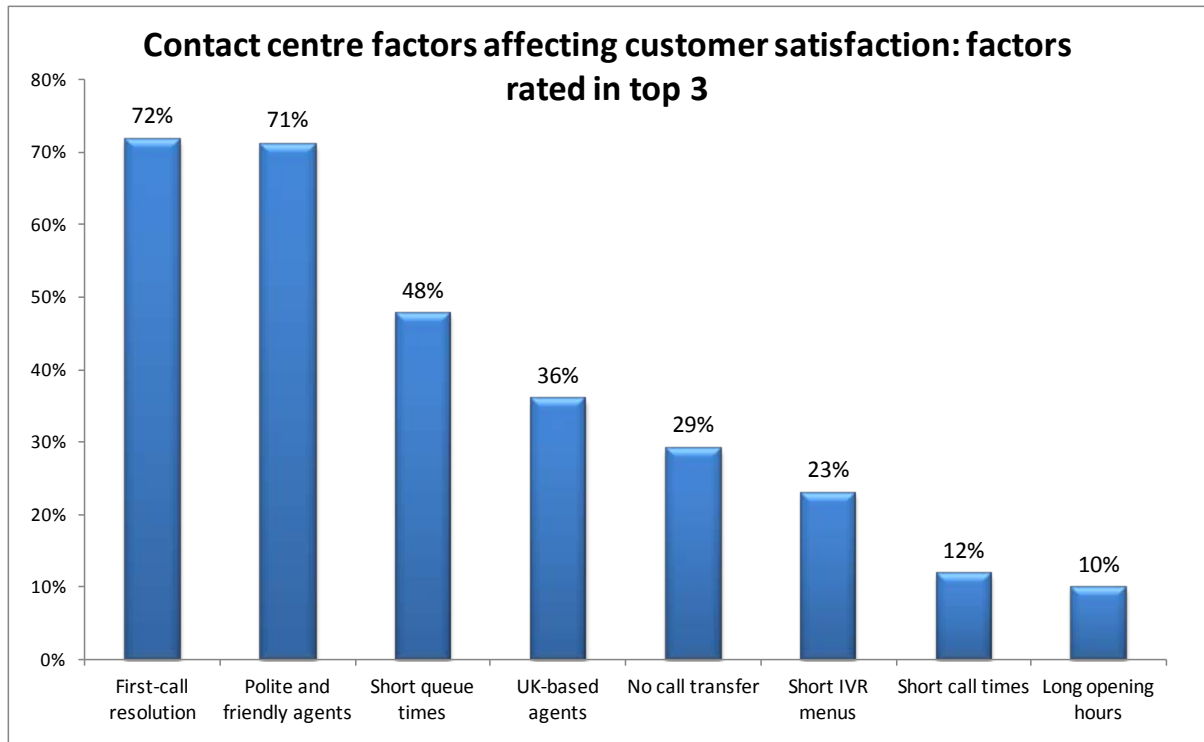
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FACTORS IN ACHIEVING CUSTOMER SATISFACTION

Respondents were asked to choose the three most important factors impacting upon customer satisfaction from a list of eight, with the graph below showing the most popular choices.

Figure 18: Which of these factors do you believe to be the most important in achieving customer satisfaction?



Unsurprisingly, by far the most frequently-chosen were first-call resolution and having a polite and friendly agent deal with the call. Outside the call itself, a short queue time was also seen as important, acknowledging that the customer experience starts well before the agent's greeting. Contact centre management also believe that having UK-based agents goes a long way to helping customer satisfaction, with 36% of respondents placing domestic agents in the top 3. Short call durations, which has been slipping as a primary metric for a number of years, as seen as being far less important than actually getting the matter sorted first-time.

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.



Reap the rewards of employee engagement

Call centres have high levels of staff turnover, amongst the highest of any industry sector. As the average cost for replacing staff is estimated by the Chartered Institute of Personnel and Development as up to £9,000, it is fundamental to the success of any organisation to retain its best employees. Responding to your employees' needs not only increases employee engagement and improves employee retention, but also promotes customer satisfaction, which is consistently reported as one of the most important issues for contact centres.

What's going wrong?

Managers face competing demands to improve customer service and to streamline the efficiency of their call centre's service levels. This can often make employees feel pressurised and scrutinised and can actually prevent them from fully satisfying the demands of their customers. Call centre and customer contact staff have traditionally assessed and managed their effectiveness by adopting metrics like 'time to answer', 'longest queue time' and 'longest wait to abandon'. Operating call centres by these measurements often impede employees from providing the quality customer service they want to. Though nobody would deny the necessity of improving customer satisfaction, rewards are rarely based upon this.

What can you do?

Leading edge companies are ditching traditional call centre metrics to focus exclusively on customer focus. Your staff deal directly with your customers: they are the face of your business. Being at the frontline, their knowledge of your business and your customers is unparalleled. Implementing a staff satisfaction survey is a visible and transparent way of showing your employees that you value their contribution and opinions. Employee surveys can also help you learn from the direct experiences of your staff to drive service improvements.

What are the drivers of employee engagement?

No matter what industry you are in, there are common factors that make employees feel engaged.

- **Organisational clarity:** Employees like to understand the purpose of their roles and how they fit into an organisation. Companies that have a strong, transparent and explicit organisational culture tend to engender trust and understanding amongst their employees.
- **Good management:** Managers who are clear about their expectations, offer feedback, support & training and treat each employee as an individual help to increase staff satisfaction.
- **Listening:** Employees need to feel that their opinions are being listened to and their viewpoints matter.
- **Organisational honesty:** Companies that live by the values they publicly espouse are much more likely to illicit employee advocacy and trust.

We can help you with all aspects of your employee surveying needs.

Opinion-8 has vast experience in the field of employee research and can assist you in creating a survey that will identify ways to improve employee engagement, advocacy and commitment as well as highlighting ways in which you can serve your customers better.

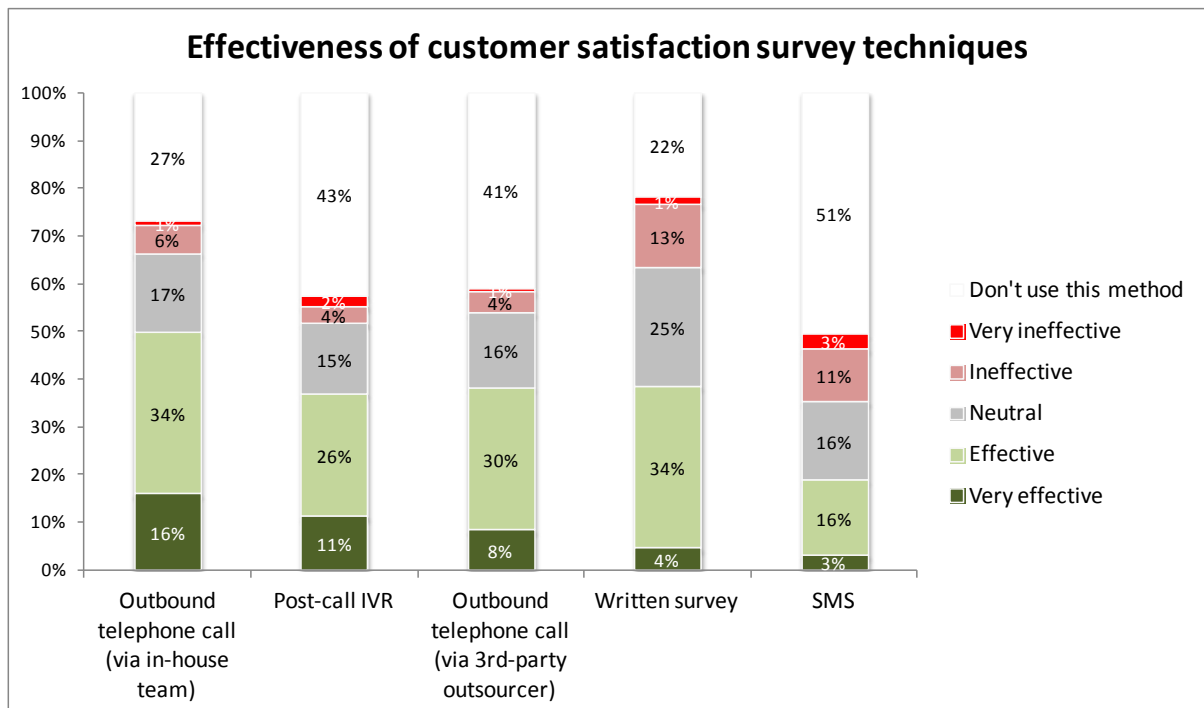
For more information: <http://about.opinion-8.com/employee-feedback-by-telephone-or-web-surveys/>

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 more than 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 very mixed.

Figure 19: 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.

This year, the majority of respondents do not further reward agents specifically for any metric, which is an opportunity missed to reinforce positive behaviour and results. That only 25% of respondents reward based upon first-call resolution rates is particularly strange given the belief shown previously that this is likely to help customer satisfaction rates, and of course cuts down on unnecessary follow-up calls. This may be explained by the nature of measuring first-call resolution, which is a hit-and-miss affair in many operations.

Figure 20: How do contact centre staff get rewarded?

Reward method for agents	Proportion of contact centres using this
Call performance statistics	40%
Customer satisfaction rating	38%
Revenue	37%
Cross-sell / up-sell rates	32%
First-call resolution	25%
Net Promoter Score	14%

Despite customer satisfaction being consistently reported as one of the most important issues for contact centre managers to track, only 38% respondents reward agents based upon the customer satisfaction rating achieved, 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, and more with overall revenue, which of course are metrics not associated with service-only operations.

Figure 21: How do contact centre management get rewarded?

Reward method for management	Proportion of contact centres using this
Revenue	44%
Call performance statistics	37%
Customer satisfaction rating	35%
Cross-sell / up-sell rates	24%
First-call resolution	21%
Net Promoter Score	18%

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 and finance 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.

53% of respondents now tracking customer satisfaction at an agent-level (doing this with written questionnaires is especially difficult), and 69% 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.

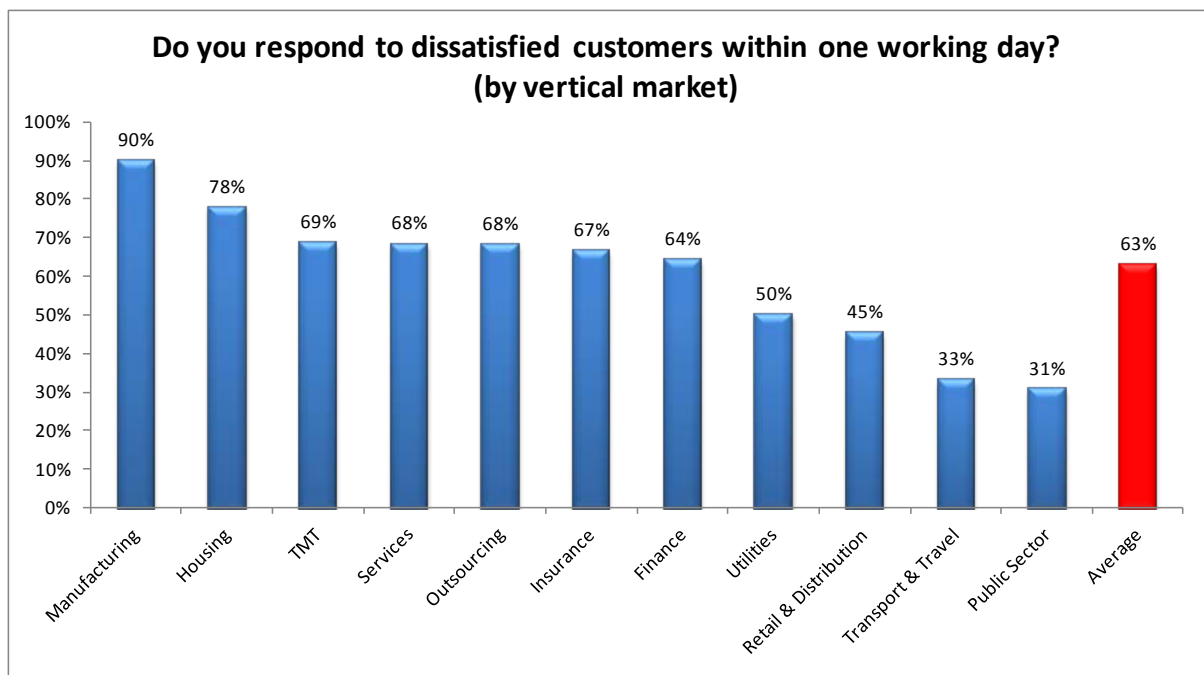
This year, many more respondents state that they identify the specific behaviours and characteristics associated with successful or unsuccessful agents and conversations, as how a customer feels about a company is key to whether they will stay loyal or defect if a cheaper alternative comes along, although again.

Figure 22: Customer satisfaction measurement, in-depth

Outputs from customer satisfaction measurement	% respondents
Verbatim responses from dissatisfied customers	73%
The business processes that are causing customer dissatisfaction	69%
The specific characteristics and behaviours most liked / disliked by customers	56%
The agents providing the highest levels of customer satisfaction	53%

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 (the same proportion as last year). This offers businesses the chance to prove themselves to the customer, potentially turning a detractor into an advocate. The public sector is again behind the general trend to engage with unhappy customers.

Figure 23: Response to dissatisfied customers within one working day, by vertical market

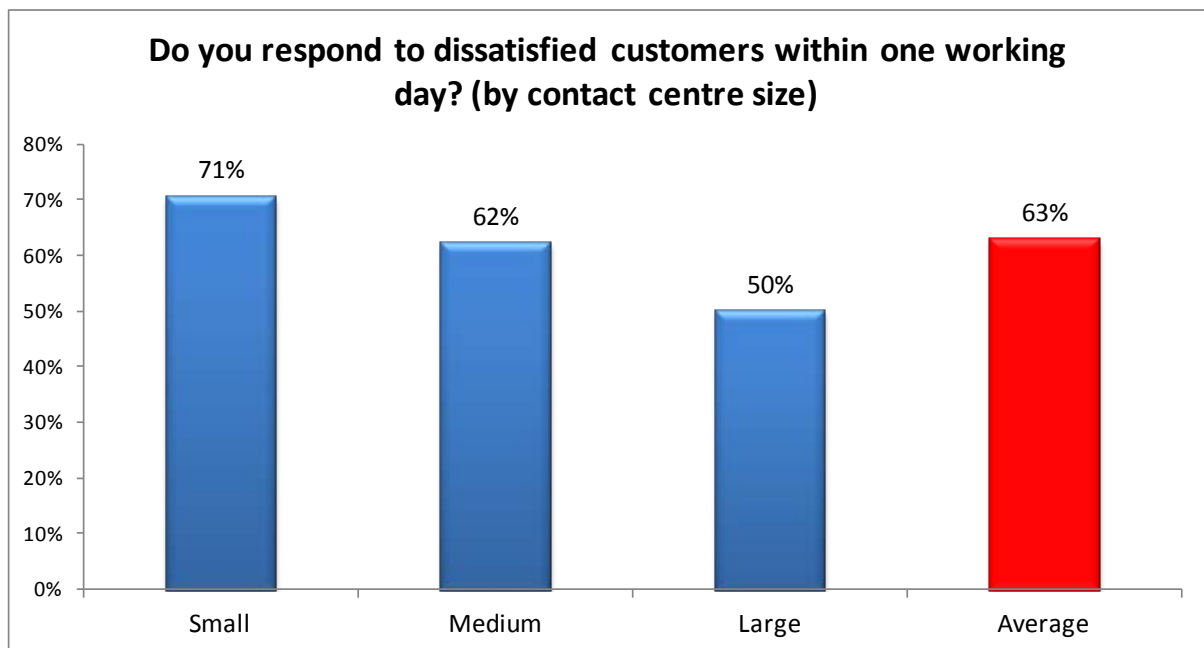


Any reluctance to deal promptly with unhappy customers does not seem to be a factor of contact centre size or available resource. 50% of large operations are not geared-up to fire-fight a bad customer experience, and risk losing that customer for good.

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 24: 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 25: 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) - mean

Vertical market	Proportion of calls that are complaints	% complaints about the contact centre	% complaints about the wider business
Retail & Distribution	13.0%	24%	76%
Utilities	7.7%	31%	69%
Insurance	3.8%	40%	60%
TMT	5.1%	28%	72%
Transport & Travel	6.3%	17%	83%
Finance	6.5%	16%	84%
Manufacturing	7.9%	11%	89%
Services	3.9%	20%	80%
Outsourcing	2.4%	28%	72%
Housing	4.1%	11%	89%
Public Sector	2.4%	18%	82%
Average (mean)	5.1%	23%	77%

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 3.12% of its overall calls being complaints about the service received in the contact centre itself (calculated by multiplying the % of complaints 13.0% - by the % that refer to the contact centre - 24%). On the other hand, the public sector has a miniscule 0.43% of calls being about the failings of its contact centre operations.

The majority 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 the case that there is a blurring of responsibility between the contact centre and the rest of the business so that lines of demarcation over where the fault lies can be difficult to find. For example, a telecoms provider that has taken an order for a new line has to rely on the rest of the organisation to provision and deliver this correctly. If the agent takes the contact email down incorrectly, the customer will not receive any information about their order, which may have a query on it. When the irate customer rings in to complain, the problem may appear to be with the back-office processes where the order has halted, but the fault actually lay with the agent. Whether this is tracked or reported on correctly is not a certainty, so the split above between contact centre / back-office complaints should be treated with caution.

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.

QUALITATIVE BUSINESS INTELLIGENCE

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.

For most businesses, there is no fixed agreement on what a successful contact centre looks like and there isn't even an agreement at board-level on how an operation should be viewed. Even in similar industries, around half of businesses state that a contact centre is a strategic asset, with the other half seeing it as an operational cost centre.

At an operational level, managers are tasked to balance factors such as cost, efficiency, staff morale and attrition, call quality, customer satisfaction and revenue - some of which may be mutually antagonistic - in a constantly-changing environment where there is limited opportunity for reflection. Often these contact centres exist on a virtual island away from the rest of the business, not just geographically, but logically as well. Although they belong to the business, and constantly receive insights about other parts of the operation, they may not have the ability to provide actionable insight either for their own benefit or for other departments.

Having said that, the contact centre world has moved on from the ruthless focus on call throughput and call duration that characterised many operations a decade ago. This chapter looks at how contact centres attempt to measure the really important metrics which are concerned with the customer experience, the extent to which these gather actionable insight, and how further improvements could be made.



...It's all about call outcomes.

Insight 360° is a business intelligence tool designed for Contact Centre Managers. It goes beyond simple call volumes and timings to deliver detailed analysis of why customers call and how well each call is handled.

Insight 360° enables you to easily and cost effectively categorise each and every call received by your contact centre. You gain immediate insight into WHO is calling you, WHY they are calling and HOW well you are serving their needs.

By understanding WHO, WHY and HOW, you are able to:

- Reduce Call Durations
- Increase 1st Call Resolutions
- Address Avoidable Calls
- Reduce Call Transfers
- Improve Agent Performance
- Increase Customer Satisfaction



Insight 360° is brought to you by IP Integration, an Avaya contact centre specialist, providing a wide range of technology solutions, software applications and professional services.

Microsoft®
GOLD CERTIFIED
Partner



THE ROLE OF FIRST-CALL RESOLUTION

The ability to understand a query and deal with it in a reasonable timeframe at the first time of asking is the key to a contact centre's success, reducing the overall number of calls while providing the customer with a good experience which will impact on the company's overall performance. It also has a positive effect on the agent's morale (and thus, staff attrition rates), and increases the chances of a successful cross-sell and up-sell being made. Little wonder that this metric has grown hugely in importance it can be problematic to quantify accurately. This risks this metric being ignored, especially as it is not simply a matter of producing a monthly report from ACD statistics.

First-call resolution rates are not a simple statistic to understand, but have to be viewed in context: an improving business may well see its FCR rate actually decline after it implements process improvements, which is counter-intuitive. Some businesses are currently handling live calls that are more suited to self-service or better marketing communications. Many of these calls are about the same issue, and are answered quickly and accurately, which improves FCR rates, but of course, piles up cost and impacts negatively upon other performance metrics, such as queue length and call abandonment rate.

Businesses should consider what is causing these unnecessary calls, rather than just focusing upon a single metric, and high first-call resolution rates may actually be masking underlying problems:

- The contact centre is handling simple and repetitive calls that could be moved to self-service, or which could be addressed on a website and through better marketing communications
- Callers are dropping out of self-service to speak with agents because the self-service application is failing in its task and should be re-engineered
- Unclear marketing communications are causing customers to call
- Calls are being received that are actually driven by mistakes from elsewhere in the enterprise.

When businesses begin stopping unnecessary calls at the source, those left are usually of a more complex nature. This will lower first-call resolution rates initially, allowing a clearer picture of what is really happening in the contact centre to emerge, which can then be addressed more fully.

A dramatic drop in FCR can be seen this year, although as the median has dropped only slightly, this is more of a statistical blip than a fundamental change in the past 12 months. However, the overall trend for FCR is downwards: as the easier interactions go to self-service (especially online), the contact centre is left with more difficult and varied tasks, which are also very complicated to categorise effectively using the current tools available to most.

Figure 26: Changes in first-call resolution rate (2003 - 2012)

Year	Mean average first-call resolution rate
2003	77%
2004	74%
2005	76%
2006	80%
2007	80%
2008	79%
2009	77%
2010	77%
2011	77%
2012	70%

First-call resolution rates seem a good metric to study, being concerned both with the customers' experience as well as avoiding unnecessary calls. However, it is very difficult to measure effectively, with no single best practice method of getting definitive statistics that are directly comparable to the rest of the industry. This difficulty is shown by the fact that in most years, 40-50% of contact centres responding to this survey do not collect FCR performance at all.

Of those that do, there are various ways to measure, or at least estimate, first-call resolution rates:

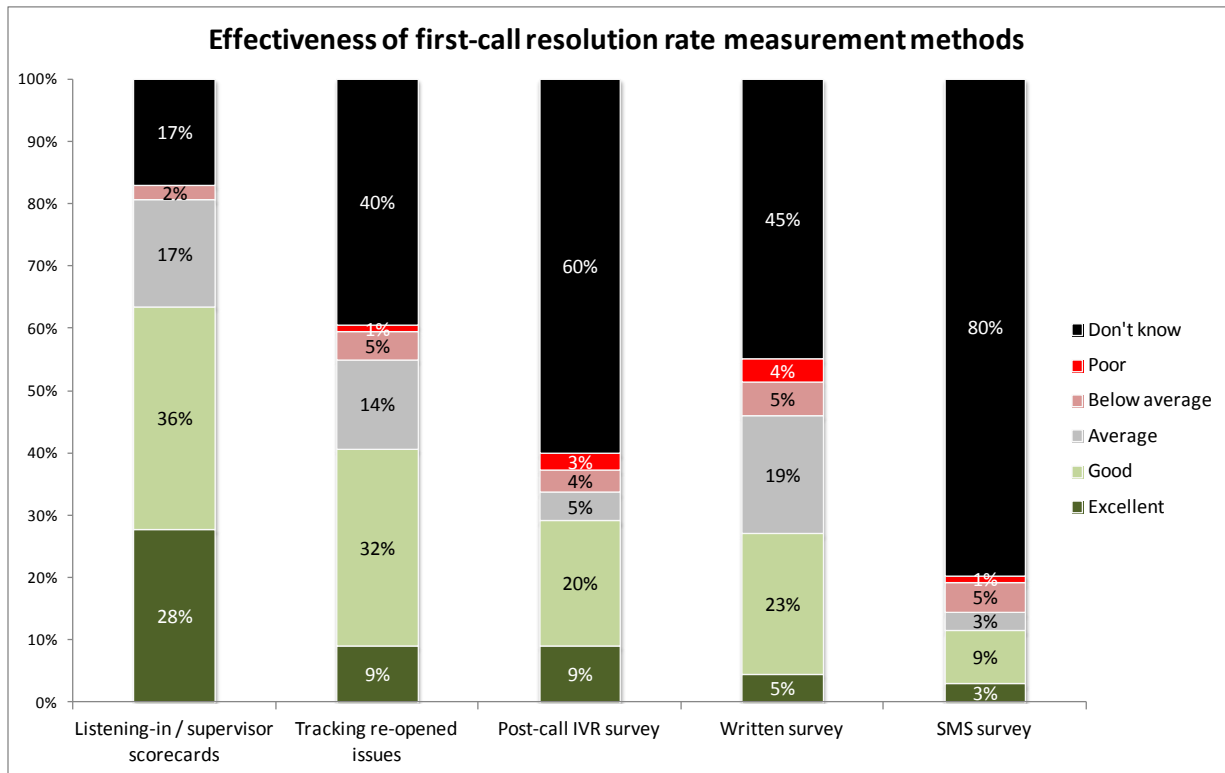
- Agents provide opinions on whether the call was resolved completely
- Tracking of issues shows if they are re-opened
- Supervisors monitor calls and score based on their opinion
- The company or a third-party can contact customers later to ask their views
- Customers provide feedback in end-of-call IVR sessions
- SMS messages are sent to customers at times defined by the business.

Listening-in to conversations is seen as the most effective way of gauging the call's success, and is used by 83% of respondents. Post-call IVR is also seen as getting a good response, although 60% of contact centres do not use this. In both cases, these are immediate and near-real-time methods, unlike written surveys.

It is worth noting that 54% of the respondents who track first-call resolution do so **only** based on the initial telephone call itself: that is, they do not check whether the action or business process initiated by the call has been followed through successfully. The vast majority of the complaints received by a contact centre are about the failings of the wider business, so focusing entirely upon the work done within the contact centre is missing the point of measuring first-call resolution. The traditional insularity of the contact centre operation fails the

needs of the wider business, but without an explicit remit to investigate and report on processes outside the contact centre, it can hardly be blamed for the failure to hunt down and fix the wider problems.

Figure 27: Use and effectiveness of first-call resolution measurement method



However, even if FCR can be measured successfully and accurately, this figure is still not actionable: we do not know why some calls are not resolved first-time. Without a greater level of insight, contact centre managers may not be addressing the real issues that are impacting on customer satisfaction and the effectiveness of the operation.

Insight 360 from IP Integration can provide a customised approach to FCR, ensuring that other factors are taken into account other than a simple yes/no answer. In addition to the information gathered by the agent, Insight 360 can incorporate information from other systems that can help close the loop for example a post call customer survey which can then be tied back to the agent view and alert a manager if there is a mismatch or to the ticketing system for highlighting re-opened issues.

IS SELF-SERVICE USED EFFECTIVELY?

Telephony self-service is a potential win-win for business and customers, saving costs for the one, and time for the other. However, there is still an untapped potential for 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 74% of respondents do not offer any full self-service solution via telephony, only 38% do not believe that self-service is entirely unsuitable for them. This means that 36% 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, or that they cannot be sure how to implement self-service successfully, so choose not to.

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. 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 is currently used. One of the factors holding this back is that most contact centres generally have a poor understanding of why their customers are calling, being unable to categorise interactions and thus be able to place a monetary value on the number of calls that could be handled via self-service but which are not. With it costing around 7 times more to handle a live call than through self-service, the ability to quantify opportunities to move to self-service would be a potentially profitable ability to have.



One of the primary uses of Insight 360 has been to help contact centre managers validate where Self Service can play apart within their contact centre by helping them categorise the calls that can be automated and then helping them determine the volumes of calls that can be self-served. With these two pieces of information the business case and the ROI can be developed. A subsequent use for Insight 360 within the self-service arena has been to help 'fine' tune Self Service applications once installed, by getting agents to classify calls which arrived from the Self Service application to understand why the caller opted out or was transferred out.

CALL TRANSFER RATES

The proportion of calls transferred between agents is an important metric to note when considering business intelligence, as - like first-call resolution - it impacts both upon the business's costs and the customers' experience. Having fewer call transfers is an opportunity to cut call and queue times, save money and improve customer satisfaction. On average, 8.6% of calls are transferred between agents (mean), with a median of 5%.

While it is a relatively easy metric to capture, it is much more difficult to understand the reasons for transfer without listening in to every conversation. 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 / speech analytics in cases of sudden high transfers should identify acute issues, although other, agent-driven explanations would also work.

CUSTOMER SATISFACTION

When looking at the characteristics of an interaction that impact most on customer satisfaction, by far the most frequently-chosen are first-call resolution, and having a polite and friendly agent deal with the call. Outside the call itself, a short queue time was also seen as important, acknowledging that the customer experience starts well before the agent's greeting. 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.

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. In theory, these detailed calls could provide actionable insight, but the reality is that too few calls are analysed, and customers may have forgotten important elements of the call in any case.



With telephony being viewed as the most effective way of measuring satisfaction, then why not ask the customers while they are speaking to you, either through a short and context sensitive agent led survey, or via a simple speech recognition survey after the call? This way the customer's response will be more accurate, and they won't need to be contacted again for their thoughts and opinions. Insight 360 from IP Integration can provide concise feedback, and when linked with IP Integration's AskME solution, these surveys can be voice or agent based, or even a combination of both, with all results presented via one clear and flexible dashboard application.

There is a more positive response to written surveys than in previous years, probably as the majority of these are done via email, although more than 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 very mixed.

Customer satisfaction surveys of any type run the same risk as first-call resolution metrics: they provide the 'what' rather than the 'why', failing to provide actionable insight as to why customers are satisfied or not, and how this can be improved. Capturing this high-quality information accurately on a consistent, cost-effective and high-volume basis is one of the greatest difficulties facing the contact centre industry.

One future method that may provide fruitful is through using the emotion detection element of some speech analytics solutions to gauge the customer's feelings and match that against call outcomes, agent behaviours and call content. However, this can be extremely difficult track accurately and meaningfully, as everyone has their own way of expressing themselves, words and feelings may not match up, or external irritations not related to the topic of conversation may intrude.

SUPPORTING THE AGENT

Agents can offer valuable insight, but the tools, organisational culture or time available may mean that knowledge never gets where it needs to be.

72% of contact centres say that agents could (but don't) provide senior management with better information about suboptimal processes elsewhere in the organisation. Only 56% of contact centres provide any information **at all** to the wider business about sub-optimal processes outside the contact centre, although in their daily jobs agents are constantly be told about confusing websites or marketing material, and problems with products, services or deliveries.

Once again, the problem that contact centres have is not about lacking information, as being able to structure it, understand it and act upon it.

The importance of insight in contact centre management

Contact Centre managers today are faced with an ever increasing challenge to control costs, improve customer satisfaction and retain and grow customers while at the same time identifying opportunities to improve sales of products and services.

For many contact centres managers this involves a constant balancing act between maximising transaction effectiveness and attaining the highest possible levels of call centre efficiency. To achieve this managers are reliant upon the management information available to them and the tools that they can deploy.

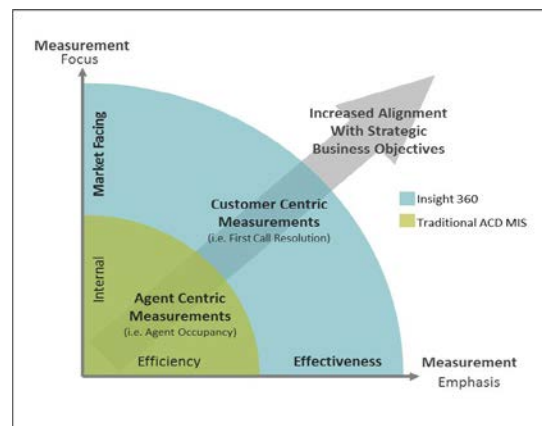
“Quantitative” v “Qualitative” metrics

Although contact centres are increasingly being viewed as strategic assets for customer retention and driving growth, traditional “cost centre” and “quantitative” metrics remain the central measurements of contact centre performance. However, in a Yankee Group study on Key Performance Indicators, a main finding was the need for businesses to place increasing emphasis on “qualitative” metrics such as first call resolution that directly impact customer satisfaction and retention, two key elements for driving business growth.

Contact centre managers therefore need much more insight than the “quantitative” metrics provide in order to effectively manage their contact centres. To truly optimise performance they need to gather agent and customer interaction intelligence to fully understand why their customers are calling and what they can do to improve the service they are offering.

Business Benefits Of Qualitative Metrics

- Increase first call resolution rates
- Increase customer satisfaction (CSAT)
- Reduce avoidable calls
- Improve call routing
- Reduce agent transfers
- Identify broken processes
- Improve Self Service completion rates
- Improve agent motivation and retention
- Find new up sell /cross sell opportunities



Gaining the Insight to the “Qualitative” Metrics

Insight 360 from IP Integration helps fill the information gap. It provides contact centres with an easy to use and easy to deploy tool that allows all or selected calls to be classified and valuable agent and customer intelligence gathered.

Insight 360 can also be integrated with our customer survey module, supervisor scorecard module and a call recording system, to provide a truly holistic view.

Insight 360 also incorporates a full BI reporting engine to provide access to the information gathered in the manner that best suits the contact centre’s requirements, from real-time customisable dashboards to extensive graphical reporting, with click through and drill through to the originating data.

Used by contact centres such as Co-op, Ladbroke’s, Nottingham Building Society, Carnival Group and NHS Professionals, it is proving to be the most effective way for contact centre managers to gain a real-time detailed analysis into their operations and to dynamically manage and improve their operational efficiency.

To find out more about Insight 360

If you would like to receive a consultation, demonstration and free 4 week trial* or download white papers on the subject of Qualitative v Quantitative metrics, please visit www.ipintegration.com/insight360

*Terms & Conditions Apply

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.



Aspect builds customer-company relationships through a combination of customer contact software and Microsoft platform solutions along with workforce optimisation for the enterprise. For more information, visit www.aspect.com/uk



Enghouse Interactive offers the tools necessary to improve your business operations with an integrated quality management and call centre optimisation suite to increase customer service quality and performance.



Genesys Performance Management delivers real-time insights across the entire customer service organisation, providing executive-level insight into customer service activities and business outcomes.



Infinity aligns QA and performance management into a single process – to meet regulatory requirements, treat customers fairly and drive bottom line profitability.



IP Integration is an Avaya contact specialist with in house development and integration capabilities that ensure that contact centre systems, processes and applications are delivering the best performance, at the highest quality. www.ipintegration.com



mplsystems bring together multi-channel contact centre technology with customer service and sales software, simplifying the agent desktop, reducing response times and so improving the customer experience –

www.mplsystems.co.uk



[Noble Systems](#) helps our clients improve the quality of their contact centre campaigns with quality assessment features; a combination of recording and reporting tools with voice recordings, screen and data captures and scoring features to help manage quality assurance activities for verification, training and quality control.



Nuance is a leading provider of voice and language solutions for businesses and consumers around the world.



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.



SAP Business Communications Management software helps organisations efficiently manage contact centre operations for improved customer service quality and performance.



Ultra Communications provides pay-as-you-use Cloud contact centre and PCI-compliant card payment handling services - with unmetered 24/7/365 client support and a unique real-time performance monitoring service.



Verint® enterprise workforce optimisation solutions help organisations capture, analyse, and act on customer interactions across multiple communications channels while gaining insight into internal processes that directly or indirectly impact the customer experience.

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.

Why Your Customers Don't Want To Talk To You!

Five Ways Businesses Can Achieve Effortless Customer Service

By Enghouse Interactive

The role of the contact centre is changing fast. Organisations are beginning to focus on streaming and prioritising customer queries at the initial interaction stage, based not just on the nature of the query but on information intelligently gleaned about the customer's value to the business. The ultimate aim is to create an effortless interaction, making it simple for the customer to get what they need at a price that is sustainable to the business. So how can organisations achieve this?

Deliver customer expectations but don't exceed them

Although it might sound counter-intuitive, all businesses should be careful not to waste expensive resources trying to exceed customer expectations. Research published by Harvard shows that exceeding customer expectations results in virtually no loyalty gains. Instead, the best way of encouraging increased spending and loyalty is to reduce the effort that customers need to put into the relationship.

"Affinion International handles customer contacts on behalf of some of the UK's biggest brand clients and the automated service is of critical importance to ensure that during peak call periods, our contact centre delivers best in class responsiveness"

Andrew Mutch, Affinion International

Enable customers to self-serve

Allowing customers to solve their requirements themselves through a self-service approach, rather than waiting to be answered by an agent, provides a quick service to the caller and significant cost savings to the contact centre. Self-service also extends business hours, giving customers access to services 24 hours a day, which also means increased sales. Enabling this type of interaction quickly reduces customer effort and therefore the ROI on solutions such as IVR can be very fast indeed.

Reduce channel switching to reduce effort

Customers expect to be able to resolve their problem using the device of their choice. Forcing them to switch media, for example from web to phone, increases their effort leading to frustration and a poor customer experience. Customers expect their interaction to be seamless and successful whenever and however they choose to contact a business. When it is not, they often 'defect' as a direct result.

Minimise obstacles that increase friction

If they want to achieve effortless customer service processes, organisations should evaluate what a typical customer service journey might look like and then map this to the profiles they hold on each of their customers. The aim is to create an effortless pathway, with a few steps in it as possible, to make it quick and easy for that customer to resolve their particular problem.

"The solution uses our customer profiles to tailor communication to the needs of a diverse community – we can communicate flexibly with them via their required method which can now also include email and SMS. This new system is amazing – it's a business changing piece of kit!"

Gary Neilson, Devon & Cornwall Housing

"We are happy to reach out to the full community with such offerings as Web chat, which is especially helpful to citizens who are perhaps hard of hearing. It makes a big difference for us on the social inclusion front, as the people we serve have taken to it hugely."

Isabelle Bignall, Cardiff Council

Focus on problem solving not speed

In the past, businesses have tended to focus on ensuring a rapid resolution to the customer's enquiry - sometimes at the expense of the quality of the response. To address this, organisations need to make sure they have systems in place to identify customers and likely types of enquiry and sort and prioritise their interactions appropriately.

Looking Ahead

Today is increasingly becoming the age of the effortless contact centre which is helping businesses bring order to customer interaction chaos. With the right technology in place, businesses can classify and respond to customers in the way that they want: quickly, efficiently and effortlessly.

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 28: 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 by 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 29: Agent activity



As with previous years, the decline in the proportion of talk time continues, with respondents' agents spending an average of just 52% of their time on calls, with around 10% of time spent on wrap-up and a little less on idle time.. Training and administration time is roughly similar, at around 13%, with 8% of time spent doing multimedia handling (a jump on the 2011 figure of 5%, in line with the rise in multimedia handling we have seen this year).

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 \(2012\)"](#) 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 30: Selected performance metrics

Metric	Mean average	Median average
Average speed to answer	27.3 seconds	20 seconds
Call abandonment rate	5.2%	4.0%
First-call resolution rate	70%	79%
Call duration (service)	264 seconds (4m 24s)	242 seconds (4m 2s)
Call duration (sales)	369 seconds (6m 9s)	301 seconds (5m 1s)
Call transfer rate	8.6%	5.0%
Cost of inbound call	£4.74	£3.34
Cost of outbound call	£6.43	£3.90

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 \(2012\)"](#) report.

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

ALTERNATIVE CONTACT CENTRE MODELS

Although many contact centres still operate in the same way in which most were originally set-up – a single, centralised site – there increasing commercial pressures and technical opportunities 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 agents not wishing to work anti-social hours or businesses wanting to pay for a full shift when only a couple of hours are needed
- 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.

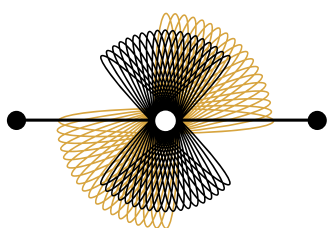
The virtual contact centre model has been driven by several factors. These include:

- 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 some 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 or country 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, converged networks and cloud-based solutions, 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, disaster recovery and continuous service 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.

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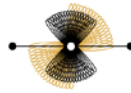
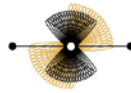


Figure 31: Virtual contact centre commercial and operational benefits

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

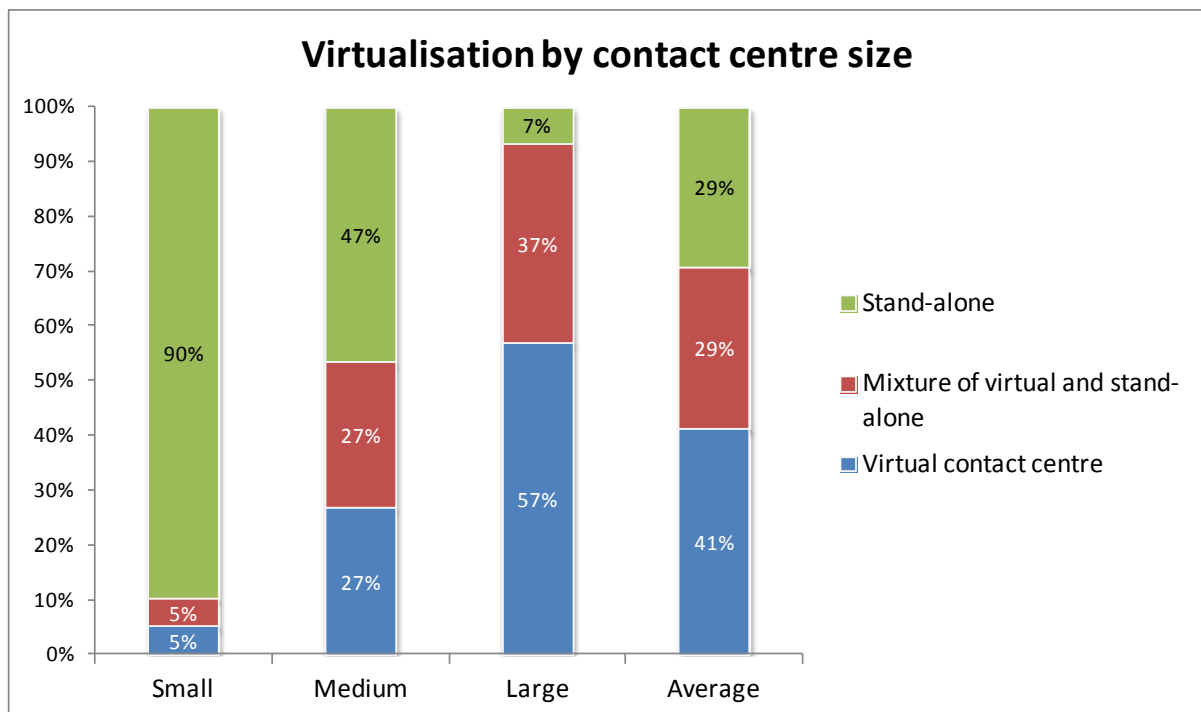


Linking contact centres together has been a complex task, especially in circumstances where the business has multiple types of switch and other infrastructure, perhaps as a result of merger and acquisition history. Recent years, and the widespread take-up of IP-based infrastructure has made such a task 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, with the cloud featuring in many businesses' decisions.

38% of this year's respondents centres are part of a multiple-site operation, and as such, are potentially part of a larger virtual contact centre structure. However, only 41% of multi-site contact centres act as part of a full virtual contact centre operation, with a further 29% 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). This level of virtualisation is somewhat higher than in past years, and may indicate that an increased use of cloud-based technology is being shown.

Looking at the uptake of virtualisation by contact centre size, the larger operations have been much 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 32: Virtualisation by contact centre size (multiple-site operations only)



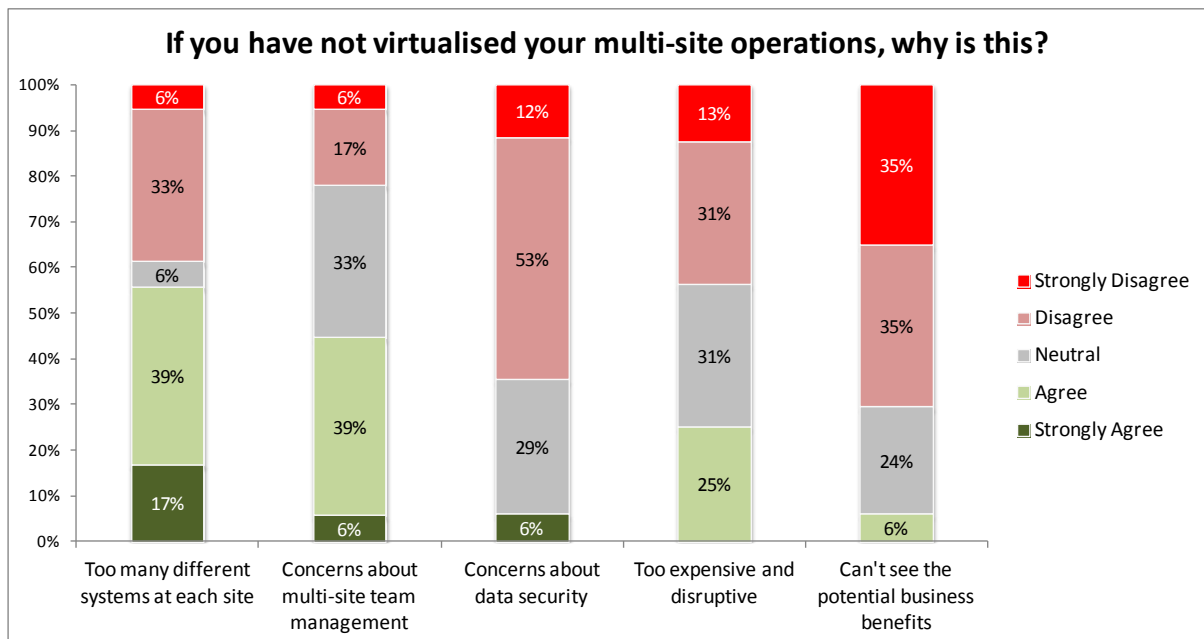
Respondents with virtual contact centres have generally been very pleased with the gains in efficiency and service level that they have experienced. The ability to smooth out call spikes by moving them between contact centres, and the reduced wait times were particularly mentioned, although all of the 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 33: Benefits of virtualising a contact centre

Benefit from virtualisation	Mean average (from 10)	Proportion of respondents rating this as 9 or 10 / 10
Improved ability to handle call spikes	7.9	42%
Fairer agent utilisation and reduced queues	7.6	32%
Wider range of agent skills available to callers	7.3	24%
Savings on call costs between sites	7.0	24%
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')"		

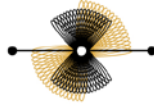
The issue of coping with call spikes is one which is growing year upon year, and has been particularly noticeable in the past few surveys. Virtual contact centres allow agents from other locations (including homeworkers) to make themselves available to deal with a different queue, being seamlessly moved 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 34: Reasons for not implementing a virtual contact centre



In the early-and-mid 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' - and this year's survey shows the strongest feeling yet that the business case for virtualisation has been generally accepted.

Many non-virtualising respondents 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.



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Risks hiding in the cloud

by Dave Paulding, Regional Sales Director UK, Middle East & Africa, at Interactive Intelligence

The cloud is an attractive place for those businesses looking to create a more efficient IT infrastructure, enabling the reduction of capital expenditure and offering staff the freedom to work remotely. But appearances can be deceptive, as choosing the wrong provider could lead to unexpected risks. Careful research is required to ensure a service offers the best return on investment and efficiencies.

It's Not All or Nothing

The first consideration should be how much infrastructure should be based in the cloud. Some might want to eliminate capital expenditure by basing all their telephony systems in the cloud, with services being accessed through a public network or a VoIP in return for a monthly fee. While this appears to offer better long-term budgeting, it is worth noting that if the VoIP connection is lost then so is all access data or calls, which can be very costly indeed. This is particularly true for those businesses that rely on telephony for purchases or financial transactions. Every minute that a customer can't be contacted is time lost for selling.

The safest option is to create a private cloud by purchasing and installing an infrastructure on the premises. However, this can be very costly both in terms of installation and continuing maintenance, making it only suitable for the largest organisations. The most cost effective option is a hosted hybrid model that offers the best of both public and private cloud networks: infrastructure operated by the vendor is deployed on a company's local network with voice and data kept on the premises ensuring continued access and security, while the logic and routing is in the public cloud and offers the public cloud price model.

Data and Users

Businesses are producing increasing amounts of data that needs to be kept. As large amounts of data can be expensive to store in-house, storing this information in the cloud can offer a more cost effective solution. Indeed with the right provider it is, but organisations must be aware that even though cloud providers can mitigate some of the expense of providing storage through economies of scale, they will encounter similar overhead constraints and data costs as an in-house solution. For instance, many providers will set an agreed data limit on what can be stored each year and if an organisation happens to exceed this – which is easy to do – the price can quickly escalate with additional data capacity costing at least £1,000 per year per Terabyte.

It is a similar story with the number of users. Many vendors will set a maximum number of users and if this is exceeded there can be a hefty price tag. Many may not see this as an important consideration yet some contracts can last several years and in that time a company could expand its workforce exponentially, outgrowing its contract and paying through the nose for additional users.

Data Centre Hardware

In terms of data centre hardware, unexpected costs can be mitigated by choosing the right solution from the vendor. While multi-tenant hardware is the cheapest upfront cost, as everyone is sharing the same machine and there are no barriers between accounts, viruses and system errors can spread like wildfire. This can result in a network going down through no fault of the customer, with valuable work and communications being lost. If this happens then the customer is going to lose far much more money than it saved going for the so-called cheaper option.

Another option is to entrust its critical IT infrastructure to a dedicated server and hard drive in the vendor's data centre. This has the advantage of completely isolating a customer infrastructure, meaning there is no risk from other users, as well as giving a business the freedom to expand their network as required. However, the known expense is high, making it only viable for organisations that have extremely large IT budgets.

The newer, cost-effective way of offering cloud infrastructure is through the use of virtual machines. These enable several hard drives to run virtually and completely separately on the same data centre hardware. The result being that there are no costs associated with a system going down due to an error affecting another customer. This ensures a high-level of security and integrity comparable to having dedicated hardware, while offering the lower upfront costs of the multi-tenant model.

The Silver Lining

Undoubtedly there are risks that businesses need to be aware of to avoid any nasty surprises, but looking carefully through a contract will reveal several of these. The most important piece of advice for anyone looking to move to the cloud is to research. Make sure all the facts and possible eventualities have been considered, for example being tied into a long contract just because it is cheaper is not necessarily the most cost effective option.

HOMWORKING 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:

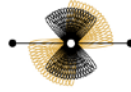
- the environmental benefits of working at home, reducing carbon emissions and decreasing congestion on the roads
- offshored contact centres are generally unpopular yet businesses are looking at ways to cut costs
- increased flexibility in working hours means rapid response and reduced idle time
- the 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.



Research shows the employer that can offer home working attracts staff with a wider pool of skills and the ability to work flexibly tends to draw more new and well-qualified staff. The retention rate for home-based staff is boosted too; recent statistics show that call centres typically see a 20% annual turnover, and this is halved when employees are allowed to work from home.



23% of this year's respondents were using at least some homeworking (up from 18% in 2011, 15% in 2010, 13% in 2009 and 12% in 2008), and overall, 3.6% of agent positions in this survey were based at home (up on 2011's figure of 2.5% and 2010's of 1.9%), supporting a definite upward movement over the medium-term. The outsourcing sector was as usual the most likely to be employing some homeworkers (31% of respondents), with Services (33%) and Transport & Travel (32%) respondents also doing so. Housing, utilities and manufacturing were least likely to use any homeworkers.

Of the 23% of contact centres that were using homeworkers, a mean average of 16% are homeworkers. The median is 11%, the first quartile is 17% and the 3rd quartile is 2%.

18% of small contact centres were using some homeworking, compared to 26% of large and 24% of medium-sized operations, indicating that homeworking becoming a factor of size. Future years will investigate whether this is a trend.

As a comparison, 2011 US figures show that 42% of contact centres were using some form of homeworking, so there is still some way to go for the UK to catch up.

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.

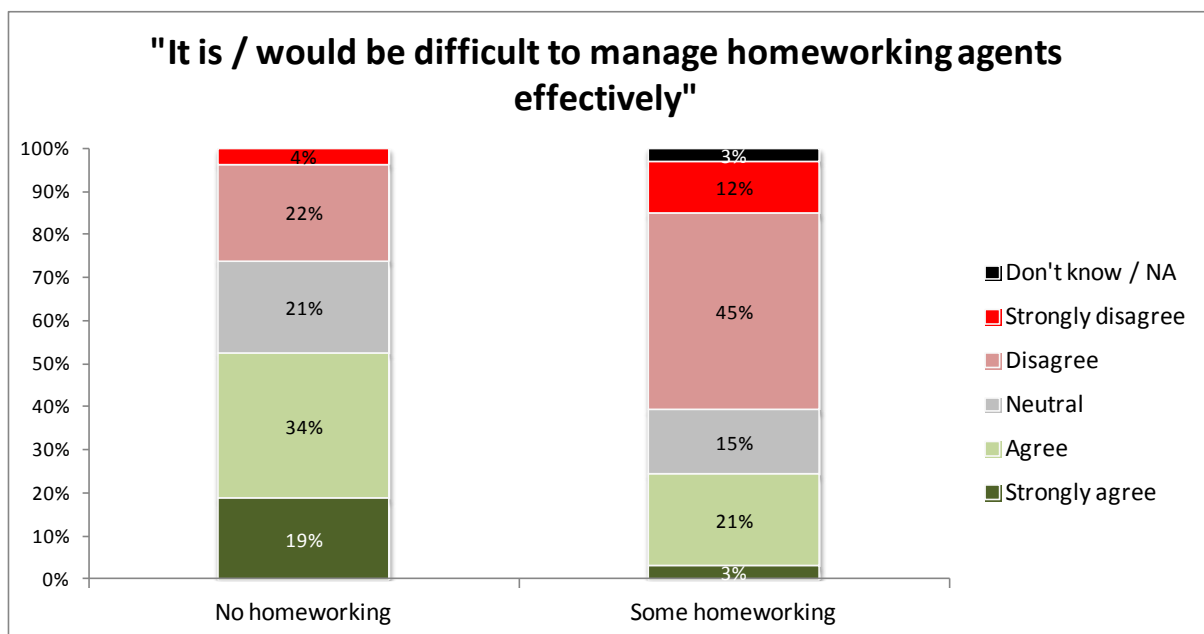
Respondents' view on the future of homeworking are more positive than they have been in the past, perhaps as a result of there being some definite successes experienced from businesses which have started using homeworking. In the following charts, respondents were asked to give their views on homeworking, 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 35: Opinion: "It is / would be difficult to manage homeworking agents effectively"



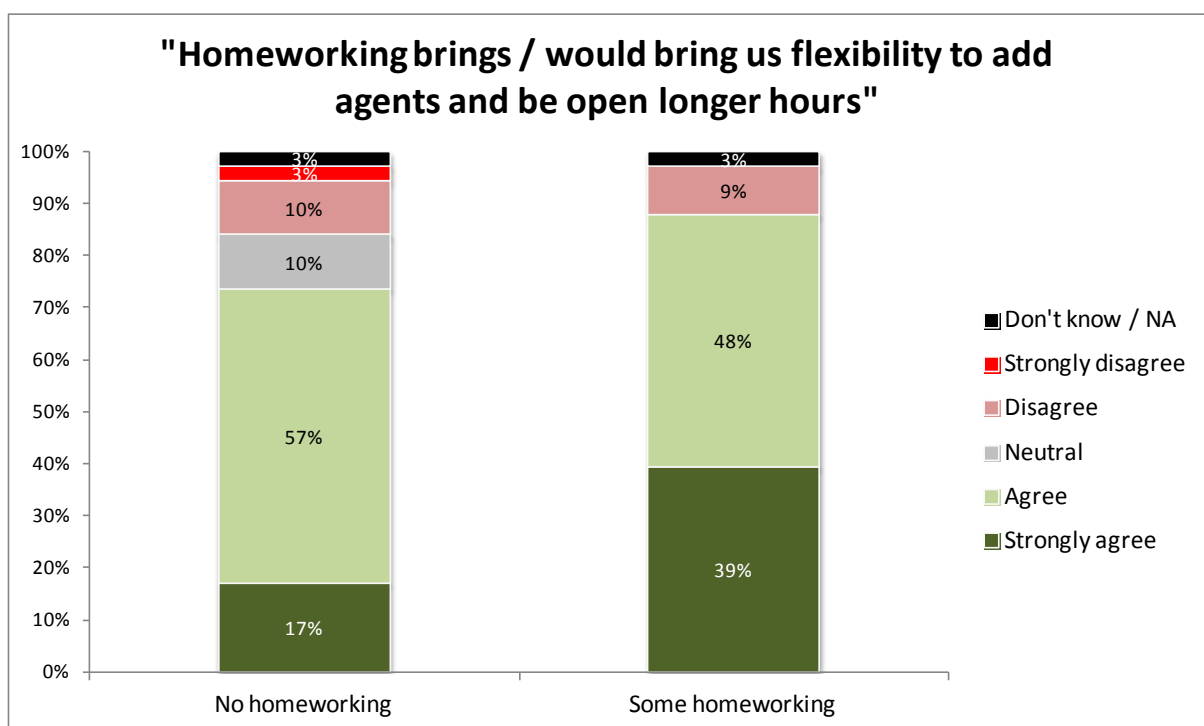
Mirroring last year's results, those contact centres with some experience of using homeworking are far more likely to be positive about management of staff than those without this experience. 53% of non-homeworking contact centre respondents are concerned about this (down on last year's figure of 72%), with few of those which have implemented some homeworking agreeing that remote management was difficult, and 57% 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 36: 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. 87% of contact centres using homeworking agreed that flexibility was a benefit to them as a result, almost identical to last year's findings. Non-homeworkers seemed convinced of this potential too.

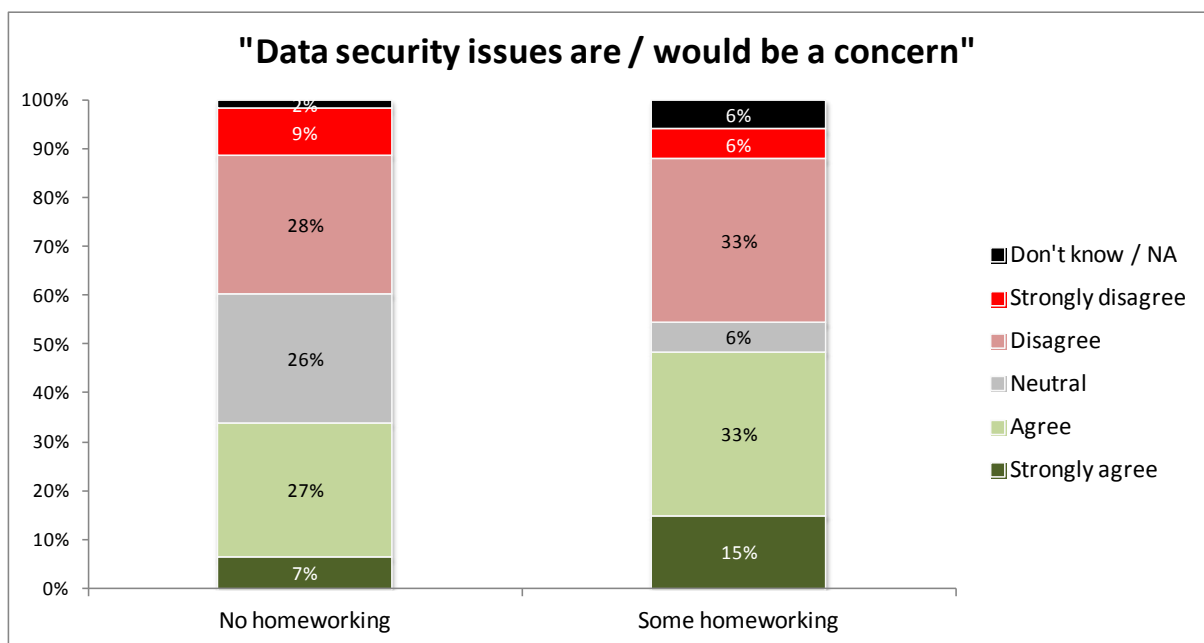
Regardless of why companies are turning to flexible working, the advantages to both the businesses and their employees are clear. Commuting time and stress are eliminated, as indeed are the costs, not only to the workers' pockets but also to the environment. Meanwhile, staff working unsociable hours no longer have to worry about travelling to otherwise deserted industrial areas in the middle of the night.

"Data security issues are / would be a concern"

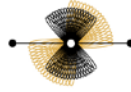
Working in an unsupervised environment is likely to mean that the potential risks for data theft and fraud are greater than in a closely-supervised environment such as a traditional contact centre, especially if any physical paperwork is involved, payment card details taken or passwords written down. 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 37: Opinion: "Data security issues are / would be a concern"



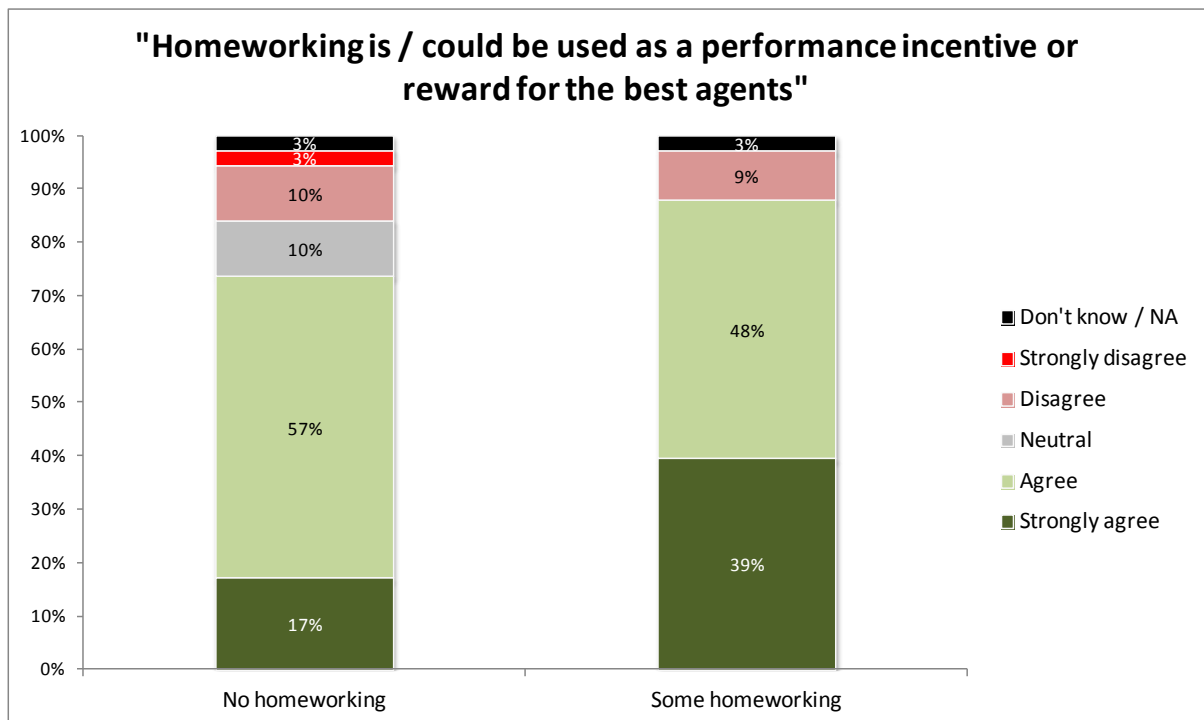
Those with no experience of homeworking are evenly split in the matter of security, with 34% agreeing and 37% disagreeing that this was a concern. As with last year, however, 48% of those who use homeworking agree or strongly agree that data security is a concern to them as well, so it appears that this issue is key in reality as well, with penalties for non-compliance and the effort of getting various security certifications clearly being an issue for many.

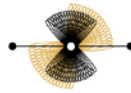


"Homeworking is / could be used as a performance incentive or reward for the best agents"

Interestingly, this possible advantage to homeworking is one which all respondents think is feasible. Homeworking contact centres used to be 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 less onerous than it has been in the past as experience and technology smoothes the way.

Figure 38: Opinion: "Homeworking is / could be used as a performance incentive or reward for the best agents"

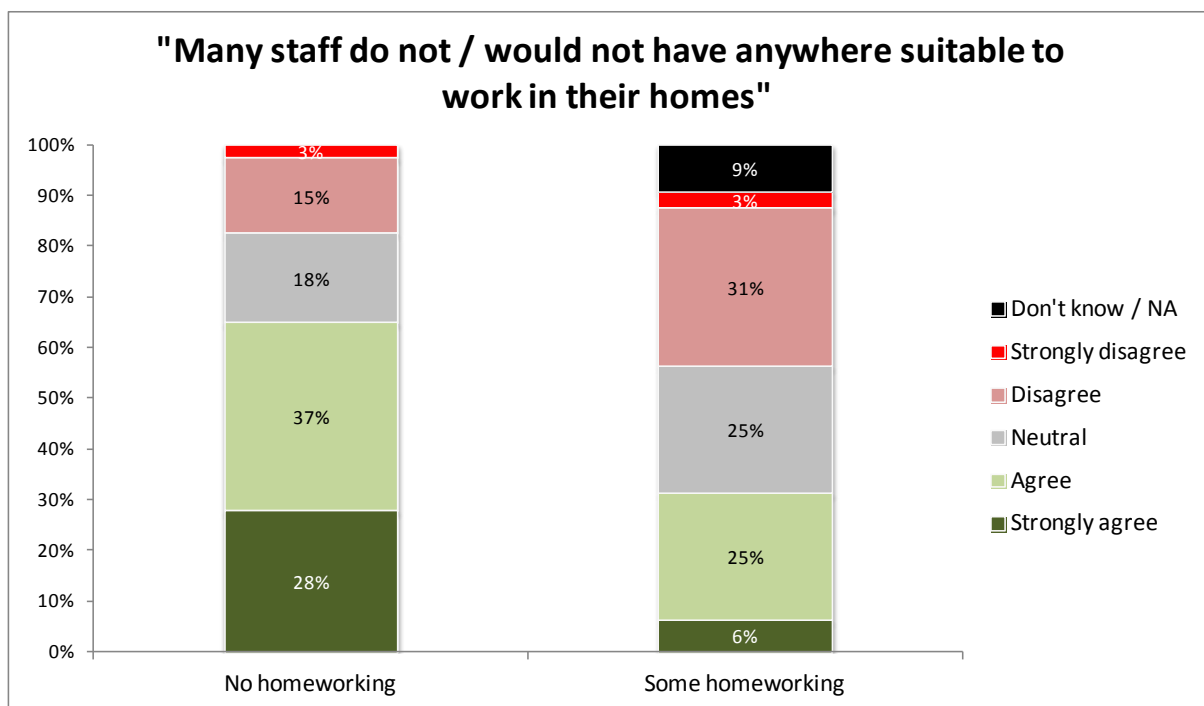




"Many staff do not / would not have anywhere suitable to work in their homes"

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 65% agreeing that this would be a problem. Even for those with experience of homeworking, 31% say that finding somewhere quiet for agents to work is an issue (although this is down from 46% last year). Obviously, it's important to consider working location on a case-by-case basis to assess the suitability of the agent for homeworking.

Figure 39: Opinion: "Many staff do not / would not have anywhere suitable to work in their homes"

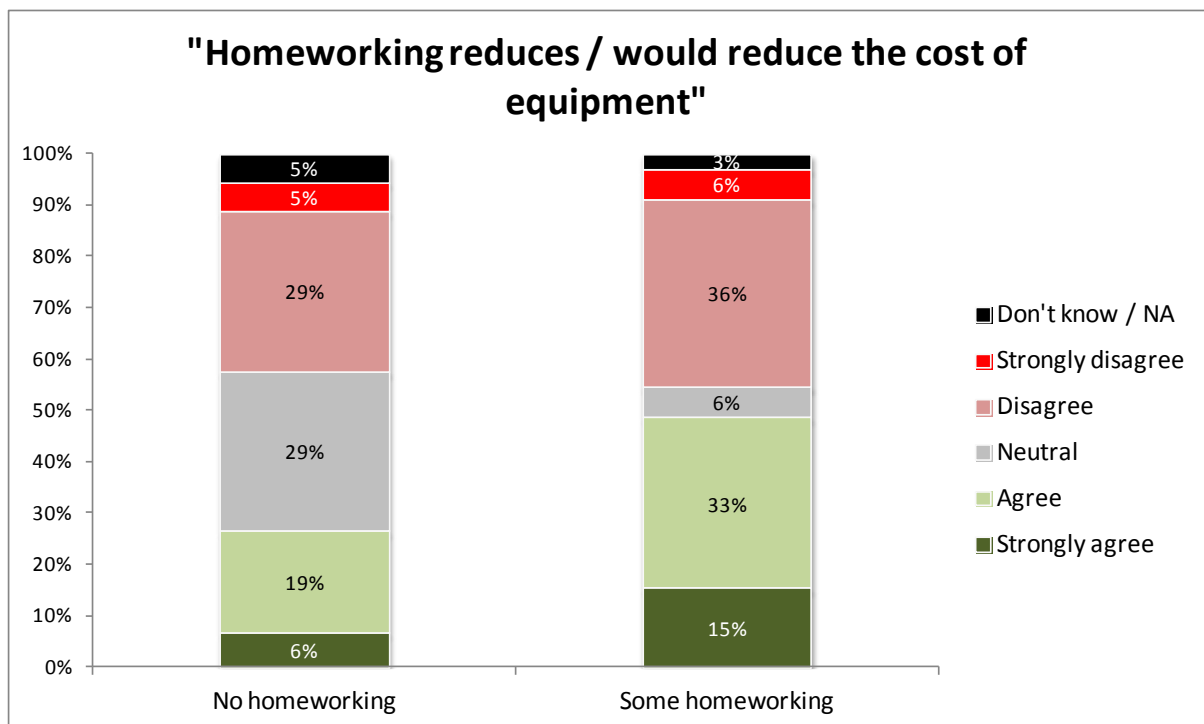


"Homeworking reduces / would reduce the cost of equipment"

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.

48% 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 25% of non-homeworking respondents.

Figure 40: Opinion: "Homeworking reduces / would reduce the cost of equipment"



It all sounds so easy, and it certainly can be, but the key to success is for businesses to choose an effective technology solution that offers a fully integrated flexible working strategy. The technology is ready, and more and more businesses are taking advantage of technological advances that allow virtually any member of staff to work from home.

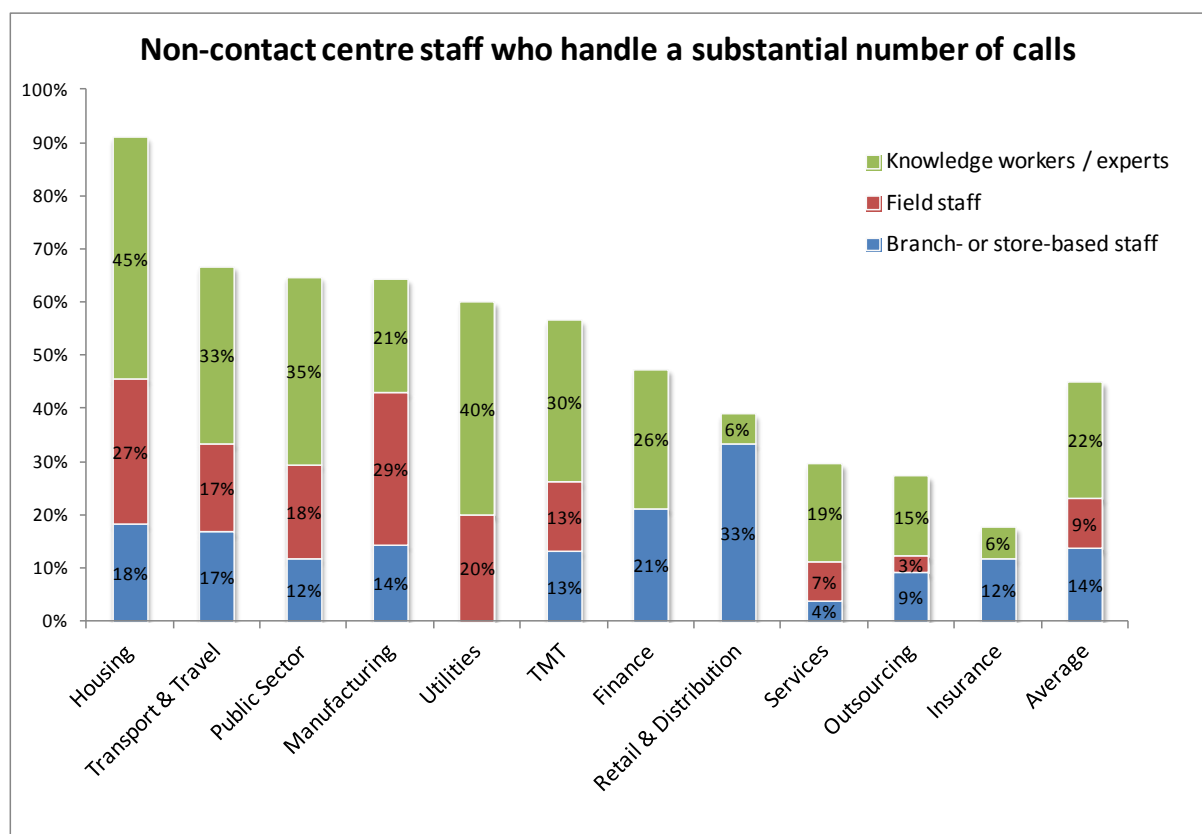
THE ENTERPRISE AS THE CONTACT CENTRE

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 and cloud 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 and cloud 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 41: Non-contact centre staff who handle a substantial number of calls



Knowledge workers / experts form part of the overall customer handling resource pool in 22% of cases (especially in the IT helpdesk environment and public sector), with field staff and branch staff handling customer calls in 9% and 14% of organizations respectively: figures that have stabilised somewhat this year. 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, housing and transport & travel.

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:

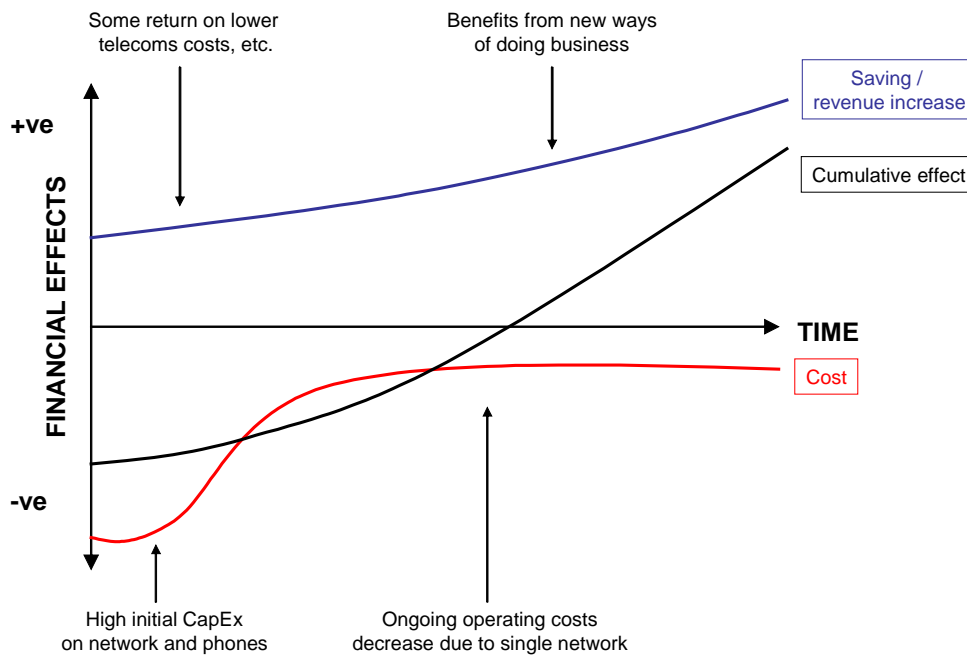
- The use of common protocol (IP) and the growth of key standards such as SIP allow rapid development of new application functionality
- IP enables virtual contact centres, homeworking and the remote office model
- IP promotes the successful take-up and management of multimedia customer interactions
- 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

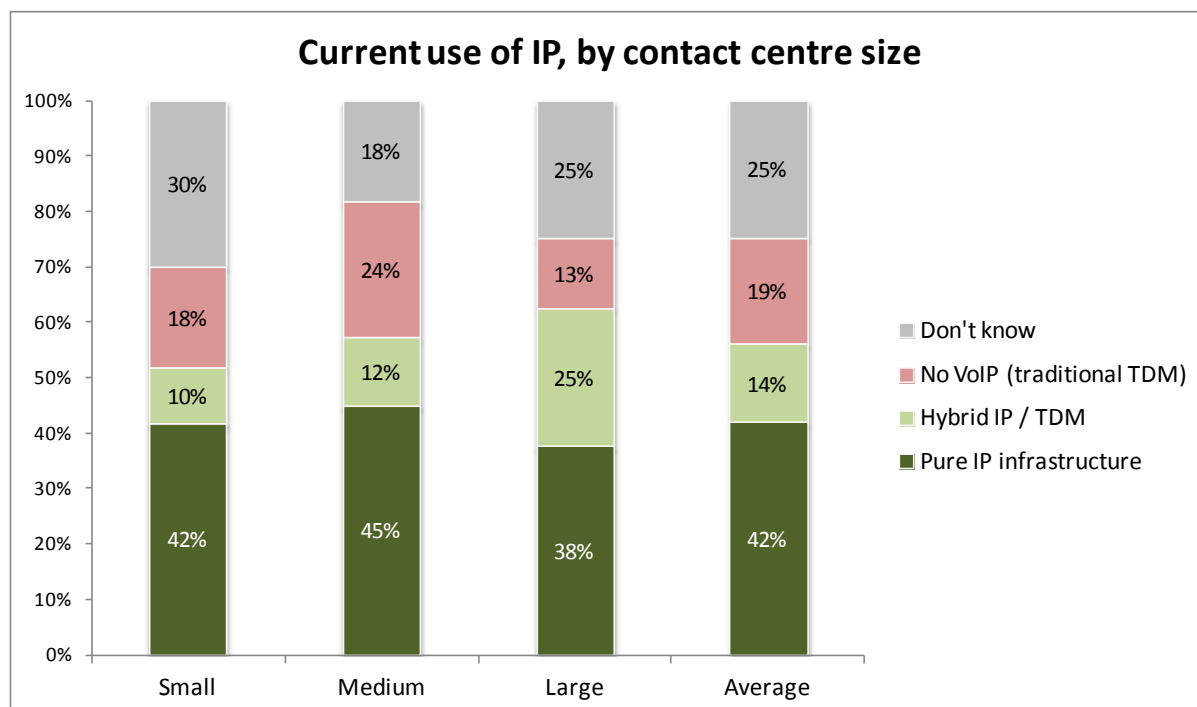
Open systems allow customers to select non-proprietary hardware and software for queuing, routing and applying treatments to interactions. This means that future contact centres will be free of the restrictive nature of proprietary systems, and able to develop and deploy applications which may have previously 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.

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. The movement from TDM to hybrid, and then to pure IP can certainly be seen, with both TDM and hybrid penetration rates down from last year (which were 24% and 20% respectively), to 19% and 14%.

Figure 42: Current use of IP, by contact centre size



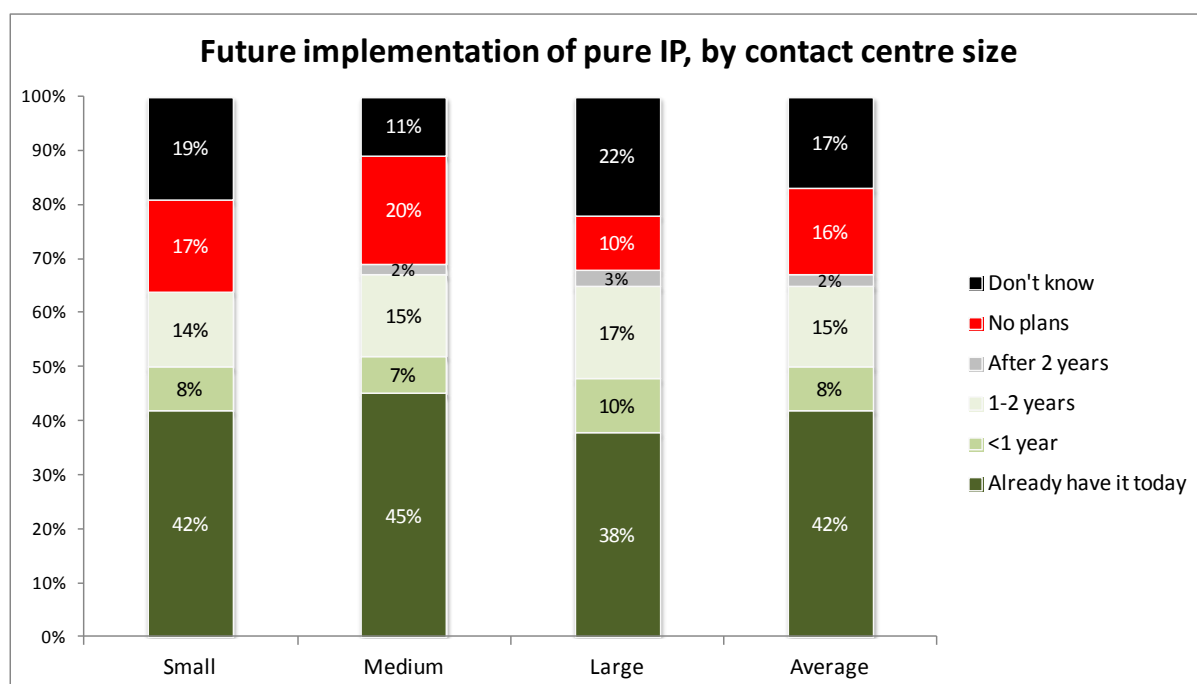
Finance and services contact centres are the most likely to be using pure IP infrastructure (over half of respondents) and once again, outsourcers were most likely to be using a hybrid solution. (As contact centre size has traditionally been a far more relevant consideration, vertical market figures 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 four 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 38% in 2012. 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 four years, and larger operations getting into pure IP in the past three years.

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 three years. However, a further 27% indicate that they will implement a pure IP infrastructure within the next 2 years, which would increase penetration rates to a majority.

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 43: 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 44: 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	1.5	1.0	1.2	1.2	36%
It was a corporate-wide telecoms decision	0.9	1.5	0.7	1.0	28%
PBX needs / needed replacing	0.8	1.4	1.0	1.0	37%
IP will help us support and develop a multimedia environment	0.9	0.8	0.7	0.8	28%
Support the use of open standards and wide range of applications	0.9	0.7	0.5	0.7	22%
Deployment of virtual contact centre or homeworking environment	0.5	0.4	1.2	0.7	31%
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 is to reduce costs through running a single network, with significant numbers of contact centres which have a forced necessity to implement IP because of the requirement to replace their PBX, as well as it being a corporate decision for many too. 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 31% of respondents scored the ability to deploy virtual agents and contact centres as high as possible.

Enabling new multimedia channels, such as video, is also a 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 45: 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	1.1	1.3	1.0	1.1	34%
Greater flexibility in adding and changing agents	1.1	0.7	1.1	1.0	30%
Reduced cost of single network	1.0	0.9	1.1	1.0	18%
Easier integration of applications	1.0	0.8	0.4	0.8	18%
Supports our move to cloud	0.7	0.2	0.4	0.5	20%
Greater choice in vendors and applications	0.4	0.5	0.4	0.4	8%
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 over £3bn each year, just to verify the caller is who they claim to be.

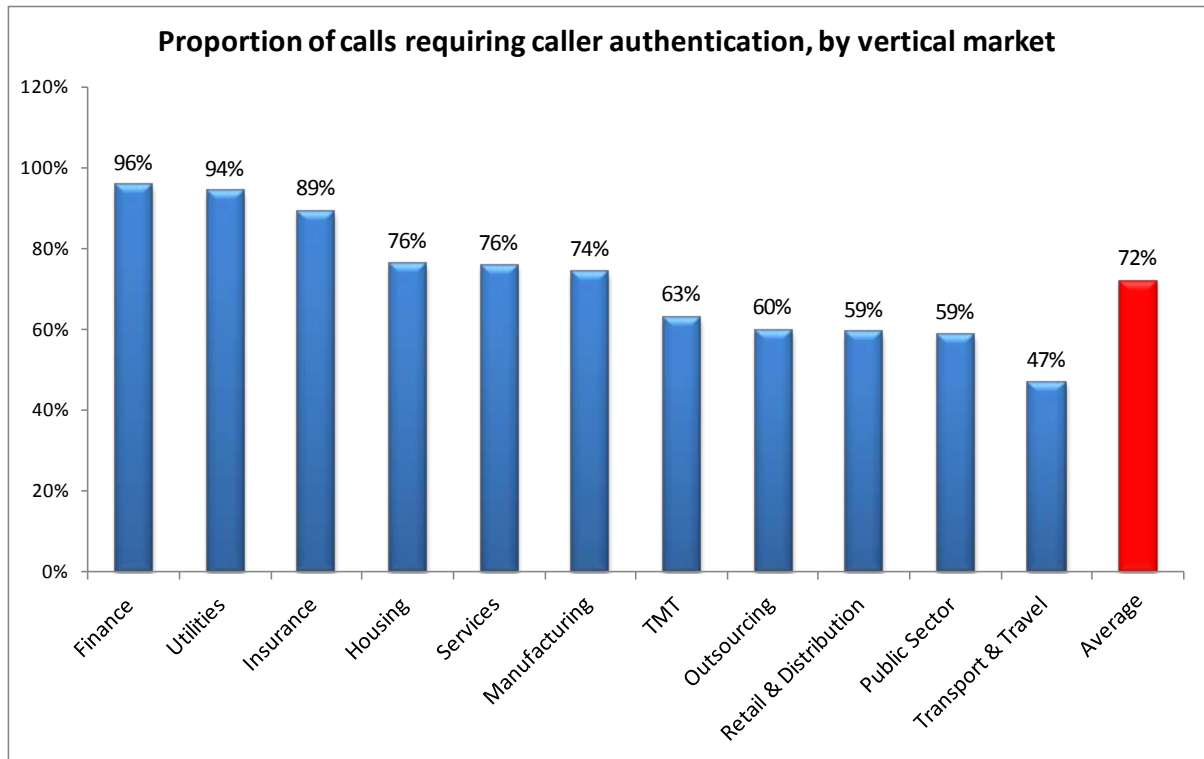
In fact, the cost of identity verification in the contact centre has increased by a factor of 3.5 since 2007, with 48% more calls requiring identity checks, which now themselves take an average of 45% longer due to more stringent testing. With rising salaries, cost-per-call has increased by over £1 per call, and the overall number of all inbound calls has increased by around 15% since 2007. Although in-call efficiency has improved, identity 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.

Figure 46: 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 72% of calls having identity verification in 2012, compared to only 47% in 2007.

As might be expected, the financial, insurance and utilities sectors are amongst the sectors most often authenticating callers' identity. The more sales-oriented sectors do so the least, as do the information-driven public sector respondents.

Figure 47: Caller identity authentication methods

Identification method	Proportion of contact centres using this method
Using only an agent	81%
Using only automation	2%
Using both human and automation	9%
Do not authenticate any calls	8%
<i>Touchtone IVR</i>	6%
<i>Speech recognition</i>	5%

81% of all respondents do so through **purely** human means, taking an average of 29 seconds to do so. 11% 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, financial and services sectors taking the longest, as legislation and the risk of fraud is perhaps the greatest in the former two, with the sales-driven retail sector taking least.

Figure 48: Time taken to authenticate caller identity, by vertical market

Vertical market	Time taken to authenticate caller's identity (seconds)
Services	42
Finance	35
Insurance	34
Utilities	31
Transport & Travel	30
Outsourcing	25
Manufacturing	25
Public Sector	24
TMT	23
Housing	21
Retail & Distribution	18
Average	29



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(1) Fahri Arkan, Assistant General Manager of Information Technologies, Turkcell Global Bilgi, 2011
(2) ContactBabel The US Contact Center Decision-Makers Guide 2009/2010

The unnecessary cost of caller authentication

72% of all calls require a security and identification process to be completed first. 98% 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: 48.9bn²

Average inbound call length: 4.68 minutes

Inbound calls per year: 10.45bn

Proportion of inbound calls that require security and identification checks: 72%

Proportion of security and identification checks carried out using an agent: 98%

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

Mean average cost per inbound call: £3.97 (mid-2011)

Cost of time spent on agent-handled security and identification check: 41p per call

Overall cost of agent-handled security and identification checking: **£3.02bn per year**

² From ContactBabel, ["The UK Contact Centre Industry in 2012: The State of the Industry"](#), January 2012



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.



In a study Nuance has conducted recently, speaking to contact centre customers, we found that when we specifically compared between PIN/Password use and Voice Biometrics, 90% of respondents stated that they prefer voice biometrics over PIN.

case study :: Turkecell Global Bilgi

from Nuance



Nuance VocalPassword™ Deployment Achieves Industry-Leading Adoption Rates

Over 6.7 Million Customers Enjoy Dramatically Enhanced Call Experience

About the Company

- Subsidiary of Turkcell, a leading mobile provider in Turkey.
- Serves as a customer relationship management center to a portfolio of corporations including Turkcell.
- Handles over 700 million customer contacts each year through their interactive voice response (IVR) system and more than 1.5 billion interactions across all customer service channels.
- www.globalbilgi.com.tr



The Business Challenge

To manage their account and conduct transactions over the phone, Turkcell subscribers needed to enter a 4-digit pass code. Many of the callers did not have or could not remember their code, so they were unable to conduct transactions using the IVR system. These callers were transferred to Turkcell Global Bilgi call center agents, who were tasked with asking personal information to verify the callers' identity. This was a time-consuming process that obstructed the caller from quickly completing their transaction and, as a result, had a negative impact on customer satisfaction.

Turkcell Global Bilgi sought to simplify and streamline this identity verification process.

The Solution

The solution developed for Turkcell uses Nuance VocalPassword, a biometric speaker verification system that verifies a speaker's identity using the caller's voiceprint.

"Given that VocalPassword so accurately captures the complex voice characteristics of each enrolled individual, our voice prints are infinitely more secure tokens than a credit card number or a PIN. Voice is also the only biometric that can be verified remotely over any phone, making it the most convenient biometric to use," said Dan Faulkner, Vice President, Product Management and Marketing at Nuance Communications.

As a pioneer service in Turkey, we first launched this system for a limited number of subscribers, but it attracted more attention than we had expected and reached 2 million users in a short time.

Customers like the very simple and fast authentication process of only 5 seconds."

Fahri Arkan, Assistant General Manager of Information Technologies at Turkcell Global Bilgi

The Results

- As of September 2012, the Turkcell deployment had nearly 6.7 million enrolled voiceprints and 18 million verifications, making it the voice biometrics application with the world's largest number of enrollments.
- Reduced the verification process time by at least 20 seconds, resulting in authentication being completed in just a few seconds.
- Dramatically reduced operating expenses by reducing the total call duration and agent talk time.

Learn More

Our solutions are helping enterprises across the globe improve customer care. Find out how by visiting www.nuance.com/voice-biometrics/ and let's start a conversation.



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.



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 41p per call (£4.1m 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.

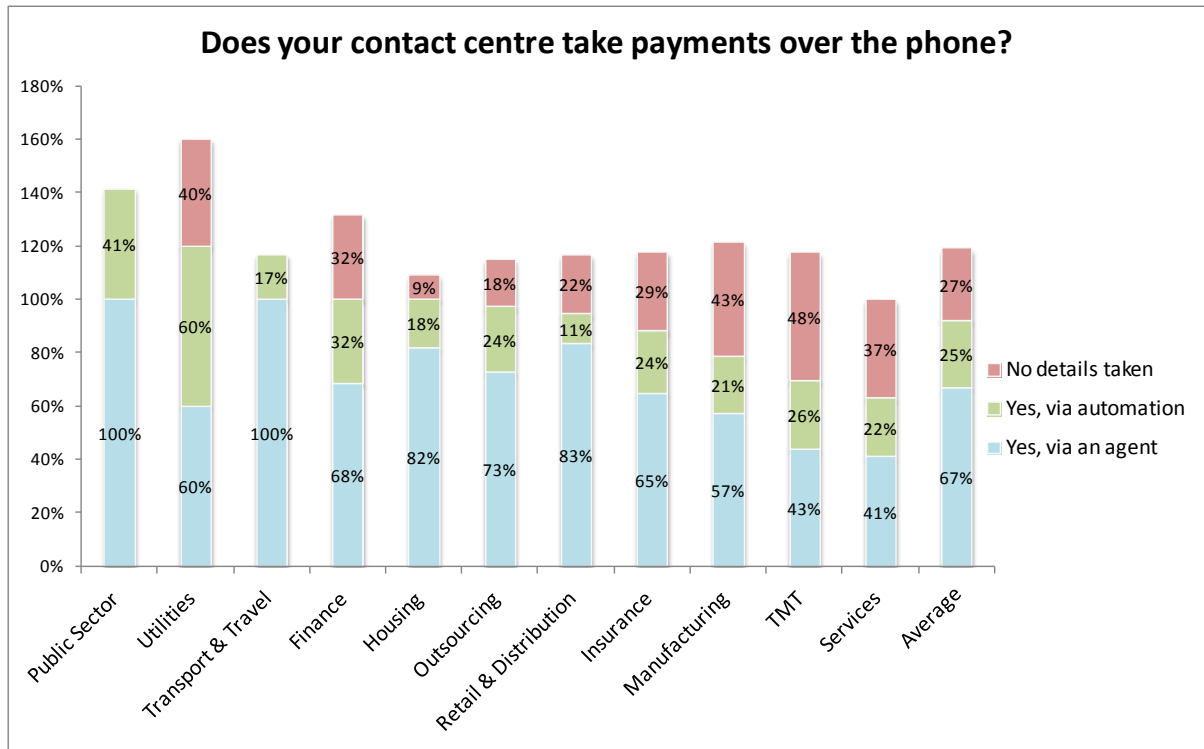
Voice verification has the advantages of near-ubiquity (the vast majority of people would be able to use it) as well as improving levels of security and reducing costs. The increasing demand of the public for identity protection, coupled with businesses' permanent desire to increase profits mean that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

Payment cards and security

73% of respondents' operations take card payments from customers over the phone, although the TMT and manufacturing 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 and public sector are likely to provide a fully-automated as well as a human payment option to their customer base.

Figure 49: 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.

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.

Figure 50: Does your contact centre use touchtone IVR or speech recognition to route calls? (by vertical market)

Vertical market	Use of IVR or ASR for routing
Transport & Travel	89%
TMT	72%
Public Sector	71%
Retail & Distribution	71%
Insurance	69%
Finance	67%
Outsourcing	66%
Services	64%
Housing	63%
Utilities	50%
Manufacturing	45%
Average	65%

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 most sectors have reported that they use either touchtone IVR or ASR for call routing purposes.



...its all about intelligent routing

Intelligent routing starts with understanding who a caller is and what they need. ID ME from IP Integration does just that, while seamlessly integrating into the Avaya contact centre and CRM systems. Automated decisions can then be made to help route the call appropriately.

Even at peak periods, the addition of Q4 ME can provide callers with a scheduled call back option, vastly increasing customer satisfaction.

To find out how you can better use technology to manage call queues and delight your customers, call the experts at IP Integration today.



Be more efficient with your customer call handling...

- Identify who is calling
- Link the call to customer data
- Provide customer options
- Reduce call waiting time
- Maximise agent resources
- Improve call resolutions

IP Integration is an Avaya Contact Centre specialist, providing a wide range of technology solutions, software applications and professional services.

Microsoft®
GOLD CERTIFIED
Partner



Automated speech recognition is in use in 15% of respondents, with the finance sector being by far the greatest user of this. The vast majority in all sectors that use IVR/ASR for routing use touchtone IVR, possibly in addition to ASR.

Figure 51: Use of touchtone IVR and speech recognition to route calls, by vertical market (only respondents where calls are routed using these solutions)

Vertical market	Touchtone IVR	Speech recognition
Housing	100%	17%
Insurance	100%	0%
Manufacturing	100%	0%
Utilities	100%	0%
Transport & Travel	95%	5%
TMT	92%	15%
Finance	90%	40%
Outsourcing	89%	16%
Services	86%	14%
Public Sector	80%	20%
Retail & Distribution	80%	10%
Average	90%	15%
NB: totals may add up to more than 100% if both touchtone IVR and ASR are used		

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 or ASR for routing, demonstrating that this is no longer a technology just for operations with lots of budget and in-house IT support.

Figure 52: Does your contact centre use touchtone IVR or speech recognition to route calls? (by contact centre size)

Contact centre size	Use of IVR or ASR for routing
Small	53%
Medium	66%
Large	83%
Average	65%

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.

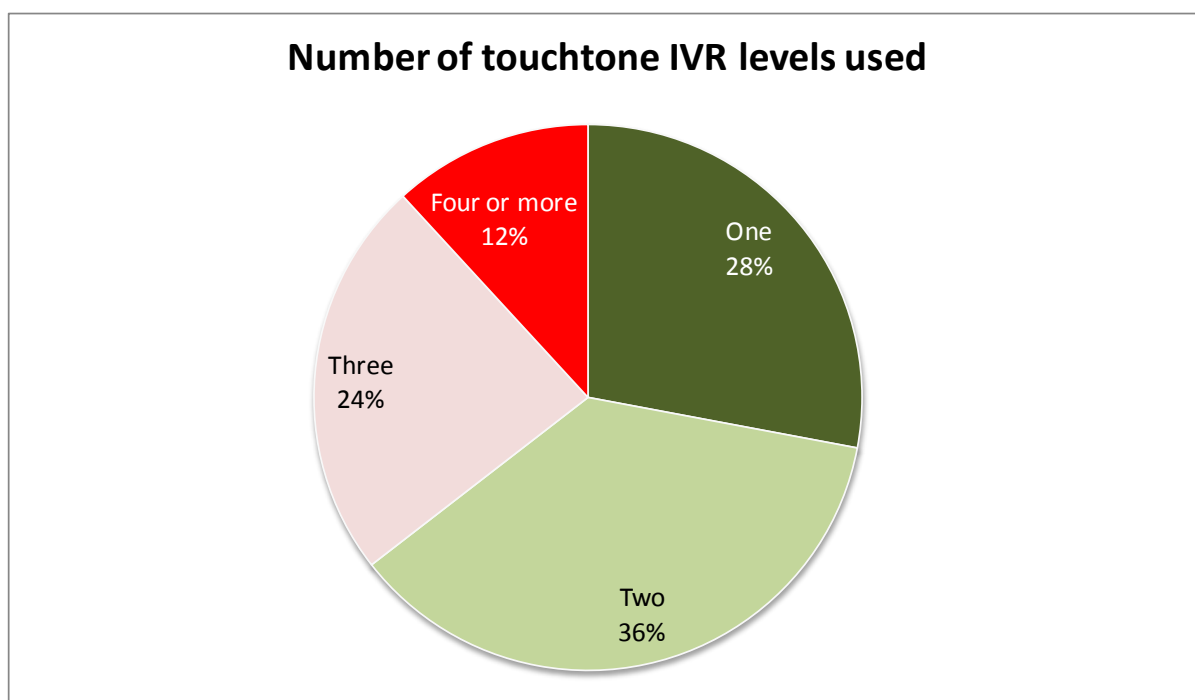
Figure 53: Use of touchtone IVR and speech recognition to route calls, by contact centre size (only respondents where calls are routed using these solutions)

Contact centre size	Touchtone IVR	Speech recognition
Small	97%	3%
Medium	91%	11%
Large	73%	33%
Average	90%	15%

This year, for the second 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.

Looking at the number of levels used on an IVR (i.e. how many key-presses a caller must make to reach their destination), 28% keep it simple with a single-level of options, e.g. "Press 1 for sales, 2 for Service, 3 for Accounts", although almost 1 in 8 have four or more levels.

Figure 54: Touchtone IVR levels



72% of respondents use a multi-layer IVR, making the caller choose at least two options. For example, after pressing 1 for sales, the customer may then have to choose a particular product or service to talk about.

24% 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.

12% 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 retail & distribution sector - often home to multiple product sets, as well as service and sales in the same location - offering the greatest number once again.



Multi-level touchtone IVR menus are one element of call routing that leads to customer frustration and as a result a resistance to use such systems. This frustration can be removed through ASR speech recognition which removes the need for multi-level menus as callers can be prompted to speak the service they require – Imagine attempting to build or navigate the necessary menus to ask for “flight departures times from Heathrow to Frankfurt tomorrow”. Historically these types of speech based solutions have been expensive to deploy and not necessarily had the desired accuracy levels however this is no longer the case and can now be delivered cost effectively to mid-sized and smaller operations.

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 55: Touchtone IVR routing options, by vertical market

Vertical market	Mean average	Median average
Finance	6	5
Housing	7	5
Insurance	9	8
Manufacturing	5	3
Outsourcing	6	5
Public Sector	9	8
Retail & Distribution	13	10
Services	7	7
TMT	13	6
Transport & Travel	8	7
Utilities	3	4
TOTAL	8.2	6.0
NB: 1 st quartile = 4; 3 rd quartile = 10; High = 78; 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 56: 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	21%	Utilities	Large 4x more likely than small
High-value customer	29%	Insurance, TMT	40% large, 14% small
Risk of defection / end of contract	14%	Utilities, TMT	Large 3x more likely than small
Specific language requirements	18%	Transport & Travel, Outsourcing	No difference across size bands

Relatively 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 four times more likely than smaller operations to do this. A somewhat smaller 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 utilities do little to route customers who are likely to defect through to an appropriately-skilled agent. 25% of respondents in large operations use this.

18% of respondents route calls automatically based upon a caller's language requirements.

It's not just “1 for Yes” and “2 for No”, or “you are 5th in the queue”...

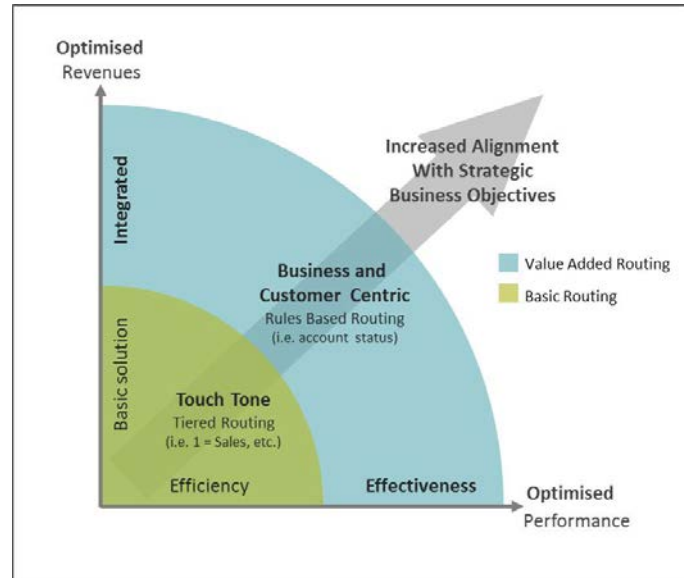
Call routing and queue management aren't only about an IVR system that provides touch tone routing, with a few messages of comfort while you are waiting. As businesses become more complex, resources more expensive and customers more demanding, then the technology solutions needed to efficiently deal with callers also have to be more capable, flexible and cost effective.

Let's look at a real life scenario from a customer who had the classic challenges relating to call routing and queue management. The issues first manifested themselves in a number of areas;

- High call waiting times
- Excessive abandoned calls
- A high number of calls being transferred
- Inaccurate call centre statistics

The situation was made more complex as customers may have been serviced by a number of different people or departments within the business, depending on the current status of their account. This meant that it was not suitable to either provide direct dial numbers or deploy some form of last agent routing.

It was determined that the initial cause of the issues was that nothing was known about the customer or their reason for calling until the call reached an agent. Therefore customer identification and verification (ID & V) was required before the call could be more intelligently routed to the most appropriate resource. A comprehensive CRM system was in place with an Avaya contact centre, however there was no simple way of identifying a customer, and no link between the telephony and the business systems.



The final solution consisted of a number of elements:

- An identification and verification system, ID ME was deployed, capturing customer CLI, or asking for customer account number if no CLI was available. Security questions were then asked using speech recognition.
- Business rules were developed, depending on the profile of the customer, their previous transactions, and the status of their account, the call was transferred to the most appropriate agent, a skill group or a department.
- CTI Integration between the Avaya platform, the CRM system and the IDME application ensured that rich information was presented to the agent, which included the results of the security questions.
- A PCI compliant PayME application was provided so that where ID ME concluded that the customer required paying funds into their account, the call was transferred to the PayME application for a credit card payment.
- A Tell Me application for callers who having completed the ID & V process were only looking for account status information and allowed them to 'self serve' themselves negating the need to continue through to an agent.

The solution therefore brought together various elements of technology; DTMF data collection and routing, speech recognition, database integration, CTI and automated payment. This resulted in the following operational benefits;

- Minimal transferred calls - a better customer and agent experience
- Reduced calls - automated customer account information or automated payment.
- Improved customer service - faster answer times, with less repetition of same details
- Improved first call resolution - matching customer need with correct business resource

In summary, queue management and *call routing* needs to start with identification, leading to swift verification. Callers can then be provided options where appropriate, and then routed to the best possible resource relating to their need. All of this needs to be cost effective, scalable and have the inherent flexibility to change as the business evolves and with increasing customer expectation.

Screen-popping

Information about the specific caller is collected and popped to the agent's screen by 34% 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, 53% of large operations route calls to an agent complete with screen-pop, compared to only 24% of small and 33% of medium contact centres. At a vertical market level, 50% of outsourcers report using screen-popping, with services (45%) and TMT (46%) also well above average. The public sector respondents are very low users of this solution.



While screen popping of an existing account record might be viewed as simple and potentially inexpensive, the real value of CTI integration becomes clear when the customer verification and additional intelligence collected from the IVR can determine the information that is shown to an agent. For example, the screen may show a service desk history, if the caller has selected such an option when calling. Secondly, if that call requires a transfer to another agent or department, the information will be sent to the receiving agent's desktop, avoiding that major issue of a customer having to repeat their information or need.

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.

In 2011, 47% of respondents used DNIS (60% of large operations), compared to 32% using CLI (36% of large operations).

VIRTUAL QUEUE MANAGEMENT

Some years ago, 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 57: 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.

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

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 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.



There are real advantages of a scheduled call back system for both the caller and the contact centre. The main benefits to the business are that it provides for improved agent utilisation and operational efficiencies to be gained whilst still meeting or exceeding customer expectations.

As the agents know exactly who they are calling and in most cases the reason why they are better prepared and able to service the requirements of the customer (who often will thank them for calling back). In this way a scheduled call back system increases customer satisfaction, reduces call durations and delivers higher 1st call resolution rates.

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 23% of respondents using this (up from 20% last year and 16% in 2010). The proportion of sales-focused respondents offering in-queue call-back has decreased, which we would not expect (these operations would be expected not to miss sales opportunities), with this option seemingly being used more for service purposes. Services 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 18% of all respondents, slightly up on last year's figure of 16%.

Figure 58: 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	19%	15%	10%
Mixed	20%	23%	17%
Service	17%	25%	15%
Average	18%	23%	15%

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, hence no graphs or tables are given here.

The utilities sector is the greatest proponent of a website 'call-me' button (60% of respondents), with finance, insurers and transport & travel respondents reporting that they are also more likely than average to use this. Surprisingly, very few retailers offer this.

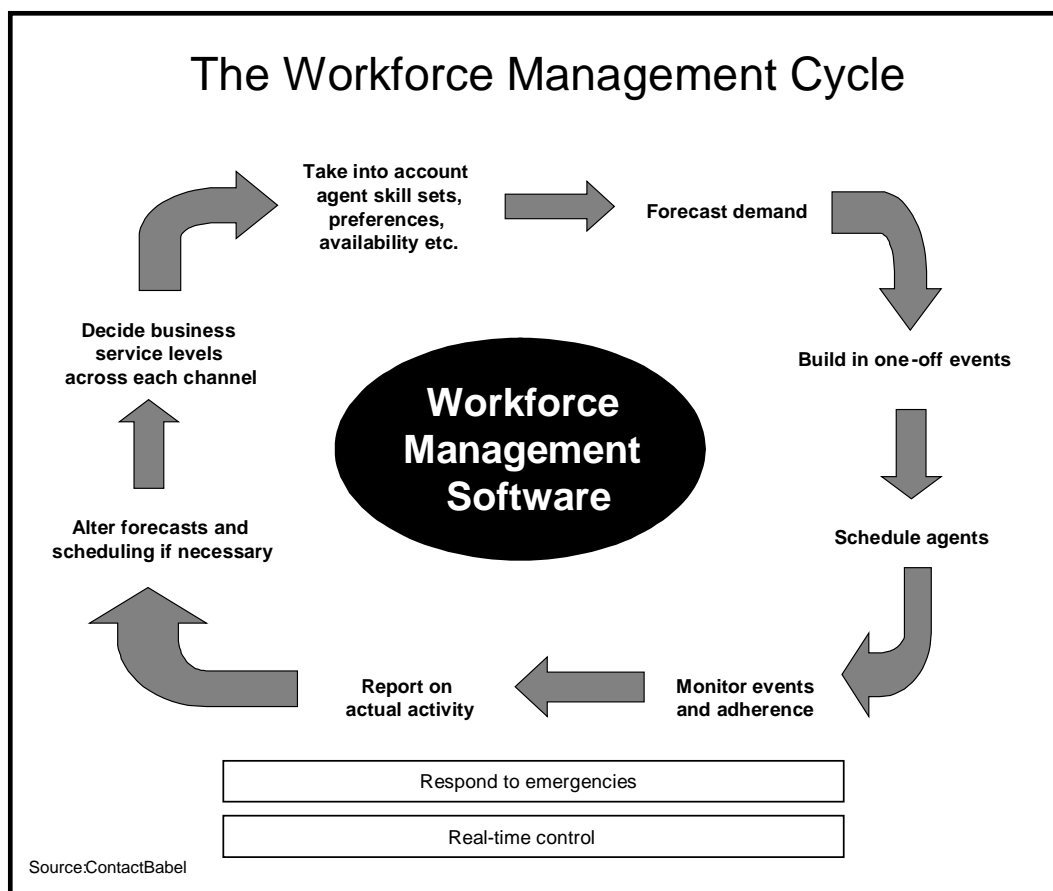
Utilities and public sectors consider queue call-back options to be applicable to their business, as does the insurance sector. Few manufacturing or transport & travel respondents offer this option.

Announcements of queue position have grown significantly this year, and the retail, housing and transport & travel respondents are most likely to be using this. Insurance and utilities respondents are least likely.

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 web chats or social media - 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.



"Ultimately, a successfully implemented workforce optimisation platform streamlines the entire business process cycle, as shown," commented Mark King, senior VP Europe and Africa, Aspect Software. "When all of the elements within the enterprise are synced up to create one seamless and unified workforce, the widespread benefits for both the employees within and the customers externally are clear to see."

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 interaction 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.



"In today's complex landscape, these elements are absolutely essential in order to gain competitive advantage, ensuring that the contact centre is never under or over-staffed. A blended office, integrating inbound customer service with back office functions is also achieved. All of these processes enable the organisation to run a much more efficient and well-oiled contact method, enable the agent to provide better service and essentially, improve the customer service function," said Mark King.

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, web 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.

ADHERENCE AND REPORTING

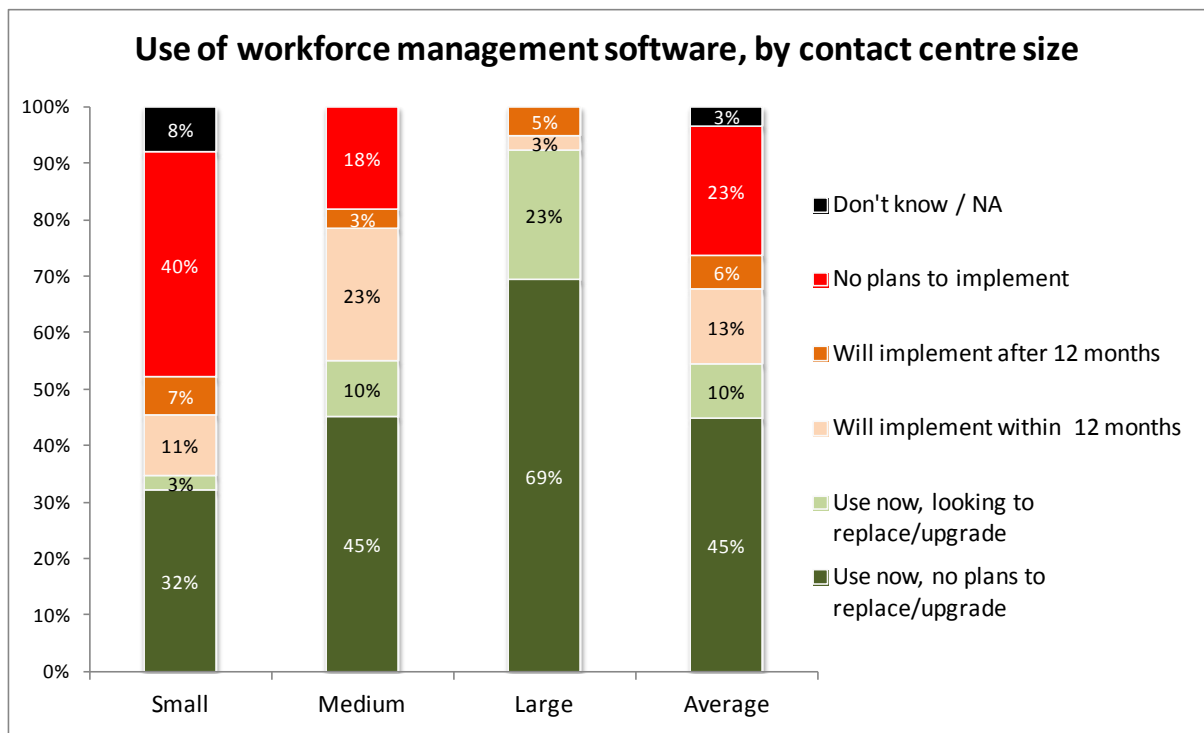
Adherence is the ability to compare forecasts with reality, and learn from mistakes. Sophisticated scheduling and forecasting is useless without the opportunity for improvement brought about by adherence monitoring. Real-time adherence allows managers to see exactly what is happening, and can alert them 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 59: Use of workforce management software, by contact centre size



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.

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 15% of inbound interactions being email, and 22% 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'.



Mark King comments, "In a multi-channel contact centre environment, the ability to channel hop – enabling access to customer data and previous interactions, no matter the contact channel used – is fast becoming an essential capability. This absolutely affects how workforce management tools and processes can be effectively used to forecast and schedule.

"As shown above, the larger contact centres are those who are most likely to be able to adopt more flexible workforce management tools, to cope with new channels, such as social media, as well as the increasing popularity of mobile and home working," he added.

DRIVING A MORE EFFICIENT WORKFORCE



blended office

streamlined processes

satisfied workforce

better training

lower attrition

analytics

first call resolution

advanced customer service

quality management

mitigate risks

scheduling

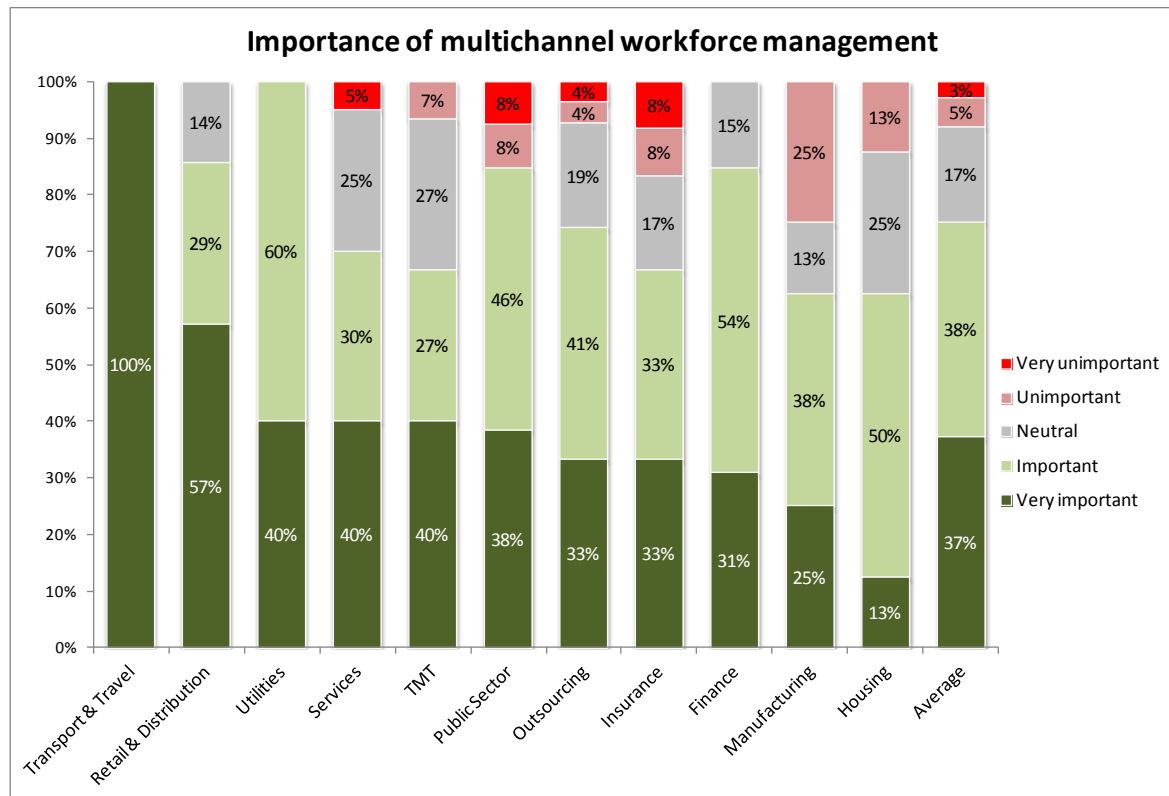
Aspect® Workforce Optimisation:

- » Optimises resources in the contact centre and back office with integrated Workforce Management, Quality Management, Speech Analytics and Performance Management
- » Provides insight on customer experience and service quality
- » Improves operational efficiency and increases revenue, without relaxing efficiency goals

To find out how you can benefit from Aspect Workforce Optimisation visit www.aspect.com/uk today.

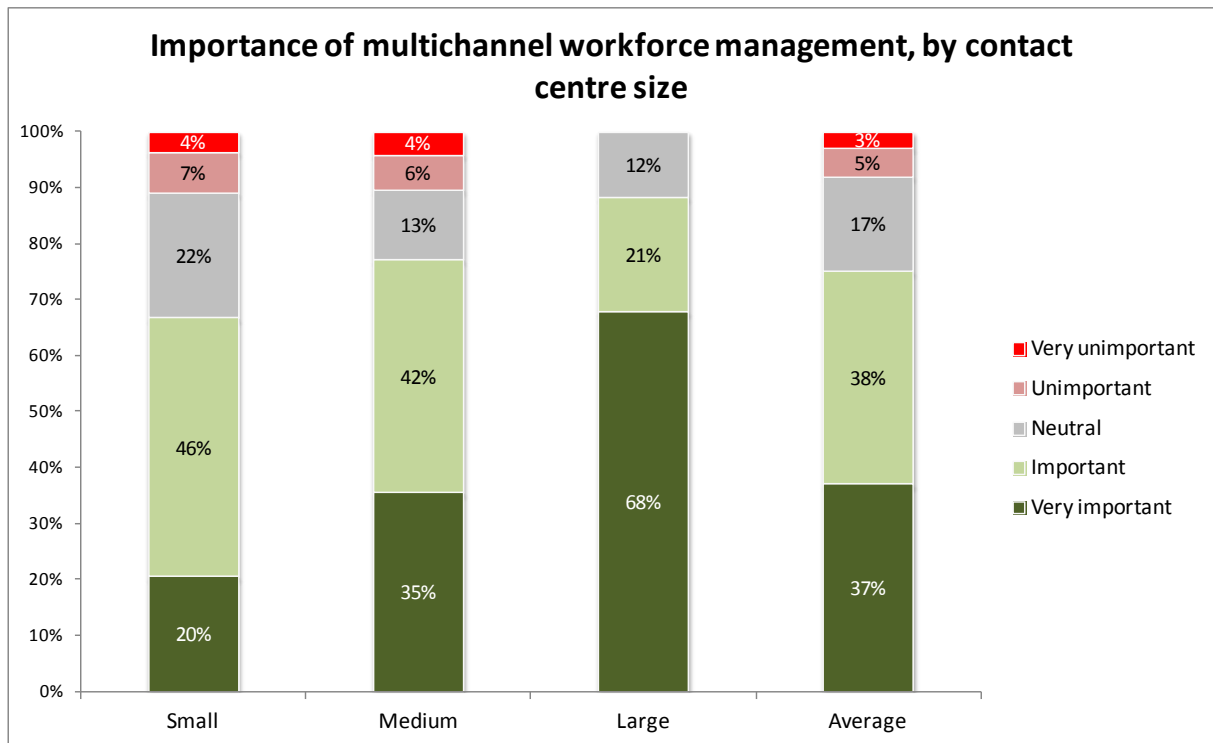
37% of respondents state that being able to forecast and schedule multichannel and non-contact centre interactions were 'very important' (up on last year's figure of 32%), with 38% saying that it was 'important' (up from 23% in 2011). The transport & travel sector was most keen to be able to forecast and schedule multichannel interactions, as these respondents are amongst those most focused upon multichannel communication. Considering the potential benefits of web chat when closing web sales, the retail sector is likely to be using multichannel workforce management as well.

Figure 60: 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. This year's results bear out this hypothesis, with the advent of social media contact, the rise in web chat and the jump in email volumes meaning that large operations suddenly have significant amounts of multichannel interactions to handle, as well as their voice traffic.

Figure 61: The importance of multichannel workforce management, by contact centre size

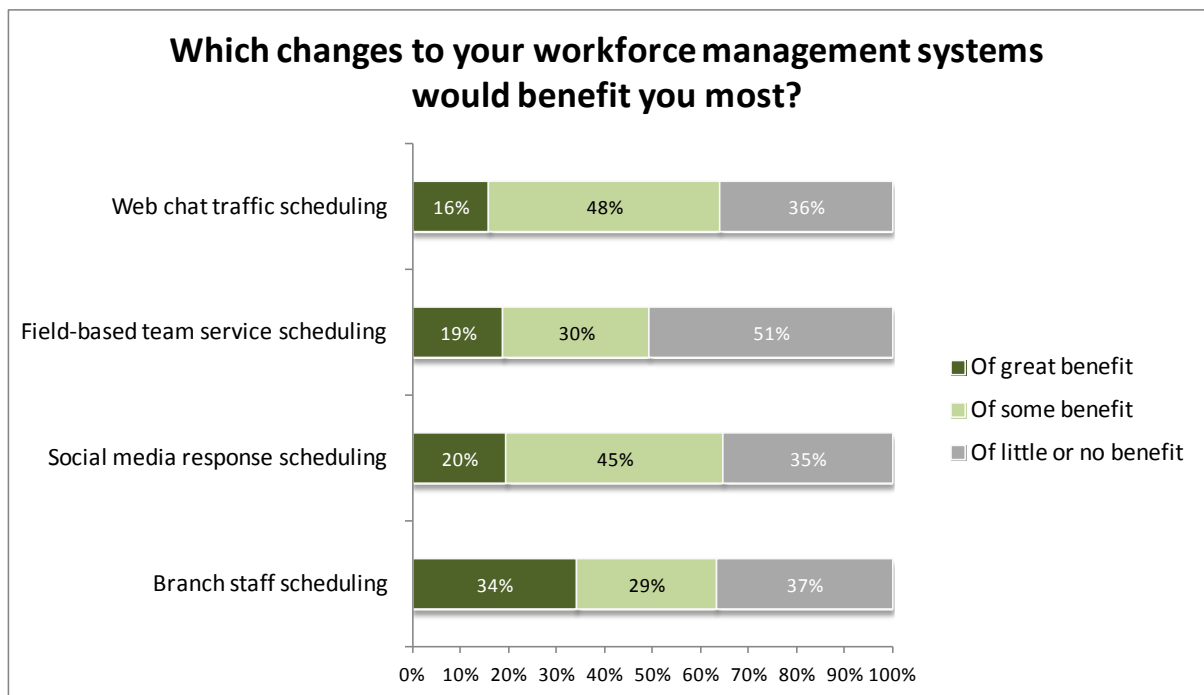


Over a third of respondents, particularly retailers and insurance companies would greatly value having branch staff included in their workforce management scheduling.

Social media and web chat scheduling are currently less valued, being more of a potential activity for many contact centres, although transport & travel respondents value it more than other sectors.

Utilities respondents would benefit most from field-based team service scheduling.

Figure 62: Which changes to your workforce management systems would benefit you most?





Thought Leadership

Author: Mark King, SVP Europe and Africa at Aspect

Historically, workforce management (WFM) was a very specific term. By using a combination of technology, strategy, processes and culture, medium to large sized organisations benefitted from getting the most out of people by predicting, planning and scheduling supply and demand. This is often combined with performance management (PFM), by enforcing key performance indicators (KPIs), service level agreements (SLAs) as well as rigorously rating performances based on pre-determined business rules and goals.

The contact centre is a big user, due to the naturally process-driven, reactive environment and the ease in which unproductive time can creep up. But it is important to note that every organisation (certainly those employing more than a few people) has some sort of WFM or PFM system, technology-driven or otherwise, because tracking the performance of employees and how well they adhere to metrics is essential. Arguably it is only in manufacturing where measurement of output exceeds that of the contact centre and customer service industry.

Putting the measurement of the workforce into context is crucial. Whilst it is very tempting to measure what is easy (i.e. call durations or calls connected), this literally means nothing when taken out of context, just reams of statistics and figures. Consider a utilities company measuring the number of calls taken by their agents. In this case, it makes sense to keep calls shorter and connect to more customers. This may work for meter readings, unfortunately, if a customer is calling about their bill and is unsatisfied with the way that the call was resolved, they will likely call back. This increases operational cost for the company, as well as damages the experience for the customer. If the contact centre agent needed to bring in a knowledge worker, such as someone from the finance team, that call may be longer, but ultimately the customer is happier and doesn't need to call back. It is just one example of why many organisations are favouring first call resolution as a crucial measurement of performance over sheer volume.

Knowledge workers; that is, those employees not at the coalface of customer service, are increasingly being brought into the customer conversation. Whilst WFM software and tools typically enable contact centres to schedule, predict, plan for and measure supply and demand (in this case customer interactions), managers are beginning to recognise both the limitations of straight-down-the-line WFM and PFM tools that cannot incorporate the involvement of non-contact centre employees. Similarly, the growing popularity of models such as mobility and home working for agents means that traditional WFM is falling behind. Of course it's also no secret that the contact centre industry has suffered from a high staff turnover of around 25 per cent per year – and perhaps arduous monitoring, particularly in the UK, could be partially to blame.

Workforce optimisation (WFO), which combines all the benefits of WFM and PFM, synchronises people, technology and processes in order to help maximise agent performance and improve operations by enhancing quality, increasing customer contacts and optimising contact centre resources. However, it is important that centre managers absolutely have to understand what each individual and team is tasked with achieving, in context and within certain boundaries. Success is measured based on the interaction at hand.

Used effectively, WFO can improve customer satisfaction, decrease churn and increase loyalty. It will also deliver marketing effectiveness, identify trends and ultimately improve sales.

WFO is about striking the right balance between getting output right at the right time, and making sure the customer (and the employees!) are happy. As mentioned previously, retention of good agents is difficult, but effective WFO can make this happen. Agents need to feel both happy and comfortable in their job, with realistic and challenging targets, so that this filters through to the service they provide to customers.

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.

The majority of contact centres have implemented Internet protocol (IP) telephony as part of their technology environment. 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.

“One call,
problem solved.”



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Is the information your agents need out of reach?

What if an agent can't get the attention of the expert they require?

For your customers, this means repeat calls and poor service.

For you, it means missing your FCR target.

Give your agents the tools to deliver better customer service.

With a Plantronics wireless headset, they can get to the information they need whilst away from their desks and stay on the call.

No more call backs. Just a more effective Contact Centre and delighted customers.



Trade in your old headsets and go wireless today, visit >> www.plantronics.com/uk/contactcentre

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.

In some countries, there has been 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.

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.

⁴ Source: CCF magazine

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 63: Headset manufacturers used by respondents

Manufacturer	Proportion of respondents using this manufacturer
Plantronics	63%
GN Netcom / Jabra	14%
Sennheiser	8%
OEM (i.e. badged by non-manufacturer)	6%
Agent	3%
Other	6%



Case Study - Centrica

Established in 1997 following the demerger of Centrica and British Gas plc, Centrica is a top 30 FTSE100 company with growing energy businesses in the UK and North America, and employs around 30,000 people.

To support the UK business, Centrica operate dedicated contact centres and employ over 15,000 customer service advisers to assist residential and commercial customers with all aspects of the products and services Centrica provide.

Plantronics headset solutions have been used within the Centrica contact centres since the organisation was formed in 1997. Traditionally, Centrica used the Encore® corded headsets, then moved to adopt a variety of Plantronics solutions to suit individual/departmental user requirements with the H251 corded and CS351 cordless SupraPlus®, CS60 wireless and Voyager® 510 Bluetooth headsets. From 2010, Centrica has implemented Plantronics EncorePro® noise-cancelling and wideband audio headsets, which are now the default standard for all contact centre use within Centrica Group, along with Voyager® PRO.

Rosie McCabe - Telephony Operations Manager says, *"Centrica and the British Gas brands have been using Plantronics headsets for many years, and as a trusted supplier, we have been very happy with their support and help they have offered us. Plantronics has really helped to ensure that our people have the best headsets and accessories that they need to fulfil their roles."*

"The new digital wideband headsets have certainly made a positive difference to our call centre people, and our customer also benefit from the headset's noise-cancelling ability. Together, this has ensured that our customers receive the best call experience possible. We are particularly pleased, over the last few months, with the direct support that Plantronics has given us during a complex transformation to Centrica's new Voice over IP telephony solution."

The EncorePro®, SupraPlus® and CS60 headsets are used within the contact centres for both inbound and outbound calls with customer service and sales. In both of these environments it is essential that the users have a headset that best suits their individual working environments. The SupraPlus® headset is for the traditional office and the EncorePro® for the contact centre.

Nigel Wright, Network Architect and Service Manager for Centrica comments, *"The new headset, including EncorePro®, improves call quality and supports our new VoIP architecture for the delivery of calls to all Centrica's contact centres. This maintains Centrica's expectations of high standards and improves the overall customer and agent experience."*

Some Centrica staff, who work both in and out of the office, use the Voyager® 510 Bluetooth headset, which provides them with the ability to use one headset with all wireless telephony communications both in and out of the office and is compatible with all the latest Bluetooth devices allowing simultaneous pairing with office desk phone and business mobile. With the successful use of Voyager® 510, these staff are now trialling the Voyager® PRO Bluetooth headset with dual-microphone AudioIQ2® noise-cancelling technology cutting up to 80 per cent of any background noise in busy and outdoor environments.

With so many users and different requirements, the ease of maintenance and support of the headsets are equally important and, like many other UK organisations, compliance with the Noise at Work legislation and Health and Safety at Work Act is closely monitored and adhered to.

Lisa Hampson, Supply Manager, comments, *"Overall we continue to be very pleased with Plantronics headset solutions. They are well made, reliable, easy to upgrade or replace and easy to maintain. Over and above this, we are very satisfied with the support and advice we receive from Plantronics. They are always easy to contact and available to assist in our very fast-moving communications environments, and the range of products easy to understand and implement."*

WIRELESS AND IP HEADSETS

Wireless headsets

43% of contact centre respondents used some wireless headsets within the contact centre (the same as last year), with an average of 52% of headsets in these contact centres being wireless (up from 46%). 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 20% or higher, strongly suggesting that wireless is filtering into the agent population as well.

Half of respondents in smaller contact centres use wireless headsets, with a penetration rate of 70% in operations that use them. In larger contact centres, only 38% of operations have any wireless headsets, with a penetration rate of only 15% in these contact centres. The manufacturing sector, and to a lesser extent, services and finance sectors 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, 73% of respondents have some headsets that are able to cope in an IP environment (up from 65% in 2011). Of these respondents, 88% of their headsets can handle IP, with 71% of these respondents saying that all of their headsets are IP-capable.

This year, contact centre size makes less difference than formerly, with large operations having implemented IP headsets in 71% of cases, against 78% of medium and 69% of small operations. 85% of headsets in these large operations are IP-capable, against 88% in medium contact centres and 89% in small contact centres.

The public sector, manufacturing and services respondents were most likely to have IP-capable headsets (80%+ of operations), with transport & travel and retailing respondents 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 64: What sort of IP phone device are you using?

IP phone device	Proportion of respondents
IP hardphone	48%
PC-based softphone	14%
Both hardphone and softphone	25%
Don't know	12%

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 65: Use of single and dual earpiece headsets

Type of headset	Proportion of respondents
Single-earpiece	36%
Dual-earpiece	13%
Mixture of both	51%

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.



Aspect builds customer-company relationships through a combination of customer contact software and Microsoft platform solutions along with workforce optimisation for the enterprise. For more information, visit www.aspect.com/uk



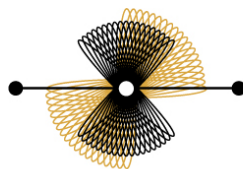
Enghouse Interactive can help balance your customer channel demands against the need to reduce contact centre operating costs, our solutions deliver optimum efficiency and maximise agent productivity across your operations.



Genesys Workforce Optimisation (WFO) comprises several components: Genesys Workforce Management (WFM) 8.0, Genesys Quality Management for IP, and Genesys Skills Management (which includes Genesys Training Manager, and Genesys Skills Assessor), all components work together to ensure the most efficient management of resources, compliance with legal and corporate rules, and improve customer service and customer retention.



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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.



SAP Business Communications Management software helps organisations efficiently manage contact centre operations including inbound and outbound customer communications across multiple channels.



Ultra Communications provides pay-as-you-use Cloud contact centre and PCI-compliant card payment handling services - with unmetered 24/7/365 client support and a unique real-time performance monitoring service.



Verint® enterprise workforce optimisation solutions help organisations capture, analyse, and act on customer interactions across multiple communications channels while gaining insight into internal processes that directly or indirectly impact the customer experience.

VOCALCOM

Vocalcom enables you to be more accessible to your customers through voice, email, SMS and web-chat while allowing you to define which type of enquiry, over which media is routed to which agent driving up productivity.

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, web 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 66: 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 >15% 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.3-5% of inbound contact centre interactions are dealt with by self-service, much higher in finance and utilities sectors. Movement to web self-service is gathering pace.
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
Web chat / instant messaging	Growing as specific applications for its use emerge. Penetration rate close to 30%.	Real-time nature of web chat means it is akin to a voice conversation in immediacy. It is possible to ask security questions through web chat, although it is debatable whether the customer will feel happy about passing on this information over the web. Multiple concurrent web chat sessions can be run, cutting cost per interaction. Younger generation is used to messaging.	Web 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.	1-2% 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.



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



MULTIMEDIA MANAGEMENT AND THE UNIVERSAL QUEUE

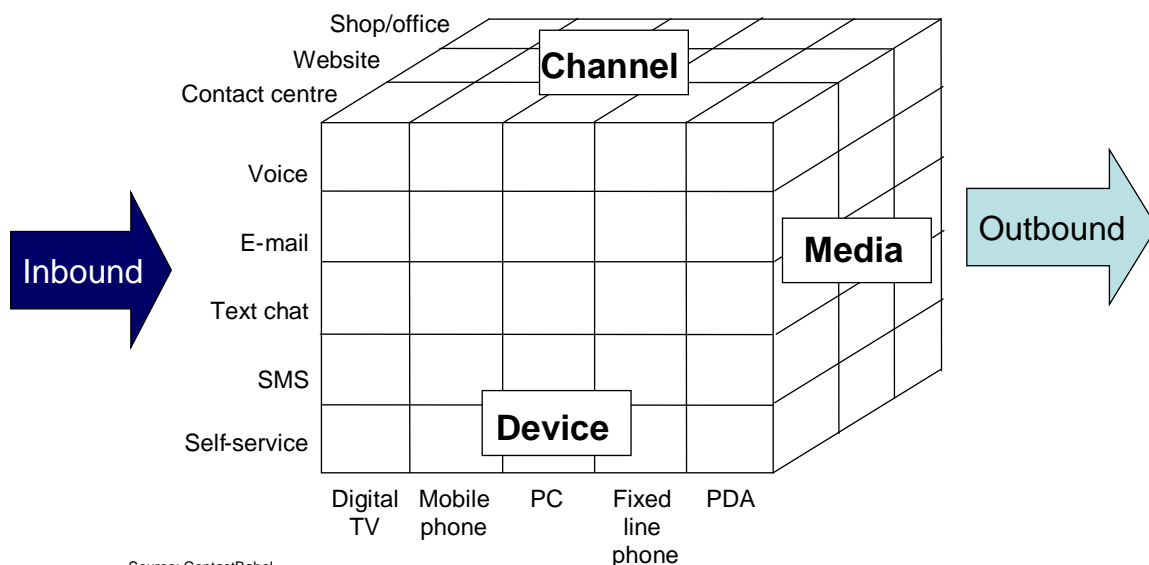
In the late 1990s, the phrase “contact centre” was rarely used or understood by many working in the call centre industry. With relatively minor changes, call centres continued to do what they had done for years before: receive and make telephone calls from and to businesses’ customers and prospects. 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 over 90% of UK 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

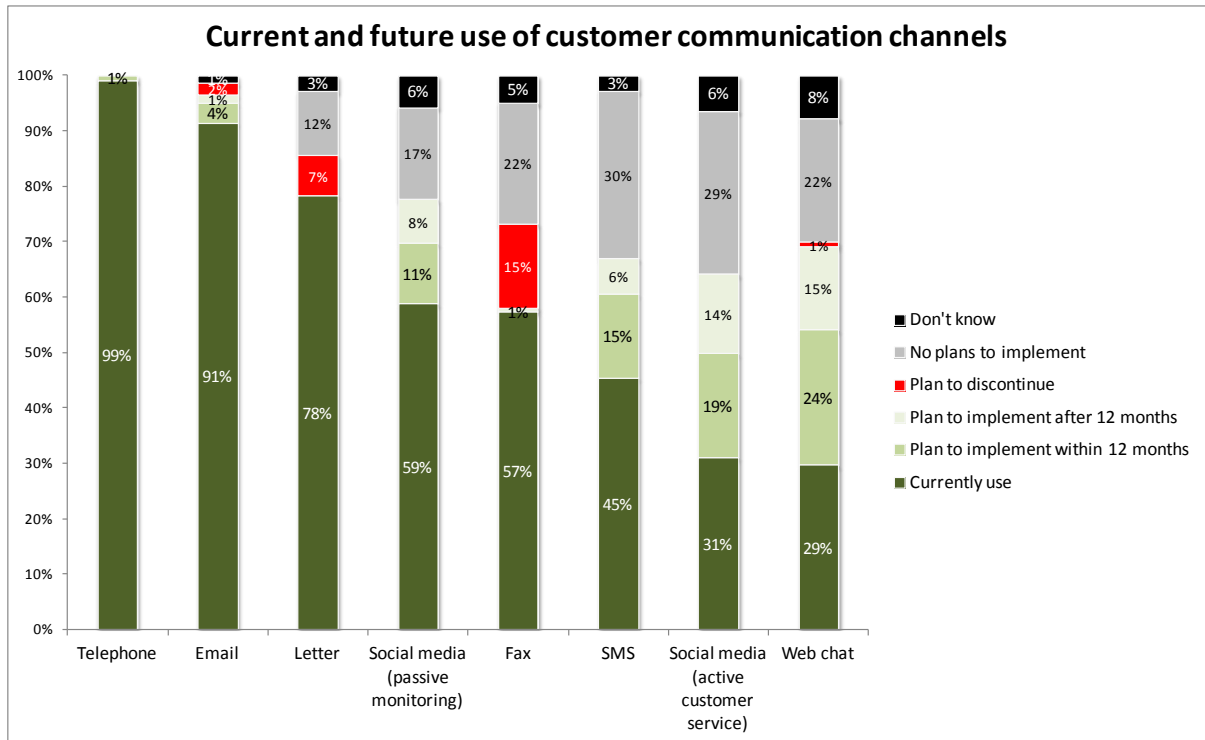
Although the 'universal queue' as a phrase is showing its age, having been around for at least ten years, as a concept it's still vital to understand.

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.

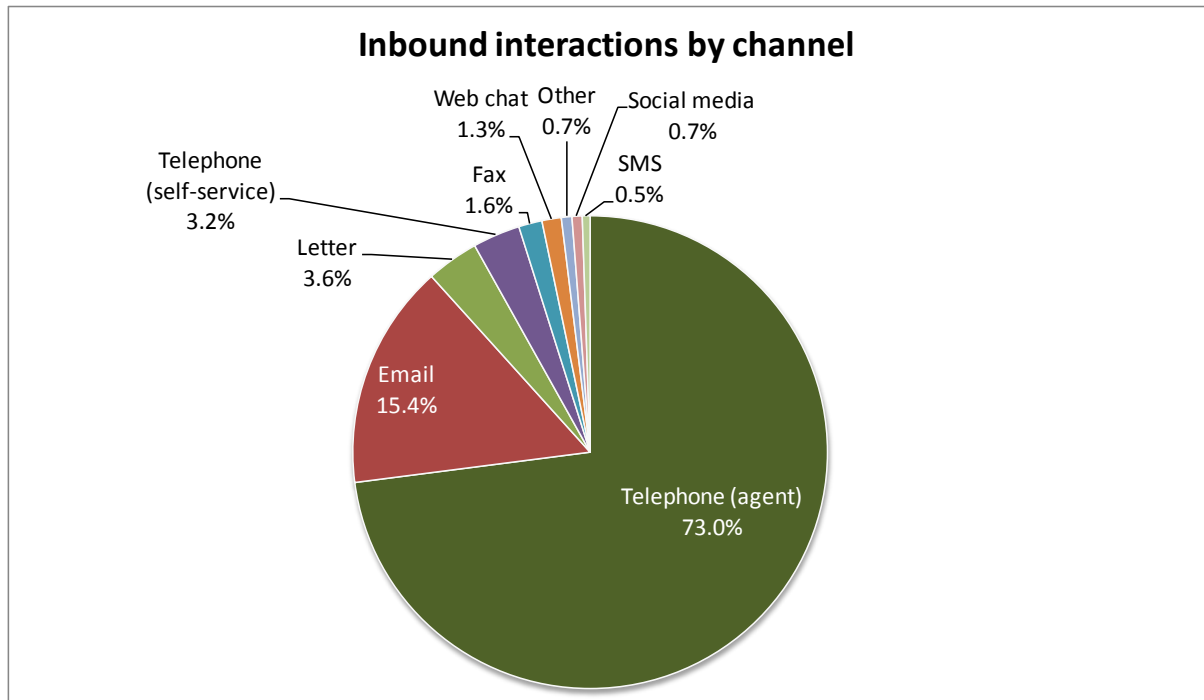
The UK contact centre industry has embraced multichannel customer communication, with 91% offering an email channel as well as 45% SMS and 29% web chat. Traditional channels such as letter and fax are still present in most cases, and social media as a customer service channel is also offered by 31% of respondents this year.

Figure 67: Current and future use of customer communication channels



While the proportion of inbound interactions by channel had not changed greatly between 2009 and 2011 - perhaps as many initiatives and investments were put on hold - this year sees a big jump in email from 10.4% to 15.4%, and a further drop in both the live and self-service telephone channels, as more customers choose an online option as their primary channel, a view further supported by web chat jumping from 0.7% to 1.3%.

Figure 68: Inbound interactions by channel



Agent-handled calls are most important to respondents in the finance, housing and insurance sectors, with email very strong in manufacturing, retail and TMT (especially the IT sub-sector). Telephony self-service is strongest in utilities and transport & travel sectors, as well as public sector. Web chat is developing a presence in retail (so as to close online sales).

Figure 69: Inbound interactions by channel, by vertical market

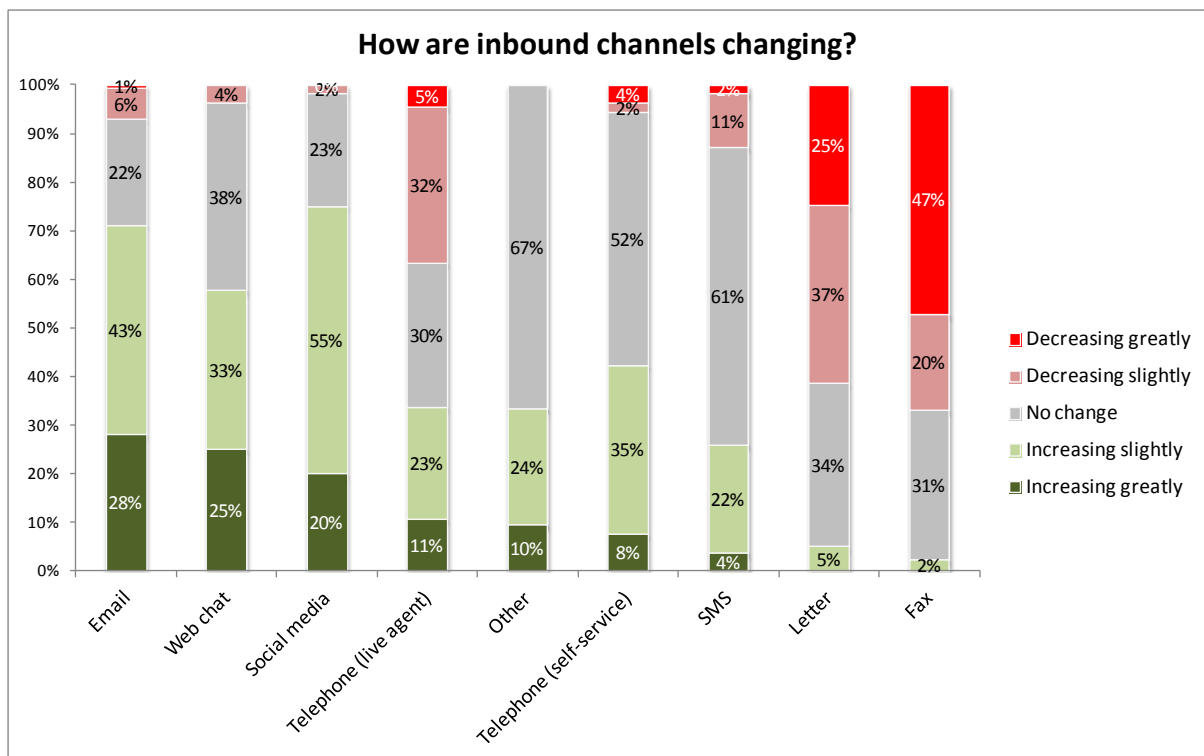
Vertical market	FS	HS	INS	MAN	OS	PS	RD	SVCS	TMT	TT	UTILS	Average
Telephone (agent)	84%	88%	82%	64%	78%	74%	61%	69%	65%	57%	76%	73.0%
Email	8%	8%	7%	23%	13%	13%	29%	16%	23%	12%	6%	15.4%
Letter	3%	2%	5%	4%	3%	3%	1%	7%	2%	6%	7%	3.6%
Telephone (self-service)	3%	1%	0%	0%	3%	8%	2%	2%	6%	9%	9%	3.2%
Fax	1%	0%	2%	8%	1%	1%	2%	1%	0%	4%	0%	1.6%
Web chat	0%	0%	0%	1%	2%	0%	4%	2%	2%	3%	1%	1.3%
Other	1%	0%	2%	0%	1%	2%	0%	0%	0%	5%	0%	0.7%
Social media	0%	0%	1%	1%	0%	0%	1%	1%	1%	2%	0%	0.7%
SMS	0%	0%	0%	0%	1%	0%	0%	2%	0%	3%	1%	0.5%

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. 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 (which the rise in its importance goes to prove), and web chat and social media are also 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, transport & travel and manufacturing industries.

The figure for live agent telephony dropped significantly from 78.6% to 73% this year, and for the first year, more respondents say that telephony is declining rather than increasing.

Figure 70: How are inbound channels changing in your contact centre?



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 71: Inbound interactions that are email, by vertical market

Vertical market	% of inbound interactions that are email
Retail & Distribution	28.6%
TMT	23.3%
Manufacturing	22.8%
Services	16.3%
Outsourcing	12.9%
Public Sector	12.6%
Transport & Travel	12.3%
Finance	8.3%
Housing	7.9%
Insurance	7.4%
Utilities	6.3%
Average	15.4%

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, although there has been a big jump even in large contact centres, from 3.9% to 7.9%.

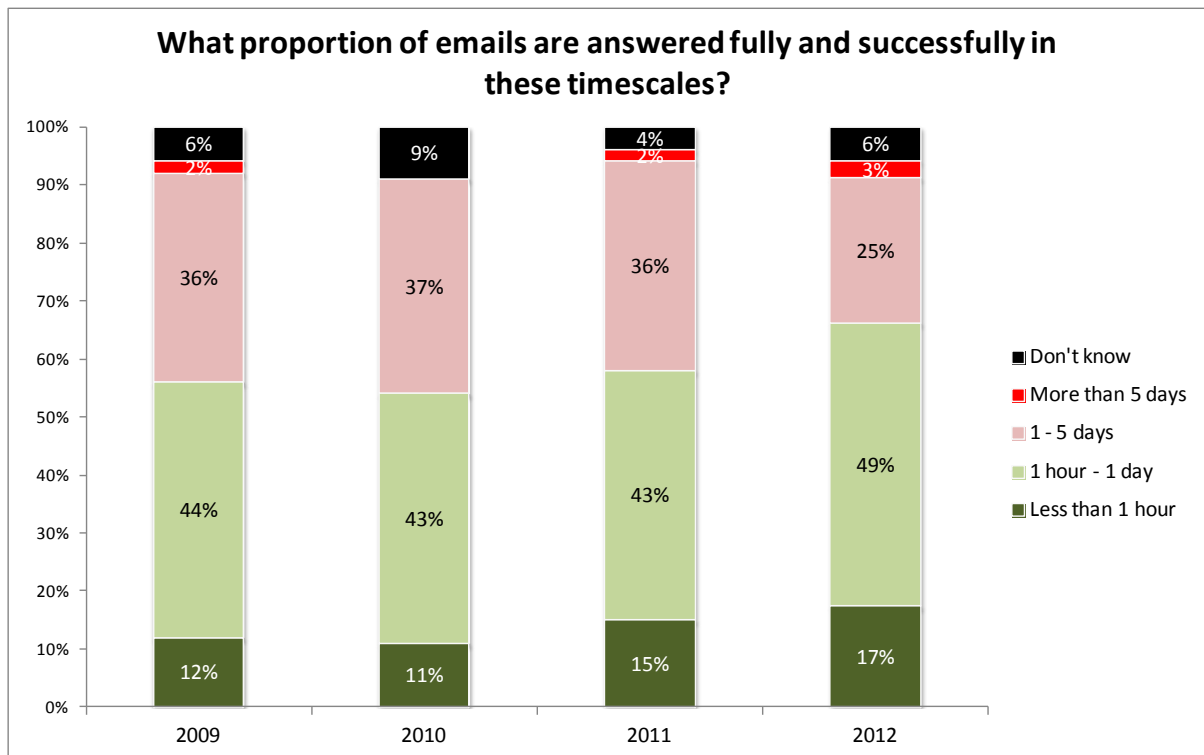
Figure 72: Inbound interactions that are email, by contact centre size

Contact centre size	% of inbound interactions that are email
Small	21.5%
Medium	11.6%
Large	7.9%
Average	15.4%

Email response handling times show further improvements on past years, with the proportion answered within one hour going from 15% to 17%, and those answered the same working day going from 43% to 49%, creating a virtuous circle whereby customers are more happy to use email as they are more confident that they will get a good, timely response.

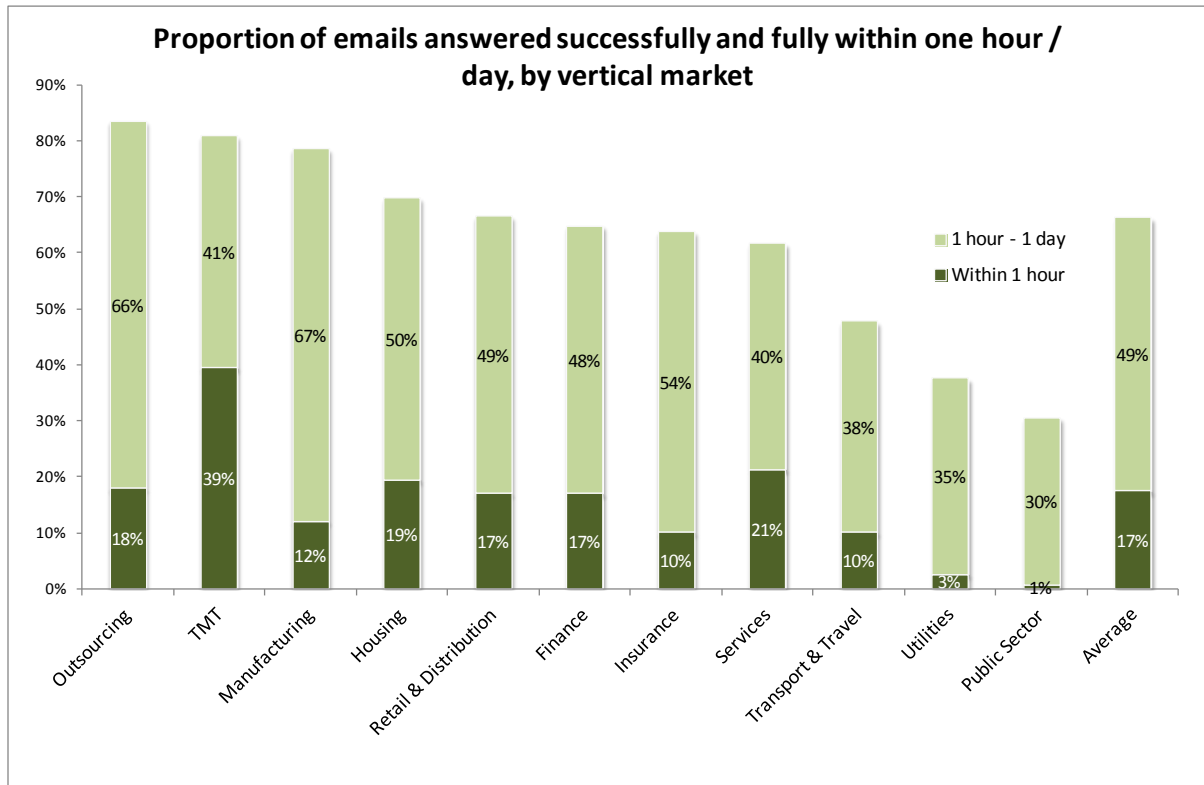
Taking longer than one day to answer an email runs the risk of the customer losing patience, and going elsewhere or phoning the contact centre, placing a greater cost burden on the business than if they had just called in the first place, but this figure is down from 38% to 28% this year.

Figure 73: 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 74: 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 the outsourcing sector also handles its large volumes of email well too, driven by service level agreements and sales targets. Customers of utilities companies and those using the public sector will have learned not to expect quick answers from them.

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.

The majority of respondents in every sector allow 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, a figure similar to previous years.

Figure 75: Use of multimedia blended agents by vertical market

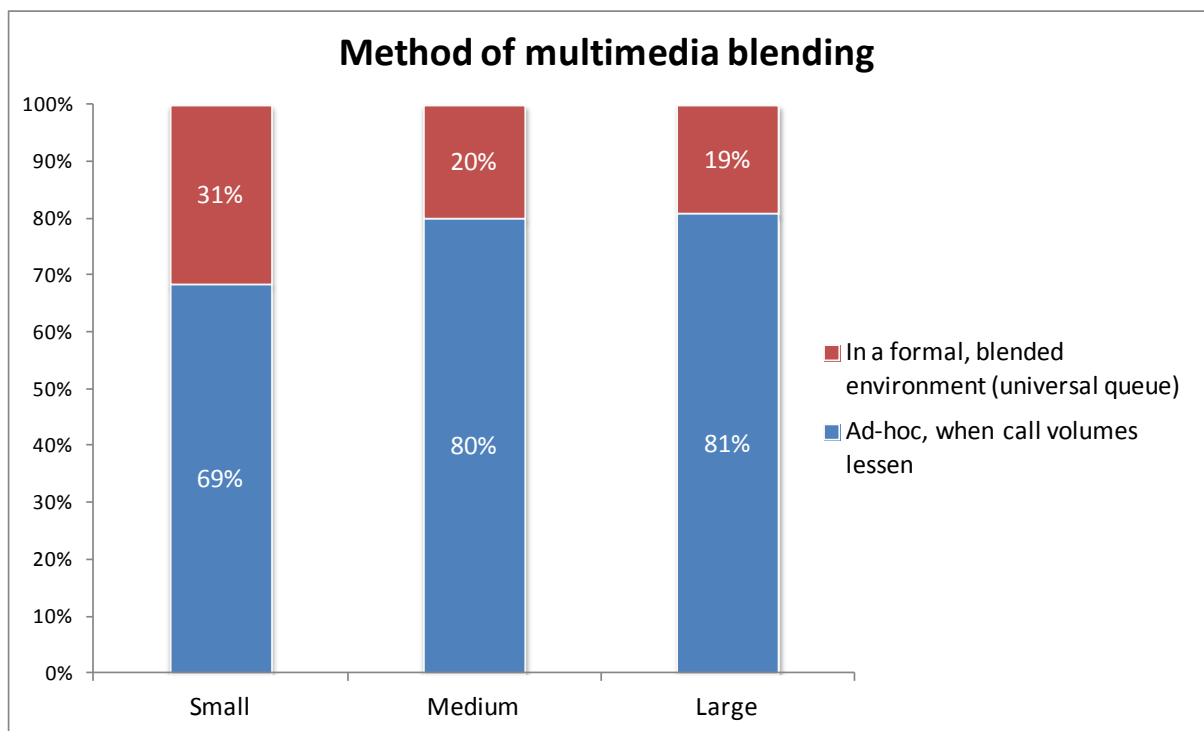
Vertical market	Respondent contact centres allowing multimedia blending	Proportion of agents answering both voice and email (only where applicable)
Manufacturing	100%	73%
Transport & Travel	100%	45%
Public Sector	100%	45%
Insurance	100%	42%
Utilities	100%	13%
Services	95%	79%
TMT	94%	69%
Retail & Distribution	91%	62%
Outsourcing	90%	57%
Housing	88%	58%
Finance	79%	50%
Average	93%	59%

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 3 or 4 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 31% of respondents from sub-50 seat contact centres state that they use a formally-blended environment, rather than an ad-hoc approach, whereas only 19% of large contact centres (which are also far more likely to use dedicated email agents than multi-tasking agents) do so.

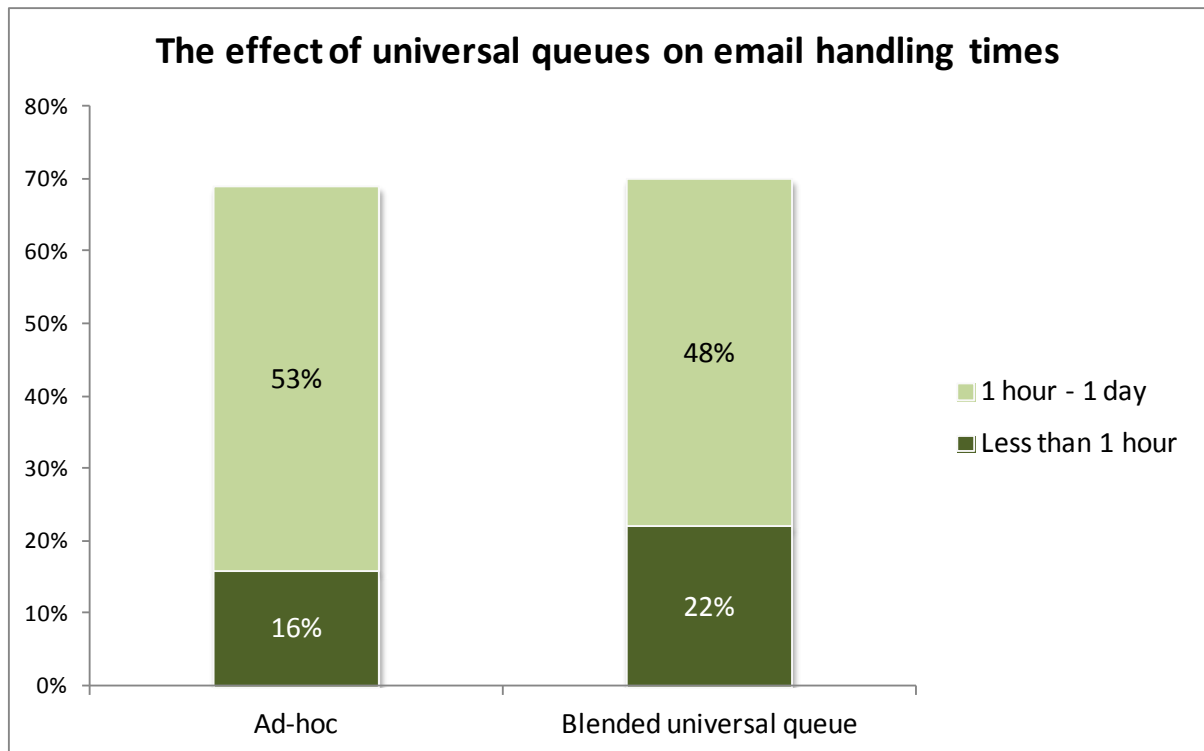
Figure 76: Methods of multimedia blending



The following chart seems to indicate that a formalised blending environment, such as a universal queue, has a beneficial effect on email response times. Respondents using a formal blended environment report that 22% of emails are handled within 1 hour, with a further 48% being dealt with inside a day.

The ad-hoc approach is less successful at rapid response, with only 16% of emails having an average handle time within 1 hour, although 53% are handled in a day.

Figure 77: The effect of multimedia blending on average email handling time





Case Studies

Two International Customers using Altitude's Multimedia Solution in Customer Service

Belgium Railways (NMBS/SNCB) adoption of the Altitude uCI customer interaction management solutions has helped deliver measurable service level improvements and better customer service at its international train operations.

SNCB Europe contact centre handles international train operations and international ticket sales with complex and extensive offerings that include different train services to international destinations (Eurostar, Thalys, TGV, etc.) and different products (intercity, European passes). Their 60 agents handle 500,000 calls per year.

Following a full restructuring and modernisation process that included the deployment of the Altitude uCI solution, abandonment rates at the contact centre went from 25% to 10%, while average waiting times dwindled from 10 minutes to 30 seconds. First call resolution is reported to reach 97% of calls.

SNCB's contact centre is an inbound-only contact centre. It is now equipped with the Altitude uCI customer interaction management solution running on the Altitude vBox IP communications platform. It uses Altitude Voice Portal (IVR) with "call-back" options, intelligent multimedia routing for voice and email handling, with real time supervision and reporting. There are plans to extend contact centre capabilities to SMS, Chat and the Web.

The new technology platform made it possible to better measure contact centre performance and put in place a more effective culture of customer service. *"Having better tools to measure performance means we can be effective in managing the team and deliver the service"* states Matthias Anthierens, Contact Centre Operations Manager for SNCB Europe.



MAPFRE FAMILIAR, the general insurance arm of Mapfre Group, has deployed the Altitude uCI solution for customer interaction management in the C@C24 Contact Centre.

Mapfre Group is present in 43 countries, focused mainly in Spain, Europe and Latin America. It has 36,744 employees, 70,000 brokers and agents, and more than 5,351 shops and sales points worldwide. Its product range covers all fields of the insurance business, providing competitive solutions to meet each of its client needs, as well as those related to their properties and assets.

The C@C24 has eight sites and more than a thousand, highly qualified professionals, and is available 24x7. It provides MAPFRE FAMILIAR customers in Spain with travel assistance and vehicle insurance, health assistance and general insurance, sells and informs on insurance products, and provides general information to customers, while working as a customer service helpdesk for the whole Mapfre network of agents and brokers.

The Altitude uCI solution provided C@C24 with sophisticated, unified customer service tools and a common customer assistance platform for all the lines of business within Mapfre Familiar in Spain, running on top of Altitude and Avaya communications solutions. The Mapfre C@C24 solution now ensures completely unified customer service evolution in a customer-centric organisation.

The Altitude solution now unifies and manages all customer interactions, independent of communication channel (voice, SMS, fax, mail, etc), enabling multichannel seamless personalised service by the relevant agent in the contact centre.

The MAPFRE FAMILIAR C@C24 Contact Centre also added innovative advanced functionalities. Using the Altitude CallBack it made available "Call Me Back" options in Mapfre's website, providing customers with an option to schedule a contact with a Mapfre agent. In the near future, this functionality, along with other customer service features, will be available within mobile apps for smartphones.

Altitude Software (www.altitude.com) is a global leader in unified customer interaction solutions, managing dynamic contact centres independently of platforms since 1993. With about 1,100 customers in 80 countries, Altitude strives for customer satisfaction and is ISO 9001 certified for its worldwide support. Altitude Software has won 50+ industry awards. "Altitude uCI" (unified customer interaction) is a software suite that manages in real time enterprise functions like Customer Service, Help Desk, Collections, Telesales, Surveys, etc. It is unique in accelerating the creation of services and campaigns, thanks to the unified design studio, routing, dialler, voice portal, desktop front-end, monitoring and analytics.

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. 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 smartphone, tablet and mobile communications 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 may allow users to form longer and more complex sentences, more akin to email.

⁵ Harris

⁶ Ofcom, end-2010

WEB CHAT AND WEB COLLABORATION

Web chat or web chat (or 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 web 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.

Figure 78: 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



With the advent of VoiceXML based IVR systems some of the limitations outlined above are eliminated:

- Can leverage existing web infrastructure.
- Applications are standards based and can transferred from one platform to another.
- Use standard hardware platforms.

These advantages allow company’s IVR systems to live within their existing infrastructure, reducing costs and overhead as well as providing an easier path for more flexible application development.

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.

IT'S TIME TO CREATE A NEW CONVERSATION WITH YOUR CUSTOMERS

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Today, customers learn more about your company from people they know than they do from you. They have more ways to voice their satisfaction — or dissatisfaction — to others.

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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 79: 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

		Interaction complexity	
		Simple	Complex
Volume of interactions	High	Very high - balance enquiries - ticket booking - utilities meter reading	Medium May use speech recognition - form-filling - stock purchase
	Low	Medium May use hosted solution - FAQs - low security interactions	Low Cost of system purchase and update may be prohibitive compared to using live agents

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 recent economic climate, the hosted or cloud 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. The majority of this year's utilities respondents do offer a telephony self-service channel, but many have made significant investments in web-based self-service, and the relatively low proportion of self-service calls handled shows that many customers are choosing online servicing ahead of telephony self-service.

Overall, 26% of respondents offer a full self-service option through a voice channel, down from 32% last year, although of course many more offer IVR for routing and CTI purposes, as well as a widespread and growing use of web and mobile self-service.

Figure 80: 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 <u>if offered</u>	Proportion of contact centre respondents offering a full self-service option
Finance	23%	39%
Housing	7%	18%
Insurance	1%	7%
Manufacturing	n/a	0%
Outsourcing	16%	29%
Public Sector	10%	47%
Retail & Distribution	5%	24%
Services	13%	23%
TMT	27%	23%
Transport & Travel	42%	50%
Utilities	12%	60%
Average	16.1%	26%

NB: proportion of calls handled through self-service refers only to the 26% 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, 22% of voice self-service is handled through automated speech recognition, rather than touchtone IVR, remaining fairly steady. 91% of self-service interactions in small contact centres are through touchtone IVR, with automated speech recognition becoming increasingly widely-used in larger operations, with 26% of medium-sized contact centres and 32% 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 81: 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
Housing	100%	0%
TMT	98%	2%
Utilities	97%	3%
Transport & Travel	88%	13%
Services	80%	20%
Outsourcing	72%	28%
Public Sector	72%	29%
Retail & Distribution	67%	33%
Finance	64%	36%
Average	78%	22%

SUITABILITY AND EFFECTIVENESS OF SELF-SERVICE



Since most organizations receive calls that are a mix of simple and complex queries it is important to make sure that your IVR system is tightly integrated with your overall contact center through efficient routing as well as passing of CTI information to the agent desktop. The number one complaint customers typically have of automated voice systems is the requirement that they repeat themselves or that the work they have done in the IVR is lost when the call reaches the contact center when an agent is required. Closely integrating the IVR with the overall contact center infrastructure will enhance the customer experience and help control costs through more efficient agent interactions.

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 74% of respondents do not offer any full self-service solution via telephony, only 38% do not believe that self-service is entirely unsuitable for them, meaning 36% 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. 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. The advent of mobile self-service applications via smartphone or tablet is something that will be gauged in future years.

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 hectored into using an unhelpful and irrelevant self-service system.

Overall, a mean average of 11.9% 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 up on last year's 10.5%. (NB, 1st quartile performance for 'zeroing-out' is 1%, the median is 8% and the 3rd quartile is 20%, 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 finance 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 17.5%.
- In contact centres where the majority of self-service is offered through touchtone IVR, the mean zero-out rate is 9.4%.

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 / 2011 research

Maximizing Self-Service in an Age When Customer Experience Defines Your Brand

By Genesys

Today, your brand is defined by the customer experience you deliver. Your customers learn more about companies from people they know than they do from you. They expect a fast and simple experience with low effort across any channel they choose, with all interactions managed as one seamless conversation. In this new world, customer service plays an increasingly critical role — yet many companies are challenged to deliver on it:

- **Only 1 in 4 contact center experiences are good ones**
- **Bad customer service is the #1 source of disloyalty**

One key aspect of this customer experience is self-service. Giving your customers the ability to help themselves has evolved from automating simple answers for voice callers to recognizing a customer and anticipating their needs across voice, video, and web-based interactions.

Since the key to understanding customer needs is context, this requires a self-service solution that can integrate customer information and apply business logic to identify caller identity, intent, preferences and context to both personalize the self-service. This type of solution can also use this information with business rules and intelligent routing to determine the customer value and the most appropriate next steps for that customer, whether that is self-service or assisted service. It is important that this solution can scale to meet the growing and changing demands as customer service continues to evolve.

In addition to a better customer experience, this approach offers essential business benefits:

- **Improved operational efficiency** with the ability to handle routing requests in the self-service application and to seamlessly hand-off more complex requests and associated customer information through skills-based routing to the available agent who can best resolve the issue.
- **New revenue opportunities** from the ability to offer targeted and personalized cross-sell and up-sell offers
- **Reduced costs** by aligning service with customer value and needs

Achieving these results means taking self-service out of its traditional silo. The most cost-effective way to achieve this is through a standards-based software solution that readily integrates with and leverages existing backend and Web infrastructure investments and offers centralized management and reporting. This type of solution offers portability, simplifies deployment and maintenance, and scales to meet changing business and customer needs.

Among the benefits of such a solution are:

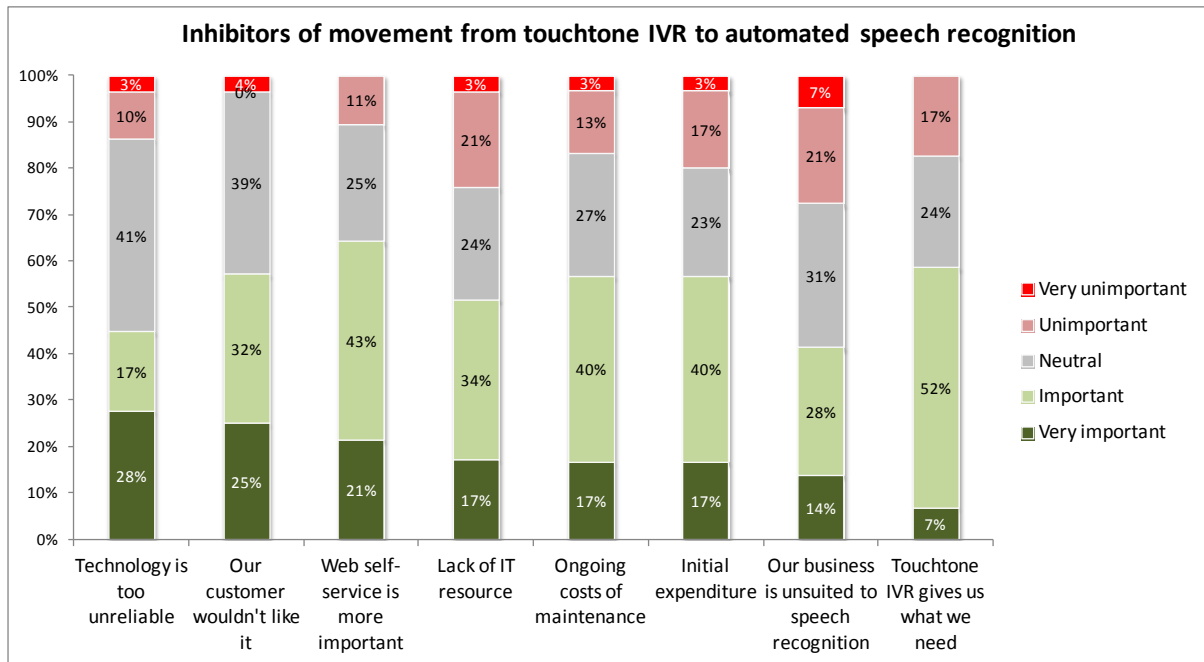
- The ability to **focus on self-service as a part of the total customer experience**, and through, centralized report, to continually improve that experience
- The ability to **build and maintain next-generation self-service applications** — such as account activation, password/PIN reset, and visual IVR — in an open, standards-based development environment
- The ability to **deploy a secure, flexible voice platform** that offers the choice of TDM, IP, or hybrid environment deployments, on premise or in-network
- The ability to **avoid vendor lock-in and have a greater choice of solutions** as customer service needs evolve
- The ability to **maximize ROI by reducing costs** for telephony, transport, and equipment that can be centrally deployed and administered

Delivering a great customer experience depends on getting the right customer to the right resource at the right time. When your self-service solution can recognize your customers, anticipate their needs, and determine the best next step you can ensure that every customer gets a consistent, personalized experience.

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 82: 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. Inhibitors such as initial investment and ongoing costs could be alleviated through a cloud model, but the belief that customers would not like it is still a strong inhibitor. 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, 28% of respondents this year still strongly believe that ASR is 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 64% of respondents state that the latter is more suitable than automated speech recognition.



Companies seeking to enhance the quality and efficiency of the self service experience they offer their customers should look to adding intelligence and personalization to their applications. When a customer is successfully identified the IVR menu can be adapted to offer that person only the options that are relevant to him or her. A positive experience enhances the customer's feeling about the brand and a highly personalized experience shortens call durations saving costs and allows companies to more successfully cross or upsell to their customers.

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: "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)

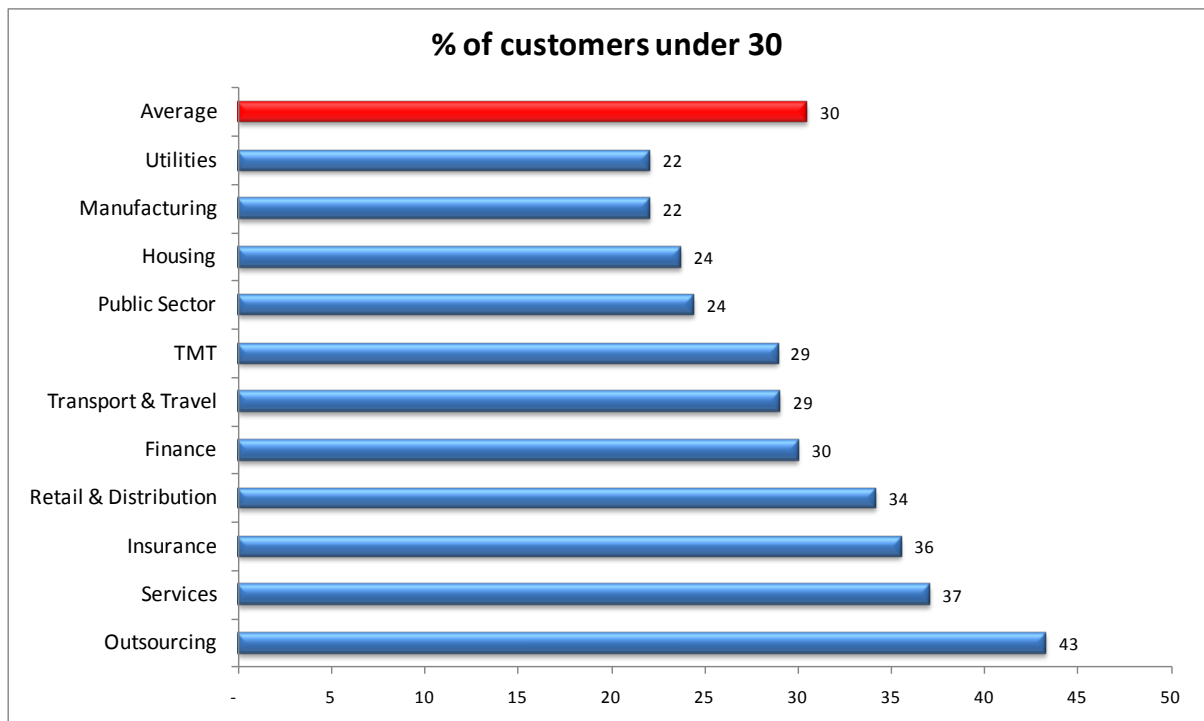
SOCIAL MEDIA

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 couple of years 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 83: Proportion of customer base under 30, by vertical market (2011)



⁷ <http://www.digitalbuzzblog.com/infographic-facebook-vs-twitter-demographics-2010-2011/>

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:

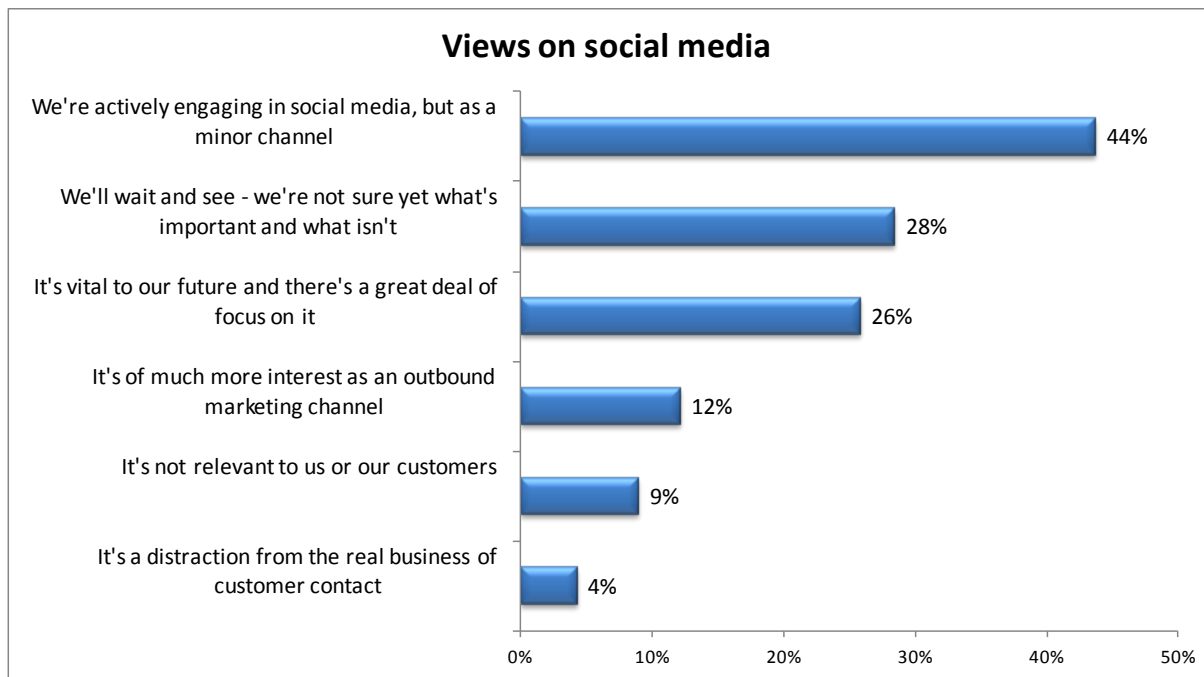
- interactivity between peers supported by a collection of online tools
- dialogue rather than monologue
- ubiquity
- free-to-air
- user-generated content
- person-to-person communication.

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 44% saying that they were dipping a toe in the water, and 26% seeing social media as vital to their future (almost identical to 2011's findings). Yet the second-highest response was to "wait and see", with a small minority writing it off altogether. 12% respondents see it as another outbound channel to get to customers - which is contrary to the 'dialogue not monologue' ethos generally accepted, and this is a figure that has dropped from 17% last year.

There is a general consensus in the Poll, that social will be required in UK contact centres, however the almost unchanged figure for 'actively engaging' and high figure for 'wait and see' illustrates that there is still a latency to experiment with social as a channel. This frequently stems from the perceived danger of negative comments, but as more consumers find social a valuable customer service tool, an expectation is set and social commentators will respond negatively to your brand whether you chose to participate or not. Successful social companies 'Listen a lot and Tweet a little', using a solution which incorporates social monitoring, filtering, prioritising and engagement, giving an insight into how your brand and customer service is perceived.

Figure 84: 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 **finance** and **insurance** sectors had the greatest proportion of respondents that were unenthusiastic about social media. 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 **TMT** 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 retailer 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, **housing** 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 **transport & travel** and **utilities** verticals are actively engaging in social media as a minor channel, with some in the former sector being particularly active in using social media as an outbound communication channel with their customers.

Looking at social media attitudes by contact centre size, 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

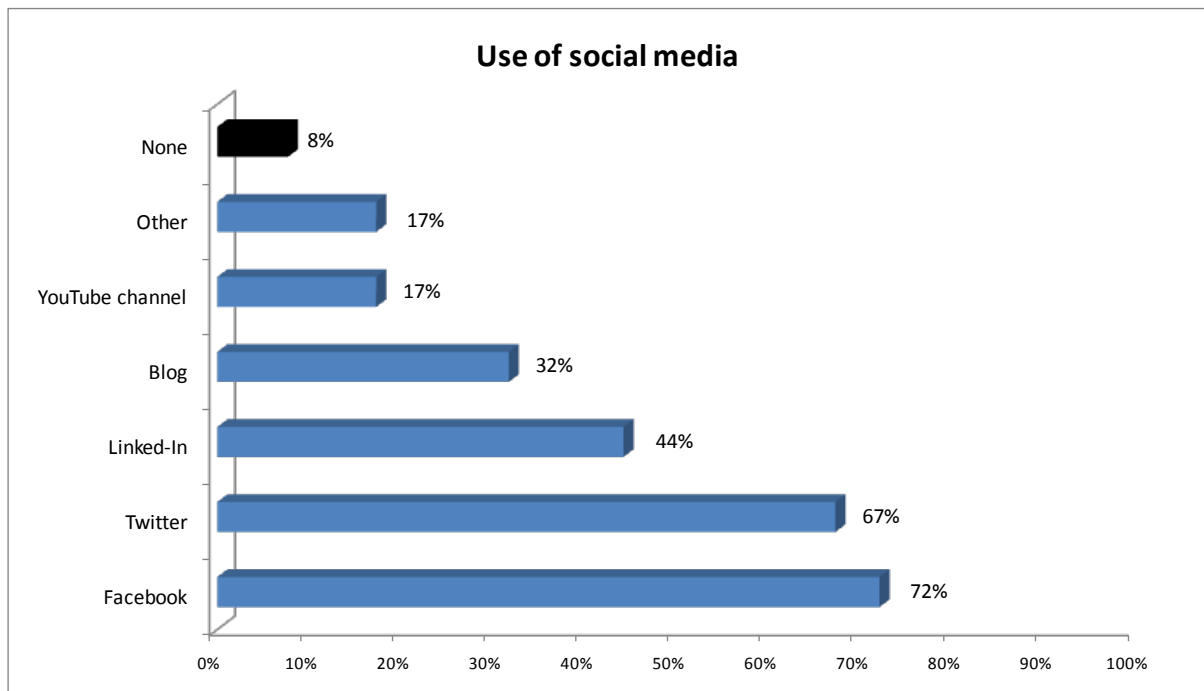
another channel with which to bombard customers with marketing messages. Large operations are least likely to have taken a watching brief over social media, and the majority engage actively now.

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 6 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.

Cloud based social customer service is accessible to any organisation, irrelevant of size, and purchasing on a per seat basis offers an opportunity for any business - large or small - to introduce and trial social as a customer service channel. Social customer service incorporates several functions: monitoring, filtering, Interaction portals, multi- channel queuing and routing and social response, which can be introduced as separate cloud modules integrated into your existing contact-handling infrastructure or as a total multi-channel platform. Many businesses are introducing Social apps for mobile smart phones, along with other mobile service apps, offering customers a further route to resolve requests and can be managed as part of this multi-channel solution.

Figure 85: 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 'Linked-In' 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 and #hashtag functions, ways 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.



mplsystems bring together multi-channel contact centre technology with innovative customer service and sales software.

Our intelligent desktops offer a single view of customer activities across the business, integrating back office applications with voice, email, social and mobile channels, helping our clients to resolve queries faster whilst benefiting from more integrated processes.

Our technology is available as a series of modules, cloud or premise based, which sit alongside existing contact centre infrastructure or we can provide a fully integrated solution.

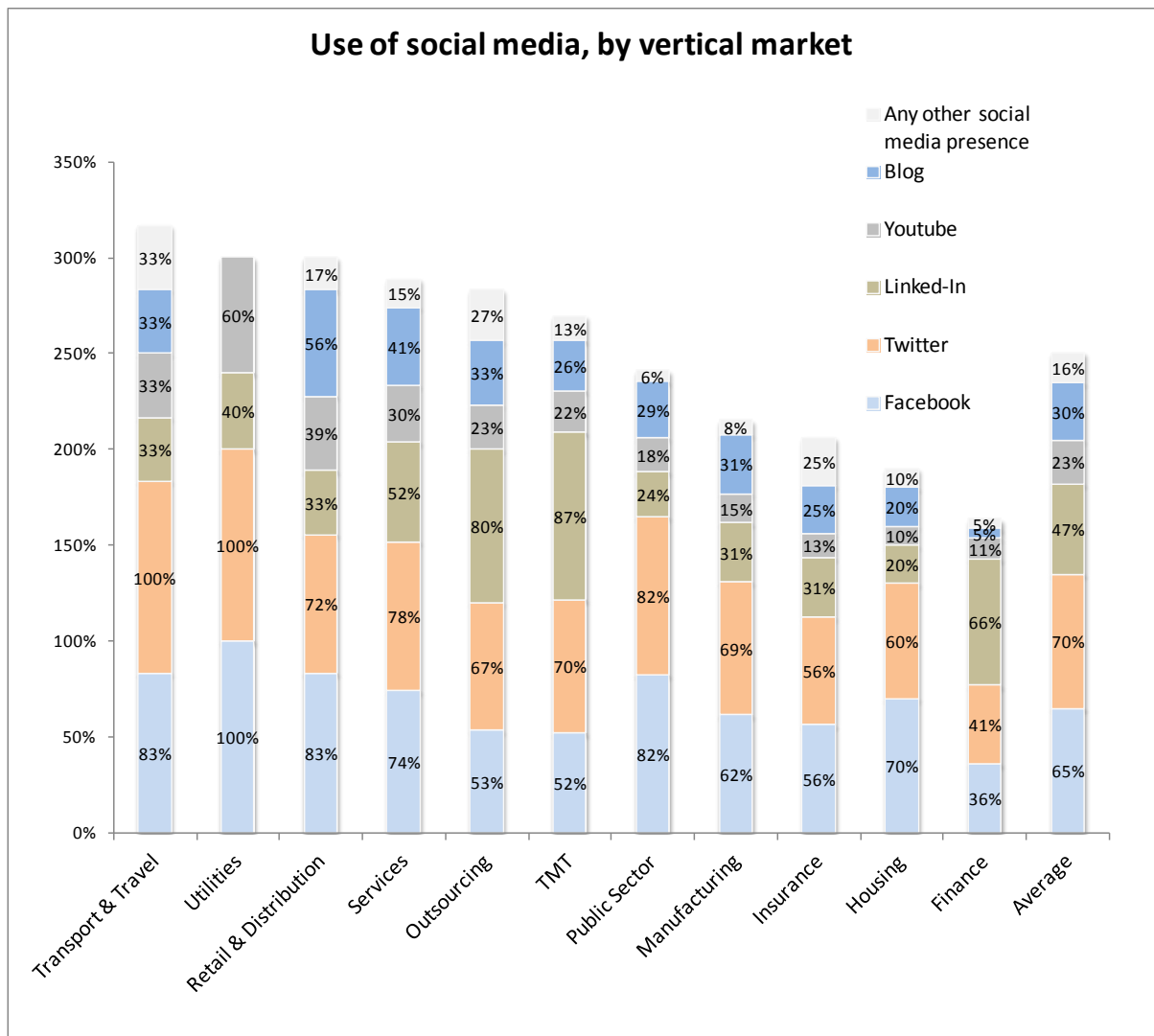
Our unique mobile customer service applications have been shortlisted in the 2012 European Call Centre & Customer Services Awards for both the "Best Use of Technology" and "Innovation of the Year" categories.



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Figure 86: Current usage of social media by vertical market



As can be seen by the cumulative chart above, the transport & travel, utilities and retail & distribution sectors are most widely-engaged in multiple social media channels, with finance, insurance 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.

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 almost as popular with smaller operations as with larger ones, 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 87: Current usage of social media by contact centre size

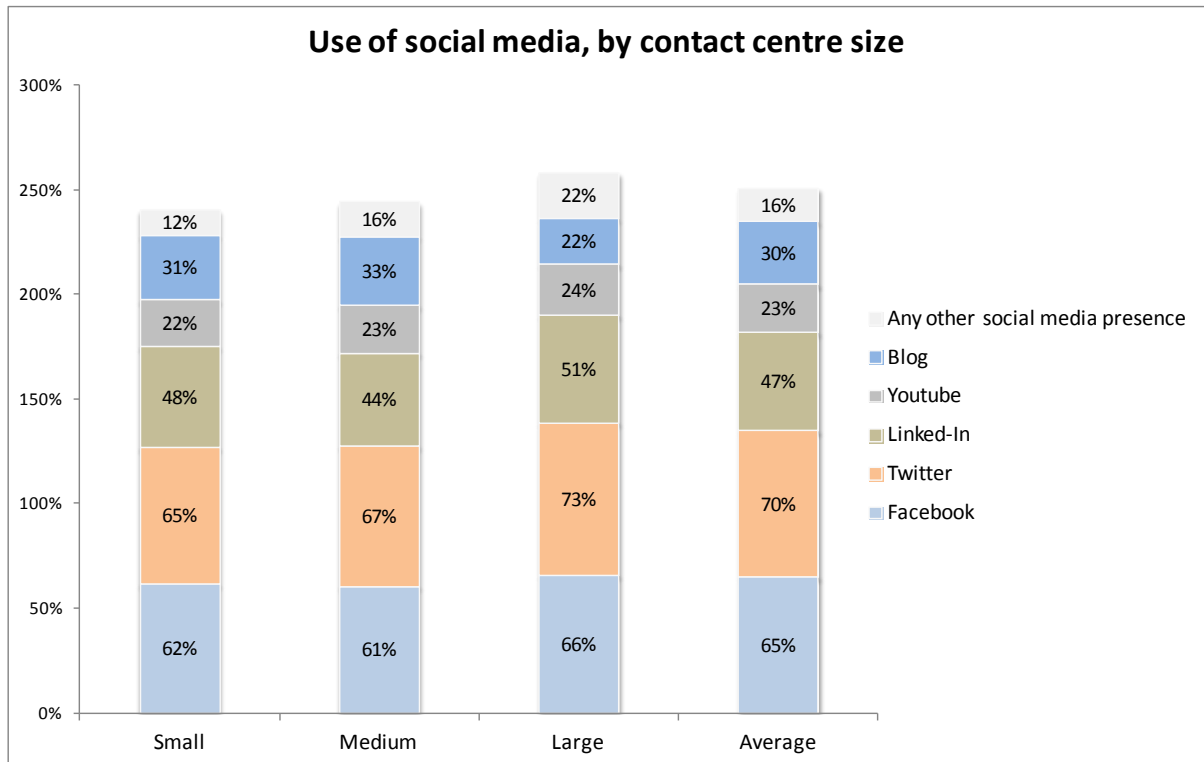


Figure 88: Usefulness of social media for business activities

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	6.9	4%	28%
Acting directly on negative comments and complaints	6.5	13%	30%
Delivering product and marketing information to the customer	6.1	12%	23%
Learning more about our competition	5.3	14%	8%
Offering customers a fully-supported customer service channel	4.8	25%	12%

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 28% 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 than twice as many 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.



Responding to social requests does not mean taking agents out of your front-line call centre: the most effective social customer service deployments use the expertise of existing agent teams. Social requests are filtered according to criteria, prioritised and then routed alongside all other contact types, whether calls, email or mobile app requests, using a multi-channel cloud based ACD, with the requests routed to agent teams most skilled to deal each based on topic.

Some companies are making the mistake of dealing with social queries with canned responses such as‘we will get back to your query in ...X days’. Consumers choose social because they assume they will get a fast resolution to their request not just a response. Email has suffered as a customer service channel due to slow resolution time, emails requests are often put on a back burner when the call centre is busy. The key to social success is to prioritise, respond and resolve queries as part of a multichannel customer service solution, using the skilled agents you already have in place. Social customers will broadcast the fast resolution and positive customer experience they receive in social comments.

‘Social Customer Service: Making it Simple’

Within your consumer base, and within your brand profile across worldwide forums, your customers will be discussing, endorsing, debating and even deriding the experiences they have with your organisation. Social customer service allows you to blend posts, tweets or discussions that include your key words into your customer services workflow queues so you can become more proactive in contacting those individuals who are making comments – good or bad – about your brands. By building customers’ social media identities into their history, social tools can increase your knowledge of your customers, their likes and their dislikes; marketing opportunities are maximised through your brand advocates and, conversely, negative comments can be controlled.

So will this mean a step change in the contact centre? Not so long ago, e-mail promised a revolution in customer service: rather than calling, sitting in queues getting frustrated and forcing harassed call centre agents to attempt first call resolution, customers would be able to send an e-mail and get on with their lives, while agents resolved queries in an efficient workflow. Sadly, it never worked out that way. Too few companies geared up properly for e-mail - their processes remained unchanged and their technology inadequate – so customer e-mails went unanswered. Customers soon realised this, stopped sending e-mails and picked up the phone instead. Fast forward 15 years and now social media is promising a revolution in customer service. While the danger is that it will meet the same fate as e-mail, there is no reason for this to be the case. Social media can radically improve customer service and add to company profits – we just have to get it right. The focus needs to be on resolution, not response. It is not enough to simply respond via social media; when they complain on social media, customers want their issues resolved quickly.

Companies know this and they are keen to deliver it. Failure to respond adequately on social media can be devastating to reputation as BT discovered in December 2010 when it failed to resolve Lord Sugar’s problem with his router, or as Ryanair discovered in June this year when it tried to charge Lily Allen £40 to print her boarding pass. Companies want to embrace the potential of social media but they are worried about the cost. They fear that to bring social into the contact centre will involve them ripping out existing software and hardware and spending huge sums on replacements. It is this that is causing the somewhat plodding response we are currently seeing from the call centre industry, reflected in this research. Almost a third of business surveyed are sitting on the fence and ‘waiting to see’.

There is an answer. It is possible to bring social media in alongside your existing telephony and CRM and to get a single view of customers across channels, to respond to them rapidly and to do so through the most appropriate channel. So, your agents are alerted to critical tweets, they have all the information they need about the customer and their service issue to enable them to resolve it. FordRetailOnline, the UK’s largest Ford dealer group, recently demonstrated how e-mail can still be a viable customer service channel. We built them a [multi-channel contact and lead management system](#) which queues enquiries from a range of channels and routes them to an appropriate agent, based on the time of day and how busy the agents are. A comprehensive database generates screen pops at suitable times in the conversation, giving agents the customer information they need at the precise time they need it. The results have been startling: where some calls might have taken a minute to answer, now they are answered within 20 seconds and the management team proudly talk of customers who have been taken aback by how quickly an agent has responded to their email query. Indeed, the team at FordRetailOnline estimates that the introduction of this new system has increased agent efficiency by 25% and improved lead closure by over 40%. If it can achieve that with e-mail, imagine how much more will be possible with social media.

Customers are going to use social media whether we like it or no and so we need to act now to ensure we are there, ready to respond and, crucially, to resolve their issues. As FordRetailOnline has demonstrated, this can be done with a minimum of disruption and cost. The successful contact centres of the future will be those who embrace new channels. And it’s not just social media; the mobile customer service “app” approach delivers a new customer channel to the mobile world. Self service mobile apps can resolve simple customer service requests by incorporating them into your contact centre solution with more complex queries or issues routed directly from apps into your customer service function. For a growing portion of the population, apps are the default choice for tasks; their ease of use and accessibility make it a compelling choice for many. Consumers will chose a customer service channel based on their own preferences - the challenge for contact centres is offer a full range of channels.

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.

The study's researchers, Algesheimer and Dholakia, identify three types of business which would most benefit from supporting customer communities:

⁸ "The Long Term Effects of Joining and Participating in Customer Communities", Algesheimer and Dholakia (Zurich / Rice Universities), 2006

- 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:



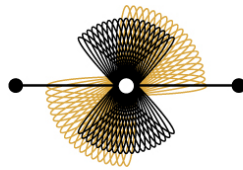
Organisations running Altitude Software in their contact centres **do more** with existing resources to meet new challenges, their overall technology spend **costs less**, and they **simplify** business processes involved in customer interaction.



Enghouse Interactive helps you prepare for the future with our multichannel contact centre suite; continuously developed with new media in mind such as social media, video and mobility capabilities.



Genesys eServices enable cross-channel conversations that deliver a consistent experience as customers transition to non-voice channels: by creating a single conversation over time — across phone, Web, Social Media and mobile channels — you can more effectively engage your customers, and meet growth and customer satisfaction objectives.



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Interactive Intelligence offers unified business communications for contact centre automation, unified communications, and business process automation. www.inin.com



mplsystems bring together multi-channel contact centre technology with customer service and sales software, simplifying the agent desktop, reducing response times and so improving the customer experience – www.mplsystems.co.uk



Nuance is a leading provider of voice and language solutions for businesses and consumers around the world.



Verint® enterprise workforce optimisation solutions help organisations capture, analyse, and act on customer interactions across multiple communications channels while gaining insight into internal processes that directly or indirectly impact the customer experience.



As a totally unified solution, Vocalcom allows you to consistently serve your customers regardless of the media they choose to use. You can configure, inbound and outbound campaigns, emails and chat and fully integrate with telephony, data management and human resources all under one unique solution.

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.

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.

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.



Vocalcom recognises that the technology challenges in realising a CRM strategy can be related to legacy system support and the sheer number of disparate technologies that need to work in unison. By unifying the core functionalities required and taking a web centric approach you can deliver a single view of the customer, whilst still utilising multiple data sources. This vastly reduces implementation time as well as on-going support costs. The inclusion of email, web-interaction, and social media and imbedding this within your CRM software allows you drive your CRM strategy from your contact centre.

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.

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 outsourcing sector claims a 20% conversion rate (ranging between 5% and 75%), services 20% (10% - 80%), and insurance 30% (range 9% - 60%). Of the rest, the huge disparity in claimed conversion rates means no insight could be given here. The mean average was 25%, the median 20%, with 1st quartile 35% and 3rd quartile 9%.



Putting in place a unified agent desktop that is focused on how the contact centre agent works will have a significant impact on the agent's performance and the customer experience and can dramatically increase cross-sell and upsell conversion rates. By providing a single view of the customer and having the unified agent desktop be responsible for pulling and posting information into your other systems not only reduces the number of systems and screens required to be accessed, it also eliminates rekeying and reduces mistakes. Vocalcom delivers this entire process from within its single application.

THE SOCIAL CONTACT CENTRE ON DEMAND

VOCALCOM CLOUD: EXTENDING YOUR CRM TO THE SOCIAL WORLD

LIVE **MOBILE** CUSTOMER SERVICE

Offer your customers an exclusive and innovative service on their mobile

*The Personal Mobile Assistant: no more queuing, no more repetitive identification, a localised service with ipayment.

LIVE **LOCAL** CUSTOMER SERVICE

Transform your retail capability with the connected Kiosk.

LIVE **WEB** CUSTOMER SERVICE

Live Customer Care and Sales solution within your website.



LIVE **LIVE SOCIAL** CUSTOMER SERVICE

You are one click away from your future customers.

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As with last year, the transport & travel and insurance sectors have the greatest proportion of service agents able to sell opportunistically, with the outsourcing and utilities sectors also geared-up to achieve extra sales. From very low levels, the manufacturing and housing sectors are most likely to feel that their cross-selling and upselling activity could be increased further, although the opportunities for the housing and public sectors to cross-sell are usually very limited. Retailers and transport & travel respondents still feel they have a lot potentially to achieve.

Figure 89: Agents capable of cross-selling and up-selling, with future requirements, by vertical market

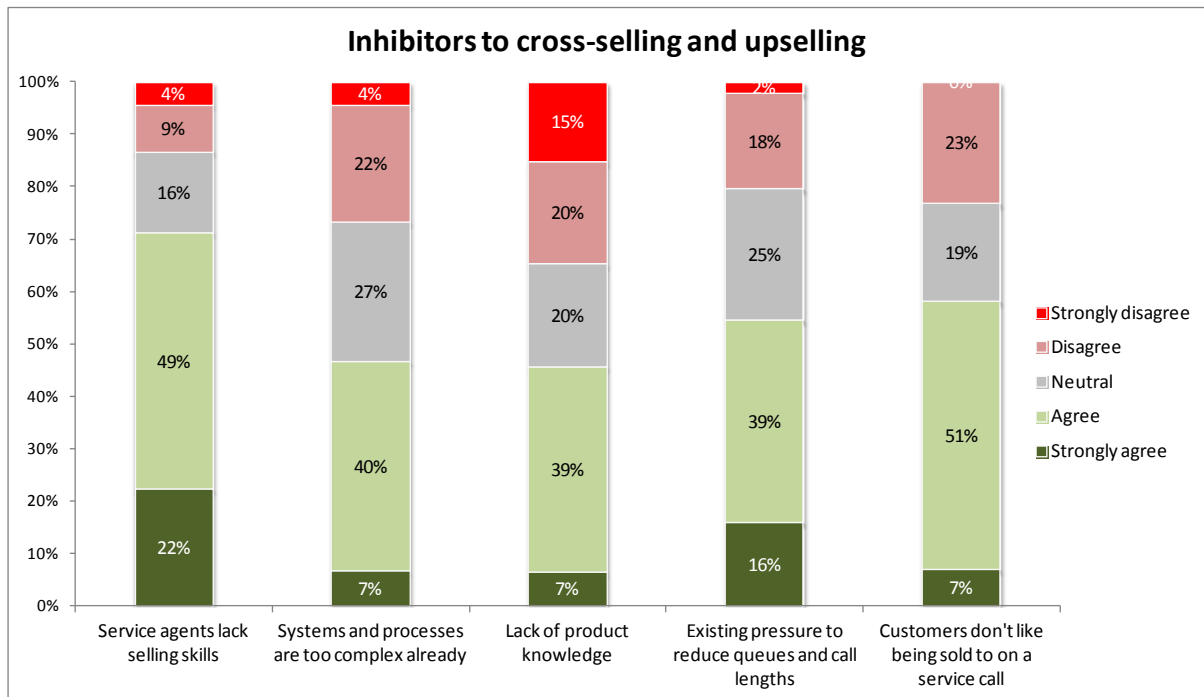
Vertical market	% of service agents able to cross-sell and up-sell	% of service agents desired to be able to cross-sell and up-sell	% increase required
Insurance	67%	70%	4%
Transport & Travel	65%	97%	49%
Outsourcing	58%	68%	16%
Utilities	50%	60%	20%
Services	44%	49%	11%
Retail & Distribution	32%	53%	65%
Finance	24%	30%	24%
TMT	23%	37%	63%
Manufacturing	20%	44%	120%
Public Sector	18%	28%	53%
Housing	3%	8%	233%
Average	37%	45%	22%

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 90: 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	32%	42%	31%
Medium	30%	41%	38%
Large	55%	56%	2%
Average	37%	45%	22%

Figure 91: Inhibitors to cross-selling and up-selling



With 71% 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.

47% of contact centres believe that their environment is so complicated already that they can't carry out additional sales work (up from 43% last year). 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.

46% of respondents cite a lack of product knowledge as being something of an inhibitor (down from 64% last year), 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.

55% 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 - the same as 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.



Technology can never solve all business issues directly. It can, however, enable operational solutions to issues to be realised. Many of the issues highlighted above relate to agent training, access to the right information at the right time and also the ability to be able to reliably measure the results. The ability to intelligently unify the agent desktop, provide the tools and data for a specific customer engagement and present dynamic and intelligent scripts for the agent to utilise can assist in overcoming training issues. When combined with the ability to record the agent-customer interaction regardless of media, along with the scripting steps taken with accurate reporting data, this can enable best practice training methodologies to be discovered and processes modified. When this can be delivered in a single system, such as Vocalcom, the technology complexity referred to above can be overcome as well.



Thought Leadership

Don't let technology rule your business

Contact centres have a huge role to play in helping create brand reputation and loyalty but they are often only as good as the technology they use, says Mike Adolphy, Managing Director, Vocalcom

Consumers are becoming increasingly sophisticated and demanding about the products and services they choose. Social media, the internet and price comparison websites have all given them the power to choose by price, interact with fellow users and comment on the service received – in other words, they can now have a direct impact on brand reputation and status.

With contact centres increasingly becoming the new hub of customer service, it is vital that the latest technology is implemented and used to ensure the highest level of customer service is achieved.

Time to take charge

Traditionally, contact centres procedures have been restricted by the ability of legacy software. Outdated and inefficient systems have made it hard for businesses to be agile and responsive to market conditions. It is not unusual for customers to experience long waiting times before speaking to an agent, few immediate resolutions to problems and queries cause irritation as personal details and other information need to be constantly repeated.

A perfect example of this inefficiency, which can damage brand reputation, is when a customer contacts a centre by text. The text information is held in a different silo to the details of a phone call from the same individual. As a result, the customer has to repeat their details maybe several times and from the contact centre's point of view this increases agent handling time (AHT) and creates a drop in productivity.

In addition, call centre software can take weeks or even months to implement, so it becomes even more difficult for businesses to react swiftly to increased demand. Unable to respond quickly to changing circumstances, can mean wasted opportunities or a tarnished reputation.

Take, for example, the changing situation surrounding tickets for the Olympic and Paralympic games. With many seats left empty, organisers needed to quickly release tickets. However, choosing to sell the tickets online proved very frustrating and time consuming for customers as the website crashed because of the increased demand.

An alternative, more efficient option may have been to action a "turn-on, turn off" contact centre. Working in this way, Olympic organisers would have found it easier to deal with peaks in demand and hopefully ticket-hunters may not have become so frustrated.

Legacy technology is also holding back contact centre performance when it comes to the mobile and social media revolutions. Customers expect to be able to make contact in whichever way they wish, from any location. The challenge is that in many centres, case histories from voice, email, web or social media are kept in different silos. This often means that the right data is not at hand when required. In some cases, it may be possible for the customer to get in touch in whichever way they so wish, yet the agent can't make proactive, outbound contacts corresponding to customer preferences.

Contact centre managers are experts in their field and know exactly how to reduce AHT, increase first call resolution (FCR) and generally deliver great service. The challenge appears to be the outdated technology they use when trying to deliver these first class services.

Moving forward

It is time for contact centre managers to question the technology. Innovation, creativity and almost limitless technical possibilities are driving solutions such as the cloud based contact centre. Powerful and freely accessible anywhere at any time, user empowered customer contact software is a simple download click away. This kind of solution not only provides seamless CRM and contact centre harmony, but offers totally scalable and flexible commercial options and the benefit of rapid deployment.

For call centres to define how they engage with their customers and how each call is handled they require a solution that works across all functional areas and all media – customer data needs to be integrated in one repository. Contact centres should be able to set up a best practice for this process, independent of their technology systems. Any additional system they then use to support this work further improves service, rather than letting technology dictate how they work.

The contact centre landscape is changing but that doesn't have to mean brand reputation and loyalty has to suffer as a result of cumbersome legacy systems. Given the right tools, contact centres can deliver not just a good level of customer interaction, but an even better proactive service too, it's a win-win situation.

CLOUD-BASED CONTACT CENTRE 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 has been either unaware or misinformed of the abilities of cloud or hosted solutions. The past two years have really seen 'cloud' as a technology deployment become credible, even fashionable, driven in large part by the success and wide uptake of CRM solutions such as Salesforce.com. The contact centre technology industry has reacted by releasing cloud-based options of former CPE-only solutions, as well as raising the profile of those businesses which have been delivering solutions in this manner for much longer.

The target audience, and the overall market share that cloud 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. 'Cloud' as a piece of terminology is still being fought over by the many and various types of solution provider. Some definitions follow:

- **Cloud** is the delivery of computing and storage capacity as a service to different businesses, organisations and individuals over a network. It is often said to consist of:
 - Infrastructure as a Service (IaaS) - servers and storage space
 - Platform as a Service (PaaS) - operating systems and web servers
 - Software as a Service (SaaS) - the functionality of software available on demand without the need to own or maintain it.

The cloud is characterised by huge scalability and flexibility, shared resources, a utilities approach to billing (pay for what you use, for example) and an abstraction of obvious infrastructure.

There are various deployment models:

- Public cloud: applications, storage, and other resources are made available by a service provider, often offered on a pay-per-use model. Public cloud service providers own and operate the infrastructure and offer access via the Internet.
- Private cloud: infrastructure operated solely for a single organisation, whether managed internally or by a third-party and hosted internally or externally. They require management by the organisation or its third-party
- Virtual private cloud: a deployment model that pulls in public cloud infrastructure-as-a-service (IaaS) while running the application on-premise or in a private cloud, in order to improve disaster recovery, flexibility and scalability and to benefit from Opex-based costing while avoiding expensive hardware purchases
- Community cloud shares infrastructure between several organisations from a specific community with common concerns (security, compliance, jurisdiction, etc.), whether managed internally or by a third-party and hosted internally or externally. The costs are spread over fewer users than a public cloud (but more than a private cloud), so do not gain as much from cost reductions.

- Hybrid cloud is a composition of two or more clouds (private, community or public) that remain unique entities but are bound together, offering the benefits of multiple deployment models. By utilising "hybrid cloud" architecture, companies and individuals are able to obtain degrees of fault tolerance combined with locally immediate usability without dependency on internet connectivity. Hybrid cloud architecture requires both on-premises resources and off-site (remote) server based cloud infrastructure.
- **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 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.

For more information on cloud-based solutions, please download ContactBabel's free, in-depth report, "[The Inner Circle Guide to Cloud-based Contact Centre Solutions](#)".

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WHAT TYPES OF COMPANY SHOULD CONSIDER CLOUD 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.

To achieve this, some contact centres route inbound calls by agent group or individual agent skills. Others route calls by 'customer value': i.e.. By collecting information about the dialled number (e.g. a number only available to Gold customers), or by using information collected within an IVR session, businesses can route calls more intelligently - such as to low cost offices or specific countries.

This adds value to the business by ensuring agents get 'appropriate' calls, while customers get the level of service they need for first call resolution. This can not only reduce the cost of individual contacts, but also make 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. Cloud 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 cloud 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 clients having to pay for them up-front and then maybe never using - is an ability offered with many cloud solutions. Clients 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 also be best-placed to supply answers, support and advice on the best configurations of the dialling platforms.



By 2013, at least 75% of customer service centres will use some form of SaaS or Cloud application as a part of their contact centre solutions 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.

The established Ultra Cloud technology solution provides advanced contact centre functionality with unmetered 24/7/365 client support and a unique real-time performance monitoring service. Ultra currently records 6 million inbound/ outbound/ IVR minutes a month.



Thought Leadership

Getting more from legacy systems using Cloud services

As organisations mature, they frequently collect together a diverse range of Private Branch Exchange (PBX), Automatic Call Distributor (ACD), Interactive Voice Response (IVR), Dialler, Contact Recording and associated systems. These systems often use proprietary operating systems and have their own configuration and management requirements, making it very difficult to optimise productivity and performance. Large customer contact operations, especially those spread across multiple sites, are a case in point.

'Traditional' Integration

To date, integration of diverse and complex contact centre systems has typically been expensive and complex. Essentially, two integration techniques have been used (1) private networks to overflow calls between sites, and (2) middleware platforms to manage routing and overflow calls between sites. Neither, however, are ideal. In the former case, because switches commonly use different routing methods, meaning that individual sites need to be updated separately whenever changes are made; and in the latter case, because access and control of individual switches at multiple sites has often been time-consuming, involving expensive integration consultancy and bespoke development. On top of this, switches generally produce MI in multiple formats and use different statistical analysis techniques.

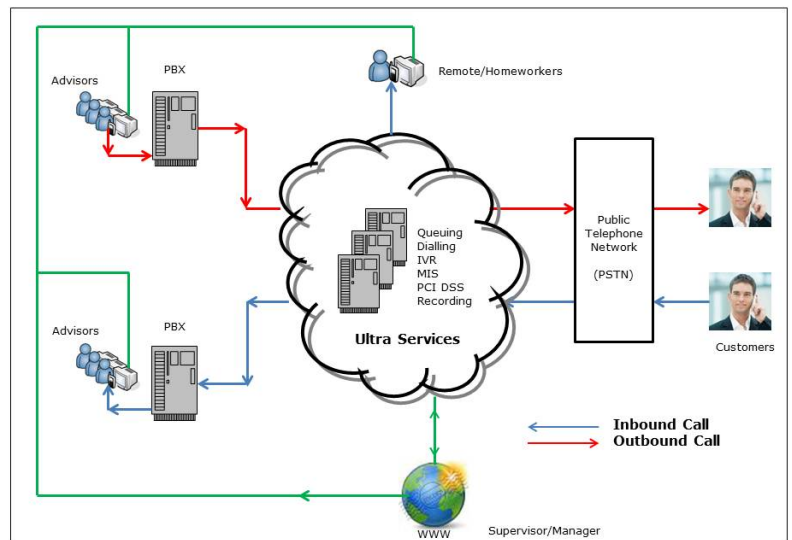
The 'Cloud Overlay' model

Cloud contact centre services offer a simple and cost-effective alternative for organisations looking to integrate legacy systems and add state-of-the-art functionality. With no physical changes to existing infrastructure, a Cloud service can link all advisors within a unified, enterprise-wide contact centre and provide centralised configuration, management and performance monitoring.

All advisors typically require to be connected to a Cloud service is a telephone and internet connection – enabling them, regardless of location, to be part of any advisor group or queue. Cloud services also provide organisations with an extensive range of state-of-the-art contact centre applications that can be used to provide point solutions or a complete end-to-end service.

In the case of Ultra, these services include:

- Inbound call routing
- Outbound dialling
- Call blending
- Speech technologies
- Interactive Voice Response/ voice portal
- Contact recording
- Management information
- Customer callback



- System management and configuration
- Computer Telephony Integration
- Advisor user interfaces
- Client requirements
- PCI DSS compliant payment handling

The Cloud 'Overlay Services' approach is more flexible than 'traditional' integration methods and provides many inherent advantages:

- It requires minimal capital expenditure – with services typically paid for on a flexible pay-as-you-use basis.
- It easily allows for upscaling/ downscaling user numbers to suit seasonal requirements and changing business needs.
- Generally, with good providers, no maintenance or upgrade charges are incurred by service users as all maintenance and general core upgrades are undertaken as part of the service.
- Costs associated with software upgrades to meet industry compliance (such as Ofcom upgrades) are borne by the Cloud provider.
- Fewer phone lines are required. As all call queuing and outbound over-dial is managed at a network level, only one line per advisor is required regardless of call volumes.
- There's no requirement for inter-site private circuits. All calls are queued in the network and delivered directly to advisors, including transfers and overflows.
- Flexible licensing enables organisations to deploy advanced technology for short-term projects - and regardless of the location of advisors.
- Expert remote support reduces the need for organisations to invest in in-house specialists that have traditionally been required to support Customer Premise technology solutions.
- Disaster Recovery and Business Continuity options are often available at zero additional cost.

Plus, Cloud services can deliver massive bottom line benefits in terms of improved revenues, reduced cost-to-serve, enhanced agent productivity and improved customer experiences.

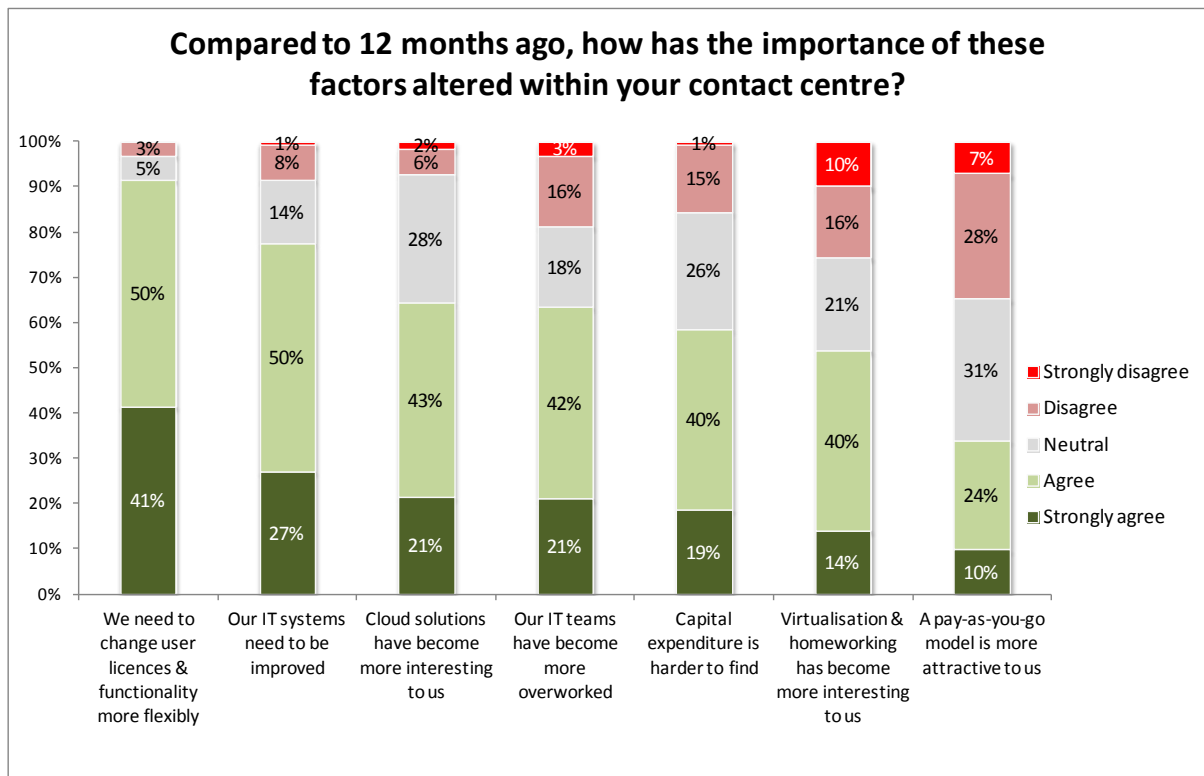
[Download a free copy of Ultra's White Paper, "Using Cloud services to integrate diverse technology infrastructure and improve service quality"](#)

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DRIVERS FOR HOSTED AND MANAGED SOLUTIONS

In order to change the way things work, there needs to be pressure exerted to make change worthwhile. After considering several potential financial and operational drivers for cloud solutions, respondents were asked how the importance of these factors has **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 deploy technology.

Figure 92: Compared to 12 months ago, how has the importance of these factors altered within your contact centre?



The ability to improve flexibility comes out on top this year, with the opportunity that cloud solutions offer to optimise user licences being widely acknowledged as a chance to cut costs while maintaining or improving functionality. This is felt across the board, with outsourcers and manufacturers especially keen.

There is also a 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 services, housing and public sectors are particularly aware of their need to upgrade systems, with the latter being subject to investment cuts as well.

The general awareness of cloud solutions should not be overlooked, with this option being far more widely-known than in previous years, as more vendors release cloud-based solutions and other cloud-based IT applications are used.

63% of respondents say that their IT staff are more overworked now than 12 months ago, despite a cut in new IT projects. A cloud-based solution can offer a significant reduction in the level of on-site support required. Public sector and utilities respondents in particular indicated that their IT staff were increasingly overworked,

possibly as a result of numerous public sector IT departments being decimated while still being expected to carry out the same amount of work.

Opex expenditure continues to be easier to find at the moment than Capex for many respondents, especially in the manufacturing and outsourcing sectors, 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, although retail, outsourcing and especially utilities respondents show 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 frequently being revisited. 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 93: 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
We need to change user licences & functionality more flexibly	1.1	1.3	1.2	1.6	1.5	1.3	1.3	1.4	1.1	0.7	1.3	1.3
Our IT systems need to be improved	0.7	1.1	0.8	0.8	0.8	1.2	0.5	1.4	1.1	1.0	0.8	1.0
Cloud solutions have become more interesting to us	0.3	0.6	0.9	1.3	1.0	0.3	0.5	0.7	1.4	1.0	0.3	0.8
Our IT teams have become more overworked	0.8	0.4	0.5	0.9	0.3	1.0	0.6	0.7	0.4	0.7	1.3	0.6
Capital expenditure is harder to find	0.5	0.6	0.6	1.2	1.0	0.2	-0.1	0.7	0.9	0.3	0.0	0.6
Virtualisation & homeworking has become more interesting to us	-0.6	0.9	-0.6	-0.2	0.8	0.3	0.8	0.5	0.3	0.0	1.3	0.3
A pay-as-you-go model is more attractive to us	-0.4	-0.3	0.0	0.1	0.8	-0.1	-0.4	-0.4	0.2	0.3	-0.5	0.0
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 and high availability are key to every UK contact centre when it comes to meeting the challenges of a changing regulatory environment and an uncertain business climate.

The flexibility of Ultra Cloud contact centre solutions allow its clients to reduce staff numbers and operating costs, and even to change their contact centre activities to gain new business opportunities and scale up to take on/win new work.

Cloud solutions allow companies to layer new functions/features over 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.

THE VALUE PROPOSITION OF CLOUD SOLUTIONS

There are several factors driving the adoption of cloud 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 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, especially in the public arena.

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: a lack of capital; the need to 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 associated with the cloud model should make it difficult to ignore. The real enabler of the low cost model is, surprisingly, a technical one - namely, 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 cost savings from 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 cloud 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 cloud 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 cloud solutions, which may offer businesses far greater overall capacity than 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 dialling solutions
 - 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, thereby reducing telephony line and terminating equipment costs
 - Cloud 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 cloud 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
 - Cloud solution providers continually enhance and develop their services. This bestows a competitive advantage to clients 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 cloud solution removes the technology stranglehold experienced by many contact centres with CPE and allows them to concentrate on their core businesses.

- Maximize existing resources:
 - Cloud solutions enable a business to make the most of their existing call routing infrastructure. By holding calls in the network and allowing unlimited database lookups, the solution maximises CPE resource usage and improves routing accuracy: with calls are transferred only when correctly-skilled agents become available
 - Cloud solutions can substantially reduce telephony and switch infrastructure costs. ACD functionality is controlled via the network and inbound calls routed through a variety of selected rules - using a script application to 'pop' agents' screens with relevant information collected from calls.
- Disaster recovery (DR):
 - Ensuring business continuity during outages, facility emergencies and inclement weather is a critical requirement. The cloud contact centre model ensures 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
 - Cloud solutions offer complete disaster recovery and business continuance as they may be delivered from multi-site locations, with flexible and immediate switching between sites should an outage or problem occur
 - Good cloud solutions provide a high level of disaster recovery integrally, meaning that clients should not require additional disaster recovery cover. For clients with existing on-site CPE, cloud solutions can also provide reserve back-up disaster recovery protection. , -
- 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 agents and helping to reduce 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 cloud 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 new contact centres, move at low risk, increase capacity for temporary campaigns, 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:
 - Cloud solutions support virtual contact centre functionality, including real-time monitoring across sites, sometimes even at an agent level. This can often be a critical factor in promoting a fair and effective working environment
 - For some cloud solutions, 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. With cloud-based solutions, this can be done on a daily basis, instead of investing on capacity that may not be used for months
 - Network access to real-time reporting allows clients 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



Every business needs to gain value from the purchases they make. With a low initial outlay, businesses can easily trial Cloud services and compare performance against current systems/processes, often providing a rapid ROI to users.

Pay-as-You-Use Cloud suppliers have a natural incentive to provide exceptional performance, superior functionality and unsurpassed resilience – namely that they have to care about their clients' businesses to get paid. This is why good Cloud providers look to become partners rather than suppliers.

Many of the value-adds of Cloud compared to typical CPE solutions aren't always initially obvious – but soon become apparent. There's often no cost to upgrade or add new functionality, resilience is in-built, solutions require no maintenance and, with some Cloud providers, there are no additional support charges.

CPE OR CLOUD SOLUTIONS - OR BOTH?

There is a common misunderstanding within the industry that the choice is either CPE or a cloud solution. Where expansion is required, superior cloud solutions can be easily integrated into existing CPE ancillary systems, allowing the business to experience the functionality and advantages of a cloud solution without compromising existing investment. From a financial perspective, most cloud 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 cloud solutions allows a business to experience these 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.

A perceived lack of control over operations and the security of critical customer data in a cloud environment continue to cause end-user concern. But the reality is that a well-engineered cloud 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 cloud 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.

Cloud solutions need at least the same level of functionality as CPE-type equipment with good providers even providing remote web-based access to authorised users. Suppliers of cloud 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 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 cloud 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 CLOUD 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, minimise business risk, & maximise 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 costs?
- How long and complicated is a typical implementation?

Data Access

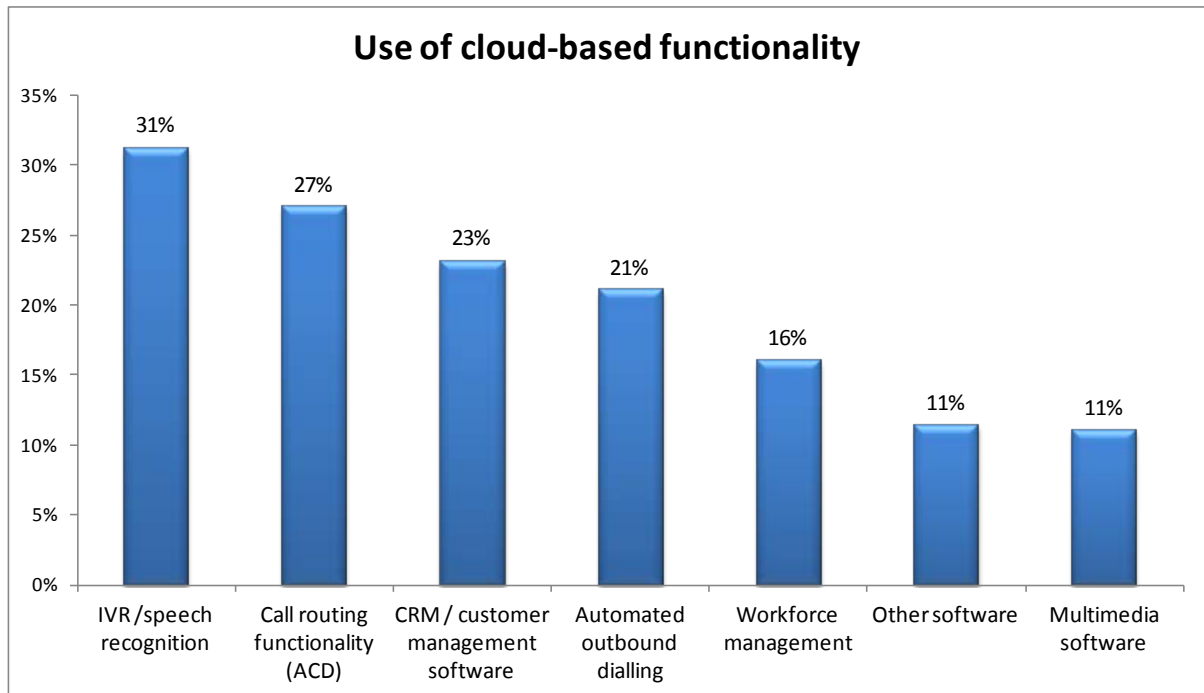
- Can I access my data outside of the provided contact centre application (e.g. sales or marketing queries and reports)?
- How does the vendor return data to you at the end of the hosting agreement?
- How do I integrate my local data and applications?

USE OF CLOUD SOLUTIONS

Respondents were asked about whether they used specific functionality, and if so, how it was delivered (i.e. through CPE, or cloud/hosted deployments).

IVR and call routing functionality were the most likely to be deployed through cloud-based solutions, with hosted CRM and automated dialler functionality also used in a significant minority of instances.

Figure 94: If you use this functionality, is it delivered through a cloud/hosted solution?

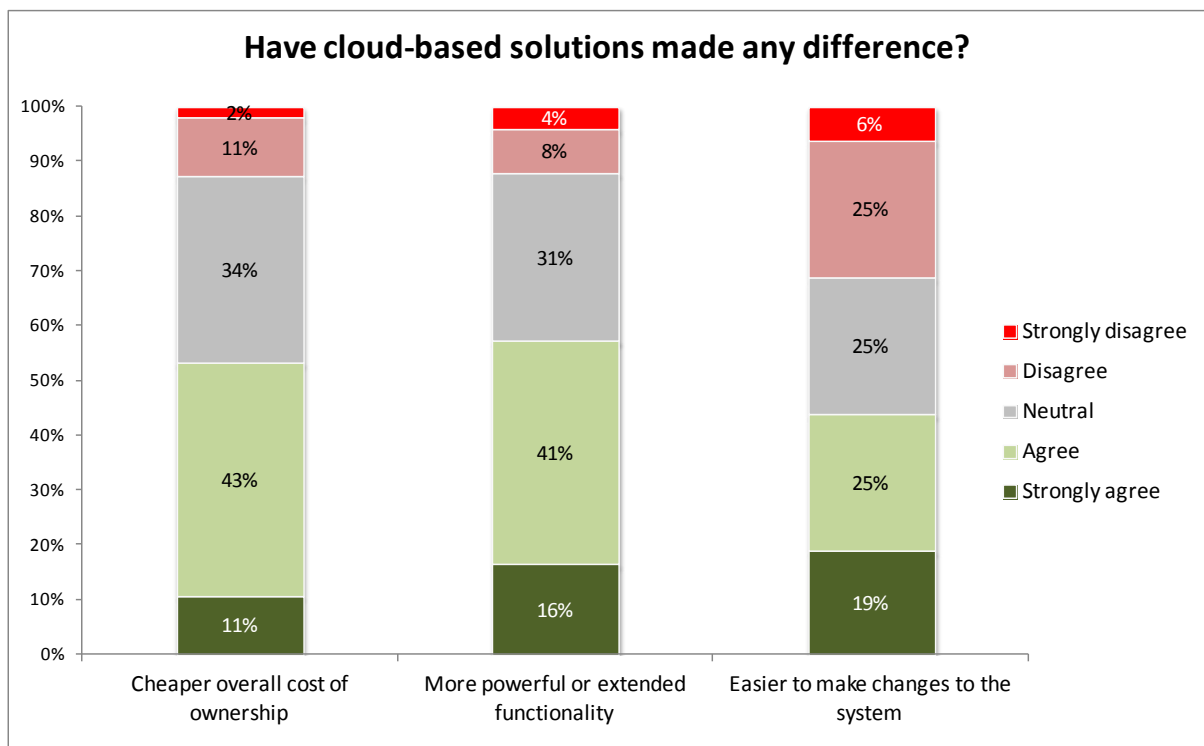


RESULTS OF USING CLOUD SOLUTIONS

Those contact centre respondents who have actually implemented a hosted or managed solution have generally found that it has delivered significant advantages.

The strongest experience was a reduction in cost, with 54% of respondents agreeing that the overall cost of ownership was cheaper, somewhat lower than last year's findings of 66%. 57% experienced more powerful or extended functionality in a hosted or managed environment, with only 12% disagreeing. 44% 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 95: Have cloud-based solutions made any difference?



CONCERNS ABOUT CLOUD-BASED SOLUTIONS

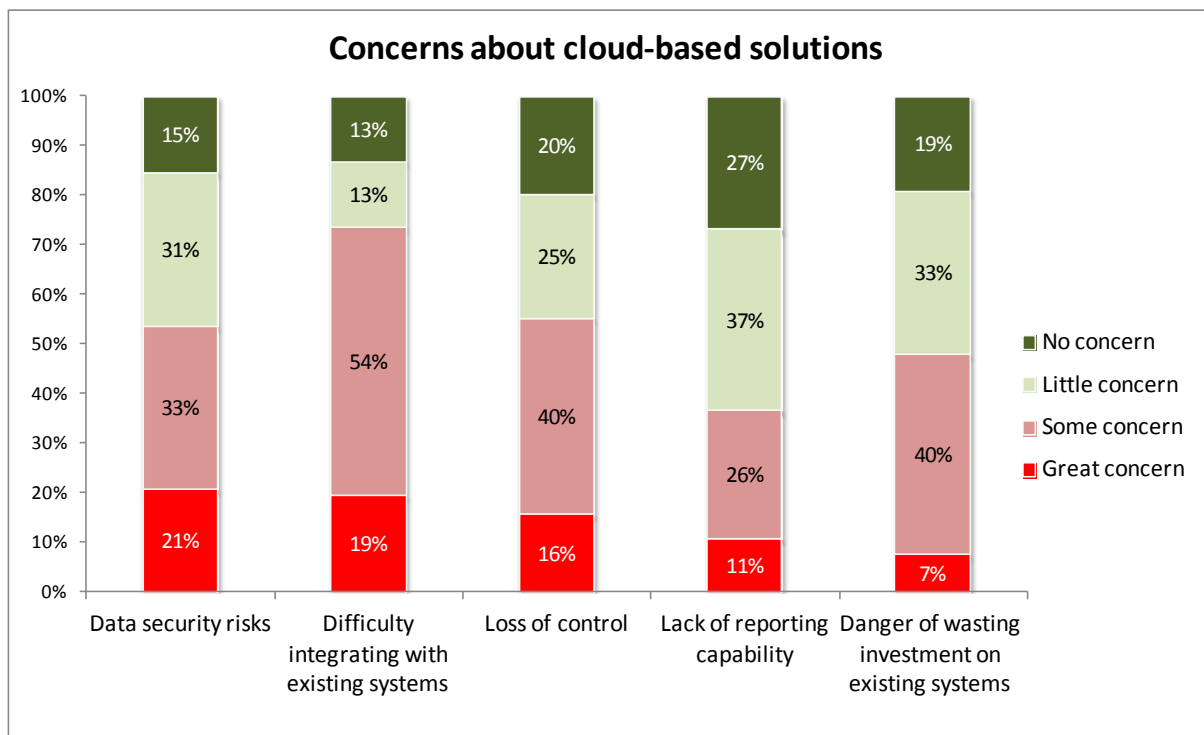
Despite the generally positive experiences that most users of cloud & hosted solutions have reported, there are still considerable barriers to implementation that are holding back some potential users, mostly around security, availability and functionality.

The strongest of these is the concern that data security will be compromised by allowing a third-party to control customer details. 21% of non-cloud-based respondents state that data security in the cloud is of great concern to them, down on last year's figure of 30%. This shows that greater education and understanding about risks, and the reality of this, is having an effect. While some cloud-based providers allow clients to keep call recordings and sensitive customer information on their own site, most have external audits and accredited dedicated security to surpass the security delivered by on-premise offerings.

The difficulty in integrating with existing systems, and to a lesser extent, loss of control is also of concern, although most respondents rightly do not consider a lack of reporting to be a deal-breaker. 47% had some concerns that existing investments would be wasted if they were to move to cloud, although many solution providers offer a solution that can work alongside existing CPE elements.

Solution providers should continue to focus their efforts on demonstrating the strength of their security measures, and reassuring potential users of cloud and hosted solutions that the security measures in place are actually stronger than would be feasible within a fully premise-based system. Concerns about the practicality of integrating with existing solutions should also be addressed.

Figure 96: What are your concerns about cloud-based solutions?



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 15m consumer telephone numbers in the UK are registered with TPS (approximately 60% of households).

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 grown significantly in recent years, as 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 - has been re-evaluated.

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.

Visit us at: www.noblesystems.com/flex
or call us today on 0161 772 7100

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CUSTOMER CONTACT TECHNOLOGIES

OUTBOUND ACTIVITY

73% of respondents carry out some form of outbound calling, with the outsourcing & telemarketing sector leading the way, as might be expected. The public sector lags behind the rest of the contact centre industry in outbound activity.

Figure 97: Use of outbound calling, by vertical market

Vertical market	Proportion of respondents using outbound calling
Outsourcing	87%
Insurance	83%
Services	80%
TMT	80%
Retail & Distribution	75%
Utilities	75%
Finance	71%
Transport & Travel	67%
Housing	63%
Manufacturing	50%
Public Sector	43%
Average	73%

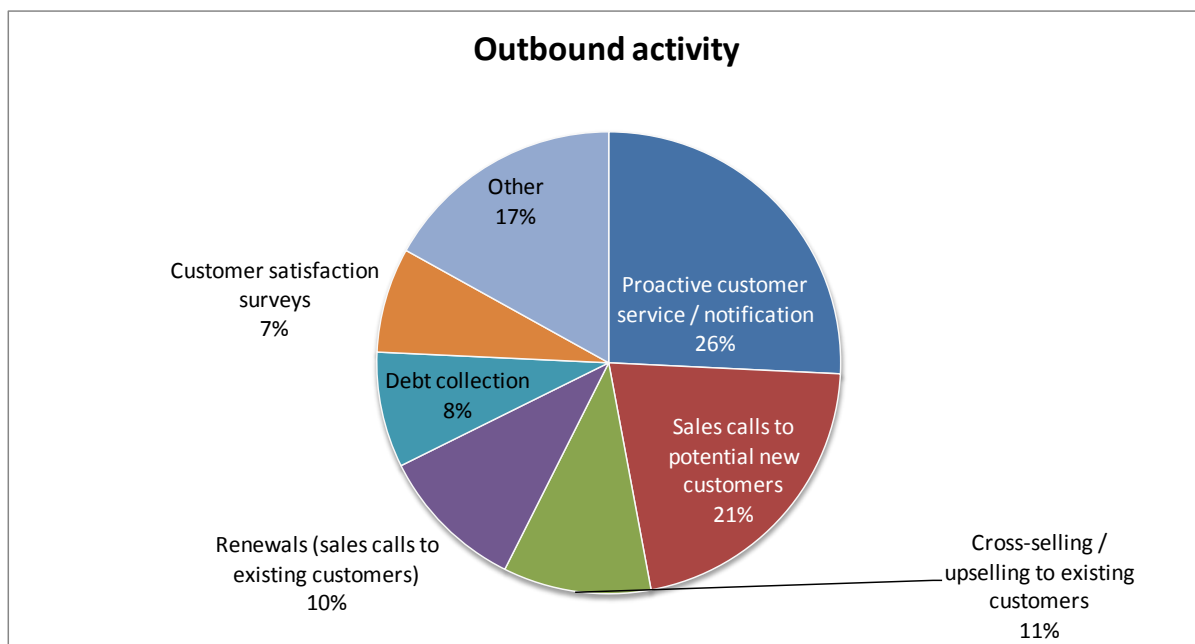
There is little pattern between contact centre size and the propensity to make outbound calls.

Figure 98: Use of outbound calling, by contact centre size

Contact centre size	Proportion of respondents using outbound calling
Small	74%
Medium	68%
Large	77%
Average	73%

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% again this year. Last year's dip in sales calls has not been matched this year, with the overall proportion of sales calls jumping to 42%, with sales calls to potential new customers continuing this year as the top sales-related outbound activity. The decrease seen last year in cross-selling/upselling has not continued, with 1 in 9 calls being made for this purpose. (More information on cross-selling and up-selling can be viewed earlier in this chapter). Renewals calls dip slightly to 10%.

Figure 99: 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.

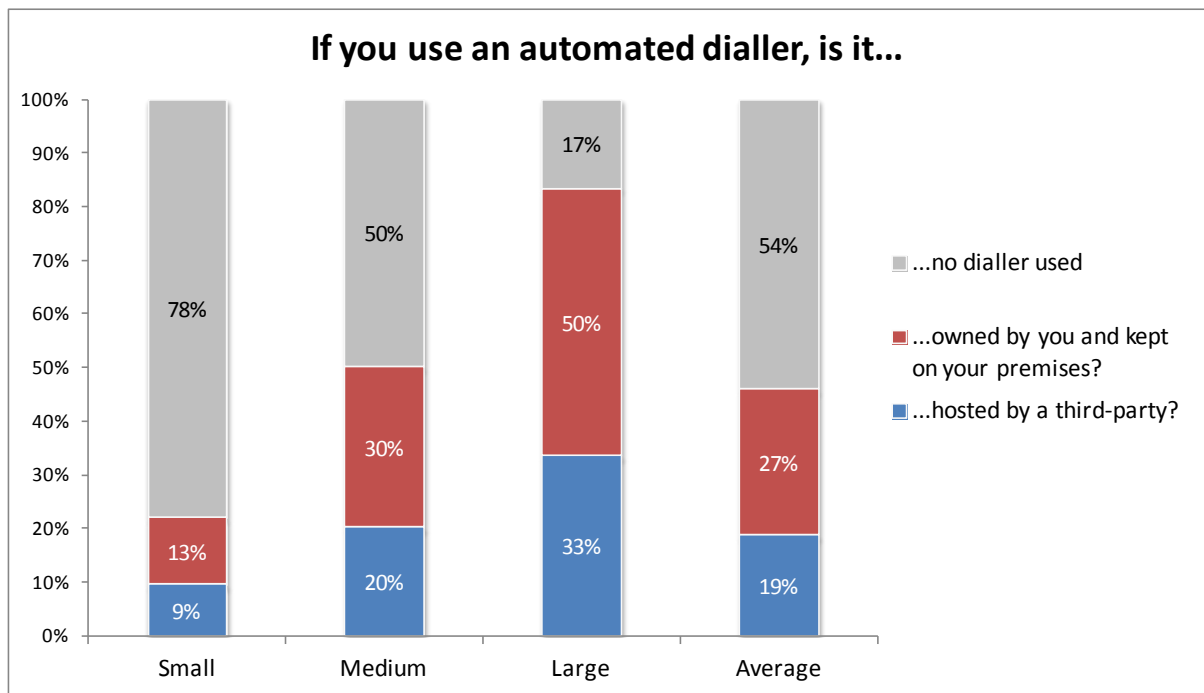
Over half of the retail & distribution outbound activity is proactive customer service, advising of delays and deliveries in the main. The manufacturing sector is also actively seeking and giving information up and down the supply chain and the finance, public and housing sectors are also very involved in this. The TMT, 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 57% of its outbound activity being sales-related.

The public sector and finance industries have close to 20% of their outbound activity connected to debt collection, with housing making 1 in 10 of its calls for this purpose. However, utilities respondents are the most active players in outbound debt collection.

The contract-based business models, often found in insurance, are most likely to be carrying out renewal sales calls to existing customer.

54% of respondents do not use a dialler to automate their outbound calls (down from 64% last year, possibly as a result of the numerous pay-as-you-go cloud-based solutions now available). Confirming this analysis, of those that do, 41% use a hosted solution, and 59% own their own dialler, a change from the three-quarters of respondents that used an on-premise solution last year. Larger contact centres are far more likely to be using a dialler, and 40% of these use a hosted dialler rather than owning and managing it themselves, a huge jump on last year's figure of 15%.

Figure 100: Use of hosted or CPE diallers



In agreement with the results above, Noble Systems has seen a rapid growth in the demand for hosted contact centre solutions. Many of our clients have purchased Noble Enterprise Hosted, which gives access to a compliant, flexible, secure system that contains all of the latest reporting tools without an upfront capital investment.

While many vendors offer limited functionality in their CaaS products – or charge extra for expensive add-ons that are a part of our standard feature set – Noble Enterprise Hosted is a complete contact centre solution. You get all the power and performance of our award-winning Noble Solution in a unified platform, with an integrated management console for single-point of entry, rather than a stripped-down version with accelerating costs for advanced features and multiple management modules.

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.



Case Study

Noble Systems' solutions are powering contact centre operations for companies across a broad range of industries, such as banking and financial institutions, collection agencies, consumer products, fundraising, healthcare, home improvement, home services, magazines and newspapers, market research, mortgage companies, outsourcers and telecommunications. The Noble platform is designed to adapt to the constantly changing needs of each centre and each individual application. To view further case studies, please visit www.noblesystems.com.

Swinton Group Case Study

Swinton Group was formed in 1957 and is now the UK's largest insurance intermediary with a high street presence. Swinton has over 560 Retail and Commercial branches located throughout mainland UK and Ireland with a 300 seat inbound call centre based in Manchester, a 250 seat outbound call centre based at Hebble Brook near Halifax, and specialist call centres based in Maidstone, Horsforth and Norwich.

Swinton had an existing dialler in place that was not performing to the levels required and as a result sales performance was not up to its full potential. The contact centre managers at Swinton manage numerous outbound campaigns at any one time and it was difficult on their original dialler to manipulate data when setting up new or amending existing campaigns.

When the decision was made to find a new supplier, Swinton was looking for a solution to give them improved dialling performance together with alleviating some of the constraints they had around campaign set up. They chose the Noble® Enterprise solution and gave the Noble Systems team some performance criteria against their existing solution for a side-by-side testing program, with an extensive measurement period lasting ten weeks.

Jez Lamb, Swinton's Telephony Manager commented, "We knew almost immediately that the Noble platform by far outperformed our existing system; it exceeded our list penetration and saw wait times decrease by 61%, thus resulting in an improved sales performance. Following Noble's success against the performance criteria, Swinton decided that the Noble Enterprise solution gave them the right balance between performance and usability.

As a result of installing the Noble Solution, Swinton management were able to increase their sales targets by 57%, ensuring maximum return on their solution investment.

Swinton has found that the Noble solution has given much greater control to the dialler management team; they have found that they are now able to launch new campaigns without any interaction with the IT team. "It used to take the dialler managers 3 months to set up new campaigns, this can now take a matter of days depending on the complexity of the campaign," explained Jez Lamb.

The Swinton management team have found the integrated Noble Recorder invaluable, as 'sales' are tagged within the solution and call recordings can be retrieved quickly to ease training and management of the sales executives. Swinton has also recently introduced an element of Noble IVR (mainly for data capture purposes). They are delighted with Noble Composer, which makes it easy for their managers to build, amend and launch IVR and campaign scripts as required.

The Noble solution integrates seamlessly with Swinton's existing PBX. In addition, as part of the script flow, when a sale has been identified it seamlessly 'breaks out' of the call script into Swinton's back end system and pre-populates all of the relevant data populated into the Swinton system, making the process simple and efficient for the agent.

Jez also commented on the Noble CARE team, saying "The Noble training was excellent and the support team has a great understanding of the Swinton site. On the few occasions that we have required support, the team has nearly always achieved first call resolution and the support team is great at keeping us informed of progress."

OUTBOUND PERFORMANCE METRICS

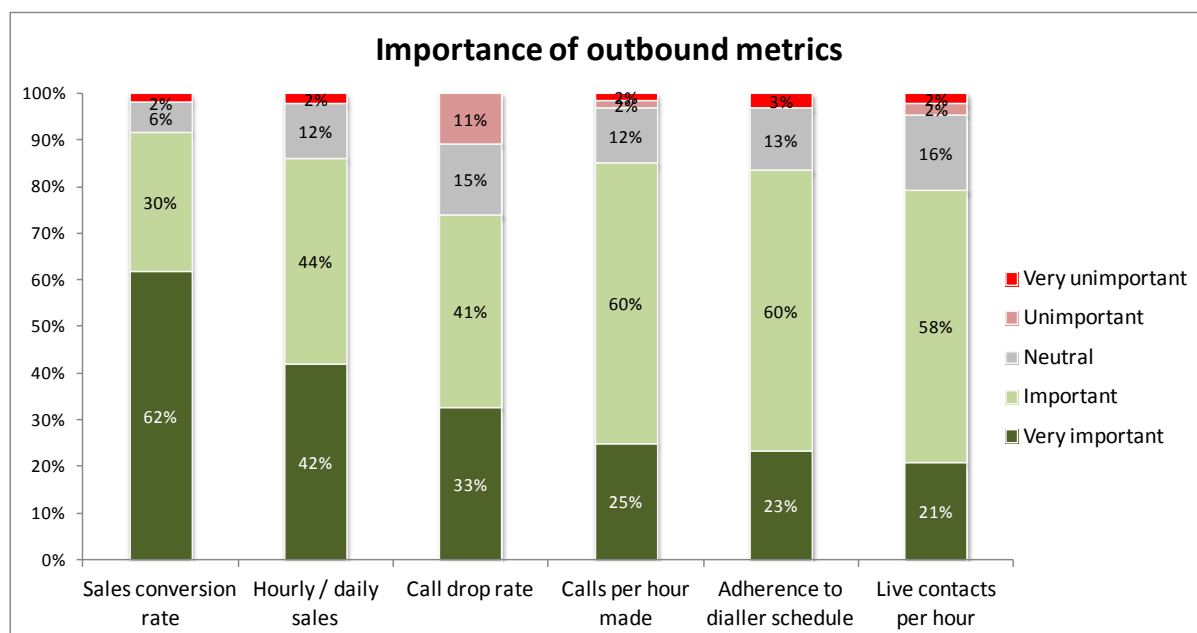
The most widely-used outbound metric is perhaps the simplest - how many calls are made per hour? In second place comes the sales conversion rate and in third, the number of calls dropped or abandoned, which is important to see if the contact centre is keeping to Ofcom regulations. Two-thirds look at short-term sales-related figures, with less than half judging themselves on how closely they stick to the dialler schedule.

Figure 101: Use of outbound performance metrics (only respondents using outbound)

Outbound performance metric	Proportion of relevant respondents using this metric
Calls per hour made	79%
Sales conversion rate	69%
Call drop rate	68%
Hourly / daily sales	66%
Live contacts per hour	64%
Adherence to dialler schedule	48%

Most of these metrics are seen as important, otherwise, they would not be used. The insurance and services sector are very focused upon conversion rates, while the utilities sector also focuses upon the adherence to schedule. Outsourcers look more at sales conversion, calls per hour and hourly / daily sales, placing less emphasis on dialler schedule adherence.

Figure 102: The importance of outbound metrics (where used)

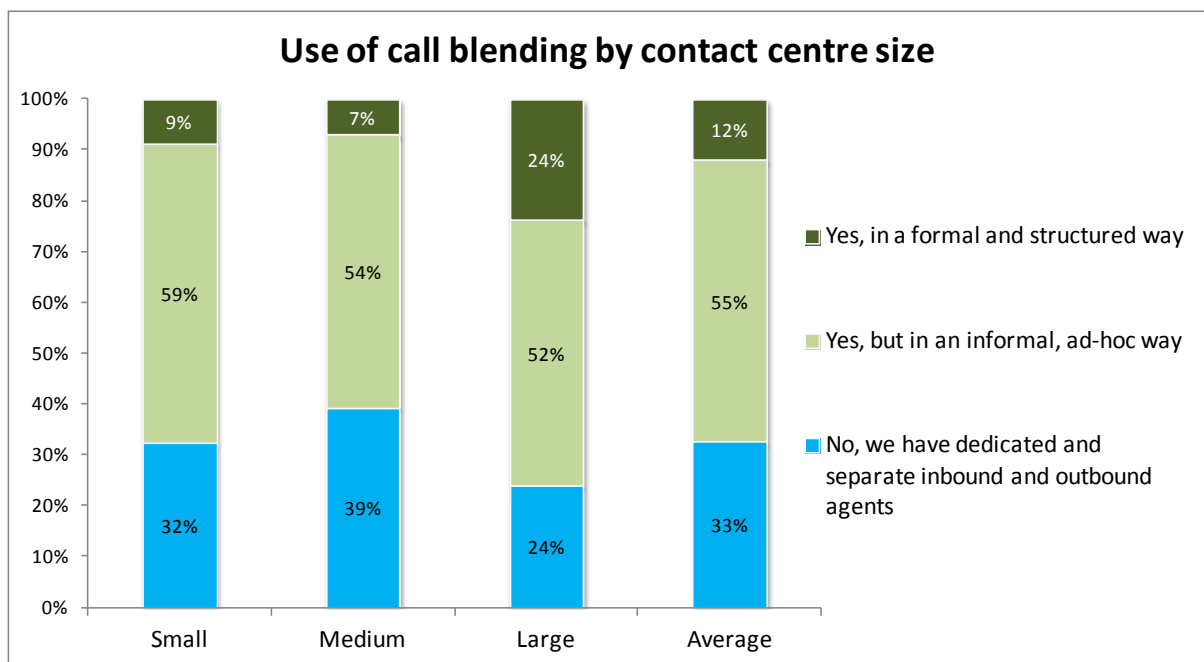


CALL BLENDING

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 12% of respondents' operations, although large contact centres are twice as likely to be able to do this, with small and medium-size contact centres far more likely to use dedicated outbound agents.

Figure 103: Use of call blending by contact centre size



As with previous years, the attrition rate in contact centres using blending is somewhat 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.



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 ROLE OF MOBILE TELEPHONY ON OUTBOUND CALLING

In around 60 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 46% of their outbound calls to mobile phones (42% in 2011, 35% in 2010, 36% in 2009, and 28% in 2008). It costs an average of 2½ - 5 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): 1.8p
- Median cost of outbound call to landline (ppm): 1.0p (1st quartile 0.45p, 3rd quartile 2p, low 0p, high 10.0p)
- Mean cost of outbound call to mobile (ppm): 4.4p
- Median cost of outbound call to mobile (ppm): 5.0p (1st quartile 1.5p, 3rd quartile 7.2p, low 0p, high 13p)

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, with outsourcers consistently reporting growth in excess of the in-house average.

Figure 104: 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 105: Type and amount of work outsourced (2011)

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%

In 2011, 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.

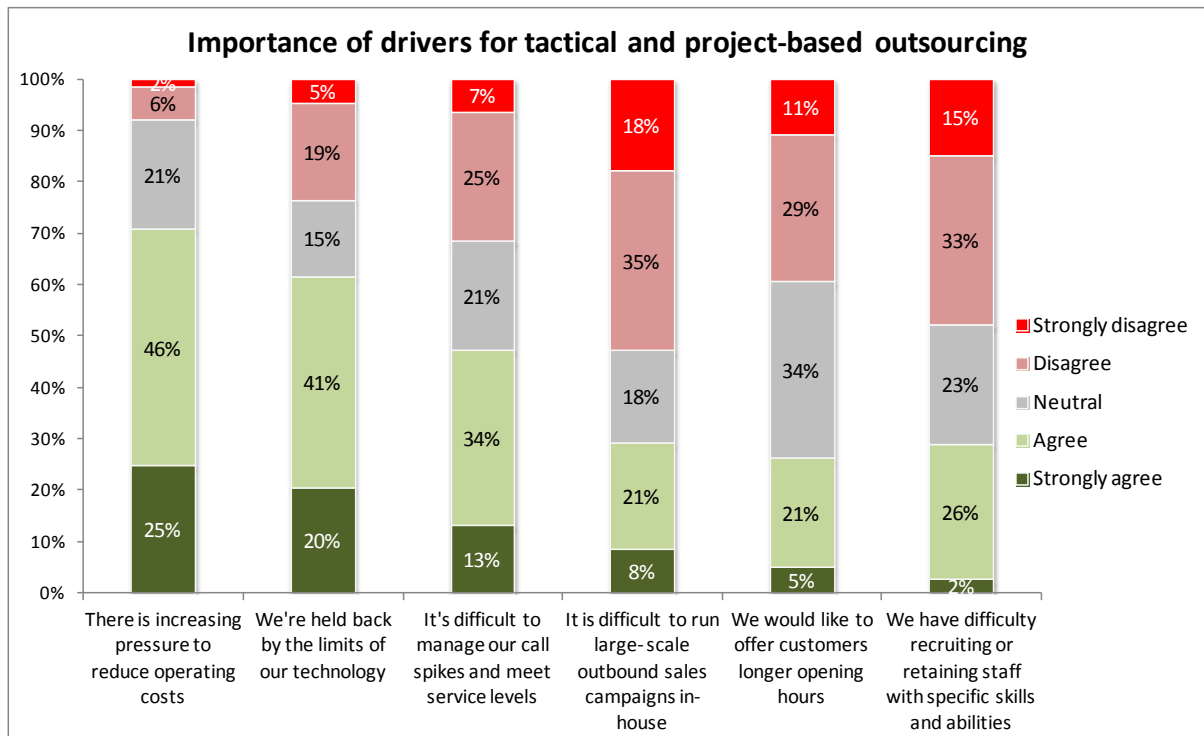
Some businesses which provide long opening hours do so through the use of a third-party, as their customers expect 24/7 service, but it may not be economical to provide this in-house, especially in smaller operations.

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 106: 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.

"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.



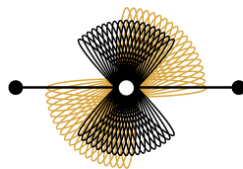
Aspect builds customer-company relationships through a combination of customer contact software and Microsoft platform solutions along with workforce optimisation for the enterprise. For more information, visit www.aspect.com/uk



Enghouse Interactive helps you meet your profitability objectives, with our contact centre solutions that address today's business needs and tomorrows.



Infinity's holistic 360 degree view of the business delivers the management intelligence required to improve productivity and reduce costs.



INTERACTIVE INTELLIGENCE®

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Interactive Intelligence offers unified business communications for contact centre automation, unified communications, and business process automation. www.inin.com



IP Integration is an Avaya contact specialist with vast experience in the design, deployment and integration of technology to ensure that the contact centre is fully optimised, driving return on investment and profitability. www.ipintegration.com



[Noble Systems](#) offers powerful contact centre technology solutions that help our clients increase right-party contact rates and streamline the communications process with the tools to enhance productivity, save resources and improve profitability.



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



SAP Business Communications Management software helps organisations efficiently manage contact centre operations including inbound and outbound customer communications across multiple channels.



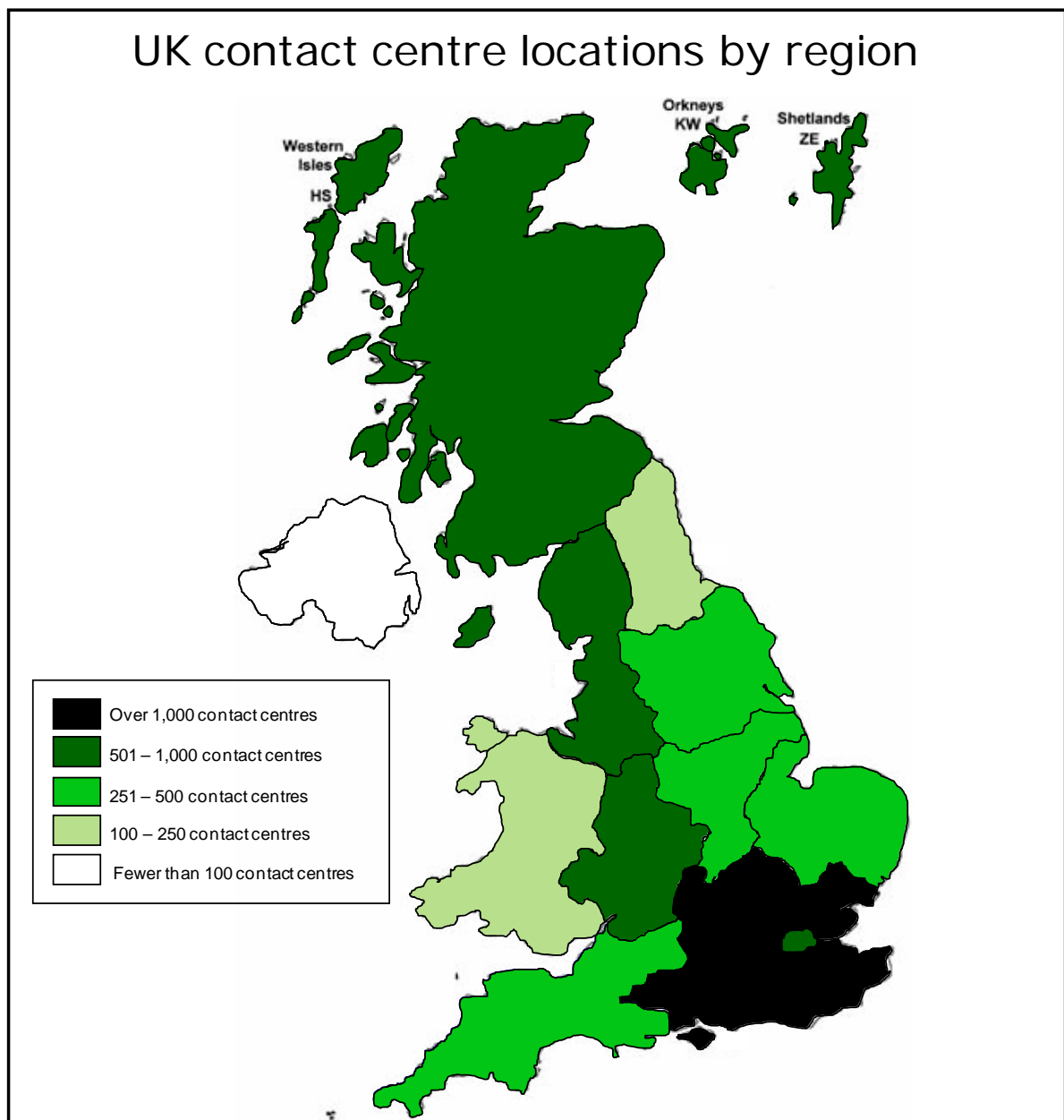
VOCALCOM

Providing a single, unified, scalable application, Vocalcom provides its clients with the best of both worlds: the ability to deploy a single end-to-end contact centre solution, in a phased approach – selecting initial elements to address immediate business needs and then scaling capability, functionality and capacity as these needs evolve.

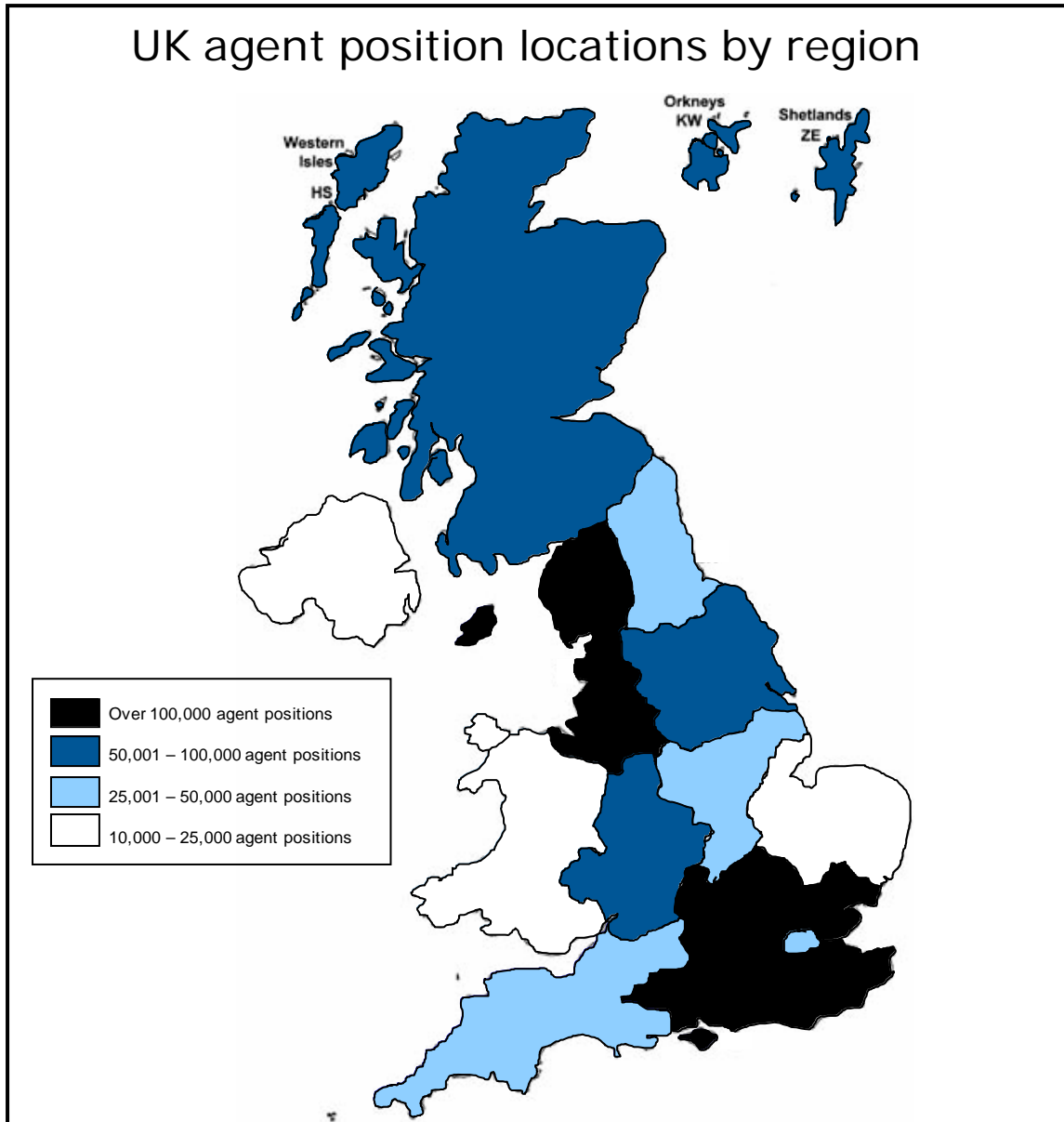
CHOOSING A LOCATION

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.

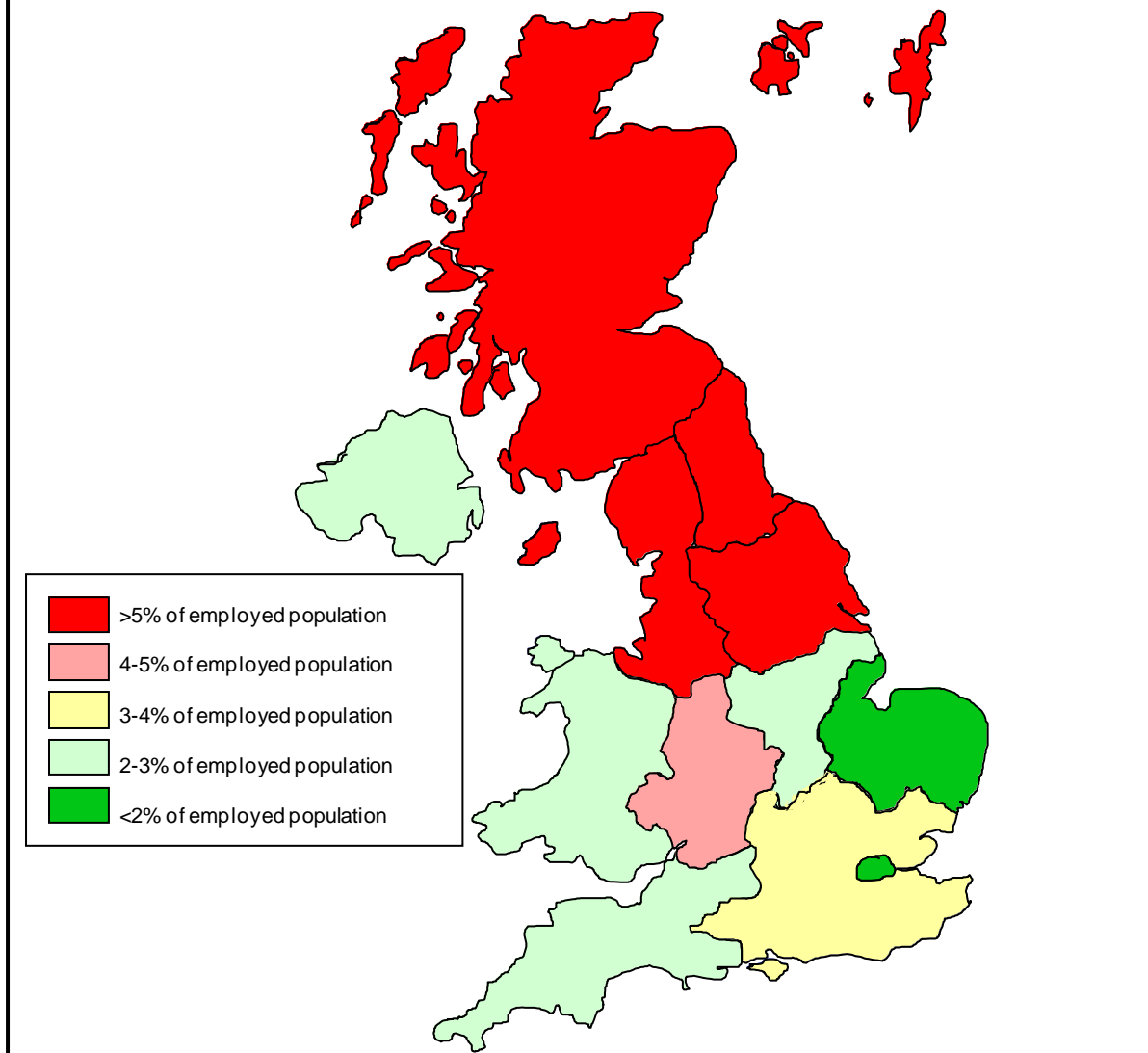


The North-West and South-East have the greatest number of contact centres, with London, Yorkshire, Scotland and the West Midlands also having significant numbers. Although Northern Ireland has fewer than 100 operations, many of these are of a considerable size.



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



Close to 4% 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 and London.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 2012: 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, North-Eastern 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. Scottish respondents show their particular satisfaction at the quality of staff in their region, as do Welsh and South-Eastern contact centres.

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, London and Scottish respondents have no problems with finding new staff, but this is less the case in East Anglia.

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 enthusiastic about their transport links, as we would expect, but so are Scotland's.

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, Scotland and the North-East 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. North-Eastern, Northern Irish and South-Western respondents are by far the most enthusiastic about this factor.

Figure 107: 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	Scotland	Scotland	Scotland	Scotland	North-East
2nd	East Anglia	Wales	North-East	London	North-East	Northern Ireland
3rd	North-East	South-East	London	South-West	Northern Ireland	South-West
4th	Scotland	North-East	Wales	South-East	East Anglia	Wales
5th	Wales	Northern Ireland	South-East	Wales	London	Scotland
6th	Yorkshire	Yorkshire	East Midlands	North-West	West Midlands	East Anglia
7th	East Midlands	East Anglia	Northern Ireland	North-East	Yorkshire	North-West
8th	West Midlands	East Midlands	Yorkshire	West Midlands	South-West	South-East
9th	North-West	South-West	North-West	Northern Ireland	South-East	Yorkshire
10th	South-West	London	South-West	East Anglia	North-West	West Midlands
11th	South-East	North-West	West Midlands	Yorkshire	Wales	London
12th	London	West Midlands	East Anglia	East Midlands	East Midlands	East Midlands

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 South-West scores itself averagely overall, but is exceptional for the availability of suitable building and its transport links, and if readers value those things above others, then the region is worth considering as a contact centre location).

Figure 108: 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
Scotland	49.7	6	4
North-East	48.0	5	4
Northern Ireland	46.7	4	3
Wales	46.2	4	1
London	46.0	3	2
South-West	45.9	3	2
South-East	45.7	3	1
East Anglia	45.1	3	1
Yorkshire	45.0	2	0
North-West	44.1	0	0
West Midlands	43.3	1	0
East Midlands	41.1	2	0
Average	45.6	-	-
<p>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 .</p> <p>Results do not include the actual importance of each category to the contact centre industry and should be read as such.</p>			



Organisations able to help with Choosing a Location:



Enghouse Interactive Contact Centre Cloud solutions remove the boundaries of location with easy, cost-effective access for agents anywhere with the same control, reporting, and monitoring tools; perfect for enabling remote or homeworkers.

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.

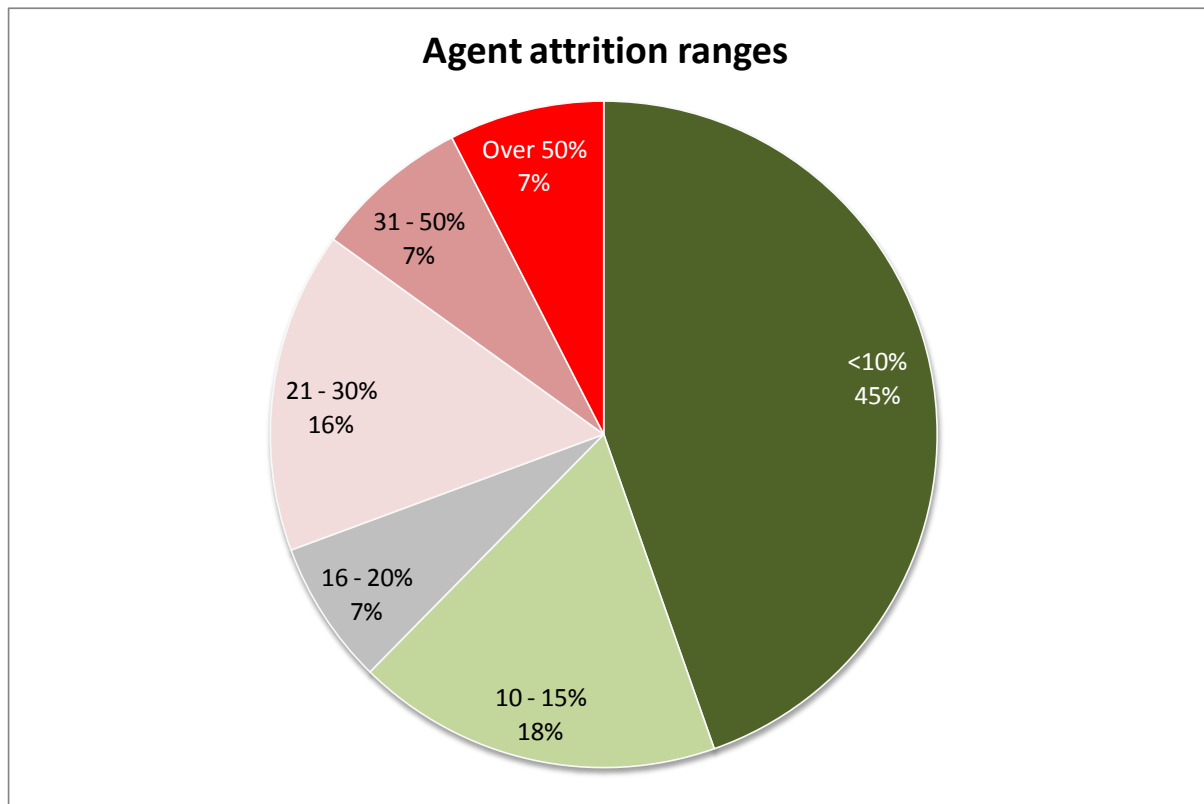
Attrition rate: *the total number of agents leaving the contact centre in a 12-month period, divided by the average number of occupants during the same 12-month period, expressed as a percentage.*

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 reported attrition rising, to a mean of 21% and median of 15%. This year, figures are slightly lower, at 20% and 12% respectively.

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, 51% of respondents say that there has been little real change, with 16% saying the attrition is on the way up, and 30% saying it has decreased, the 3% remainder being unsure.

Figure 109: 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 \(2012\)"](#).

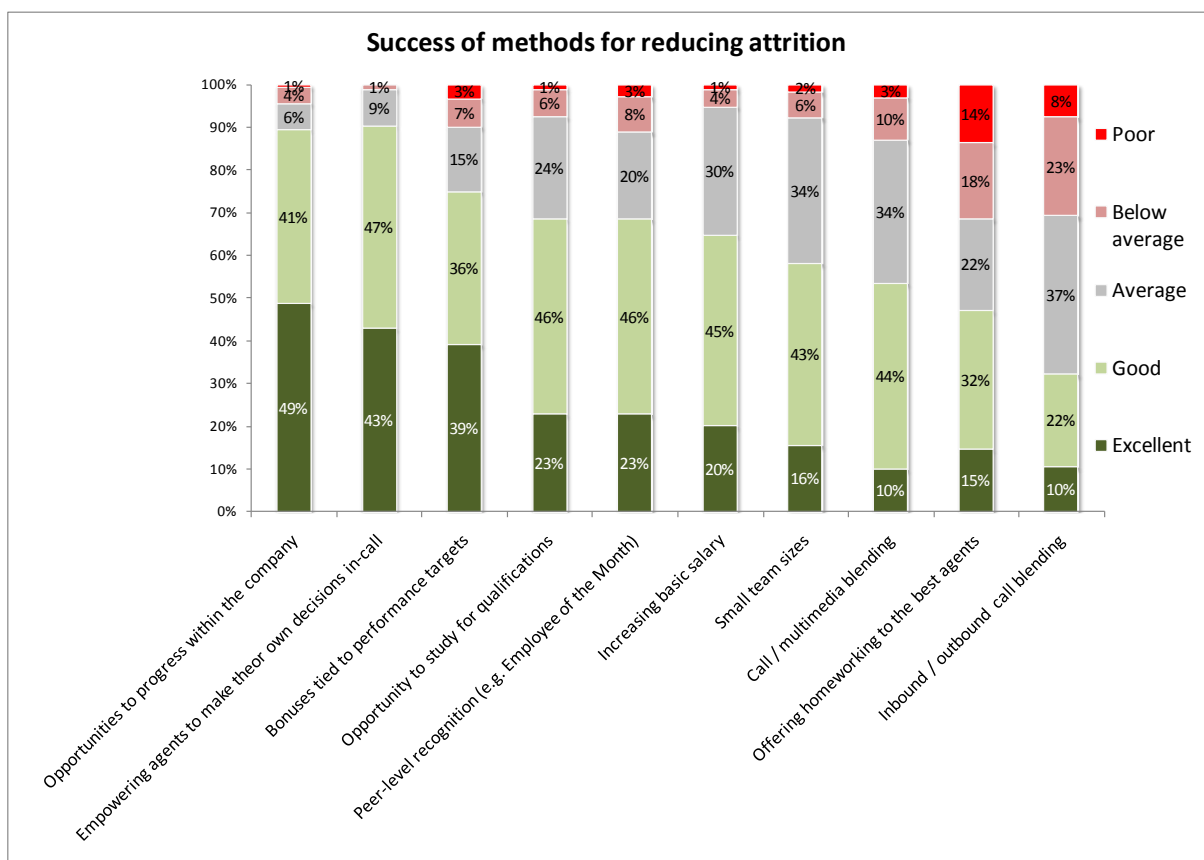
It also includes research on salaries, training, absence and recruitment.

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 110: Success of methods for reducing attrition (2011)



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 111: Reasons for agent attrition , ranked in order (2011)

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.

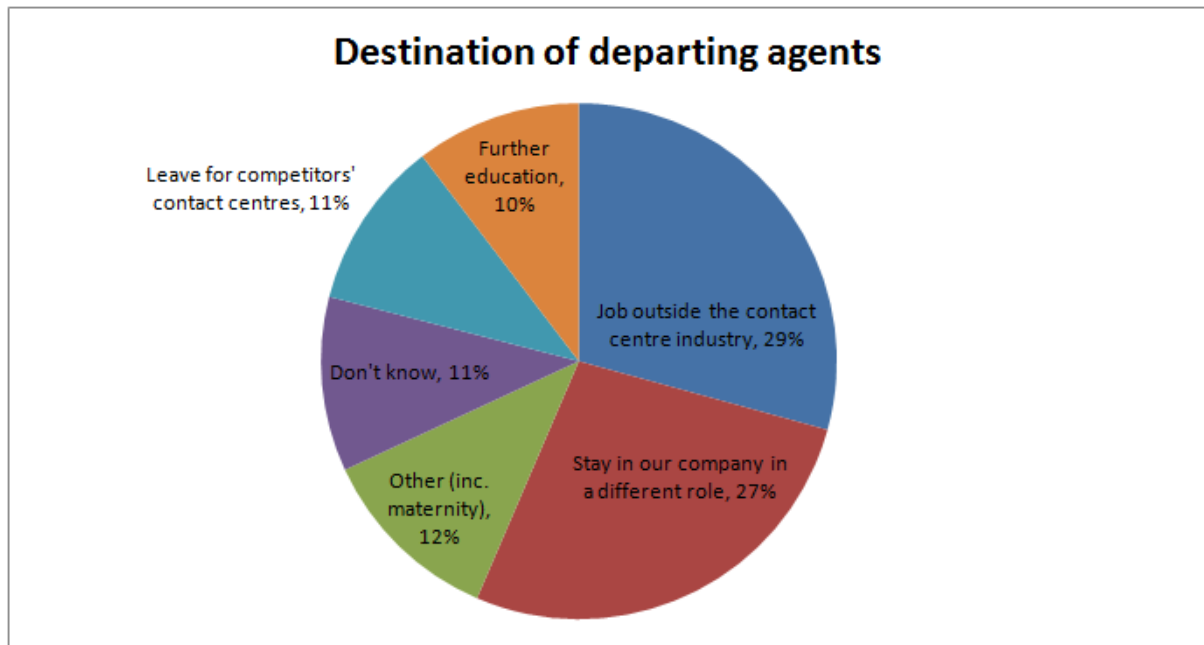
Looking outside the norms on a sectoral basis, the IT sector has a lot of competition for keeping its knowledgeable and skilled staff, as well as a high proportion of these IT staff being sales-oriented, which in itself is a highly salary-sensitive area. The outsourcing sector has a lot of contract and 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

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 recent research).

Figure 112: Destination of departing agents



ABSENCE

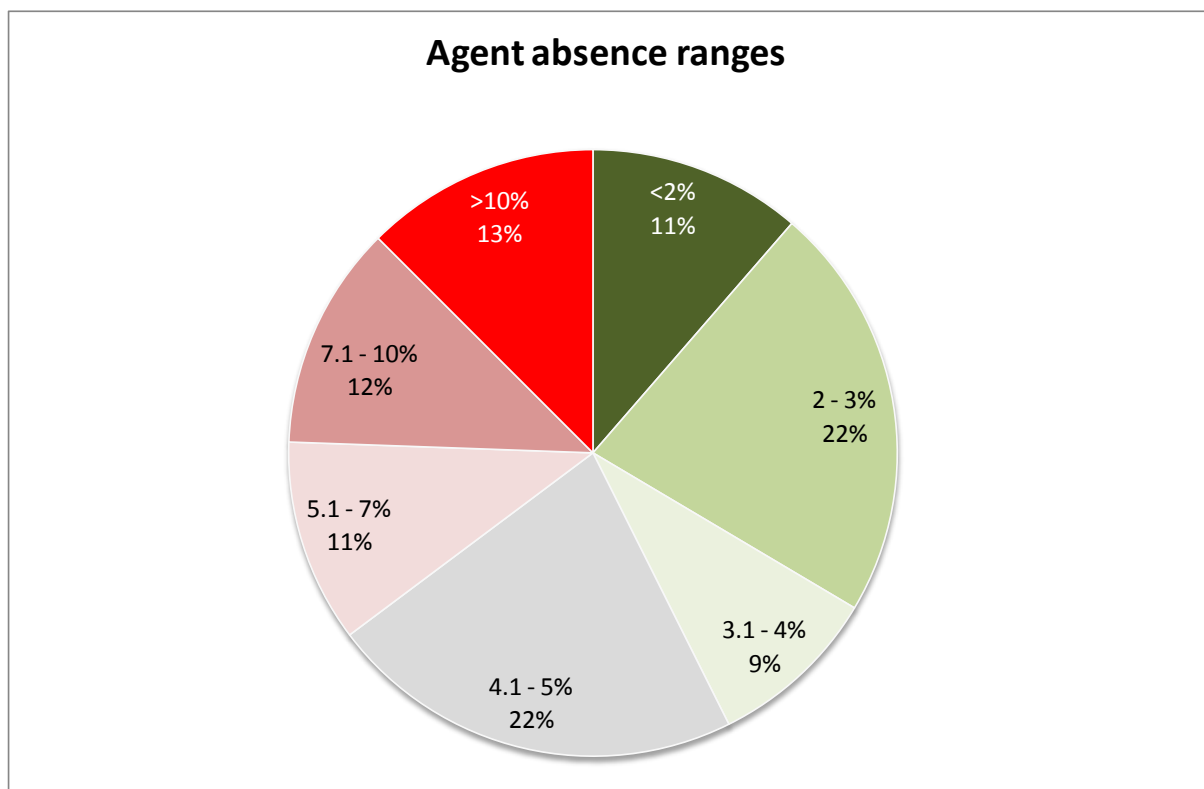
In a tightly-run operation like a contact centre where costs and performance are closely managed, significant levels of staff absence can cause major problems with contact centre performance and the customer experience. Even just a slight increase in absence rates can mean a major difference to how well 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 6.5%, with a median of 5.0%.

Figure 113: 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 \(2012\)"](#).

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.

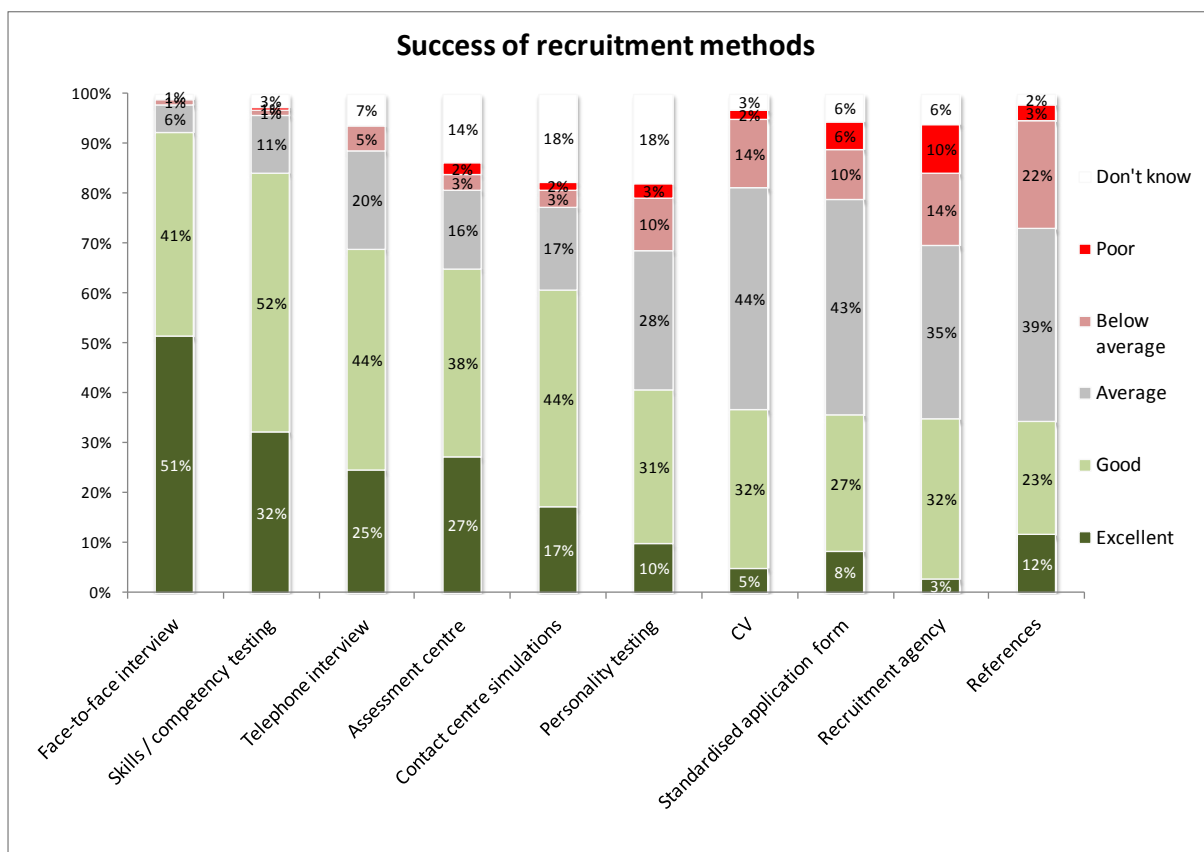
Successful agents will also require some hard skills, although many of these are more easily-learned. Through judging competencies objectively, and using a combination of processes (for example, telephone and face-to-face interviews, with upfront psychometric analysis to determine the likelihood of the 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 114: The success of recruitment methods (2011)



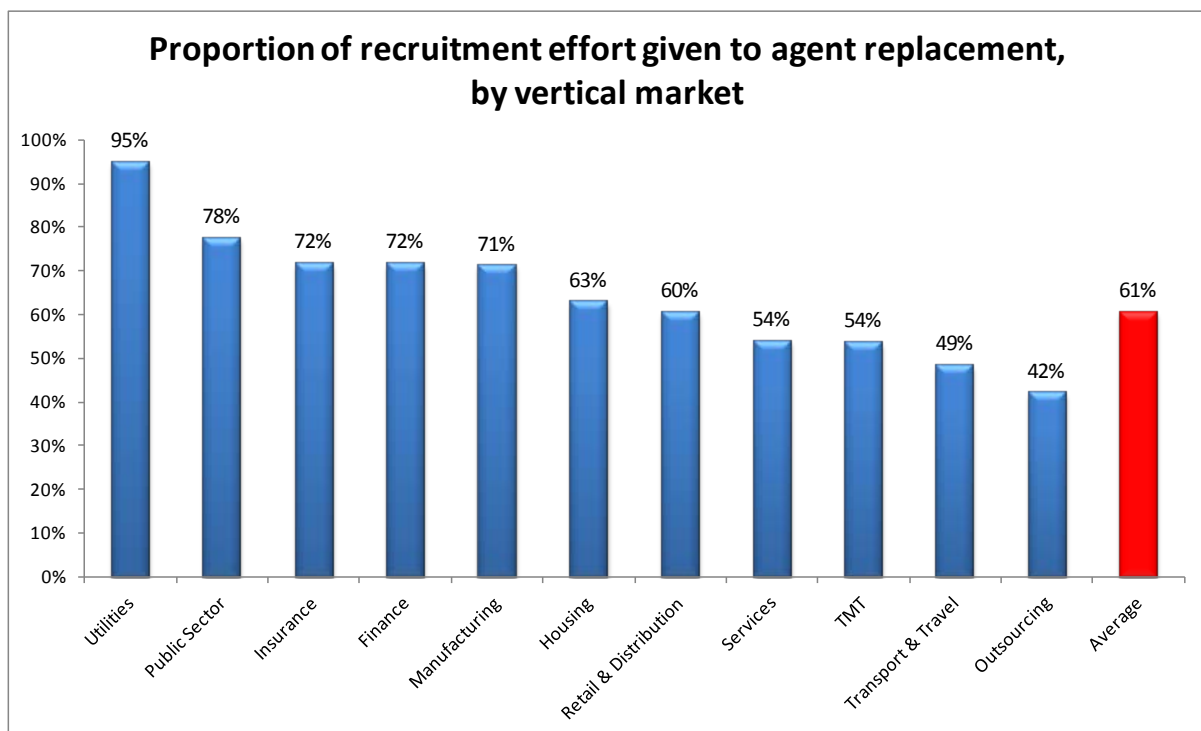
THE COST AND PURPOSE OF RECRUITMENT

On average, it costs £1,921 to recruit a new contact centre agent, with a median cost of £1,700. The 1st quartile cost is £2,550 and the 3rd quartile is £650.

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.

As last year, the utilities, public sector and insurance respondents believe that they spend the greatest amount of effort on replacing agents who have left, with the outsourcing sector stating that it spends the least. In all, 61% of recruitment effort is spent by contact centres just to stay where they are (down from 63% last year).

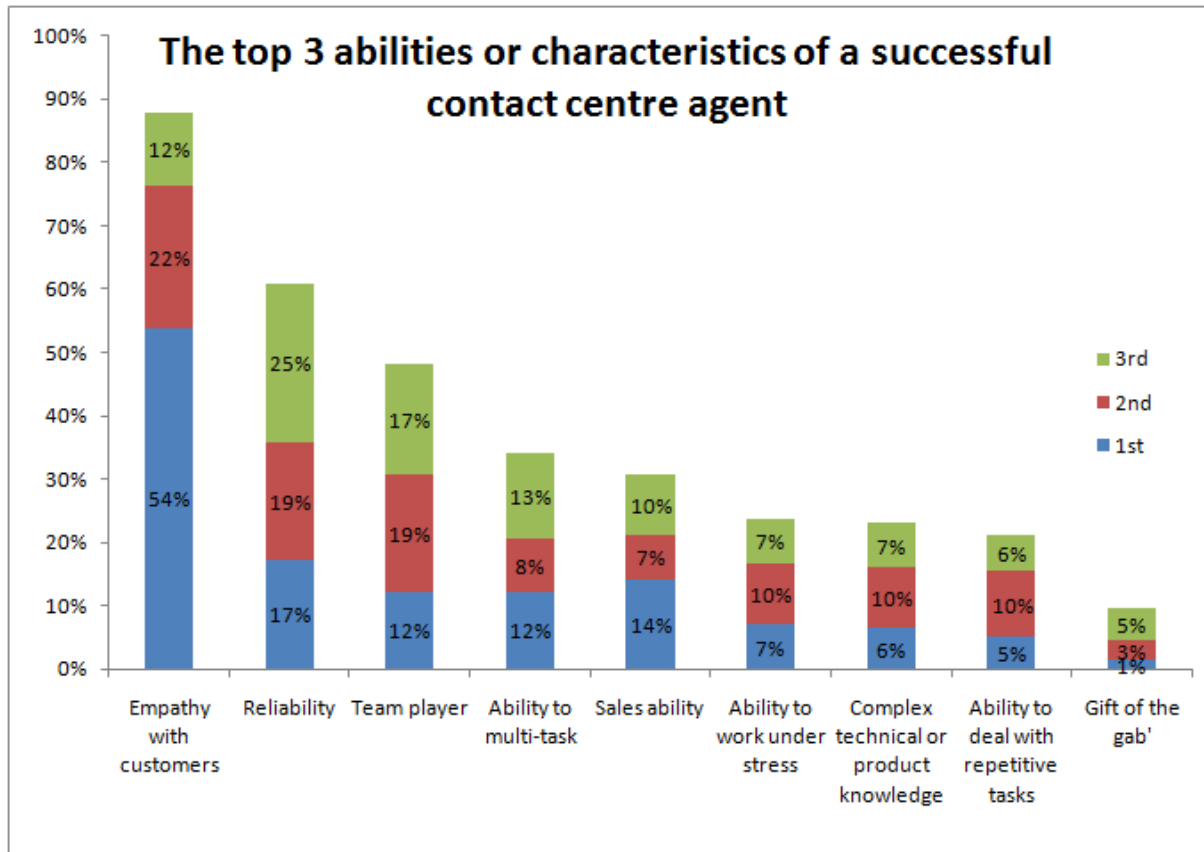
Figure 115: Proportion of recruitment effort given to agent replacement, by vertical market



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 116: 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.

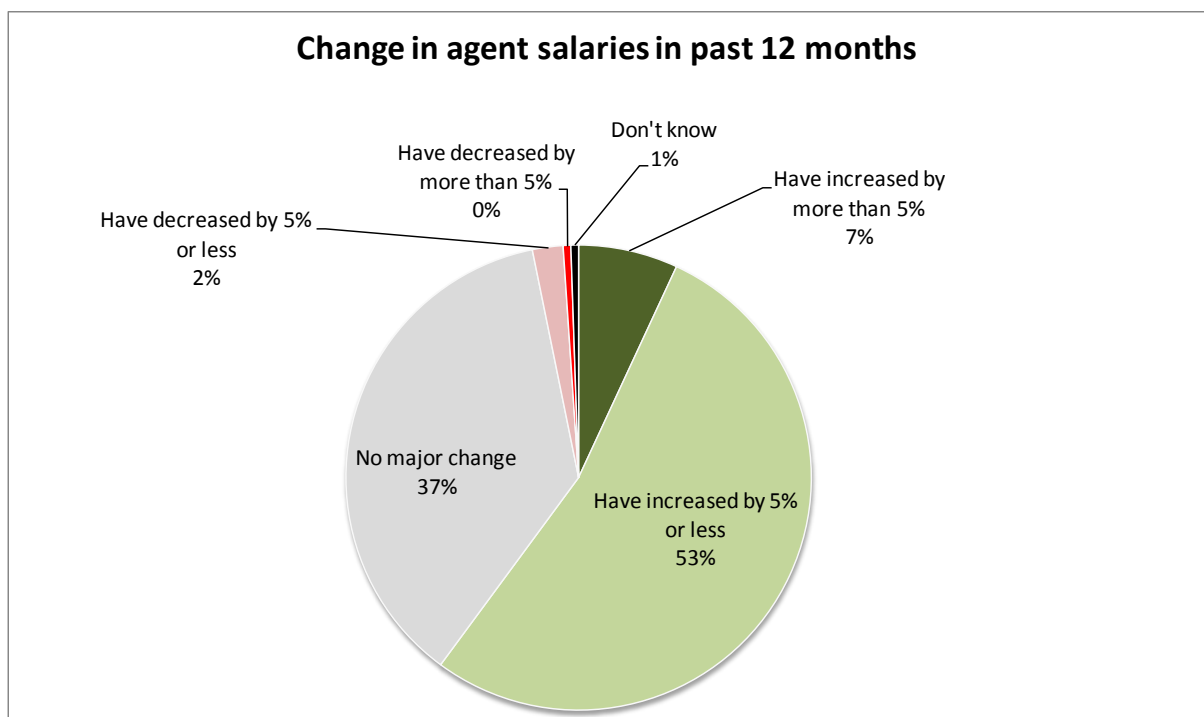
SALARIES

New agent salaries have increased by a mean average of 5.2% in the past twelve months, to attract new entrants to the industry, and has been well over the recent rate of inflation. Contact centre manager roles have increased significantly as well. This is borne out by the respondents' own changes in the past year, where 60% report an increase.

Figure 117: Contact centre salaries and changes

Role	2012 mean average salary	Change 2011-2012
New agent	£16,155	+5.2%
Experienced agent	£18,694	+5.7%
Team leader / supervisor	£24,003	+5.7%
Contact centre manager	£38,501	+6.8%

Figure 118: 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 \(2012\)"](#).

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 around 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.

TECHNOLOGY USAGE AND PLANS

Figure 119: 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
Headsets	83%	13%	2%	1%	2%	0%
Call recording	72%	18%	5%	1%	4%	0%
Management information systems	64%	18%	5%	4%	6%	3%
ACD/PBX functionality	61%	16%	2%	1%	7%	14%
CRM	56%	17%	10%	3%	9%	4%
IP infrastructure	56%	8%	8%	3%	8%	15%
Touchtone IVR	52%	13%	5%	1%	23%	7%
Email management software	49%	7%	14%	6%	19%	6%
Workforce management systems	45%	10%	13%	6%	23%	3%
Outbound dialler	31%	9%	10%	2%	43%	6%
Web chat	27%	6%	23%	14%	26%	5%
Automated speech recognition	15%	2%	11%	6%	61%	6%
Speech analytics	10%	2%	10%	12%	57%	9%

The preceding table shows respondents' current and future use of specific contact centre solutions. Telephony infrastructure, CRM, 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 touchtone IVR, workforce management and headsets.

In terms of new implementations, multimedia seems to be a focus, with email management and especially web-chat being singled-out, with speech recognition, speech analytics and workforce management also receiving attention. In the longer-term too, web chat and speech analytics 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 120: Most important areas of IT expenditure in the next two years

Expenditure type	1st	2nd	3rd
CRM	18%	8%	8%
IP telephony	13%	11%	6%
ACD / call routing	8%	3%	2%
Workforce management	7%	10%	11%
Web chat	6%	9%	6%
Social media	6%	6%	3%
Multimedia / universal queue	6%	4%	3%
Self-service / IVR	5%	4%	17%
Homeworking and virtualisation	4%	2%	5%
Speech analytics	3%	3%	3%
CTI	3%	3%	2%
General technology refresh	3%	2%	2%
Cloud	3%	2%	0%
Call logging / case management	3%	1%	0%
Call recording	3%	1%	0%
Integration with existing systems	2%	4%	2%
Speech recognition	2%	2%	3%
Unified desktop	2%	1%	3%
Reporting and management information	1%	2%	6%
Automated outbound dialling	1%	2%	5%
Workflow	1%	2%	2%
Call monitoring	1%	1%	0%
PCI compliance	1%	1%	0%
Other hardware purchase	0%	6%	2%
Training	0%	2%	0%
Customer satisfaction survey software	0%	2%	0%
Call blending	0%	1%	5%
Queue call-back	0%	1%	2%
SMS	0%	0%	3%
Knowledge management	0%	0%	2%
Performance management	0%	0%	2%



CRM, IP telephony and ACD/call routing will be the three most important areas of IT expenditure next year. The greatest benefits can be gained when communications and call routing are integrated with the CRM system. This integration enables companies to use the CRM data for efficient contact routing and it gives agents access to customer relevant data which helps them solve the customers' inquiries in the first contact.

As has been the case for many years now, moving to an IP environment has been the most popular priority amongst respondents, with 13% 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. This is down on past years, suggesting that the move to IP has happened already for many.

CRM (taken to indicate an improvement to the core customer management systems as well as company-wide CRM) is back to no.1 position, with 34% of respondents putting it as one of their top 3.

Workforce management, especially in smaller contact centres, has risen greatly this year, being a top 3 priority for 28% of respondents.

The movement to support multimedia - perhaps made more urgent by the enthusiasm for social media management, which itself appears very high on the list - looks likely to attract the required funding, with 13% of respondents putting this as a priority and 15% mentioning social media. Perhaps most dramatically, web chat features in the top 3 priorities for 21% of respondents, a huge jump.

Although self-service maintains its importance in this year's survey, only 5% of respondents put this as their no.1 IT investment priority, although a further 21% rate it as no.2 or no.3.

Speech analytics has increased greatly, with 9% of respondents making this a top 3 priority, although this is down on last year's 16%.

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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 maintained the big jump it made last 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 manufacturing sectors are particularly keen to increase their revenues, with the first of these marking this as its no.1 priority, even above customer satisfaction.

The housing and public 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 in particular.

Outsourcers as usual are amongst the most concerned with lowering their higher-than-average staff attrition rates, and they are also looking to grow.

Figure 121: 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	9.0	8.3	7.6	8.3	7.9	8.7	8.4	8.1	8.4	7.7	9.5	8.3	35%
Decreasing costs	5.9	7.1	6.1	8.3	8.5	8.8	6.8	6.9	7.1	8.0	7.0	7.3	22%
Improving staff morale	6.8	7.4	7.8	7.3	7.1	7.6	6.9	7.1	6.8	6.3	6.8	7.1	18%
Achieving set metrics	7.4	5.9	7.4	7.0	7.2	6.7	6.7	7.2	6.5	7.3	8.3	7.0	12%
Increasing revenues	6.1	5.6	7.0	7.9	9.0	3.7	5.5	7.2	8.3	7.3	5.3	7.0	27%
Improving first-call resolution rates	6.6	9.5	6.8	5.7	7.2	7.4	6.1	6.1	7.2	6.7	7.3	6.9	17%
Growing or maintaining staff numbers	5.5	6.1	6.7	6.8	7.3	5.7	5.0	6.2	5.8	4.3	3.7	6.1	13%
Improving staff attrition	5.4	6.0	5.5	4.5	6.2	5.9	4.8	5.3	6.4	5.0	6.3	5.6	7%



Staff attrition is more important in larger operations than smaller, and this year, morale can be seen to follow the same pattern, as does cost management. Customer satisfaction is once again no.1 in every size segment.



Improving customer satisfaction and decreasing costs are the two most pressing managerial issues for contact centre managers. Watch the free webcast to hear how Source Gas, a local natural gas distributor, was able to improve customer service and cut costs – and is continuously achieving great customer satisfaction rates - http://www.sap.com/community/events/2010_06_28_lcw/index.epx

Figure 122: Most pressing managerial issues, by contact centre size

Contact centre size	Small	Medium	Large	Average	% of respondents scoring this as a maximum
Improving CSAT	8.6	8.0	8.3	8.3	35%
Decreasing costs	6.9	6.8	7.3	7.3	22%
Improving staff morale	6.8	7.0	7.4	7.1	18%
Achieving set metrics	6.8	6.8	7.0	7.0	12%
Increasing revenues	7.0	7.8	7.3	7.0	27%
Improving first-call resolution rates	4.8	5.8	6.6	6.9	17%
Growing or maintaining staff numbers	6.7	7.4	7.5	6.1	13%
Improving staff attrition	5.9	5.9	6.5	5.6	7%



Thought Leadership

No man is an island

Have you ever wondered why many contact centres run on their own as separate entities – with either no or very little connection with other corporate divisions, departments or teams? If you consider the vast amount of skills and expertise that sit with the back office employees, this does not seem logical. Handling contact centres as islands creates a gap between customers and their access to this invaluable expertise, which neither benefits the organisation nor the customer.

The latest UK Contact Centre Decision-Makers' Guide shows that improving customer satisfaction, decreasing costs and growing revenues are the most pressing managerial issues for contact centre managers. These goals are easier to achieve when other parts of the organisation are better linked with the contact centre and customer service. In other words: The contact centre becomes a virtual contact centre that not only consolidates customer service agents from widespread locations, but also employees from other departments. Employees and skills are combined into one virtual entity, enabling companies to connect the customer with the best person who is able to help –no matter where or in which department that person is located. Shorter waiting times, better first contact resolution and better resource utilisation are some of the benefits often seen by companies who have adopted this model.

Another step away from islands and towards better customer service occurs when a company's communications processes and the customer service operations are fully integrated. The first step would be to embed communications directly into company's CRM system. By doing this the agents are better equipped to solve the customer's inquiry in first contact, and as a result, don't need help from the back office so often. For the business, this translates to higher first-call resolution rates, less call-transfers and faster processes, leading to an increase of customer satisfaction and customer loyalty. Keeping in mind that almost 40 per cent of an agent's time is spend doing something other than talking to customers, the potential of that approach becomes very obvious.

No man is an island –and neither should a contact centre be. Luckily, technology is not an issue, since the right solutions are available. And it seems that most decision makers are preparing their contact centres by planning some essential investments. According to the ContactBabel report, in the next two years the most important areas of IT expenditure are CRM, call routing and IP telephony. All three topics can contribute a lot to achieve the goals for improved customer satisfaction and decreased cost. However the real potential of these investments will be available when they are integrated with each other and the existing systems. Then the contact centre is way more than an island.

What IDC says about virtual contact centres: take a look at www.interactivecallcenter.com

More information about how SAP can help: www.sap.com/bcm



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 housing and public sector. 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 19% 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 majority of sectors are concerned about compliance and data security.

Improving the desktop to make it easier for agents to do their job was rated as important especially by insurance 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.

Figure 123: 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	9.2	8.9	8.0	9.5	8.2	8.4	8.9	8.7	7.6	9.0	9.5	8.6	45%
Business process optimisation	7.1	8.9	7.2	8.5	6.7	8.2	8.5	8.4	7.6	7.0	7.3	7.8	24%
Legislation / compliance	7.5	6.6	8.2	4.9	6.7	7.6	7.4	7.1	5.8	8.3	8.3	7.0	19%
Self-service	5.6	7.4	5.1	6.2	5.3	8.0	6.2	6.8	7.0	6.0	9.0	6.4	17%
Multimedia	5.1	7.8	4.8	4.3	6.4	6.8	7.0	6.4	7.2	8.3	7.0	6.3	14%
Desktop optimisation	6.0	6.4	7.1	5.6	6.4	6.4	5.9	5.6	4.6	7.3	7.0	6.0	9%
Social media	3.7	6.4	4.4	6.6	5.9	6.3	6.7	5.9	7.1	7.7	5.8	6.0	11%
IP / unified communication	6.0	6.3	5.3	4.0	5.5	6.4	6.2	5.1	6.4	6.3	7.0	5.8	10%
Virtualisation	3.8	5.4	4.4	4.7	7.1	4.9	5.1	3.8	5.2	3.3	5.5	5.0	7%
Cloud solutions	2.8	4.3	5.3	4.3	5.6	4.1	4.7	4.1	6.1	4.7	5.5	4.7	5%
Domestic outsourcing	1.9	2.6	3.1	2.6	5.5	3.6	2.5	2.7	5.1	5.7	3.7	3.5	8%
Offshoring	1.2	1.0	2.4	3.4	2.7	2.1	2.0	1.6	3.5	3.7	3.0	2.3	3%



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 124: 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	8.9	8.3	8.6	8.6	45%
Business process optimisation	8.0	7.7	7.5	7.8	24%
Legislation / compliance	6.6	7.1	7.7	7.0	19%
Self-service	5.5	7.0	7.3	6.4	17%
Multimedia	5.8	6.7	6.7	6.3	14%
Desktop optimisation	5.8	6.1	6.2	6.0	9%
Social media	6.0	5.7	6.3	6.0	11%
IP / unified communication	5.7	5.5	6.4	5.8	10%
Virtualisation	3.6	5.2	6.7	5.0	7%
Cloud solutions	4.6	4.7	5.0	4.7	5%
Domestic outsourcing	2.9	3.1	5.3	3.5	8%
Offshoring	1.8	2.3	3.4	2.3	3%

THE CONTACT CENTRE AS A STRATEGIC ASSET

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. Utilities and transport & travel respondents do not feel they are seen as strategic, whereas those in the housing and outsourcing sectors are more likely to do so. Strangely, the larger contact centres were less likely to feel they were seen as strategic.

Figure 125: Does your executive board see the contact centre as a strategic asset or operational cost centre? (by vertical market)

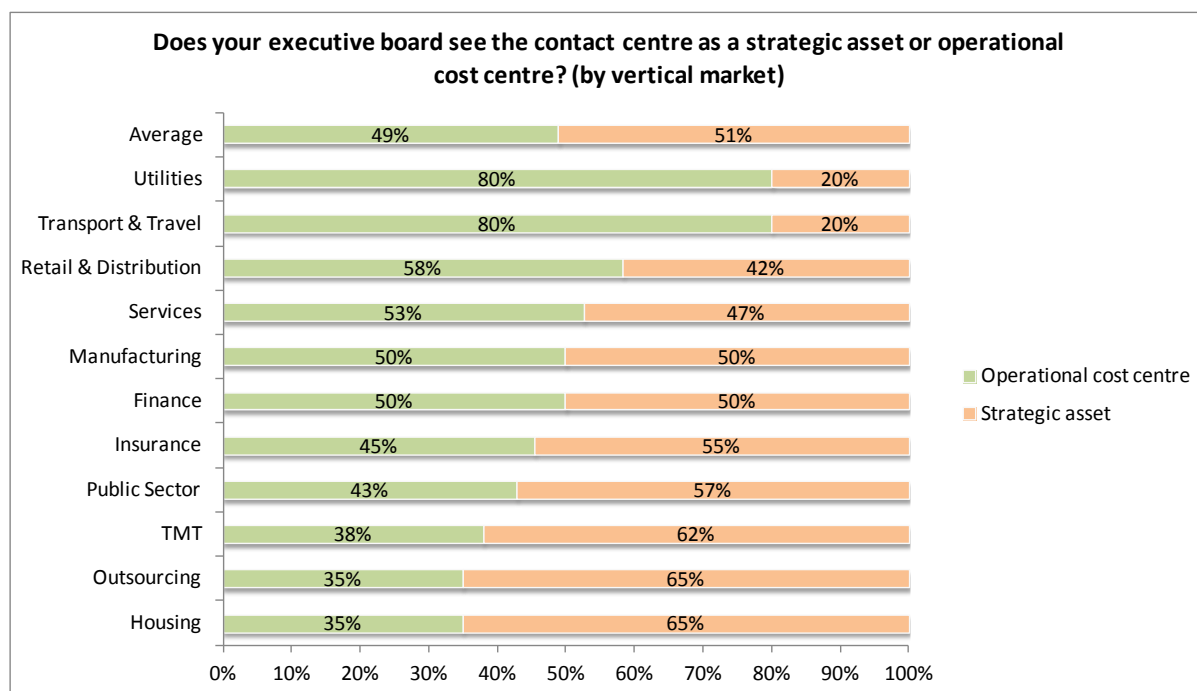
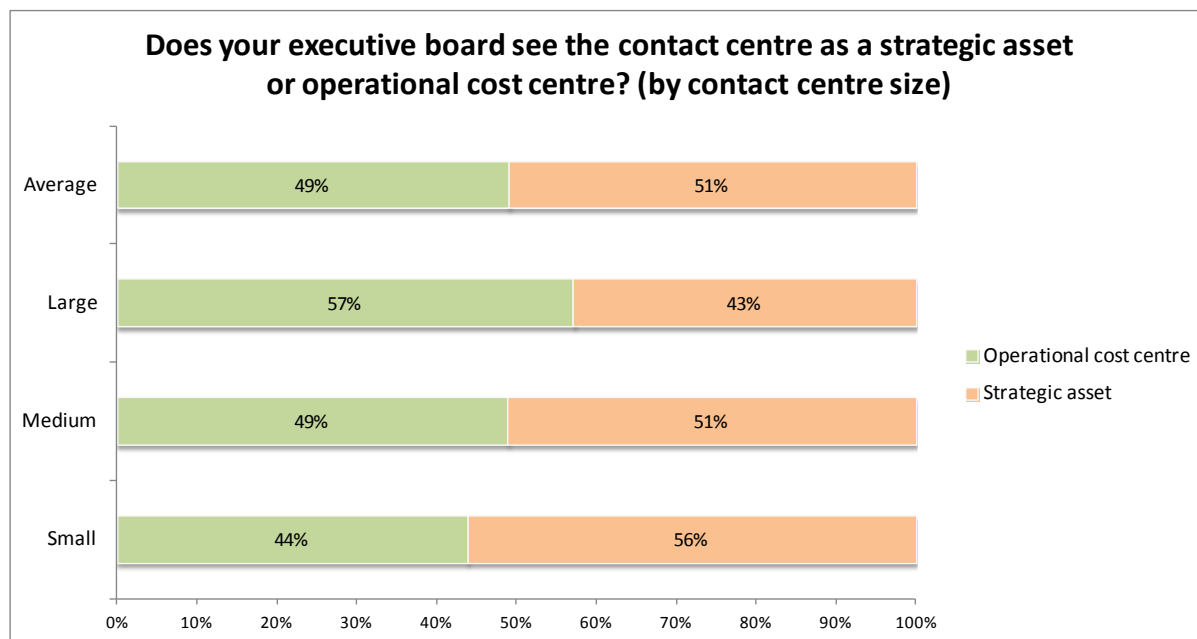


Figure 126: Does your executive board see the contact centre as a strategic asset or operational cost centre? (by contact centre size)



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.



Enghouse Interactive has the expertise to help build and scope different multichannel contact strategies. As practitioners, we have been involved in the implementations across thousands of different customer contact strategies and offer consultant services to help shape your customer journey.



Genesys Professional Services helps customers and partners succeed through the use of effective business consulting and industry experience, unsurpassed software solution planning and training, proven implementation strategies, and experienced project management.

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.



Ultra Communications provides pay-as-you-use Cloud contact centre and PCI-compliant card payment handling services - with unmetered 24/7/365 client support and a unique real-time performance monitoring service.



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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