



# The UK Contact Centre Decision-Maker's Guide 2013

(11<sup>th</sup> edition)



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# 2020 VISION

## WHAT IS THE FUTURE OF CUSTOMER CONTACT STRATEGY?

The future is hard to predict, however we are beginning to see a shift as more and more organisations appreciate the dangers of being perceived to be stuck in the past by their customers. Today, the speed of change is accelerating fast and as new technology emerges this vision of the future is an achievable reality.

## ENGHOUSE INTERACTIVE HAS THE EXPERTISE TO HELP YOU EVERY STEP OF THE WAY TO TURN TOMORROW'S VISION INTO TODAY'S REALITY

Talk to us about:

- Fully featured multichannel contact centre solutions that enable you to classify, organise and respond to customers however they choose to contact you, from a tweet, video call or webchat to the traditional phone call
- Our experience, supporting more than 1 million agents handling over 1 billion contacts daily
- Our unique approach to recommending the right deployment for you - cloud, on premise, virtualised, even hybrid across multiple telephony environments
- Contact Centre for Lync – we deploy 6 Contact Centres a month on Microsoft Lync and counting
- Presence based contact centres, leveraging the extended workforce between front and back office, with real-time insight into your business. By intelligently triaging and routing interactions ensuring a connected business
- Our complete suite of integrated contact centre, self-service, operator console and workforce optimisation solutions all from a single vendor with open APIs to quickly answer connectivity issues

With all the pieces of the jigsaw in place, organisations are then able to achieve true 2020 vision of customer engagement and start to be able to look positively to the future of customer interaction.

## DON'T TAKE OUR WORD FOR IT.



How having a connected business with the contact centre and lync has helped to streamline processes and increase efficiency in customer contact



GE Capital

How an enterprise organisation's need for speed of response, global reporting and real-time visibility is mission critical to their business.



How cloud based contact centre has allowed consolidation of infrastructure and driven greater flexibility without the need for a complete tech refresh



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## INTRODUCTION AND METHODOLOGY

The *"UK Contact Centre Decision-Makers' Guide (2013 - 11<sup>th</sup> 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 210 contact centre managers and directors between May and August 2013. Analysis of the results was carried out in August and September 2013. The result is the 11<sup>th</sup> 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 six 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
- 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.

Case studies and thought leadership pieces are also included 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.**

## 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

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## 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.

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## 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 210 contact centres interviewed in this study were broken down into discrete segments:

### *Vertical markets*

- Finance - 16
- Housing - 13
- Insurance - 19
- Manufacturing - 10
- Outsourcing - 36
- Public Sector - 28
- Retail & Distribution - 20
- Services - 25
- Technology, Media and Telecoms (TMT) - 20
- Transport & Travel - 14
- Utilities - 7
- Others (not included in vertical analysis): 2

### *Size bands*

- Small (10 to 50 agent positions) - 83
- Medium (51 to 200 agent positions) - 72
- Large (200+ agent positions) – 55.

### *Inbound / outbound*

- Mostly inbound (75%+ inbound) - 138
- Mixed (between 25% and 75% inbound and outbound) - 40
- Mostly outbound (75%+ outbound) – 32.

## 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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# THE SUPPLIER DIRECTORY

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CONTACT CENTRE SOLUTIONS



**The Power of We™**

A revolution is underway in customer service, being driven by new generations of consumers, new modes of communication, and consumer adoption of social media. To address these changes, companies need an end-to-end approach to managing their customer experience that helps them leverage the latest in best practices and enabling technologies alongside their existing resources.

Customer Experience Management is the driving force for the Avaya Contact Centre strategy. Avaya helps unite your people, processes, and resources to create enduring and profitable customer relationships across all communication channels.

**Contact:**

w: [www.avaya.com](http://www.avaya.com)

t: 01483 308 000

a: Avaya House, Cathedral Hill, Guildford, Surrey, GU2 7YL



**Improve efficiency. Grow relationships.**

**And cut costs.**

We understand that every business has different needs. Staff, sites and budget sizes can differ dramatically, which is why we offer a number of complete contact management solutions onsite or using cloud technology.

Whatever your requirements, our wealth of experience ensures that you'll benefit from sharpened operational performance, which delivers what your customers want — excellent service, first time, every time.

Bring BT Contact onboard and enjoy:

- Enhanced performance
- Improved customer satisfaction and loyalty
- Cutting the costs of customer interactions
- Valuable insight to help you identify inefficiencies

**Contact:**

w: [www.bt.com/btcontact](http://www.bt.com/btcontact)

t: Global Services UK Corporate customers:  
0800 121 8001

Local, Central Government and Health sector  
customers: 0800 032 0025



CallScripter is a leading provider of agent desktop, scripting and process optimisation technology for the contact and customer service centres worldwide. Supporting and empowering cross-channel customer conversations in real-time, CallScripter has the flexibility to be on-premise or hosted solution.

The CallScripter application enables rapid set-up, efficient handling and sophisticated reporting of advanced inbound and outbound campaigns which are built and controlled via a simple browser-based, easy-to-use and highly-configurable user interface. With features designed to increase agent productivity, enforce compliance and promote dynamic customer conversations, CallScripter is the next generation scripting tool that manages and supports every step of the customer journey.

With CallScripter's latest scripting technology, contact centre managers are able to build scripts quickly and easily using an extensive library of controls and templates. By empowering the in-house management team, they can rapidly adapt campaigns to changing business needs and legislations or enhance existing campaigns without affecting live data.

**Contact:**

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t: +44 (0)203 368 6889

w: [www.callscripiter.com](http://www.callscripiter.com)



Eckoh is the UK's leading provider of multi-channel customer service and secure payment solutions.

For the past 20 years our automated customer self-service solutions have helped organisations meet the challenges of engaging customers across multiple channels, and removing the pressure of inbound calls on call centres.

We offer the widest range of Payment Card Industry Data Security Standard (PCI DSS) compliant solutions allowing agents to process payments over the phone.

Our pedigree of cross-sector clients have all benefited from reduced operational costs and improved efficiency, enabling their contact centre to focus on more complex enquiries.

**Contact:**

w: [www.eckoh.com](http://www.eckoh.com)

e: [tellmemore@eckoh.com](mailto:tellmemore@eckoh.com)

t: +44 (0)1442 458300



**Enghouse**  
Interactive

Enghouse Interactive supplies the widest range of customer contact solutions on the market. We help thousands of organisations of all sizes, industries and complexity across the world to improve their service, productivity and operational efficiency.

Our integrated suite of solutions, which include multi-channel contact centre, self-service, operator consoles and workforce optimisation, can be deployed on-premise, in the cloud or hybrid. Our unique approach to recommending the right deployment method, multichannel model, across multiple telephony environments and integrated presence such as Microsoft Lync can help you achieve your vision for customer engagement.

We support more than 1 million agent seats, across 10,000 customers, handling over 1 billion interactions through our systems daily – making Enghouse Interactive one of the biggest providers of customer contact solutions in the world.

**Contact:**

w: [www.enghouseinteractive.co.uk](http://www.enghouseinteractive.co.uk)

t: +44 (0)2033 573040

e: [uk-info@enghouse.com](mailto:uk-info@enghouse.com)



Genesys is a leading provider of customer service and contact centre solutions.

With more than 2,200 customers in 80 countries, Genesys orchestrates more than 100 million customer interactions every day across the contact centre and back office, helping companies deliver fast and optimal levels of customer service with a highly personalised cross-channel customer experience.

Genesys also prioritises the flow of work to back office personnel resulting from any customer interaction, internal workflow or business application, optimising the performance and satisfaction of customer-facing employees across the enterprise.

**Contact:**

a: Genesys, Frimley Business Park, Frimley, Camberley, Surrey, GU16 7SG

w: [www.genesyslab.com](http://www.genesyslab.com)

t: +44 (0) 1276 457000

e: [paul.stephens@genesyslab.com](mailto:paul.stephens@genesyslab.com)



Infinity CCS provides a complete range of technology solutions which make contact centres work better.

Every day we help thousands of agents deliver a great customer experience, and some of the biggest brand names in Europe increase profitability as well as their NPS and customer satisfaction scores.

Our solutions can be deployed in a variety of flexible, cost-effective ways (including hosted) for 10 to 10,000+ people working in single or multi-site contact centres and back office environments.

Our solutions include:

- Unified agent desktop with Knowledge Base
- Drag-and-drop workflow and script designer
- Predictive dialling, ACD and CTI
- Quality assurance scorecard software
- Performance reporting and KPI alerts

**Contact:**

Stuart Bidwell

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t: 0121 450 7830

e: [info@infinityccs.com](mailto:info@infinityccs.com)

w: <http://www.infinityccs.com/?src=dmglist>

Intelecom is a leading provider of cloud contact management technology. With over 15 years' experience, Intelecom was one of the first to develop a cloud based contact centre.

Highly flexible and scalable, Intelecom's contact centre solutions can be adapted to accommodate one to several thousand concurrent agents using any device, in any location and integrates with multiple applications seamlessly.

Connect from Intelecom is a complete, multichannel cloud contact centre solution. Its rich functionality is available in modular form which means you can switch-on new functionality when you need it and off when you don't.

Connect is one of the few contact centre solutions that is completely multichannel. Connect agents can respond to phone, email, Chat, Social Media and SMS enquiries all within the one application.

This ability to build bespoke contact centre solutions is unique to Intelecom Connect, flexible and highly scalable Connect is future proof technology that will continue to meet your business demands.

Today Intelecom provides contact centre services to over 2000 organisations in over 20 countries. Customers include Capita, Dun & Bradstreet, Domino Pizza and Ombudsman.

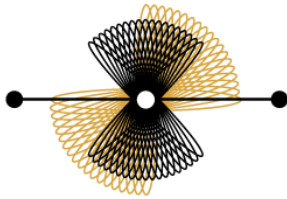
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## INTERACTIVE INTELLIGENCE<sup>®</sup>

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#### **Deliberately Innovative Multichannel Communications for Business.**

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

With our standards-based platform and all-in-one application suite, organisations manage multichannel communications inherently and eliminate the cost and complexity of multipoint systems. Organisations also easily support integration to existing business systems and new technologies.

Interactive Intelligence was founded in 1994 and today has more than 5,000 customers worldwide, delivering ongoing value through our cloud-based Communications as a Service (CaaS) and on-premises solutions, including software, hardware, implementation, consulting, support, and education.

#### **Contact:**

a: EMEA Headquarters, Thames Central,  
Hatfield Road, Slough, Berkshire SL1 1QE (UK)

t: +44 1753 418 800

w: [www.inin.com/uk](http://www.inin.com/uk)



IP Integration is a leading UK provider of Contact Centre solutions. Our portfolio comprises systems design and consultancy, bespoke application development, network services and the latest in collaboration technologies.

We combine technologies from trusted partners such as Avaya and Microsoft with our in-house application development and managed service divisions to deliver award-winning solutions for some of the UK's leading commercial and public sector organisations.

Our goal is to help our customers derive maximum value from their contact centre technology. We measure our success through the return on their investment with us and their continued loyalty; won through our commitment to excellence of service.

#### **Contact:**

a: IP Integration Limited, Integration House,  
Turnhams Green Business Park, Pincent's  
Lane, Reading RG31 4UH

t: 0118 918 4600

e: [ipi.info@ipintegration.com](mailto:ipi.info@ipintegration.com)

w: [www.ipintegration.com](http://www.ipintegration.com)





Moxie Software is the only customer centric enterprise social software company that enables companies – in a single suite— to connect employees, customers and partners to engage in business, share knowledge and collaborate.

Our product suite ensures that the voice of the customer is heard. It gives organizations the ability to respond quickly and effectively to build customer loyalty and satisfaction by connecting customers with the right people at the right time inside organizations.

Several big European brands such as Lebara Mobile, Epson and Barclays have used Moxie to cut call volume by 50%, reduce costs to serve by 30% and provide customers instant access to answers 24/7, through any channel they choose.

It's not just customers who have seen an impact on their business using Moxie, but analysts rate Moxie as the leading platform for CRM.

**Contact:**

Learn more about Moxie [here](#).

Nexidia, long term educators of Customer Interaction Analytics, works with some of the world's largest contact centres to develop and deliver comprehensive video and audio search platforms.

Innovation is at the heart of the systems that Nexidia develops and our impetus is to drive forward the value of the contact centre as a strategic asset.

The ability to capture multi-channel interactions, analyse the data and then use this valuable insight into the customer experience to develop business strategies to improve the performance of nearly every area of the organisation, is the heart of Nexidia.

Customer analytics, an intrinsic part of our DNA, puts executives and customer service leaders in touch with the frontline.

Nexidia is committed to continually innovate and support initiatives that drive the customer service arena forward.

**Contact:**

For more information, please visit <http://www.nexidia.com>



NICE Systems (NASDAQ: NICE) is the worldwide leading provider of software solutions that enable organizations to take the next best action in order to improve customer experience and business results, ensure compliance, fight financial crime, and safeguard people and assets.

NICE's solutions empower organizations to capture, analyse, and apply, in real time, insights from both structured and unstructured Big Data. This data comes from multiple sources, including phone calls, mobile apps, emails, chat, social media, video, and transactions.

NICE solutions are used by over 25,000 organizations in more than 150 countries, including over 80 of the Fortune 100 companies. [www.nice.com](http://www.nice.com).

**Contact:**

For more information about NICE SYSTEMS visit [www.nice.com](http://www.nice.com) or call 0845 200 1000.



Noble Systems is a global leader in the customer communications industry, providing innovative solutions for Unified Communications, Business Process Management and Analytics.

Tens of thousands of agents at 4,000+ client installations worldwide use Noble platforms to manage millions of customer contacts each day.

Noble offers a unified suite of multi-channel inbound, outbound and blended contact processing, strategy planning, and resource management tools for companies of all sizes.

Our premise, cloud and innovative premise/cloud hybrid platforms include ACD, predictive dialling, blended processing, recording and monitoring, IVR, messaging, interaction analytics and workforce management.

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w: [www.noblesystems.com](http://www.noblesystems.com)





Red Box Recorders is the leading recording alternative that provides the smart choice for all contact centre requirements.

The company's simple, flexible and proven technology enables the capture, authentication, analysis and evaluation of all multimedia communications to ensure that organisations are not only fully compliant, but also become more competitive, productive and efficient. This technology is backed by an established global infrastructure to deliver the highest levels of quality, service and support.

The company's unrivalled expertise means they can meet the precise business and operational needs of companies and organisations within the contact centre, financial services, healthcare, government and emergency services sectors, with a wide range of functionality including Quality Management, PCI Compliance, Call Management and Billing, Event Reconstruction and Audio Analytics.

**Contact:**

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Loughborough Road, Bradmore,  
Nottingham NG11 6QA

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w: [www.redboxrecorders.com](http://www.redboxrecorders.com)



Sabio is a specialist contact centre and unified communications systems integrator focused on delivering exceptional customer contact strategies and solutions based on best-of-breed technologies from leading organisations such as Avaya, Nuance and Verint.

Sabio offers business consulting, systems integration, managed services and blended learning training.

Sabio has worked with many major organisations across the UK including Argos, Brewin Dolphin, BT Business, Business Stream, Eurostar, Homeserve, Office Depot, Sage and Thames Water.

Sabio has further offices in Scotland, Germany and Singapore.

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t: +44 (0) 207 633 3900

a: Enterprise House, 1-2 Hatfields,  
London SE1 9PG



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 centre 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: <http://www.sap.com/uk>

w: [www.sap.com/bcm](http://www.sap.com/bcm)



Ultra is the UK's largest provider of Cloud contact centre technology, offering services to clients around the UK and Europe for 1000s of advisors, recording over 6 million inbound/outbound/IVR call minutes every month.

The Ultra hosted platform is flexible, scalable and resilient, enabling clients to manage all the calls coming into, and out of, their contact centres with ease. All solutions include a proactive 24/7/365 support service and unparalleled campaign performance monitoring ensuring client centres are continuously as efficient and productive as possible.

Solutions include: Inbound Call Management (ACD), Automated Outbound Dialler, Call Blending, IVR, Call Recording, secure card payment solutions (for PCI compliance), speech technologies, management reporting and real time monitoring tools.

**Contact:**

w: [www.UltraASP.net](http://www.UltraASP.net)

t: 0207 965 0207

e: [Sales@UltraASP.net](mailto:Sales@UltraASP.net)



Vocalcom's new Contact Centre solutions go Mobile, Social and Cloud, providing agents with a complete customer view, cross-channel service capabilities and unprecedented ease of use.

A modern technology, designed to simplify multi-channel communications and build a knockout mobile customer experience.

Founded in 1996, Vocalcom is one of the market-leading providers for businesses of all sizes, delivering complete, all-in-one business solutions at lower cost, while improving agent productivity, customer experience, and business agility.

The trusted contact centres' choice of over 550,000+ users and with a global presence in 37 countries, Vocalcom aims to become the preferred partner of leading contact centres worldwide.

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m: +44 7771 322448

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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](mailto:sales@opinion-8.com)

w: [www.opinion-8.com](http://www.opinion-8.com)

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

# plantronics®

## 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:

a: Plantronics UK Ltd, Interface Business Park,  
Royal Wootton Bassett SN4 8QQ (UK)

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

For technical support/ customer service:  
t: 0800 410014

w: [www.plantronics.com](http://www.plantronics.com)

Facebook: plantronicsea

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YouTube: [www.youtube.com/user/SmarterWorkingTV](http://www.youtube.com/user/SmarterWorkingTV)

Linked-In: [www.linkedin.com/company/plantronics](http://www.linkedin.com/company/plantronics)

Flickr: [www.flickr.com/photos/plantronics](http://www.flickr.com/photos/plantronics)

w: [www.plantronicscasestudies.com](http://www.plantronicscasestudies.com)



## Call Centre Management Association (UK)

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](http://www.ccma.org.uk)



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

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

**Contact:**

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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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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 200-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

**Contact:**

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e: [callcentre@callcentrewales.co.uk](mailto:callcentre@callcentrewales.co.uk)

e: [lucinda@callcentrewales.co.uk](mailto:lucinda@callcentrewales.co.uk)

w: [www.welshcontactcentreforum.co.uk](http://www.welshcontactcentreforum.co.uk)



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:**

e: [newsdesk@callcentrehelper.com](mailto:newsdesk@callcentrehelper.com)

w: [www.callcentrehelper.com](http://www.callcentrehelper.com)

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Vendor Intelligence Service

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Vendor Intelligence is the leading information resource for marketers and business developers in the contact centre sector bringing all the latest end-user, outsourcing and vendor news plus all the latest product related feature articles to track both your customers and competitors.

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For a free 10 issue trial, email [Sam.Heggie-Collins@oneweekmedia.co.uk](mailto:Sam.Heggie-Collins@oneweekmedia.co.uk) with the subject "Vendor Intelligence Free Trial"

**Contact:**

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

contact-centres.com was launched , initially in print format, in May 2001 and from May 2005 in digital format only; both with the strap line '*everything contact centres*'.

Whether you are looking to outsource, seeking a new supplier or simply to read up on the latest news and information from the UK's contact centre industry contact-centres.com has the answers.

We look forward to being of service to you, your contact centre and, perhaps more importantly, to the UK contact centre industry which we are proud to serve.

**Contact:**

w: [www.contact-centres.com](http://www.contact-centres.com)

t: 0207 993 3425

e: [info@contact-centres.com](mailto:info@contact-centres.com)



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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 4,500 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.

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e: [marketing@firstsource.com](mailto:marketing@firstsource.com)

t: 0800 328 2502



## 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:

- Interaction recording and analytics
- Performance management
- Scripting and the Unified Desktop
- Customer experience, satisfaction and complaints.

# ***A DECLARATION OF SMART***

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**Red Box** RECORDERS

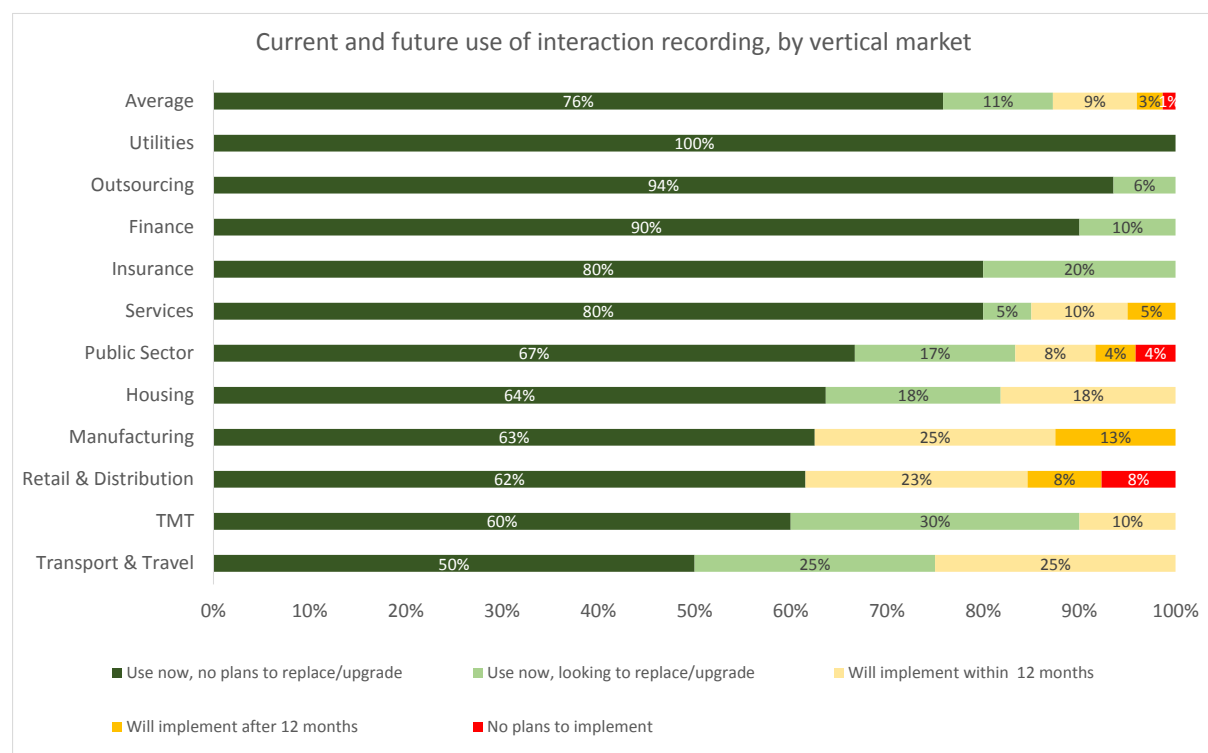
## INTERACTION RECORDING

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.

Interaction 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, particularly in association with interaction analytics.

Interaction recording (comprising both voice and screen 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 87% of respondents, 13% of whom state that they wish to replace or upgrade their current system. Only 1% of respondents have no intention of using interaction recording.

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

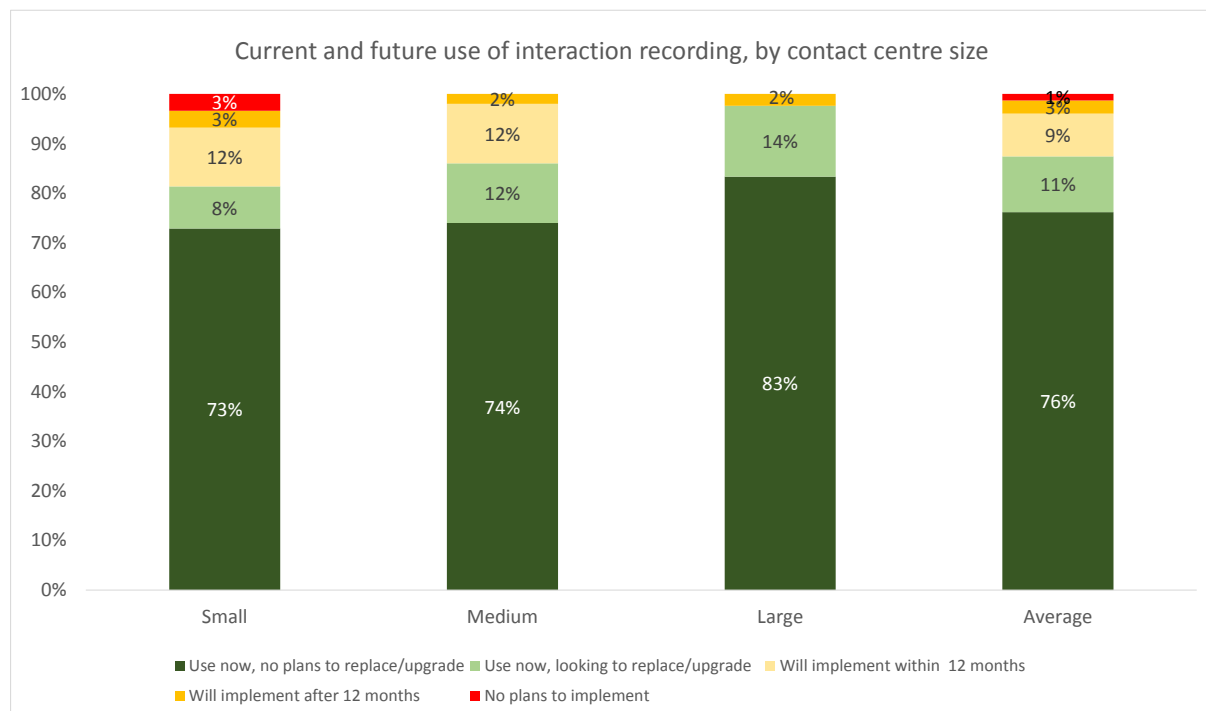


The majority of respondents in all sectors surveyed use interaction recording today, a solid background upon which new applications based on voice and screen recordings can thrive.

**NICE®** *Applications such as Interaction Analytics have been leveraging voice recording for several years. Customer authentication solutions, leveraging voice biometric information rather than the recorded speech content, have now started to use call recordings as a base as well. Call recordings hold within them voice characteristics of a growing percentage of an organisation's customer base, and customers can be seamlessly enrolled into a real-time authentication process which minimises the "hassle" of authenticating themselves in future calls.*

The use of interaction recording is somewhat influenced by the size of the contact centre operation although the figure of 81% penetration in small operations shows that vendors have been able to offer solutions successfully at various price points. With businesses of all sizes being legislated into proving compliance, the reduced cost of storing data, and the overall drive to improve quality, interaction recording has become a mainstay of contact centre technology solutions.

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



# WE KNOW YOUR VOICE



NICE Real-Time Authentication  
uses voice biometrics to strengthen &  
streamline your customer authentication.

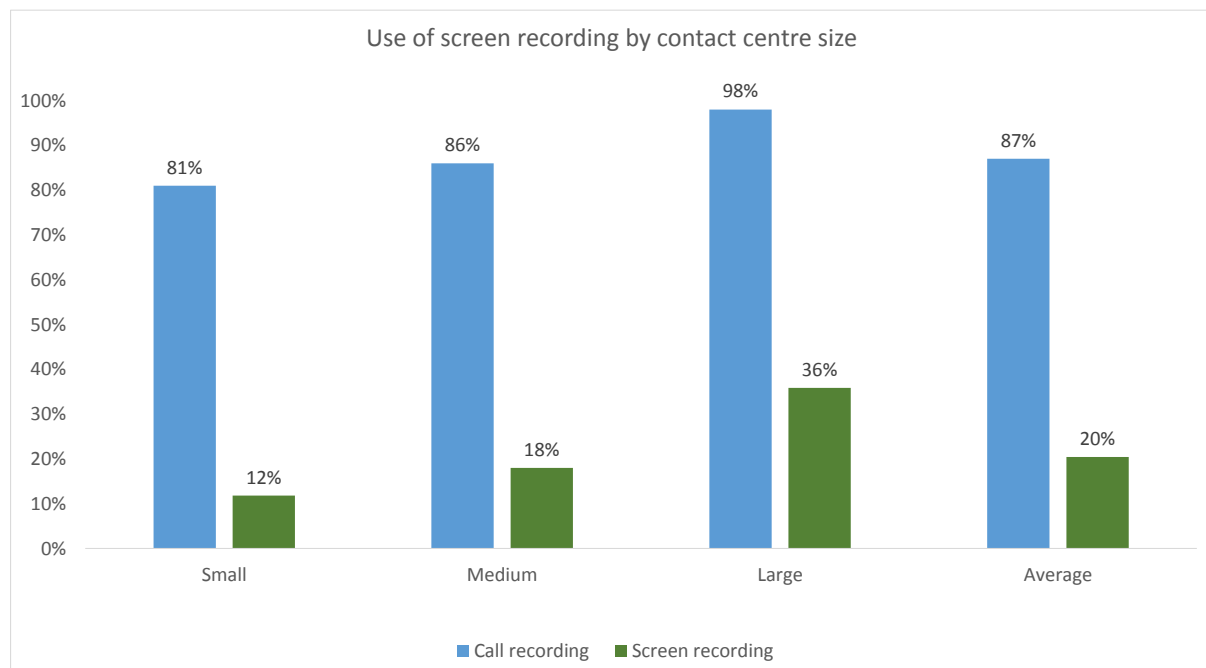
Securely authenticate customers in real time with no customer effort  
Expedite time to service to significantly reduce handle time  
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Recording solutions have moved on from the days of simple bulk recording, and the phrase ‘call recording’ is no longer even an accurate description of the solution. 36% of respondents from large contact centres use screen recording as well as call recording, with an industry-wide figure of 20% usage. It would certainly be more realistic to talk of ‘interaction recording’, which captures and synchronizes what is happening on the agent’s screen with activity in the audio channel, and allows recording of after-call work, email and web chat, and can be used to identify areas of workflow improvement. With the rise in non-voice work such as email and web chat as well as the need to prove compliance, screen recording will continue to grow strongly – for example, the penetration rate of screen recording into large US operations is 74%.

Figure 4: Use of screen 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.



*Alongside with call and screen recording, the addition of call tagging – marking a call recording with specific tags based on agent onscreen activity – can highly improve the work done by both supervisors and compliance officers. Tags can be triggered by application screens the agent used or even specific user entries in certain fields. For example, this can enable supervisors to search for and select calls to review how agents are handling specific processes, and compliance officers can retrieve calls where sensitive payment screens were pulled up to check for compliance breaches.*

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 interaction recording may occur at the **management or executive** level. When all interactions are recorded and analysed, a complete performance management program may be put in place. Agent performance can be viewed by supervisors, team performances can be analysed 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 interaction 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 this solution.

Interaction recording may be used in three modes:

- **100% recording:** often used for compliance, risk and dispute management purposes in businesses that require continuous call logging, this records the entirety of every call, with associated on-screen activity if screen recording is used
- **Random / Scheduled Recording:** priority-based recording schedules can be defined based on business rules, using multiple criteria on each schedule, such as number called / calling (CTI-driven criteria)
- **On-Demand Recording:** contact centres may have situations where they do not need to record an entire interaction. On-demand recording can be customized to support agent-initiated recording through a desktop interface, or automated through recording triggers sent from third-party software.

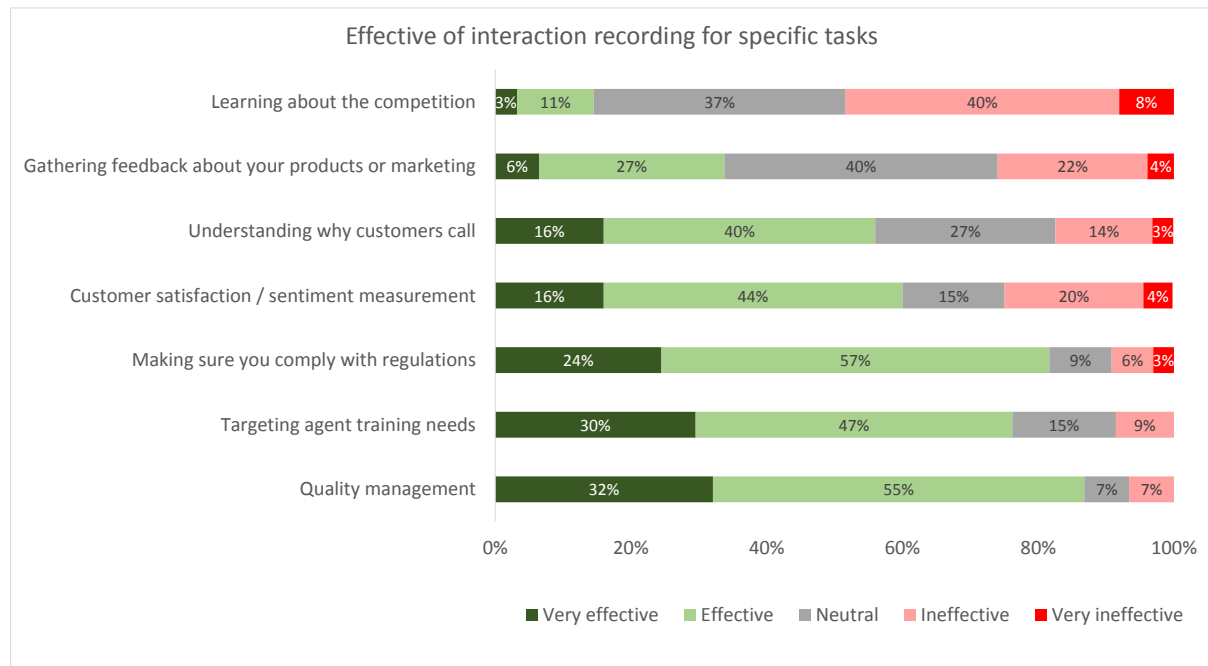
The need to prove compliance with industry regulations is not solely restricted to financial services companies, with outsourcers, insurers and medical organisations particularly aware of their regulatory requirements, with 100% call recording a key element in proving compliance and dispute resolution.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

There is more information about the role of call recording in PCI compliance within the "PCI & Security" chapter of this report.



When considering the effectiveness of interaction recording solutions for specific tasks, survey respondents are very positive about the effectiveness of interaction 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 (which can be even more effective when linked with automated speech analytics that can check specific phrases or sentences have been used in the conversation).

Figure 5: Effectiveness of call recording for specific tasks



However, there is a little less enthusiasm for call recording's effectiveness at getting feedback from customers – although the information is there, 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 interaction recording very effective for this purpose and those who are using speech analytics, which the next chapter investigates in more depth. Interaction recording by itself does not seem able to provide users with insight into their customers, nor is it of much use in getting feedback about our own products or marketing. 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 far more effective method of gaining competitive information.



*This basic capability of voice analytics – identifying specific words and phrases – can be leveraged to set up call categories in order to track specific issues of interest. Mention of competitors is one of many examples which can include calls with no resolution; calls where customers expressed dissatisfaction; issues around specific products and campaigns, and more. Having these specific call types can then highly improve call monitoring by supervisors, adding targeted call monitoring to existing methods as tagging and random monitoring.*

# Mining Gold With Speech Analytics

Research<sup>1</sup> shows that more executives and industry leaders consider speech analytics and, on a broader scope, interaction analytics, as a strategic solution to improve business performance. As the speech analytics market leader with 28.3% of all contact center speech analytics implementations<sup>2</sup> NICE systems has been helping many organizations successfully implement a speech analytics solution that provides the insights needed to create a powerful impact on the organization. Learn from our experience working with leading brands in all verticals:

## Best Practices for Leveraging Speech Analytics for Business Success with NICE Interaction Analytics

### Prioritize Initiatives based On ROI

Establish objectives by including business leaders from all departments to identify goals for improving enterprise performance, not just contact center performance. Focusing on 2-3 targeted objectives with a clearly defined ROI for the initial implementation helps you maintain tight control over changes during the implementation process. Many organizations have successfully targeted both cost reductions and revenue enhancements simultaneously after prioritizing objectives based on ROI.

### Follow All of the Steps In the Improvement Cycle

Today's analytics solutions support the full performance management lifecycle, including problem identification, root cause analysis, performance improvement and monitoring. During the analysis stage, seek to understand the key drivers to identify low hanging fruit. Present the information at subsequent meetings with key leaders and focus groups to reveal gaps in the current information and trigger change. During the improvement stage, develop projects that will address each of the key issues uncovered during the analysis stage by focusing first on the low hanging fruit for quick payback

### Focus On Root Causes and Actionable Insights

Getting information via interactions is easier than you think, but it's important to shift your focus from data gathering to developing constructive insight from large volumes of interactions as quickly as possible. An automated root cause analysis solution helps limit the need to manually review an overwhelming number of interactions for actionable insight. Actionable insight, together with initial focus on quick payback items, often drive the initial wave of projects and sustain the larger efforts necessary to achieve later improvements through higher profitability and morale.

### Align Quality Monitoring Processes With Business Initiatives

Aligning quality monitoring (QM) functions with strategic business objectives presents an opportunity to transform QM into a powerful business optimization solution. This business-centric approach is achieved by linking strategic business objectives with the quality process. Instead of randomly selecting calls for evaluation, the QM team is presented with calls based on their impact on KPIs that are relevant to overall business performance. This approach enables managers to identify and resolve individual performance issues with the highest potential benefit.

## Speech analytics is truly a "game changer"

Combined with a systematic process to leverage its key benefits, many organizations have already realized impressive results with the technology's comprehensive and flexibility to extract intelligence from customer interactions, thereby improving and reinventing business processes.



## How GoDaddy achieved ROI of \$7M with NICE Interaction Analytics

GoDaddy, the largest domain registration and Web hosting provider in the world, wanted to modernize their contact center systems and strategies. They established a standard insight development process that automatically identifies the root causes of repeat calls on both the product and procedural level. This initiative dramatically improved their customer care's first contact resolution (FCR) metrics. In addition, GoDaddy improved agent productivity by identifying calls that can be automatically handled by self-service. This not only reduced costs, but also allowed agents to spend more time focusing on revenue generation. In all, the company calculated an annualized ROI of more than \$7 million and without taking their eyes off of the number one priority – taking care of the customer.

**See how NICE Interaction Analytics could make a real impact on your business!**



1. Speech Analytics Market Report, DMG Consulting LLC, Dec 2012

1. WFO Technologies Forecast- 2013-18, Ovum, Jun 2013

2. Speech Analytics Market Report, DMG Consulting LLC, December 2012

## INTERACTION ANALYTICS

The term “Interaction Analytics” refers to the analysis of all interactions between contact centres and customers, whether that interaction was via telephone, email, a web chat session, or even social media. Such conversations are free-form by their nature, hence any data captured from the interaction will be unstructured by definition, which makes this data more difficult to analyse. However, there is an enormous amount of valuable information hidden in this mountain of unstructured data, and analytics technology has evolved to the point that the interaction analytics technology available today is very effective at capturing the voice of the customer and improving contact centre performance based upon information gleaned from interactions.

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 analyse 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 data warehousing and mining applications in as far as they analyse huge quantities of data - here, call and multichannel recordings - and identify important and insightful patterns in caller and agent activity. Hence, speech analytics has also been called audio mining. (It should be noted that some 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 25% 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.

Within the contact centre industry, speech analytics is probably the best understood and most used aspect of customer interaction analytics. The first speech analytics product for commercial purposes was released in 2002 (before then, the technology was used primarily for government intelligence purposes). Since 2002 the technology has improved drastically, as have the number of successful customer implementations.



# Customer Interaction Analytics

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

Applying Nexidia's award-winning speech and customer interaction technology enables you to increase customer satisfaction, improve agent performance, ensure compliance and drive business growth. Nexidia's managed analytic service team has the proven expertise to ensure you're able to maximise the potential of your interaction analytics solution and solve your key business challenges.

**To find out more about**

**Nexidia Interaction Analytics**

Contact Jonathan Wax, VP EMEA on:  
020 8973 2442 or [jwax@nexidia.com](mailto:jwax@nexidia.com)  
**[www.nexidia.com](http://www.nexidia.com)**

**nexidia** 

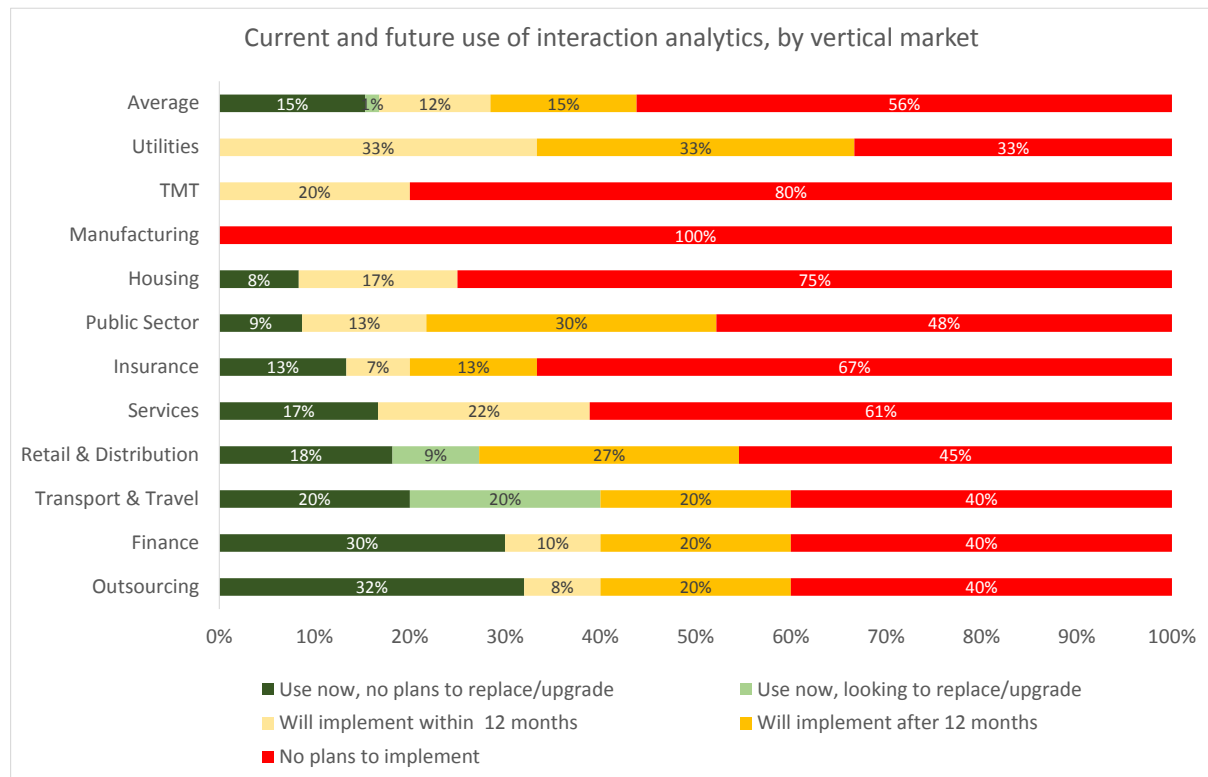
## The elements of speech analytics

There are various elements to speech analytics solutions, including:

- **Speech engine:** a software program that recognizes speech and converts it into data (usually either phonemes - the sounds that go to make up words - or as a text transcription, although there are solutions which directly recognize entire spoken phrases and categorize calls with higher accuracy and completeness based upon the occurrence of those phrases, as no data is lost in conversion).
- **Indexing layer:** a software layer that improves and indexes the output from the speech engine (when the speech engine is phonetic or speech-to-text) in order to make it searchable
- **Query and search user interface:** the desktop application where users interact with the speech analytics software, defining their requirements and carrying out searches on the indexed data
- **Reporting applications:** the presentation layer of speech analytics, often in graphical format
- **Business applications:** provided by vendors, these pre-defined modules help improve agent coaching and/or quality monitoring with speech analytics data, or look at specific issues such as adherence to script, debt collections etc., and provide suggestions on what to look for.

Against a ubiquity of call recording, the penetration rates of interaction analytics are much lower, with only 16% of this year's respondents using it today. While vertical market figures have been provided, readers should not rely on these as the research base is relatively low for this question.

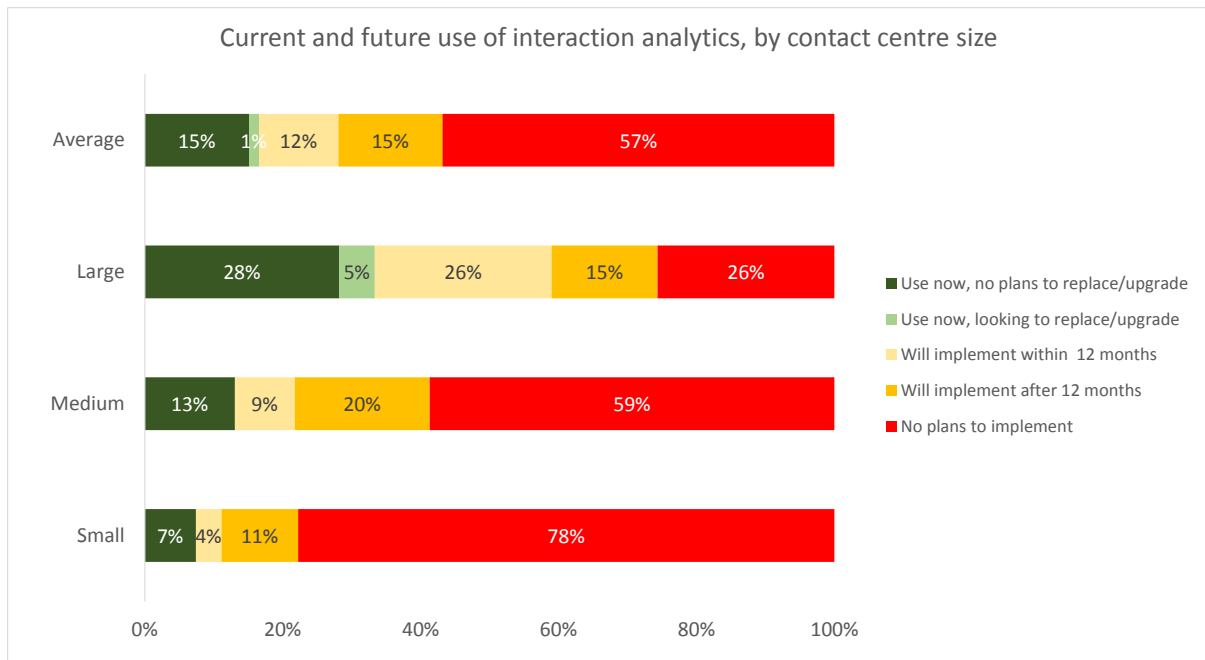
Figure 6: Current and future use of interaction analytics, by vertical market



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.

33% 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 7: Current and future use of interaction analytics, by contact centre size**

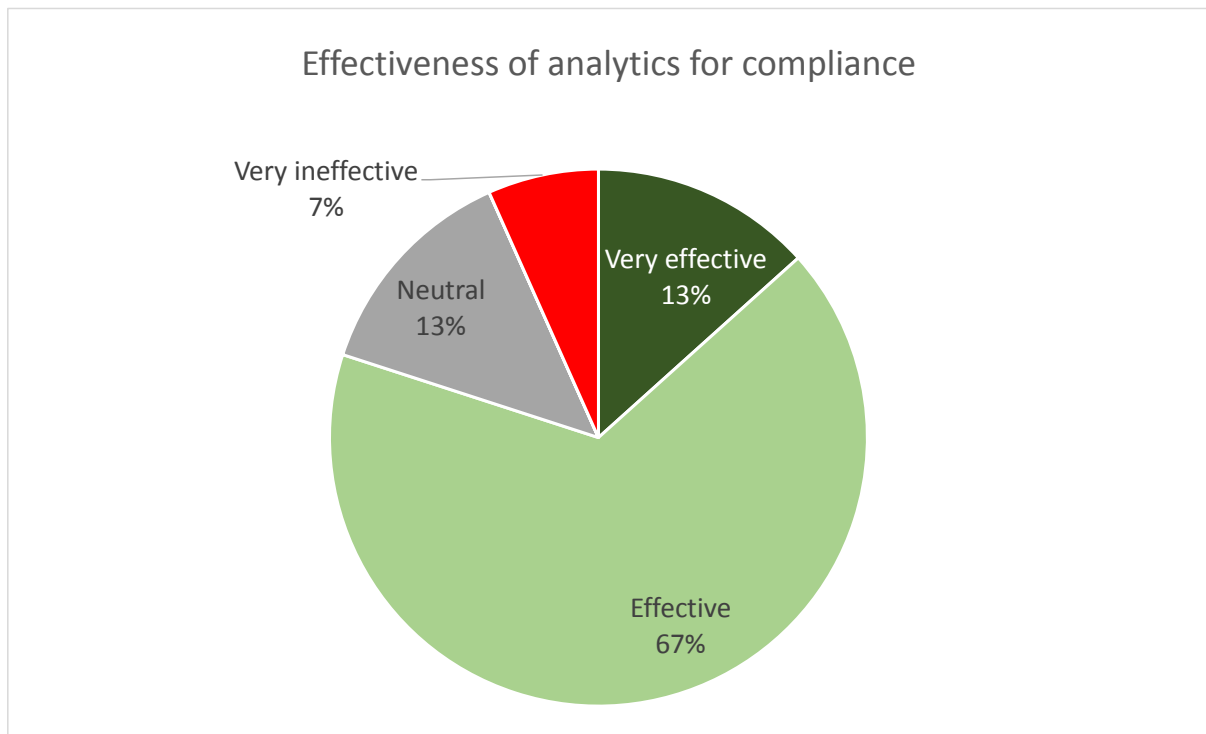


## COMPLIANCE

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, perhaps more in North America than the UK. The majority of analytics users find it effective in ensuring compliance.

Figure 8: Effectiveness of analytics for compliance





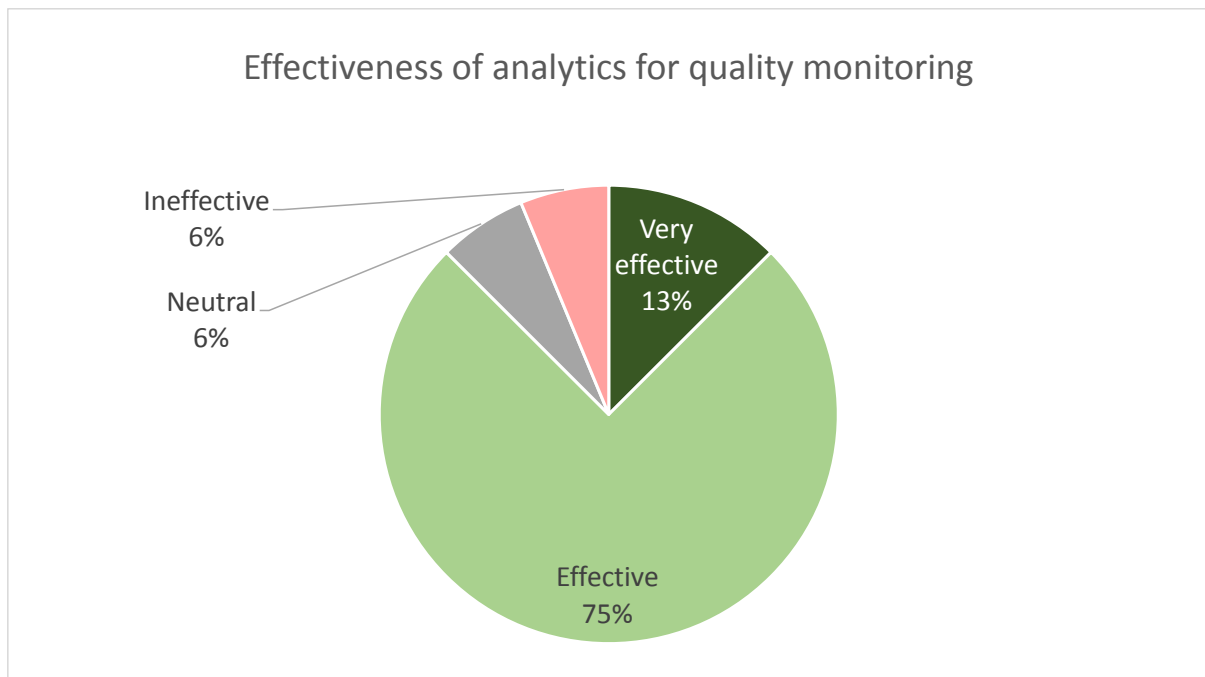
## AGENT EVALUATION AND IMPROVEMENT

### ***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 anecdote-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. The need to listen to calls is still there, but those listened to are far more likely to be the right ones, whether for agent evaluation or business insight.

Quality management/monitoring (QM) is much more effective when interaction analytics are used, as traditional QM consists of analysts manually listening to a very small sample of an organisation's calls and subjectively analysing them, whereas interaction analytics can objectively analyse 100% of calls.

Figure 9: Effectiveness of analytics for quality monitoring

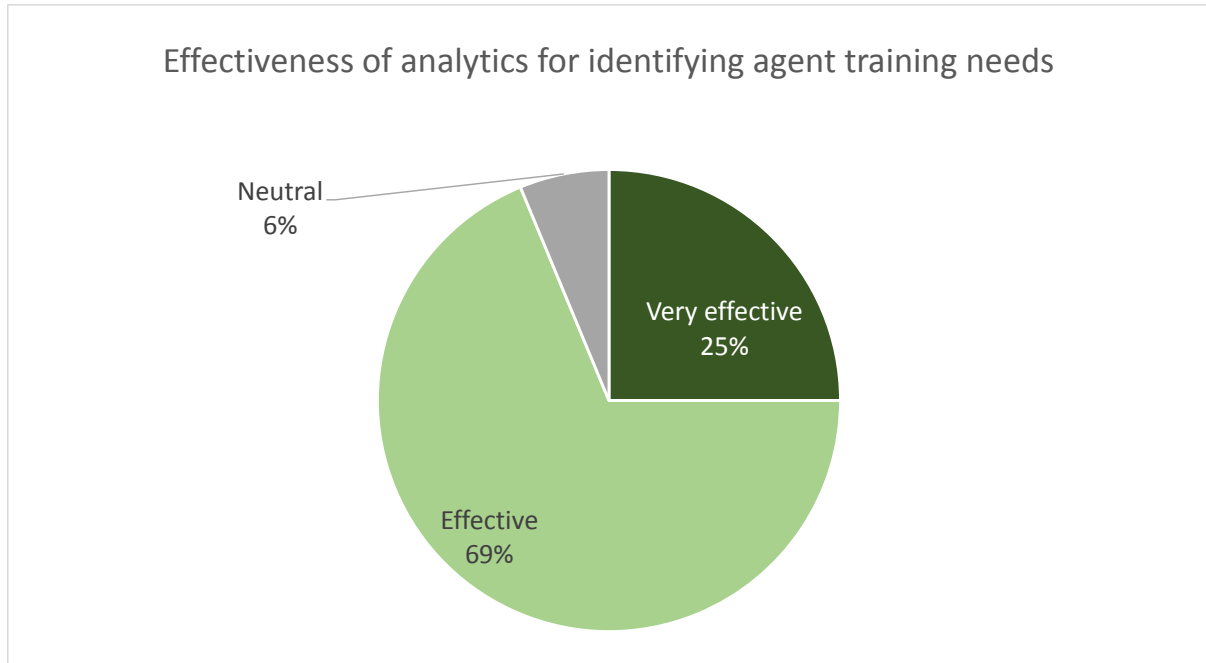




## **Identify agent training requirements**

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. Respondents state that analytics seems to be extremely effective in identifying agent training needs.

**Figure 10: Effectiveness of analytics for identifying agent training needs**



## **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 a substantial amount 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 organisation.

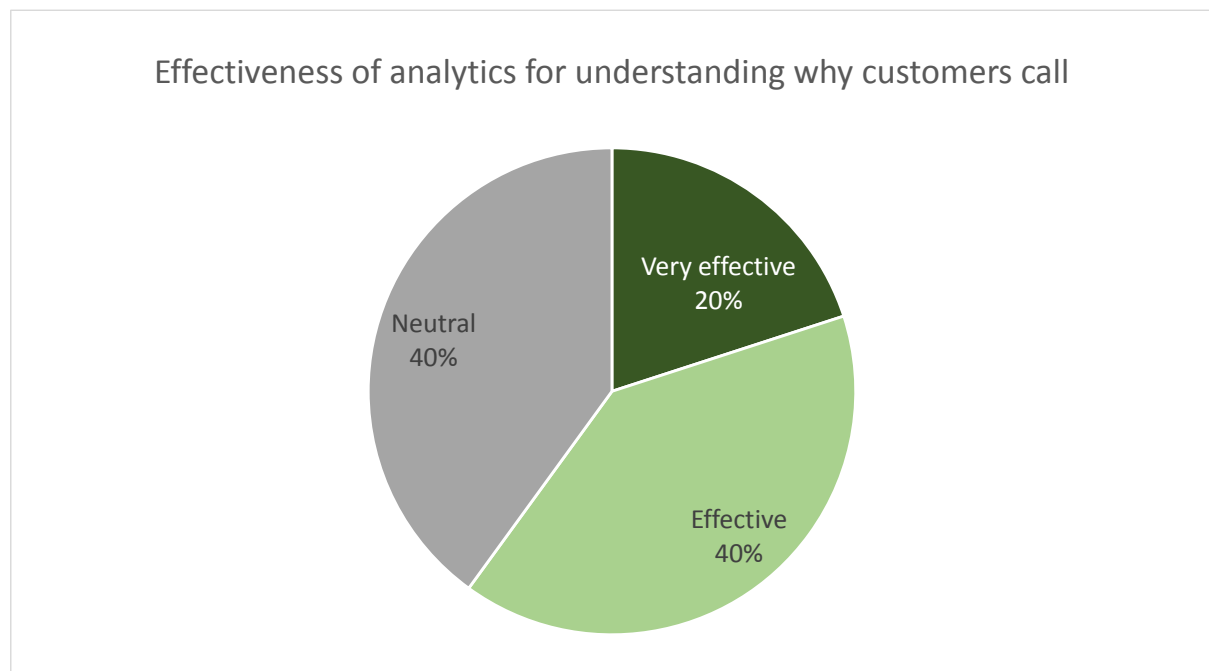
## CONTACT CENTRE PERFORMANCE IMPROVEMENTS

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 analysing 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 analysed 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. This value-add functionality that analytics can provide can be seen to still be in the early stages with a significant minority of users not maximising their comprehension of why customers call.

Figure 11: Effectiveness of analytics for understanding why customers call



## ***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 organisation where they had identified repeat issues as being a problem. Analysing 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.

## 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.

The marketing and website departments are amongst 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.

**nexidia**  *The question “Why do Customers call” is critical to the ability to manage and improve contact centre operational performance. There are very few calls that are if a single call type and the desire to move “simpler” transactions to potentially lower cost channels will mean that the remaining voice calls will be even more complicated. An organisation will need a detailed understanding of these complex calls to be able to perform meaningful detailed root cause analysis to manage the operational efficiency of the contact centre; to be able to accurately train, skill and staff the advisor community; and lastly to be able to accurately categorise calls for any regulatory or company over-sight and compliance.*



**Steve Mound**  
COO, Cabot Credit Management

## About Cabot Credit Management

Cabot Credit Management is a market leading acquirer and manager of consumer debt. Divided into four specialist businesses, Cabot Financial, Cabot Financial Ireland, Apex Credit Management and Apex Discovery Solutions it covers debt purchase, contingency collections and customer tracing.

The group has:

- over £7.5bn face value of purchased assets
- over £1bn face value of managed assets
- cash collections of circa £20m per month
- over 700 employees across multiple sites in the UK and Ireland

*When debt solutions company Cabot Credit Management wanted to gain greater insight into its daily interactions with customers, speech analytics seemed an attractive option. But such a significant investment obviously needs careful consideration and a compelling business case. Claudia Thorpe talks to Cabot's operations director Steve Mound about why he chose Nexidia's interaction analytics and the business benefits that have been realised as a result.*

## What first attracted you to analytics and why did you think it was an important investment?

Over 13 years working in contact centres, I observed that I only ever had a relatively small insight into what was happening on our calls on a daily basis. Although the contact centre industry has seen an evolution through call recording and quality assessment teams over time, this insight is still fairly limited. For example, Cabot used to have a quality assessment team made up of 13FTE who were listening to 6,000 calls a month – but this represented just one or two per cent of our total calls.

So my perception was that through speech analytics we would be able to gain a greater level of whole business insight – and I wouldn't have to rely on assumptions I'd made based on small samples of activity.

Also the nature of Cabot's work inevitably involves high levels of stress and complex negotiations, so I also wanted to gain a better insight into how our customer-facing agents were handling those calls. I wanted to be able to equip them with better skills and train them more effectively to drive an improved compliance and customer service standard.

## What were the key events and lessons you learned when getting colleagues interested in analytics?

Firstly, you have to be passionate about the solution – you must have conviction. There's no



**Claudia Thorpe**  
Call Centre Industry Commentator

point in talking about what this technology might do, you've got to be able to demonstrate what it is actually going to do.

Secondly, it's vital to undertake a proof of concept process. Working with Nexidia, we used essentially a trial process, which allowed members of the board to experience real insight into the interactions between staff and customers.

It's also important to make the business case scientific, rather than based on generalisations about compliance or knowing more about the customer journey. We knew that the best way to show a return on the investment was to demonstrate that we had better trained people who were able to deliver a better level of return. To do that, we took two or three teams within our 20 or 30 team contact centre and trained them using Nexidia, as well as introducing coaching using the analytics tool. We monitored the performance of those teams and could see that over a 3-6 month period there was a 30% uplift in some of their key performance metrics.

One final point is around the culture of the business. I was confident that we had a culture of trust where our people would accept that Nexidia was there to help them rather than to catch them out, but there is a danger that your culture could become one of control. It's important to promote it as a learning and development opportunity and a training tool rather than a Big Brother management tool.

## Once you purchased interaction analytics, what lessons did you learn over the first six months/year about how to make the initiative a success?

On a practical level, my advice would be to get as much data surrounding the call as possible (e.g. caller ID and history, time of day, status of account, etc). This can allow you to identify types of calls at a very granular level and gives you the chance to drill down to individual business issues or challenges.

Another thing I've learnt is to beef up your analytical resource – having people who can understand the analytics, build sessions, and identify business problems is important. Make sure you train a whole team so you have resilience against people leaving the business.

It's also important to see implementation as a journey and a continual learning exercise. For example, we discovered through using Nexidia that agents needed to be trained to ask customers to pay a debt balance in full, but also that it was important to ask in the right way.

## What have been the most important business benefits to date?

There have been a number of benefits, but the following are those that have had the biggest impact:

**More meaningful coaching.** Previously, a team leader managing a team of ten people would spend more than 50% of their time away from their teams trying to find meaningful calls and then scoring them – with little time spent actually feeding back to the individuals. Nexidia changed that because team leaders are now

able to sit down with an individual on a side-by-side coaching session and use Nexidia to easily identify development needs and allow for a much more interactive and more productive session.

**Better business results.** Our key business metric is cash, and we convert that to a cash-per-hour metric for each agent. Across a 6-month period after implementing Nexidia, we saw a 30% increase in cash-per-hour across the business.

**Improved complaint resolution.** We've been able to use Nexidia to identify verbal complaints and then talk to our people about their complaint handling process. Consequently, we have seen an increase in capture of verbal complaints – and as a result of dealing with these more effectively, I have seen noticeable reductions in written complaints.

**Increased transparency for clients.** We buy debt from clients who are then interested in how that debt is handled to ensure their reputation is not damaged. Or we may be working debt on behalf of clients, who are very interested in how it is handled because they still own it. With Nexidia, we can be very transparent about this – plus we are able to build specific queries to help clients with some of their business challenges.

## How do you see the potential value of interaction analytics over the next 12 months?

We're far from a position where we've bottomed out all the opportunities and I want to continue to develop the analytical resource and look at specific business problems.

Also, we don't currently have an integrated multichannel platform, but we are looking at this and I'd like to develop a web chat facility. I'd then be keen to talk to Nexidia about what web chat analytics would do for us.

## Seven key lessons for implementing analytics

- Conduct a proof of concept. This is a useful way of introducing the solution to the organisation and allowing the various operational stakeholders to take ownership.
- Talk about the solution as scientifically as possible – remember, whatever the benefits are will have to be converted into hard numbers for the finance director.
- Be honest with yourself about whether your culture is ready for analytics. You will only realise the benefits if it is accepted as a development tool, rather than a stick for driving performance.
- Gather enough data about individual calls to allow you to dig deep to identify potential business improvements.
- Employ enough analysts to understand the analytics, build queries and identify business issues.
- Don't assume that your work is done once you have implemented the technology. There is a lot to learn from this tool and it is a continual process of improvement.
- Treat your people as adults and make sure coaching sessions are seen as such, and not as a management session.

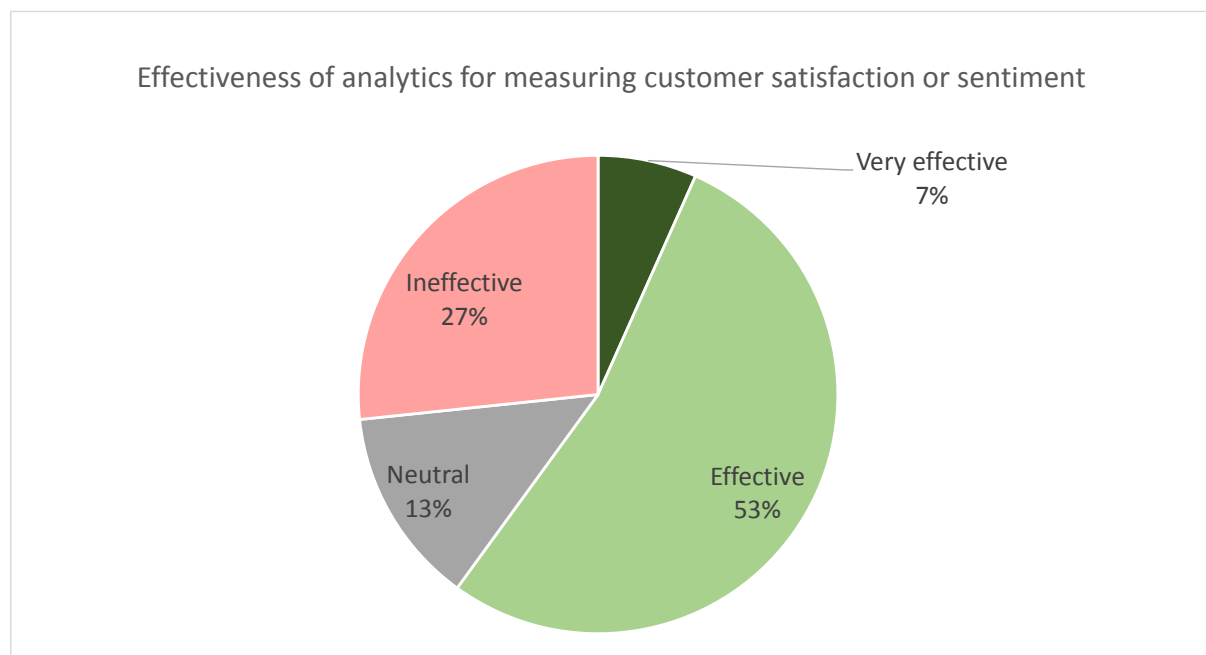
## BUSINESS INTELLIGENCE

### **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. This relatively sophisticated use of analytics can be seen to be in the early stages for many businesses.

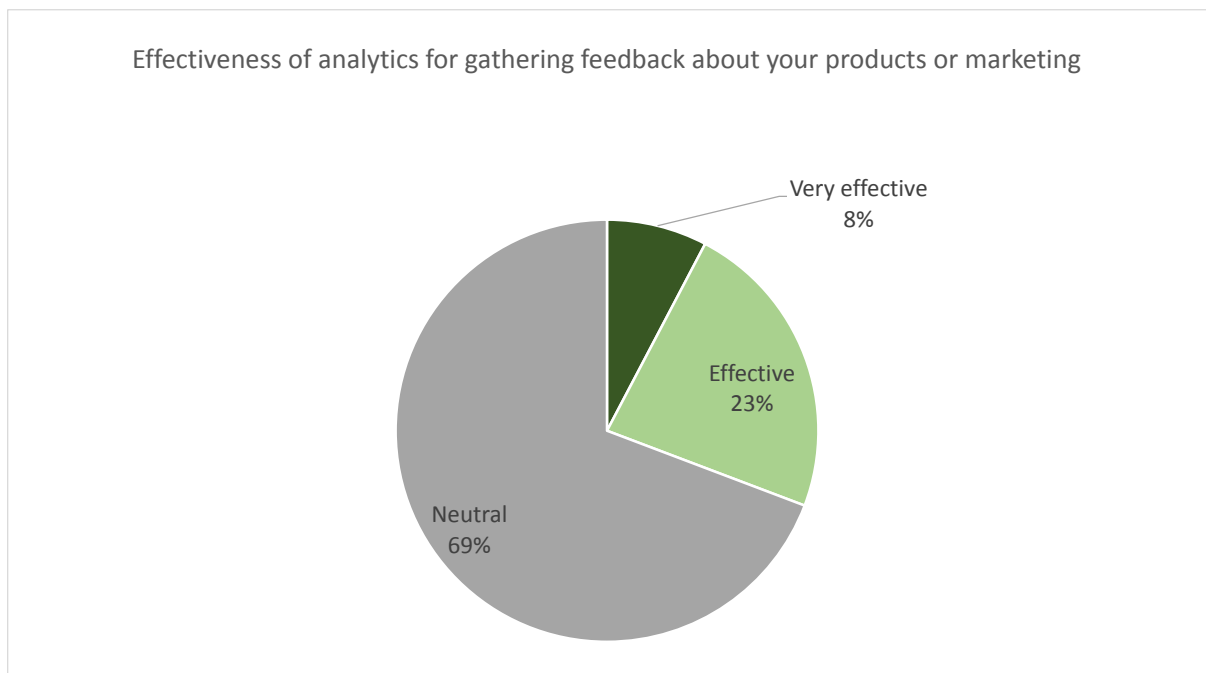
**Figure 12: Effectiveness of analytics for measuring customer satisfaction or sentiment**



## 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, analysed and passed to the marketing or pricing teams to provide them with real-life, rapid and accurate information upon which to base decisions. As with previous chart, businesses are still coming to grips with gaining insights about products or marketing from the analysis of customer interactions.

Figure 13: Effectiveness of analytics for gathering feedback about your products or marketing





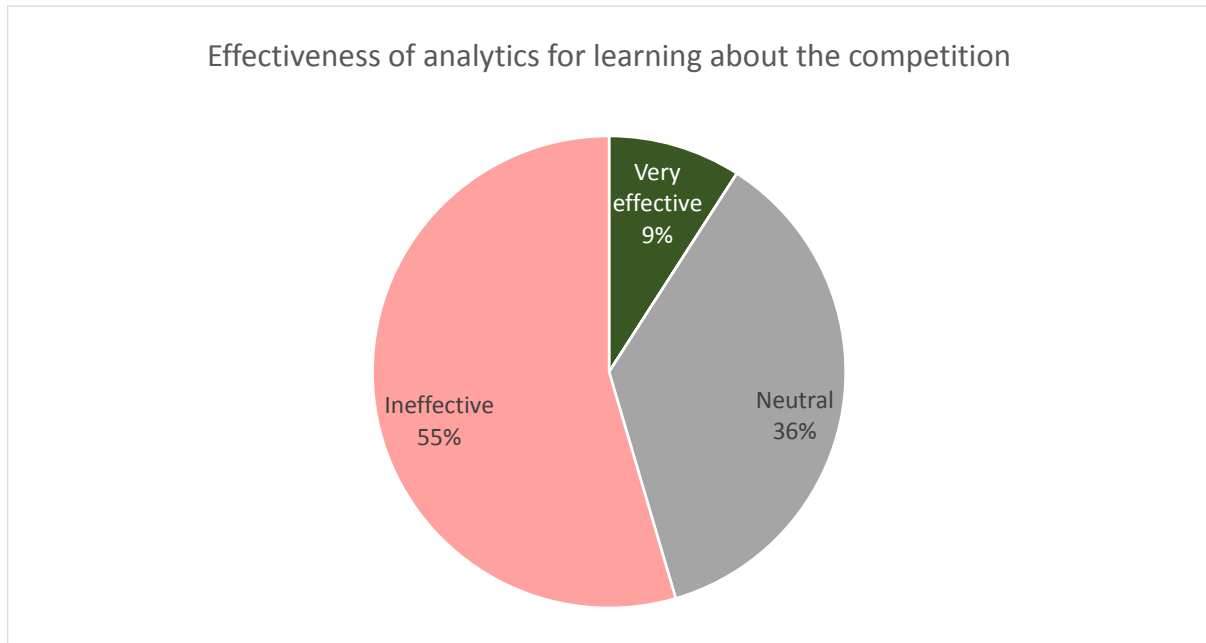
## ***Crisis management and reaction***

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. Our respondents report that this is the least successful current use of analytics, but there is no reason why analytical functionality cannot give in-depth information about the competition or the business's own performance.

**Figure 14: Effectiveness of analytics for learning about the competition**





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## 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 categorisation 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. Around 8-10% of calls received by contact centres are complaints, with the vast majority 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, and text analysis is becoming increasingly used in the multichannel contact centre.

### ***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: a mean average of 10-25% of calls that go into an IVR system are 'zeroed-out' - rejected by the customer in favour of an operator.

Businesses using interaction analytics to review these failed self-service sessions will be able to categorise 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 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 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.

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 optimize 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)
- Optimized 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:

- License 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.

**nexidia**  *Interaction analytics is not just a technology, in fact it is no different to other analytics solutions in that there is a technology component, but there are also the processes and people that utilise it. Your vendor should not only be able to demonstrate what their solution is capable of (data structuring, contact categorisation, reporting and modelling) in a proof of concept, but they should be able to work with you to define the overall end state of the project. Just remember, structured data isn't the same as analysis.*

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

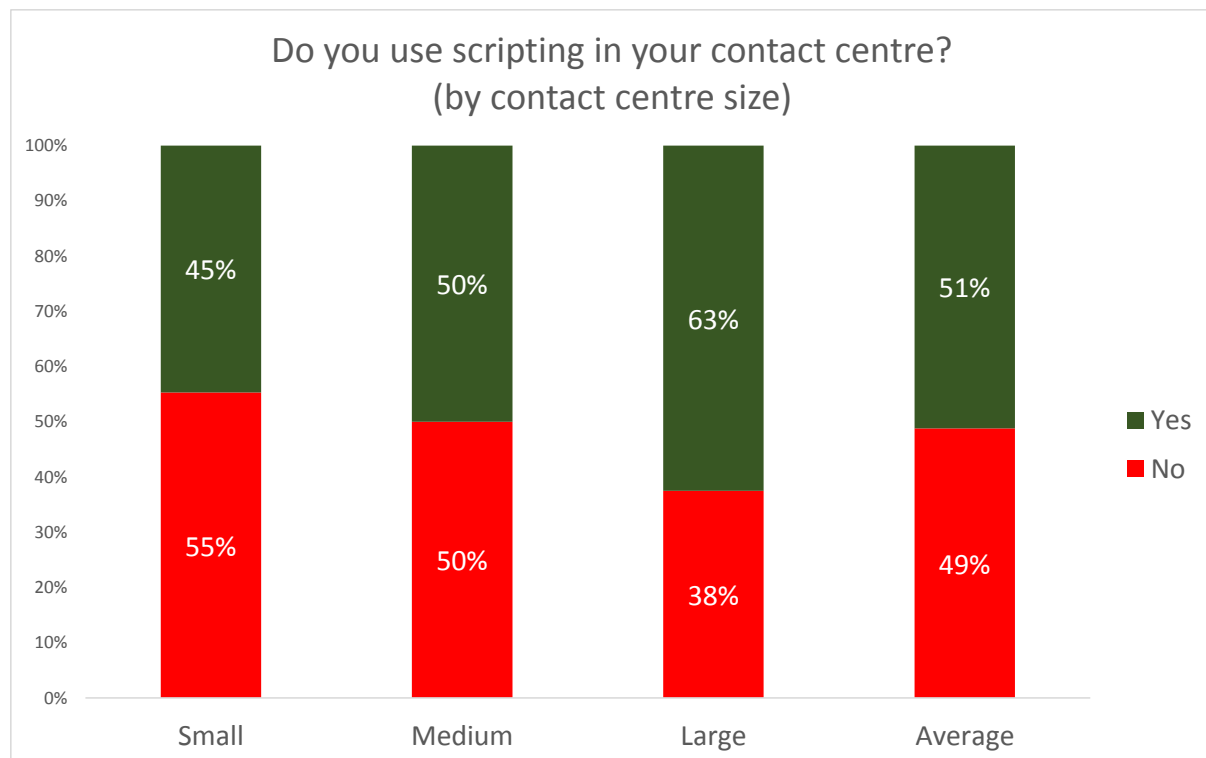
## DYNAMIC SCRIPTING AND THE UNIFIED DESKTOP

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, sometimes referred to as a workflow - 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. Workflows guide agents dynamically through dialogues with customers which change as required, while managing contacts, controlling interactions, and updating databases. 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 15: Use of scripting, by contact centre size



# For a really Good Call, you need a SatNav



Don't spoil the Customer Journey with rigid scripting. Make every call a Good Call at a price you can afford with a unified desktop and integrated workflow.

Your agents are still the most effective, and most expensive, 'hardware' in your contact centre. To achieve your contact centre's business and profit goals you need to make sure they have all the right tools.

## Linearity breeds contempt

Nobody is a fan of scripted calls, especially not your customers. Traditional scripts are linear and inflexible, like a route marked in ink on a map. They can make agents sound like robots when they should be displaying empathy and building rapport.

Agents are forced to follow most scripts step by step, even those not relevant to the conversation in hand. Many calls also need to deal with multiple issues which traditional scripts have a hard time facilitating.

It's also not unusual for a savvy customer to take your agent 'Off Piste', so some sort of guide is required.

## Focus on the customer

Where the agent has no guide through the call at all, the job can become even more difficult. Rather than concentrating on the conversation with the customer, the agent is trying to remember processes and interact with multiple systems to access and update information.

For the best Customer Journey you need an intelligent, dynamic workflow that gives agents freedom and guides them through transactions quickly. You need to give them a smart SatNav system, not an unresponsive route map.

## Flexible call navigation

If you change your destination while driving, or need to make a detour, your SatNav recalculates the best route in real-time. It can also show you points of interest and local information.

In the same way, the best contact centres today employ flexible, branching workflows rather than rigid scripts. These workflows act like a dashboard HUD and guide agents through calls and pop them context sensitive information. Most of all they allow agents to focus on the customer rather than systems and processes.

## Powerful drag-and-drop workflow creation

Infinity's workflow designer software allows you to build flexible workflows using a simple drag-and-drop graphical interface. No coding is required so your Operations Team can build their own workflows and incorporate the right information without bothering your IT department.

Create beautiful and easy-to-follow screens that present agents with only the steps necessary to complete whatever processes are required for each interaction type. Irrelevant steps can be skipped or not presented at all. And if multiple issues need to be handled, the workflow can branch from one process to another as required.

Workflows can even be created to handle other types of contacts, such as emails and chat sessions, or even back office processes.

## The only interface your agents need

Infinity's workflows can be run in your existing agent desktop solution, or in Infinity's own. They can be integrated with back-end systems such as your customer database, billing system, ERP and CRM system for further efficiency benefits.

For example, information such as customer transaction histories can be presented to agents right inside the workflow without them having to open a separate application to look for what they need. Reciprocally, all these systems can be updated from inside the workflow, which saves time and allows the agent to focus on the conversation rather than on using multiple software interfaces.

Telephony integration (CTI) completes the picture and allows calls and customer information to be popped to the agent.

## Result: Every Good Call improves your bottom line

The power of Infinity's software allows for faster, more natural calls, more efficient problem solving, increased sales opportunities, better NPS and customer satisfaction scores, and reduced training as agents only need to learn one system. All of these have a direct and demonstrable impact on your company's bottom line.

Give your agents the right tools and give your customers a Good Call, every call.

**Carl Adkins, Founder, Infinity CCS**

Phone: 0121 450 7830

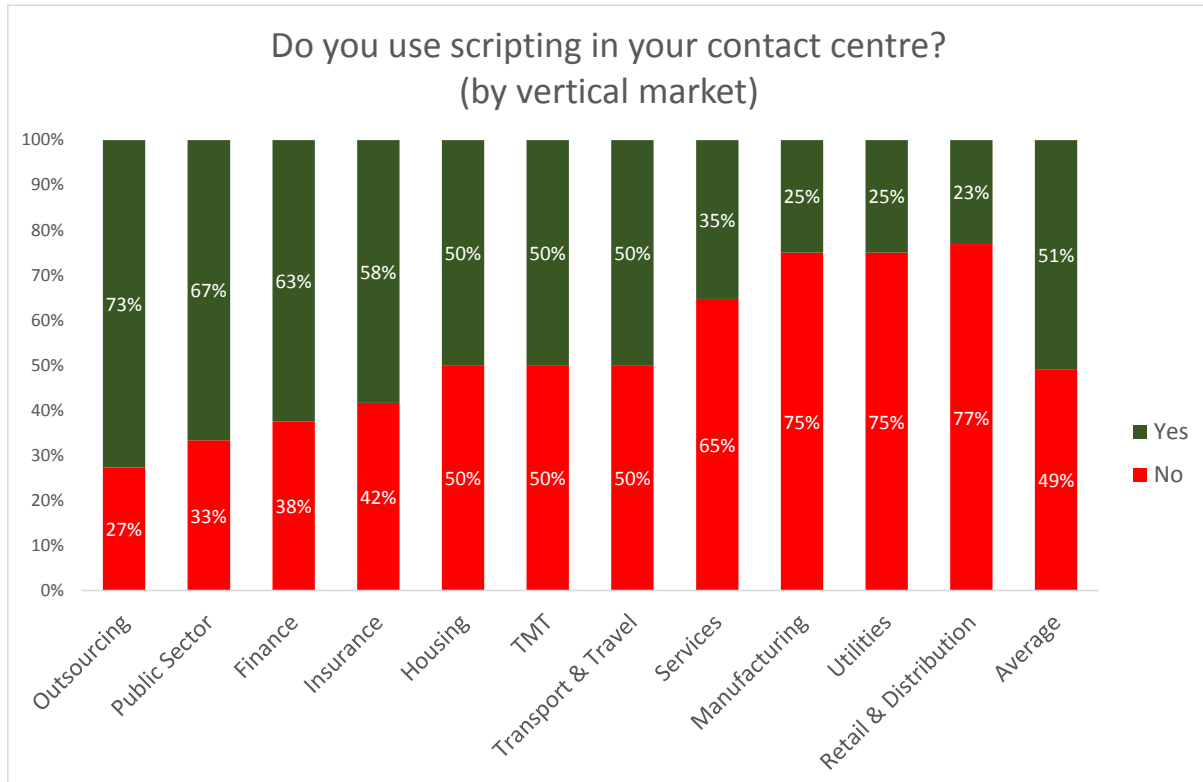
Email: [info@infinityccs.com](mailto:info@infinityccs.com)

Website: [www.infinityccs.com](http://www.infinityccs.com)



Insurance, finance, public sector and outsourcing respondents are amongst the greatest users of scripting, with around well over half of respondents from each of these sectors stating that agents used the application (although we should not assume this is for 100% of calls, or agents - scripting may be used widely in financial industries for legal disclaimers, terms and conditions, etc.). Those in outsourcing are most likely to use scripting to help inexperienced agents and to assist with outbound sales campaigns.

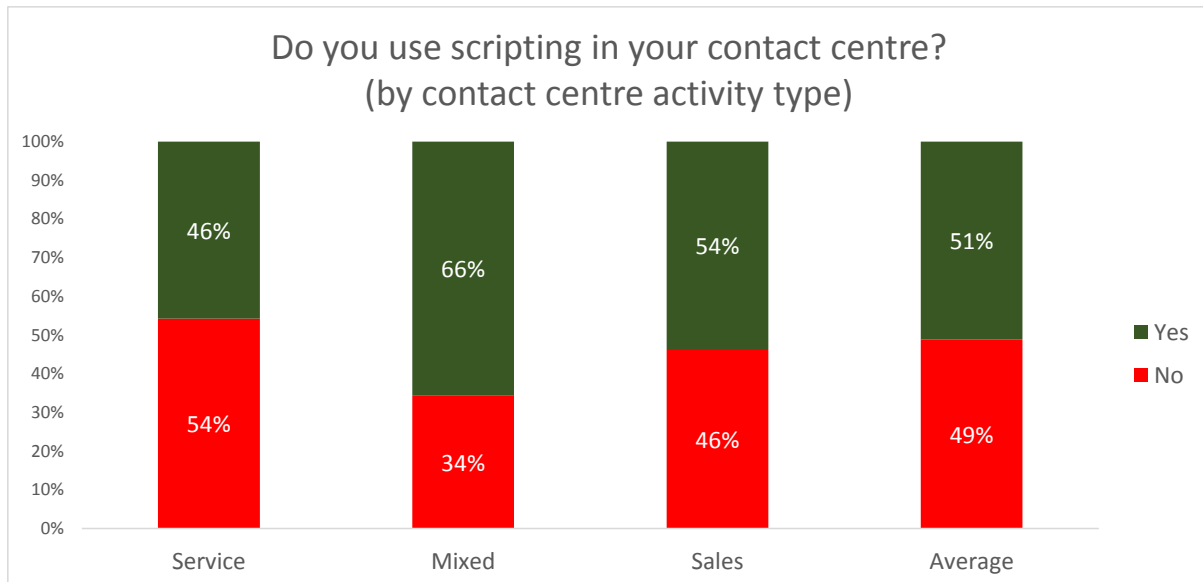
Figure 16: Use of scripting, by vertical market





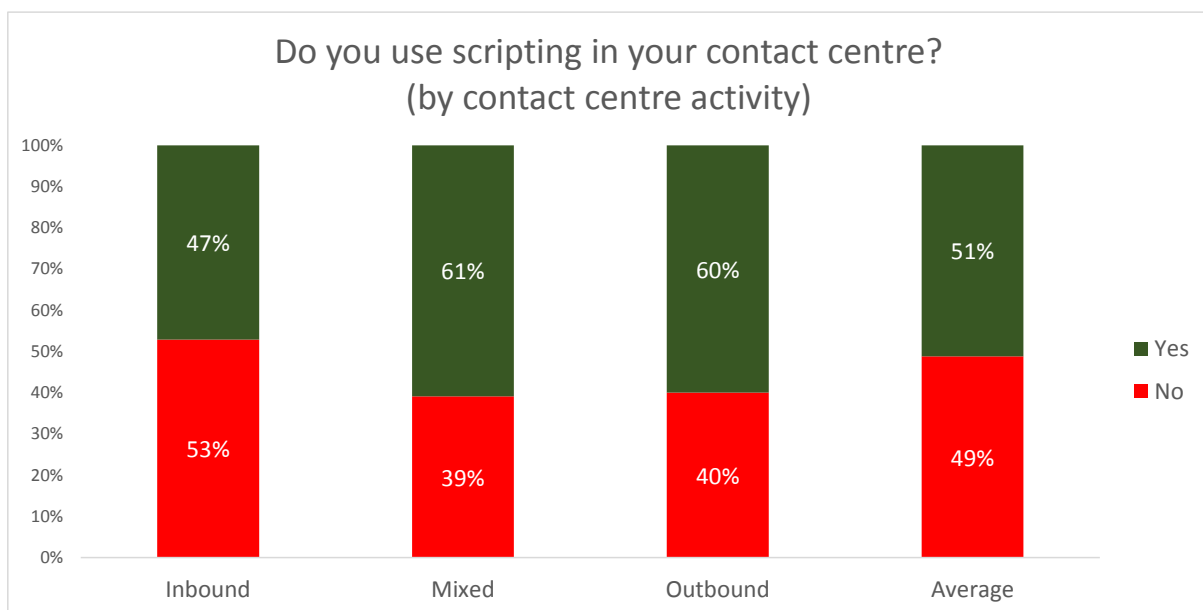
As we would expect, scripting is used more in sales-focused operations, which have a prevalence of outbound work involved, but interestingly, the mixed sector has the highest use this year. It may be that agents in these variable environments find having scripting a help to them when switching between roles.

Figure 17: Use of scripting, by contact centre activity type



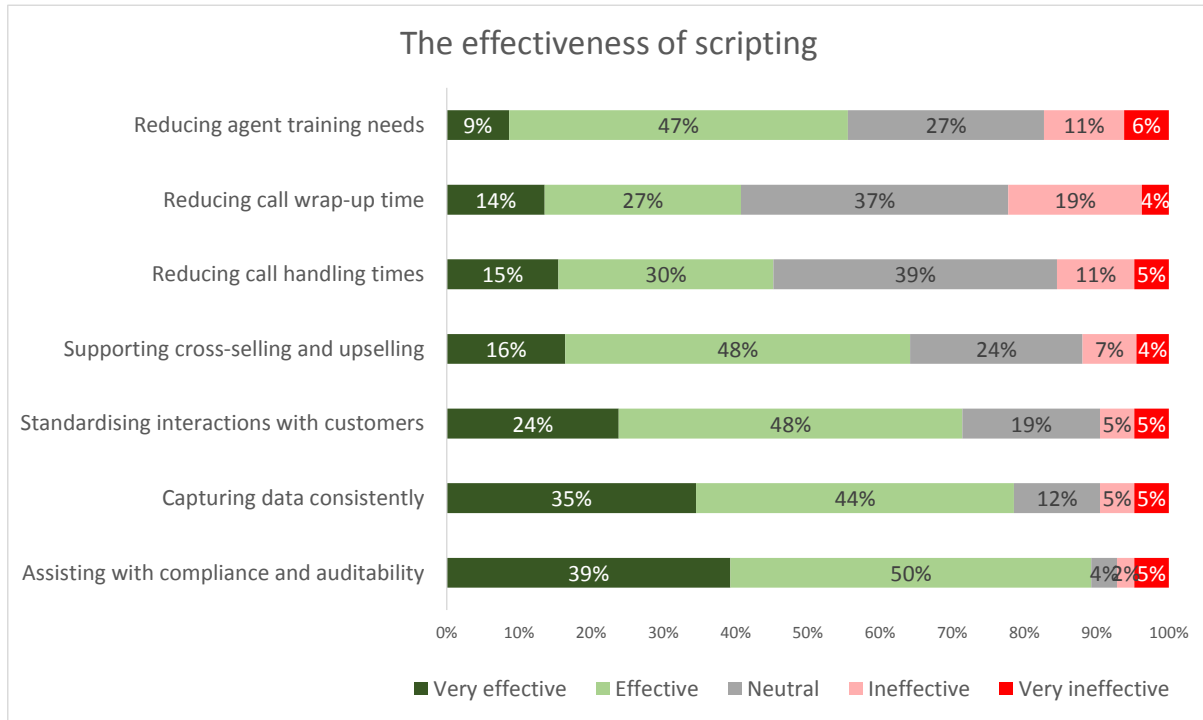
60% of outbound respondents use scripting, with the mixed sector again finding it useful. However, even 47% of those in inbound environments use a considerable amount of scripting, suggesting that perhaps contact centre size and the amount of sales carried out are more dominant factors in deciding the level of scripting used in contact centres.

Figure 18: Use of scripting, by contact centre activity



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). 72% 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.

Figure 19: The effectiveness of scripting



Secondary benefits around reducing call handling times (through a structured call flow) and particularly as an agent training tool were also reported, with 64% 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.

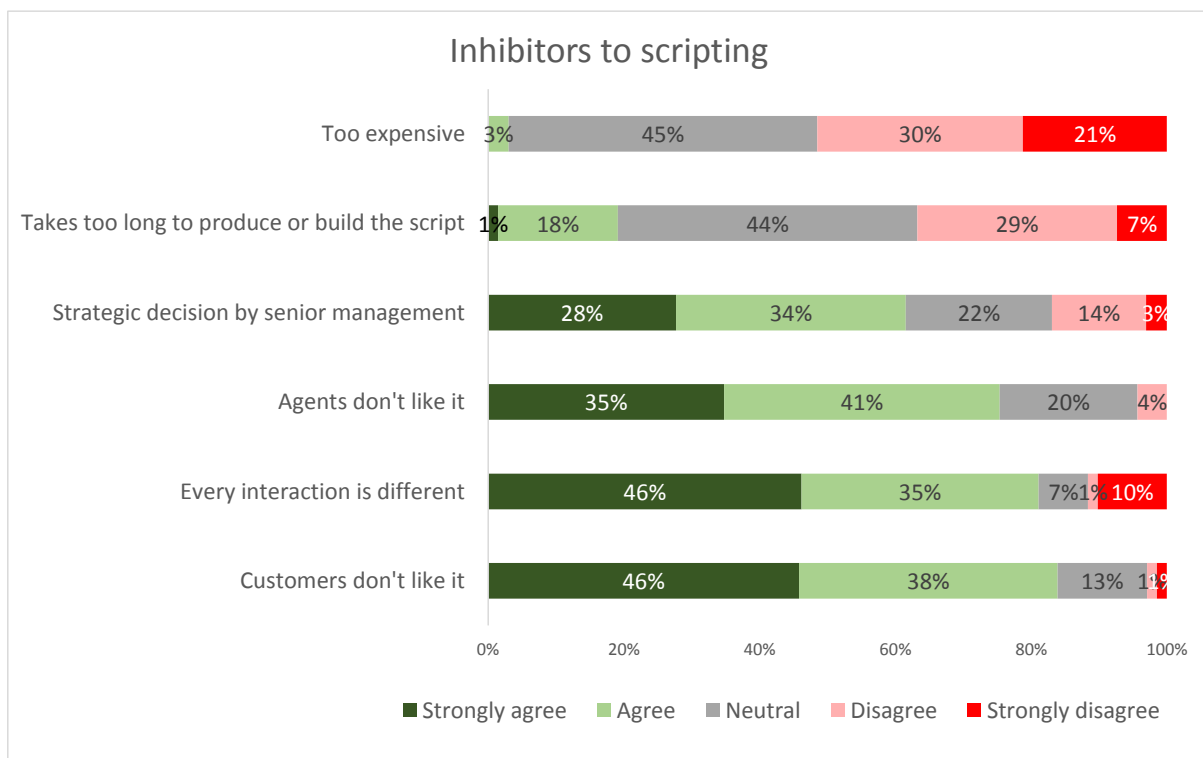
It seems fair to say from looking at these results that, while overly-scripted conversations are frustrating for both caller and agent, a dynamic script or prompt which guides an agent through a conversation and provides relevant information and suggestions is certainly worth considering and tends to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



*Even if your organisation doesn't use scripts you probably do give your agents some sort of on-screen guide or workflow as lots of calls – like many human to human interactions – are complex. If you think of old-fashioned scripts as routes marked in ink on a map, then a workflow would be more like a modern SatNav: it gives direction to the agent but leaves them in control; it can branch from one process to another to help the agent handle multiple types of transactions depending on where the call takes them; and it can also present the right information at the right time and prompt the agent for the appropriate input. The results are more efficient calls, less need to put customers on hold to find information, fewer transfers of calls between departments, increased upsell opportunities, reduced agent training time and, most importantly, more satisfied customers.*

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 20: Inhibitors to scripting



One of the biggest objections 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.

# Make every call a Good Call



Your agents need to focus on customers, not systems and processes

There are few things as frustrating as trying to have a conversation with someone who's distracted by their computer or an app on their phone.

So why put your customers through that experience every time they call you?

If your agents are juggling multiple windows and looking for information in several different systems during a call, they are not giving the customer their full attention.

It can also make calls longer and harder to resolve than they need to be.

With a unified agent desktop and integrated smart workflows you can allow agents to solve problems quickly and focus on customers not systems and processes.

(For more information see the article "For a really Good Call, you need a SatNav" elsewhere in this report.)

Infinity Contact gives your agents and supervisors a single, easy-to-use desktop UI through which they can access your back-office systems and databases:

- Improve NPS and Customer Satisfaction scores.
- Cut down training time and simplify calls as agents only ever need to use one application.
- Pop calls, as well as chats and emails, along with relevant customer information and transaction histories.
- Run smart workflows which guide agents through contacts and processes, and pop them context-sensitive information like up-sell offers.
- Cut wrap time by eliminating repetitive tasks like copying and pasting from one system to another.
- Give real-time feedback to agents as they work, and on-the-job training with a built-in Knowledge Base.

## 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.

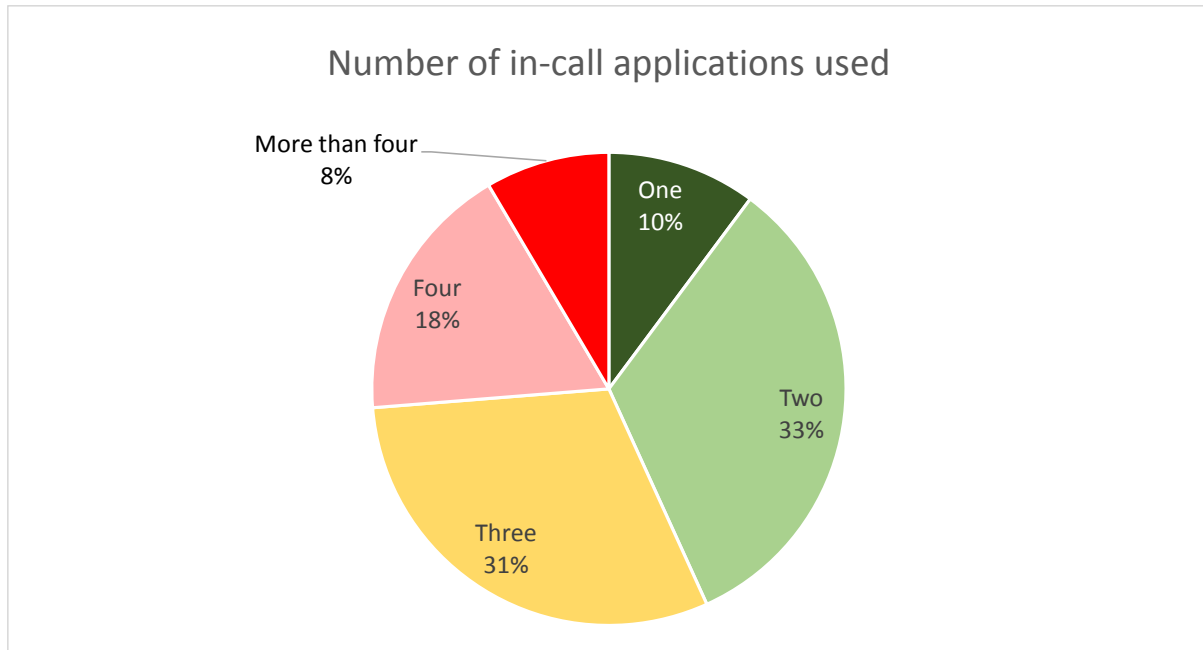
Figure 21: Use of multiple applications across vertical markets

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 90% 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 22: 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.

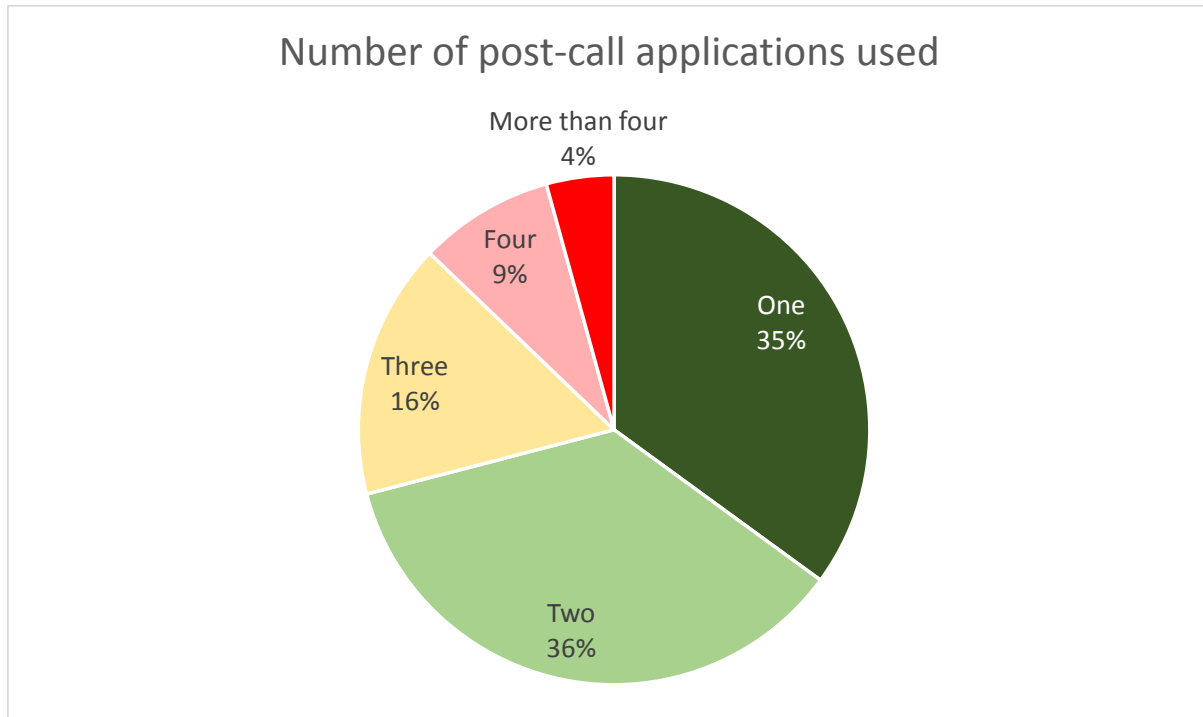
Such an approach can have severe primary and secondary effects:

- 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 23: 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.



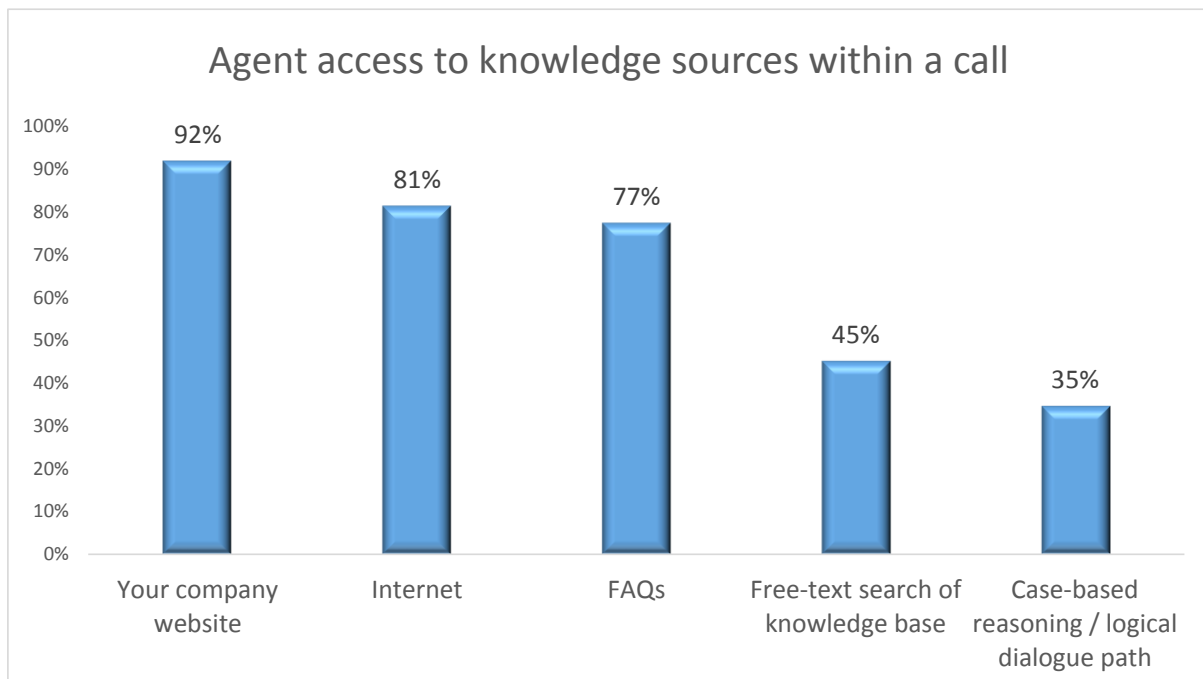
*Talking to a contact centre agent who is trying to use multiple applications at once is like trying to have a conversation with a friend who is using a complicated app on their phone: it is frustrating. Agents who are forced to multi-task like stock market traders are not delivering a good customer experience for two reasons: A) they are unable to focus on the conversation with the customer and B) they waste too much time looking for information and interacting with different systems to be able to process transactions as efficiently as they should. Using a unified agent desktop with embedded smart workflows there is no need for an agent to directly access any of your back office systems – instead the desktop talks to all your systems and either pops the right information at the right time on to the agent's screen, or allows the agent to search for it from right inside the workflow they are using; and reciprocally agents can update all these systems from inside the workflow as well – not only is this set up more secure, it also makes for faster calls and allows agents to focus on the customer rather than on systems and processes.*

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.

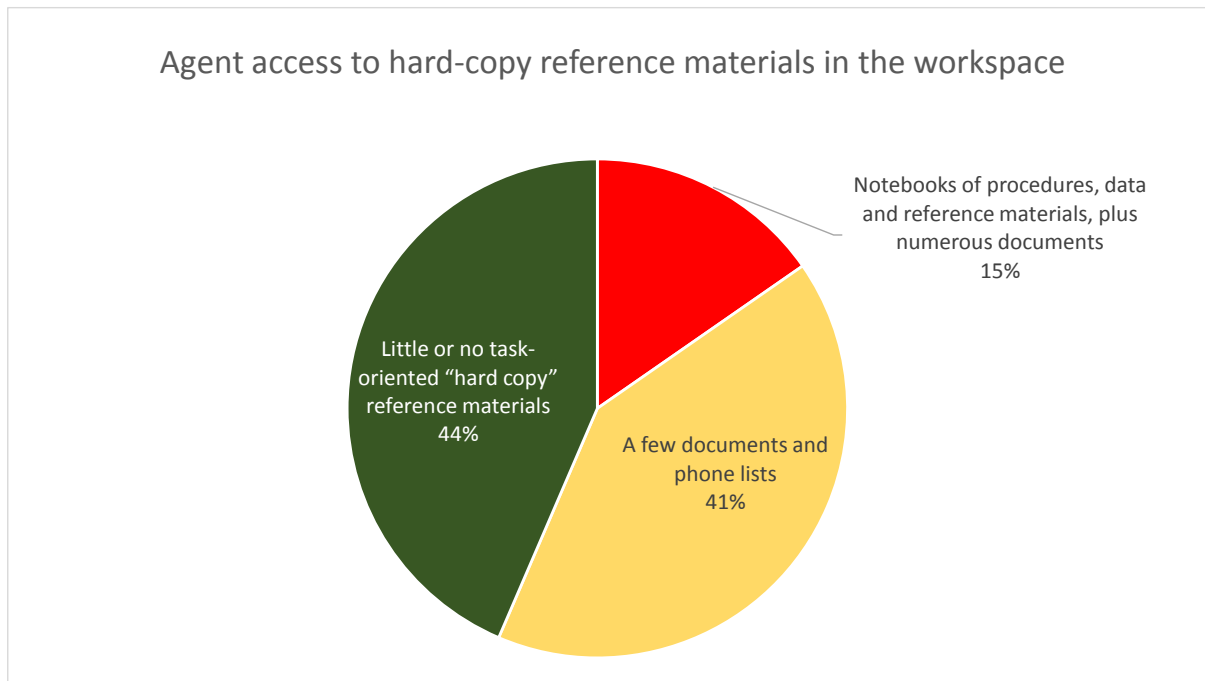
The following table shows the knowledge resources that agents have within a call. Finding, reading, assimilating and using information actually within a call as very difficult and is rarely done seamlessly. An application such as case-based reasoning, which prompts the agent to ask specific questions, drilling down to find the right answer, is very useful but only 35% 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. While it may seem that agents have access to a whole raft of various knowledge sources, the reality is that unfettered access to numerous pools and information is likely to lengthen the call considerably without necessarily providing the information required.

Figure 24: In-call access to knowledge sources for agents



Agents' access to multiple knowledge sources within a call is further exacerbated by the presence of hard-copy reference material on the desks of over half of respondents' agents. Encouragingly, the majority of agents' desks are reported to be relatively clear of paper-based clutter, although it cannot be said that the UK contact centre industry has an entirely clean-desk policy. Coupled with access to numerous, unstructured information sources, the typical agent has a huge number of potential inputs to consider, increasing the risk of longer, rambling conversations that do not result in first contact resolution.

Figure 25: Access to hard-copy reference materials in the agent's workspace



### 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).



*Providing a great customer experience at an acceptable cost means playing to the strengths of your most valuable assets – your human agents – and using technology to minimise their weaknesses: humans are great at talking to other humans, taking initiative and solving problems, while computers are great at remembering details, finding information, and completing repetitive tasks quickly. A unified desktop working environment allows agents to handle calls – and emails and chats – more efficiently and focus on the things they are good at, such as connecting with customers; smart workflows, unlike rigid scripts, guide agents through often complex transactions and processes, branch as required by the call and pop information to the agent at the right time; a context-sensitive knowledge base in the desktop or workflow can also allow agents to handle calls much more quickly and even reduce training time. Outside of calls, getting the desktop software to automatically handle certain tasks, such as copying and pasting captured data from one system to another, also cuts down wrap and admin time which brings even more savings for the company.*

## CUSTOMER EXPERIENCE MEASUREMENT AND IMPROVEMENT

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 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 indicate that the interaction was.

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. Businesses can continue using surveys non-stop as they outsource, switch suppliers or take their 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

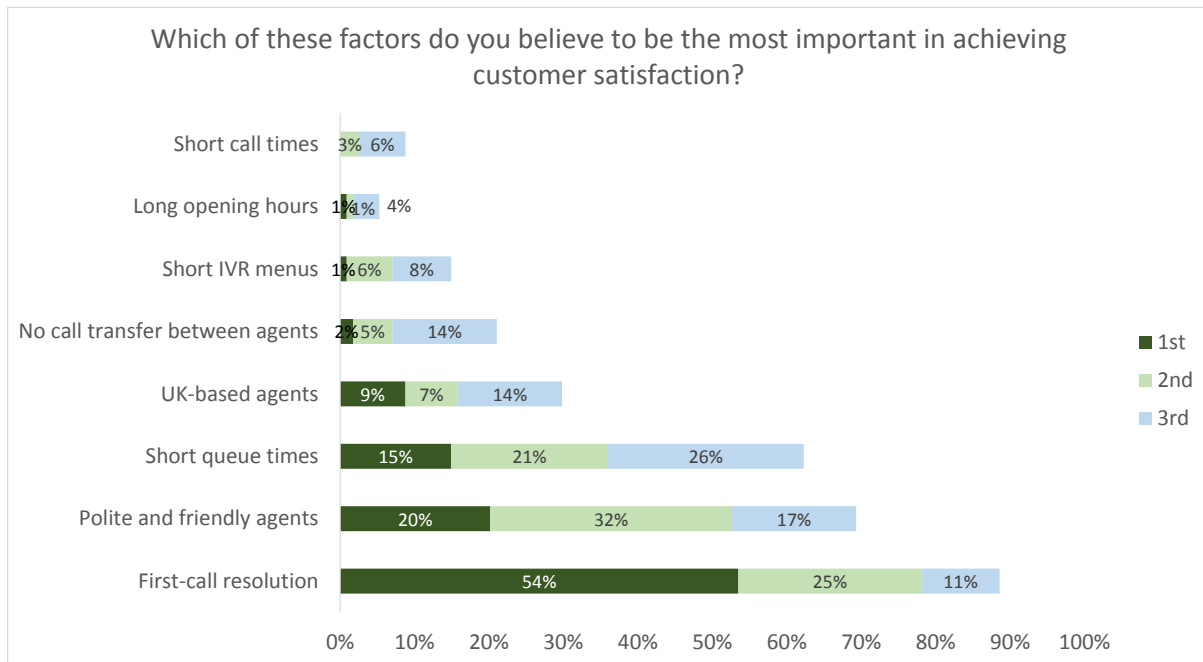
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## FACTORS IN ACHIEVING CUSTOMER SATISFACTION

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 26: 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 30% 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, a finding which is supported by the on-going increased length of inbound calls.

## 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 gives 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.

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.



*If you are planning to implement an outbound telephone survey, it is worth weighing up the advantages and disadvantages of an automated telephone survey versus using a dedicated team to make the calls. The latter may be worth adopting if you are trying to acquire very in-depth or complex information, but they are significantly more expensive and draining on resources. An automated outbound survey costs from around 10 pence per survey whereas its counterpart can come in at £20 per interview!*

**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 overkill.



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 a business by telephone, there are others who prefer to text or email and it is necessary to offer consistent service across all channels. Monitoring all interactions to the company will give comprehensive insight into customers' opinions of the service offered.

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 businesses are increasing the number of customers accessed, but a different quality of feedback will be received 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 formalised 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.



Thought Leadership

## Cover all your bases with unified communication

As we all know, it is no longer good enough to offer customer service only via the telephone. Your customers have an armoury of technology at their disposal and increasingly expect to be able to interact with you by whatever means suits them.

Adapting to your customers needs and offering them the communication channel that suits them best will demonstrate effectively that you value their opinions and are working to respond to their needs.

### Understanding your customers

When you conduct customer surveys, it is important that you do not limit your mode of communication to that which you prefer. Giving your customers choice will increase the amount and the quality of the feedback that you receive.

Adopting a multi-mode approach to surveying your customers will help you keep pace with your customers' expectations. Many people will still want to give their feedback by phone but combining this with web surveys, links to web surveys on social media and SMS surveys will enable you more effectively to represent your entire customer base.

### Opinion-8's surveys

Opinion-8 offers Automated IVR telephone surveys, Web surveys and SMS surveys which can be used separately or in conjunction with each other allowing you to operate a truly comprehensive and unified policy of communication with your customers.

#### **Automated IVR telephone surveys**

With high take-up rates and low drop-out rates, automated IVR telephone surveys allow you to capture the voice of your customer in a timely and cost efficient manner. Gaining a customer's evaluation of the service you provide, immediately after contact, gives real-time understanding of the customer experience. Automated post-call IVR surveys allow your customers to speak for themselves driving service improvements based on an up-to-date assessment of your business.

#### **Outbound telephone surveys**

Outbound surveys can be made shortly after an interaction with your customer. You decide what time to make the calls and how many surveys you conduct. They can require zero involvement from call centre staff and cost your customers nothing.

#### **Web surveys**

With our Web surveys, you have the potential to collect a large amount of data in a relatively short amount of time. You gain real flexibility with online questionnaires as the questions can be randomised and questionnaires can be tailored to the individual respondents. Web-based surveys are also not constrained by geography or time allowing your customers to reach you from anywhere at anytime.

#### **SMS surveys**

SMS surveys allow you to solicit your customers' opinions in an unobtrusive way. Don't forget your younger customers. Exploit the popularity of mobile phones by soliciting their opinions via an SMS survey. And remember that you are likely to elicit more honest responses by text. Things that people may be reluctant to express to another person, they would be more prepared to do via the anonymity of text message.

#### **Mobile/ Smartphone surveys**

With our Smartphone-optimised surveys, you can target customers on the move. All the features of our web based surveys are deliverable to users of tablet and smartphones. To learn more about our survey offering, please visit [www.opinion-8.com](http://www.opinion-8.com).

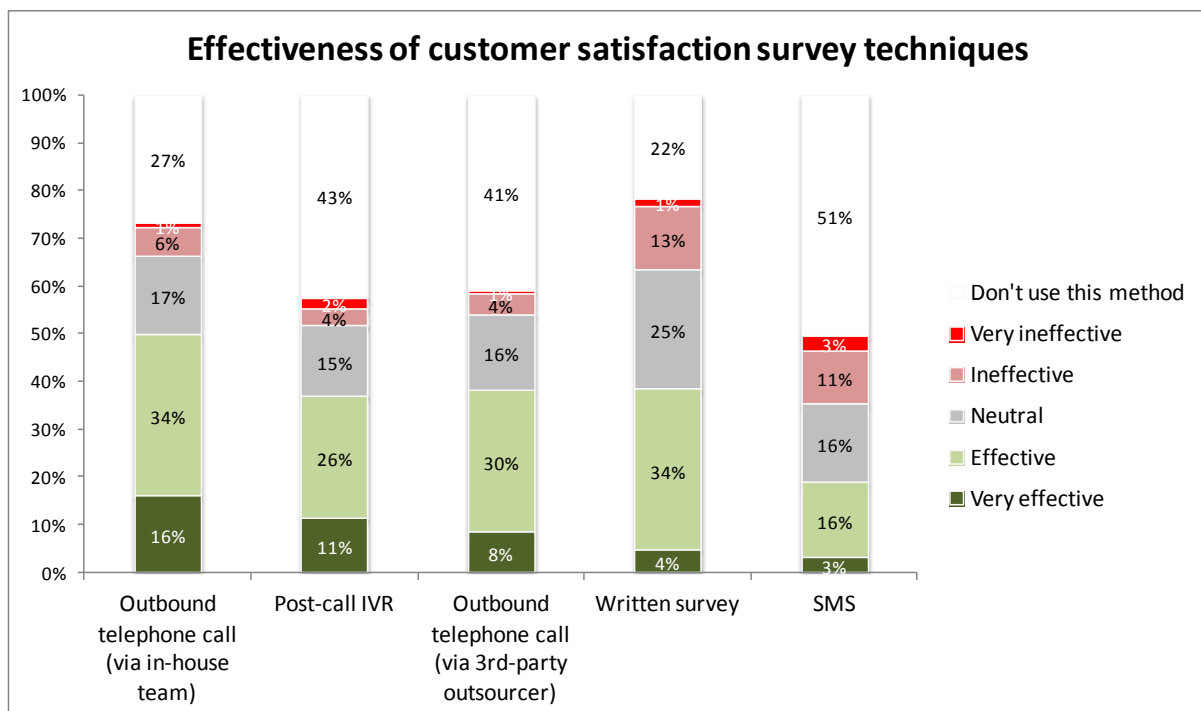
The following figure shows that respondents believe that telephony is the most effective customer satisfaction survey method currently being used, especially when it is done by an in-house team. Although outbound calls are expensive, they can gather more detailed information about specific comments,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

Although post-call IVR surveys are used less frequently, around two-thirds of respondents considered them to be effective or very effective ways of gathering information about the customer experience.

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 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 27: 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 transcription. If what businesses need is immediate knowledge about an issue (including customers' views of agents' performance), consider post-call IVR or an SMS survey. The more information a business has at its disposal, the more confident it can be that it understands customers fully.



*It is vitally important to be flexible and consistent when monitoring your customers' contentment, asking them to provide feedback using the same contact method that they used to contact you. If you adopt just one surveying methodology, you will certainly miss getting feedback from a significant proportion of your customer base. Adopting a multi-pronged approach to gauging customer satisfaction by incorporating telephone surveys, online surveys and SMS surveys will ensure that everybody, from the more traditional, to those wedded to their smartphones, gets the chance to give their opinions.*

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 the business has no intention of fulfilling. Don't ask the customers for feedback if there is no intention of using it to make the service provided 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, a key to success is whether the survey implemented is considered by 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 the team. It's more important to get the survey adopted as a positive part of the company's customer service strategy, than it is to design the academically-perfect survey that has a negative impact on the morale of the team.

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 28: 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 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 29: 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 track customer satisfaction at an agent-level (although doing this with written questionnaires is especially difficult), and 69% are aware of which processes are causing the greatest displeasure. It should be noted that this awareness of broken processes is not always collated into meaningful and actionable data, relying on the diligence of management to go through individual verbatim responses and find patterns to process failures themselves.

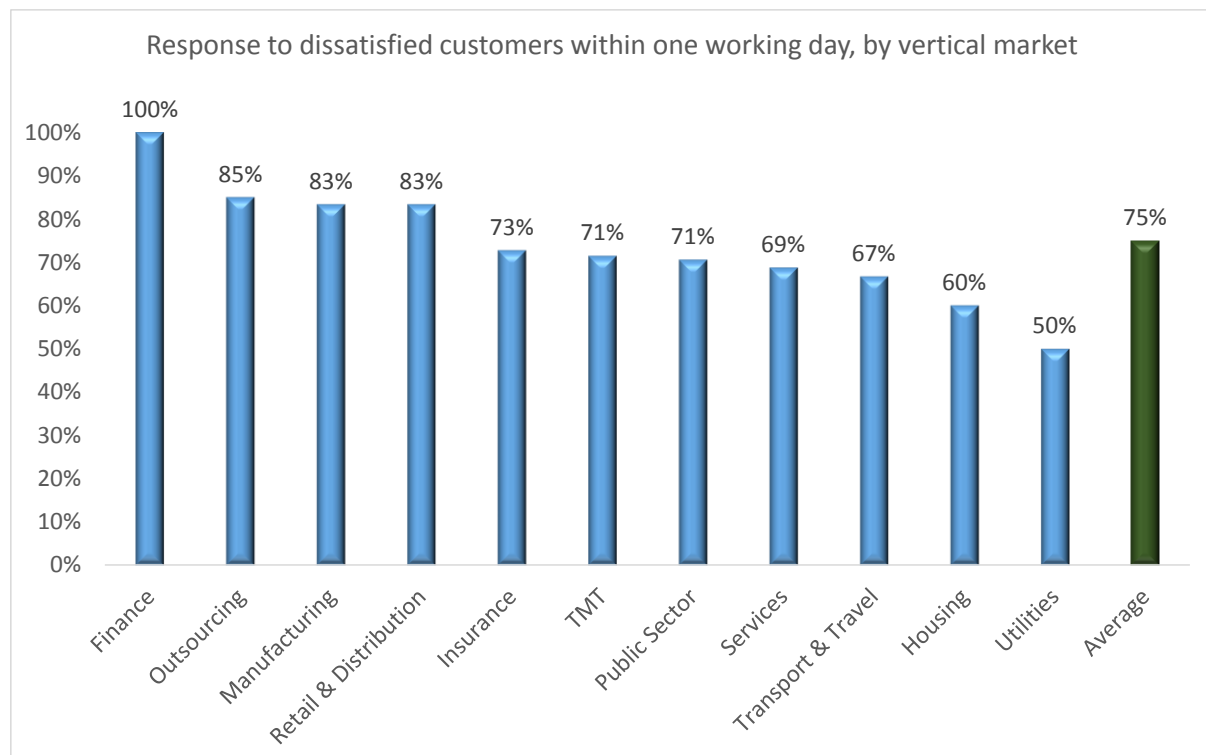
It is common for respondents to state that they identify the specific behaviours and characteristics associated with successful or unsuccessful agents and conversations, as how a customer feels about a company is key to whether they will stay loyal or defect if a cheaper alternative comes along, although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

Figure 30: 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%

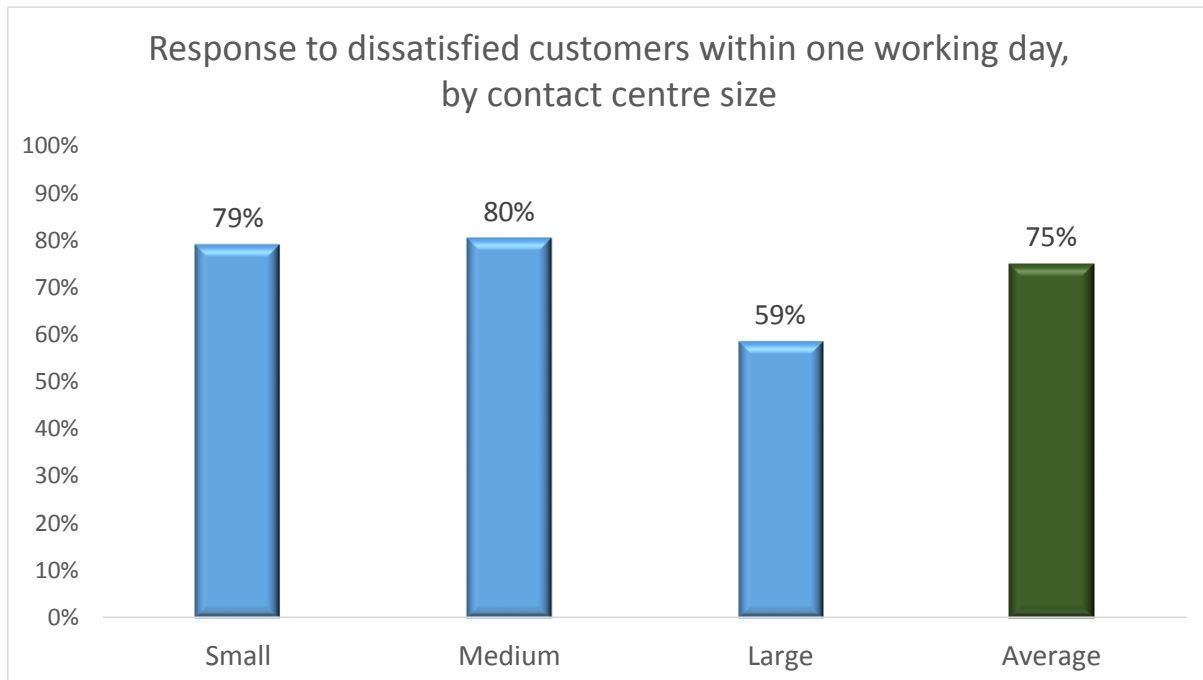
Looking in more depth about how disgruntled customers are treated, 75% of respondents that identified this customer type claim to do something about it within a single working day, usually calling to discuss the matter further (a significant increase on last year's figure of 63%). This offers businesses the chance to prove themselves to the customer, potentially turning a detractor into an advocate.

Figure 31: 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. In fact, only 59% of large operations are geared-up to fire-fight a bad customer experience, risking losing that customer for good.

Figure 32: Response to dissatisfied customers within one working day, by contact centre size



*Never lose sight of why you are implementing a survey: if you want to improve customer satisfaction, make sure that your survey asks the right questions and that you can act on the results. It is not enough merely to give the impression that you are seeking to improve: soliciting your customers' viewpoints will undoubtedly give them the expectation that real changes and improvements are in the pipeline. Consulting your customers and then ignoring them could do more harm than good, so ensure that you have processes in place to act on the valuable information that a post-call satisfaction survey will certainly bring to light.*





**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)

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## 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.”<sup>1</sup>

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

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

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 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 33: 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
Manufacturing	19.1%	20%	80%
Public Sector	9.3%	32%	68%
TMT	8.7%	29%	71%
Retail & Distribution	14.3%	15%	85%
Outsourcing	4.3%	26%	74%
Services	4.1%	8%	92%
Transport & Travel	4.0%	7%	93%
Housing	1.8%	13%	87%
Insurance	0.7%	32%	68%
Utilities	2.1%	7%	93%
Finance	0.6%	10%	90%
<b>Average (mean)</b>	<b>6.3%</b>	<b>20%</b>	<b>80%</b>

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, respondents from the manufacturing sector have 3.85% of overall calls being complaints about the service received in the contact centre itself (calculated by multiplying the % of complaints 19.1% - by the % that refer to the contact centre - 20%). On the other hand, finance respondents had a miniscule 0.06% of calls being about the failings of their contact centre operations. Obviously, these figures change substantially at a vertical market level from year to year depending on the participating organisations in the research, but annual surveys consistently report around 80% of complaints being to do with failures outside the contact centre.

For every vertical market, the majority of complaints received 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. This is further exacerbated by the multitude of channels available to customers, who may choose to complain initially via letter or email, and follow up with multiple phone calls if these initial channels are not able to provide them with an acceptable response.

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.

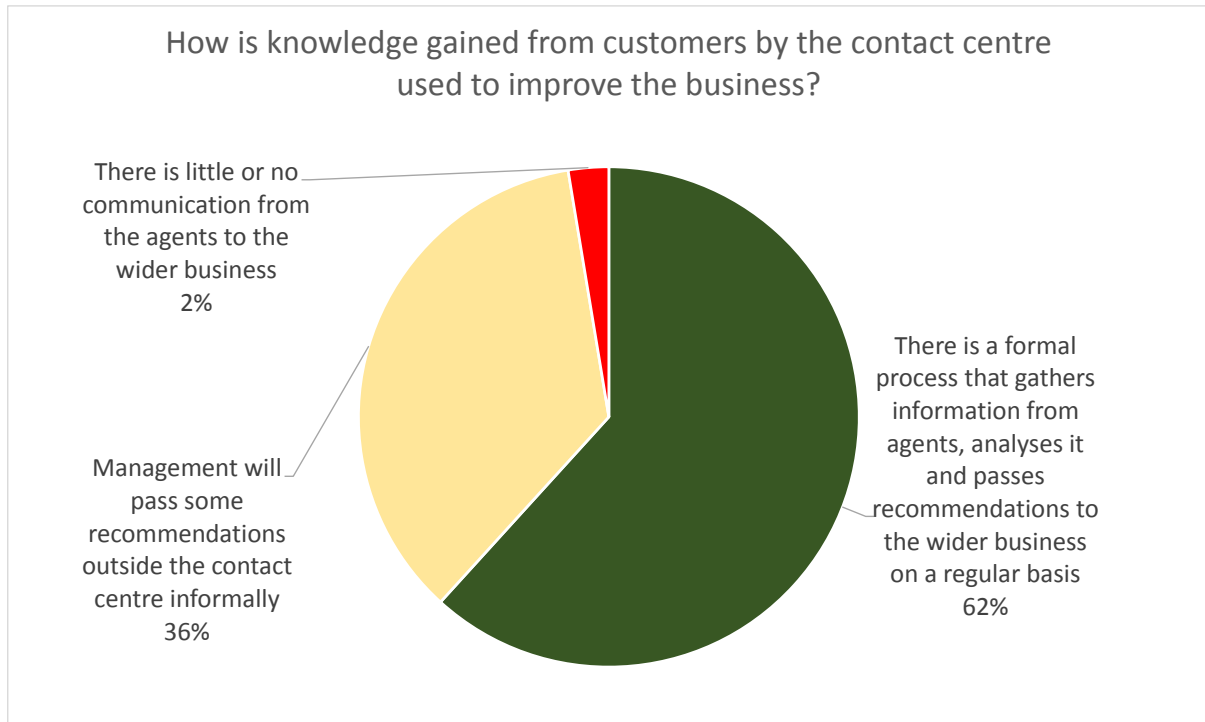
There is also a real risk, especially within large contact centres, that a single agent does not have the capability or responsibility to deal with the customer's issue, which may reach across various internal departments (e.g. finance, billing, provisioning and technical support), none of which will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

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

The majority of respondents report having a formal process that gathers, analyses and distributes recommendations based on customer feedback, throughout the organisation. Encouragingly, very few respondents state that information gathered by agents in the course of conversations is discarded entirely. The likelihood of disseminating this information does not appear to be a factor of contact centre size, with virtually no difference between the size bands. There is little discernible pattern at a vertical market level.

Figure 34: How is knowledge gained from customers by the contact centre used to improve the business?





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**Organisations able to help with Improving Quality and Performance:**



Eckoh improves the quality and performance of contact centres by minimising queues and call handling time with automated multi-channel self-service solutions.



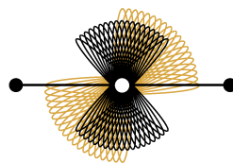
Enghouse Interactive offers the tools necessary to improve your business operations with an integrated quality management and workforce optimisation suite to increase customer service quality and performance: our solutions, which include call and screen recording, workforce management, performance metrics, score cards and reporting tools, are highly scalable and modular enabling you to choose the level of complexity that meets your requirements for continuous performance improvement.



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 CCS's technology solutions help you improve customer experience and drive down cost to serve: with our unified desktop, smart workflow and knowledge base your agents can work smarter and focus on customers not processes and software; and with our management, reporting and QA software your operational management team has real-time, actionable insight into performance and compliance.



**INTERACTIVE INTELLIGENCE®**  
*Deliberately Innovative*

At Interactive Intelligence, it's what we do.



IP Integration's in-house team of specialists have developed a range of bespoke applications that deliver improvements in contact centre performance and quality-of-service; including payment processing, call queuing and multi-service management.



Moxie's multichannel customer service solutions reduce average handling time by 20%, increase revenue by 30% and reduce costs to serve by an average of 30%: advisors feel equipped to get the right answers quickly, while they have the customer on the phone or in the shop, increasing their job satisfaction and customer satisfaction, with CSAT scores higher than 80%.



Nexidia, long term educators of Customer Interaction Analytics, works with some of the world's largest contact centres to capture multi-channel interactions, analyse the data and then use this valuable insight into the customer experience to develop business strategies to improve the performance of nearly every area of the organisation.



NICE Systems is the worldwide leading provider of software solutions that enable organisations to take the next best action in order to improve customer experience and business results, ensure compliance, fight financial crime, and safeguard people and assets.





## NOBLE SYSTEMS

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.

## 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 is the leading provider of Cloud technology solutions offering advanced contact centre solutions with inclusive, proactive 24/7/365 support and unparalleled campaign performance monitoring.



Vocalcom's Knowledge Management console helps agents to quickly find what they need, increasing agent productivity by up to 40% and first contact resolution by 37% - best of all, the integrated Google Search Appliance reduces average call times by up to 20%, cuts training costs by up to 25% per contact centre agent.

## 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
- Voice biometrics
- PCI compliance and security
- Queue management and routing
- Workforce management
- Headsets.

# What is the future of Customer Contact? Are you prepared?

Technology can be the solution for businesses to future proof their interaction strategies

The future is hard to predict but we are beginning to see a shift as more and more organisations appreciate the dangers of being perceived to be stuck in the past by their customers and as new technology has emerged to make this vision of the future an achievable reality. There are many different approaches and techniques that businesses can employ to deliver good customer service and keep customers loyal that don't cost the earth.

*"Biggest challenge is how to open multimedia channels for our end users to contact us."*  
[>> Sally Ashbury, GSK learn more](#)

## Multichannel Engagement

Both multi-channel and multi-lines of business (LOB) interaction are critical to contact centres today. If businesses want to address the broad market, they need to appreciate that phone and email continue to dominate the overall market today, particularly in addressing Generation X or the 1.0 customer. However, chat, social media and video communication techniques will be increasingly critical in engaging with the 2.0 customer. Of course, supporting all of these channels can be expensive, so businesses need to decide how many channels to support and what the consequences will be of not supporting them. The decision will, of course, depend to a large extent on the kind of product or service the business is offering, the core business model and the market demographic which you are looking to address.

## Connected Business

Organisations need to support the convergence of front, middle and back offices in order to be able to manage customer interactions efficiently and successfully. To do this effectively, you need to build into your strategy technologies that were not created for the contact centre such as intelligent real time active presence and directory integration, and integrate these with existing CRM solutions. More businesses are embracing the concept of the connected business, such as Helly Hansen: "Our customer-facing systems were characterised by a lack of portability and flexibility. We had different types of solutions and we were not able to easily make changes to them." This leading luxury sportswear brand has been moving away from traditional infrastructure to a connected business approach based around Microsoft Lync.

*"We see the opportunity with Microsoft Lync to provide us with a platform for our telephony strategy, enabling us to standardise our systems globally and drive a more integrated, collaborative approach to customer service."*  
[>> Hear Sandy Abrahams from Helly Hansen's story](#)



## The 'Internet of Things'

The next step is the concept of 'The Internet of Things', which incorporates Big Data, where the customer and their possessions initiate interactions through M2M (machine to machine) technology. Therefore, building a 360 degree view of the customer and their possessions (car, mobile, insurance, clothes they like etc.) integrated into CRM/case management systems, enables businesses to generate automated, targeted promotions for customers based on this data. Already today, organisations can use GPS technology to find where their customers are at any given point. A breakdown service, for example could use this capability to rapidly pinpoint the customer's location; commit specific timeframe and provide regular updates. This big brother approach will enable contact centres to work smarter and more proactively into the future.

## Is the future Intelligent Virtual Agents?

Interactive voice response (IVR) systems are evolving into virtual agents that make use of artificial intelligence. In the future, as part of a single customer interaction, we are likely to see seamless integration between virtual agents and real agents who can then bring additional functionality to resolve a customer problem. So that, if an individual starts talking to a simulation, that conversation can then be moved seamlessly to a human contact and other media can be brought in as appropriate to support the human agent's interaction with the customer. This kind of approach is already being used in high-end organisations but we are likely to see usage of it grow strongly over the next couple of years within all types of business.



## Best Practice for Future Customer Interaction

We are clearly in a period of dynamic change for customer interaction. While once the contact centre itself would act as the focus of all customer engagement for many companies, this is no longer the case. We are seeing a proliferation of communication channels and business lines all dedicated to serving increasingly demanding and sophisticated customers. Today, these customers are using ever-growing numbers of different devices in order to interact with businesses. Customers are increasingly impatient for service and expect it to be delivered 'anytime, anywhere, anyhow.' Unfortunately, customer experiences are in many cases below par. Companies are experiencing higher costs to sell to, service and retain customers while, at the same time, customers are becoming more fickle and likely to discontinue business after a negative experience.

At the same time, as we have seen, technology is evolving fast. So, customer interaction must change. Integrated multichannel communications management is a critical requirement as are new channels to support next-generation customers; analytics to extract value from big data and an ability to support collaboration. Critically, sitting behind this, organisations also need robust integrated technology that supports the connected business and allows companies to optimise customer service. Only if they have all these pieces of the jigsaw in place, will organisations be able to achieve true 2020 vision of customer engagement and start to create a successful future strategy for customer interaction.

**Enghouse Interactive has the expertise to help you every step of the way to turn tomorrow's vision into today's reality. Contact us to help you with your future customer contact strategy.**

## CONTACT CENTRE PERFORMANCE

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. Many contact centres now try to measure the effectiveness of their operation by tracking metrics such as first-contact 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 35: Contact centre metrics

Metric	Comments
Call duration / Average Handle Time	A typical 'old-fashioned' metric, which has gone out of favour for many operations, 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 instances when the customer has had to call multiple times to get a resolution (a situation which in fact brings cost per call down, although 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 Experience Measurement & Improvement 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 contact resolution	Improving first contact 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. 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. It is perhaps the Gold Standard for forward-looking contact centres, and methods of measuring it are found later in this section.



# Contact Centre Intraday Task Management



An Intraday Task Management solution can release trapped agent capacity in your contact centre to help improve quality and performance, as well as reduce operational costs.

Use **inaccessible agent idle time** to create half a day per month, per agent, to invest in improving key metrics like **FCR**, **AHT** and **CSAT**.

Intradiem is an innovative self-funding solution, available from IP Integration, that enables you to recover agent idle time in near real-time throughout the day.

Intradiem aggregates this additional capacity into larger, more useable blocks of time that can be re-allocated for any agent activity, all without affecting the existing agent schedule or service levels. As a Software-as-a-Service (SaaS) solution it is quick to deploy and delivers results from day 1.

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To discover more about Intradiem, visit [www.ip-consulting.co.uk](http://www.ip-consulting.co.uk)

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**CALL NOW to arrange  
a FREE consultation  
0844 871 2172**



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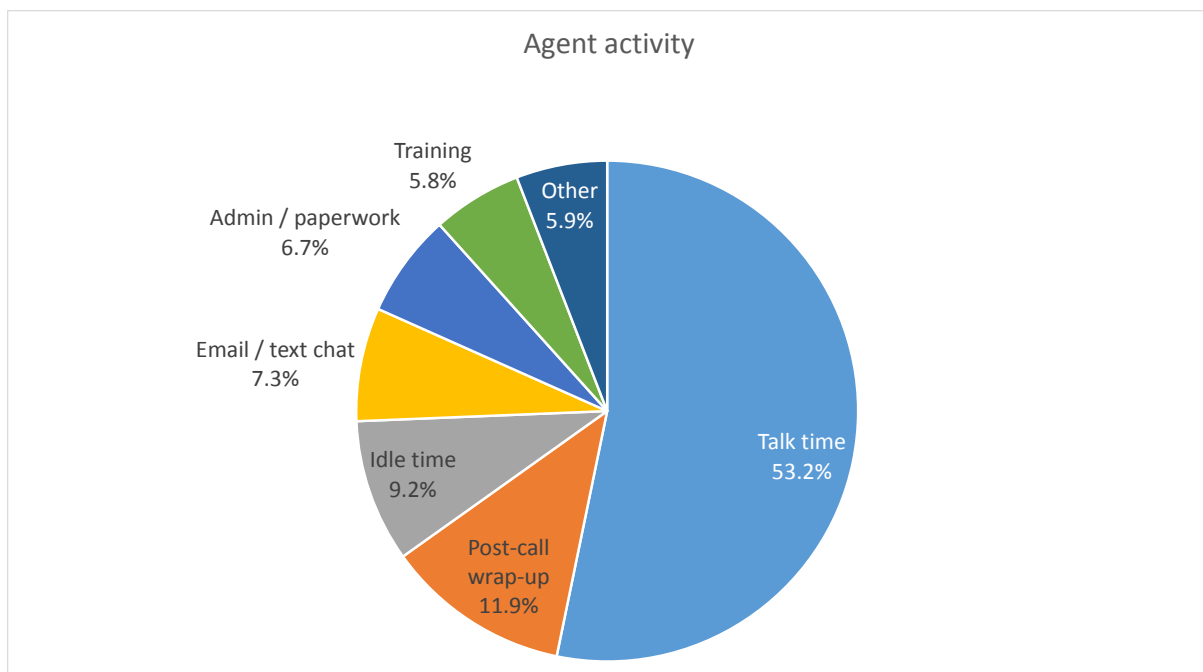


## AGENT ACTIVITY

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 six 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
- **Email / text chat:** time spent on answering multimedia queries
- **Administration / paperwork:** 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 36: Agent activity



The decline in the proportion of talk time seems to have levelled-off this year, with respondents' agents spending an average of 53% of their time on calls, with around 12% of time spent on wrap-up and a little less than 10% on idle time.. Training and administration time is roughly similar, at around 6% each, with over 7% of time spent doing multimedia handling.

Greater depth of analysis, including historical changes in talk time, as well as segmentations of agent activity by vertical market, contact centre size and type of activity are available in the ["UK Contact Centre HR and Operational Benchmarking \(2013\)"](#) 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 the report.

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.



*A significant factor in improving agent activity ratios is the ability to recover unproductive time in the agent's daily routine and repurpose this lost capacity towards improvement or cost reduction initiatives. An Intraday Management solution that can recover small pockets of fragmented agent idle time throughout the day and aggregate this time into larger blocks of time that can be allocated to complete off-phone activities like training, coaching, back office processing or administration goes a long way towards improving agent productivity with time you have already paid for, but could not previously access.*

## PERFORMANCE METRICS

Figure 37: Selected performance metrics

Metric	Mean average	Median average
Average speed to answer	31.0 seconds	19.1 seconds
Call abandonment rate	4.4%	3.4%
First-call resolution rate	76%	81%
Call duration (service)	335 seconds (5m 35s)	240 seconds (4m)
Call duration (sales)	433 seconds (7m 13s)	310 seconds (5m 10s)
Call transfer rate	8.2%	4.9%
Cost of inbound call	£3.87	£3.10
Cost of outbound call	£4.41	£3.15

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 \(2013\)"](#) report.

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

## The Rise and Rise of Intraday Management

Whether a contact centre is trying to improve customer experience, reduce operational costs or increase sales revenue, agents are one of the biggest influences on moving these dials. The degree with which business leaders can improve agent performance through additional training, or overall business performance through re-purposing agent time towards other activities such as back office processing, has a significant bearing on the opportunity to achieve the desired business outcomes.

Agent time is a finite resource. Productivity is important and in the “do more for less” environment most contact centres find themselves in, is often the only statistic that counts. However, customer satisfaction should not be sacrificed in the name of productivity and efficiency.

Organisations who adopt Intraday Management initiatives in their contact centres can achieve significantly better results across key performance indicators such as customer experience, first call resolution rates and average handle time.

Recent research from the Aberdeen Group illustrates how organisations who adopt best practice Intraday Management programmes outpace their peers:

- More than doubling their year-on-year improvement in customer experience
- Generating a 55% increase in agent utilisation
- Tripling annual increases in year-on-year revenue growth

So, how can you achieve these results; especially in an environment dominated by budget constraints and high agent occupancy rates? The answer lies in tapping into additional agent capacity that you’ve already paid for, but can’t get access to through traditional contact centre processes or technology. This capacity is known as agent idle time.

### What can you do with idle time?

A typical contact centre may experience idle time of between 12-17% of total agent time. The problem is idle time occurs throughout the day, as small fragments of time. Two minutes here or there aren’t enough to achieve something significant, but these little slices of time add up over the course of a day. The majority of workforce management professionals (58%) admit that intraday scheduling is something they could improve on. If you could recover some of these pockets of idle time, you could create additional capacity in the contact centre and improve productivity.

An Intraday Management programme from IP Integration allows you to do exactly this; utilising an innovative and patented technology from Intradiem. Intradiem is an automated Intraday Task Management solution that recovers agent idle time in near real-time, throughout the day, and aggregates it into larger, more useable blocks of time that can be re-allocated for any agent activity.

### Benefits of recovering time

Automatic assignment of targeted, prioritised tasks (such as training, communications and back-office work) into the recovered time not only improves productivity but also enables scheduled agents to handle more calls; reducing operating costs.

Agent time is a valuable asset. Reclaiming this lost resource, helps improve agent utility, reduce operating costs and support cross-functional working (front-office vs. back-office). The knock-on effects of a more efficient contact centre include improvements in agility, customer experience and retention.

Unlike alternative solutions, Intradiem achieves this whilst also protecting the existing agent schedule and service levels against unexpected changes in customer traffic.

IP Integration, through its specialist contact centre practice, can provide the experience and expertise to identify where and how an Intraday Management solution will enable the achievement of your contact centre improvement initiatives and transformation programmes.

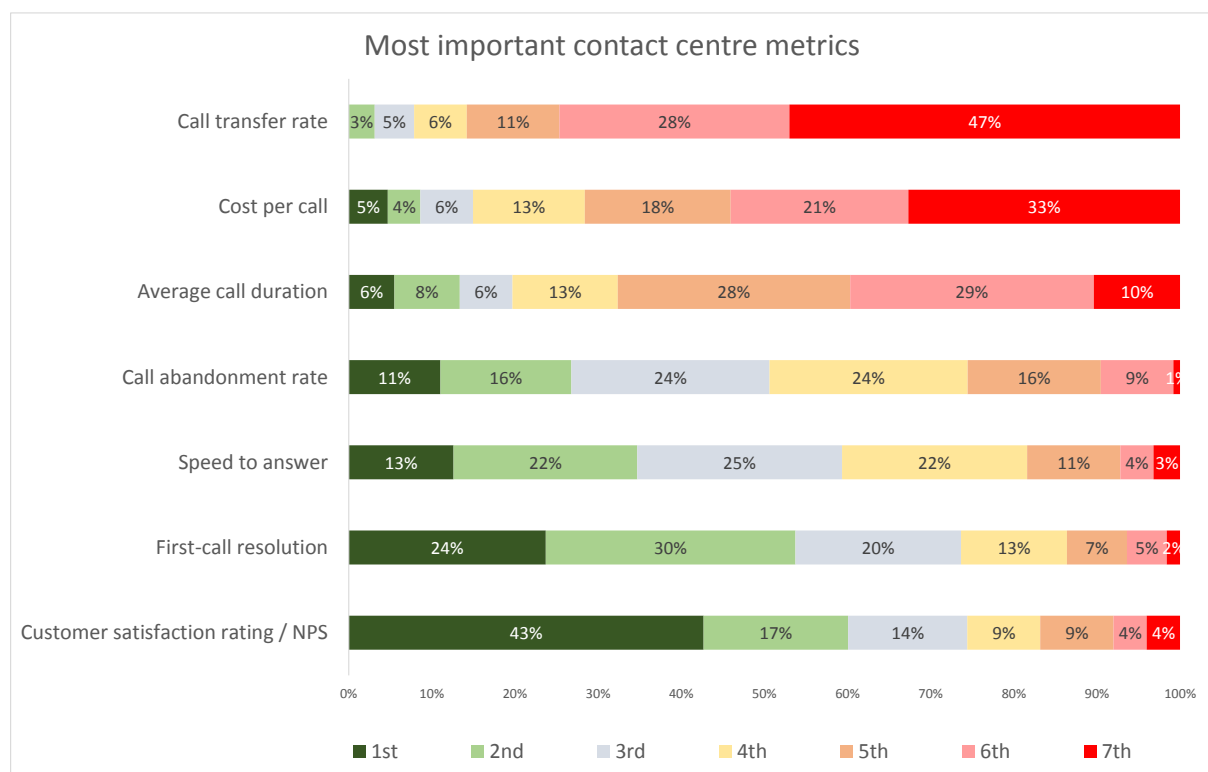
To book a free consultancy session call us now on  
0118 918 4634 or visit [www.ip-consulting.co.uk](http://www.ip-consulting.co.uk)  
for more details.

Over the years, the importance of contact centre metrics have changed considerably. 10 years ago, average call duration and cost-per-call were considered to be amongst the most important metrics, but respondents to this year's report consider them of minor importance compared to more customer-focused measurements.

Perhaps unsurprisingly, 43% of respondents choose customer satisfaction rating as being the most important measurement that a contact centre tracks. In second place is first-call resolution, with 24% of respondents placing it as their number one priority and a further 30% putting it in second place. Speed to answer, of huge importance to customer satisfaction, comes in third place, with call abandonment rate in fourth.

In fact, customer satisfaction is driven by the other metrics shown here, and can be seen as a consequence of how these other elements perform.

Figure 38: Most important contact centre metrics



The rest of this chapter considers the way in which first-call resolution can be measured accurately, as it is perhaps the major key to any contact centre's success, and to improving customer satisfaction scores.



*It is widely recognised that improving performance measures, like First Contact Resolution and Speed to Answer, goes a long way towards improving both customer satisfaction to retain customers, and agent morale to reduce attrition. However, the resources required to move such dials in the contact centre are often prohibitive, so how can you make progress towards these goals in a budget-constrained environment with high occupancy rates, without leaving any spare agent capacity? An Intraday Management solution can typically uncover around 5% of additional agent capacity to repurpose towards any off-phone activity to improve performance or reduce operational costs, which can include agent training, coaching, back-office processing or administration.*

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## THE ROLE OF FIRST-CONTACT RESOLUTION

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. A major question being asked today is, how do contact centres attempt to measure the most important metric of all – first-contact resolution? (First-contact' resolution differs slightly from 'first-call' resolution, in that it includes emails, web chat and other non-voice channels as well. In reality, non-voice resolution rates are much less commonly measured).

It can be stated with some confidence that first-contact resolution is seen as the key to a successful contact centre: while the previous chart shows that customer satisfaction rating is the most important metric (with first-contact resolution coming second), 90% of the report's respondents place first-contact resolution as being one of the top 3 metrics that are most **influential** on customer satisfaction, with 54% stating it as being no.1, in effect, far more important than any other. (See the earlier section on Customer Experience Measurement & Improvement for more detail). So, logically it seems that to improve customer satisfaction, a business has to improve first contact resolution rates.

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 contacts 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 the first-contact resolution metric has grown hugely in importance, but it can be problematic to quantify accurately. This risks the metric being downplayed, especially as it is not simply a matter of producing a monthly report from ACD statistics.

First-contact 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-contact 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.

The dramatic drop in first-call resolution (FCR) if rate in 2012 seems to have been more of a statistical blip than a fundamental change, with the mean average rising this year to a more normal 76%. However, the overall trend for FCR is still somewhat 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 39: Changes in first-call resolution rate (2003 - 2013)

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%
2013	76%

First-contact resolution rates seem an important 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 past years, 40-50% of contact centres responding to this survey do not collect FCR performance at all (this year's non-responding figure is only 26%, which is a positive improvement).

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

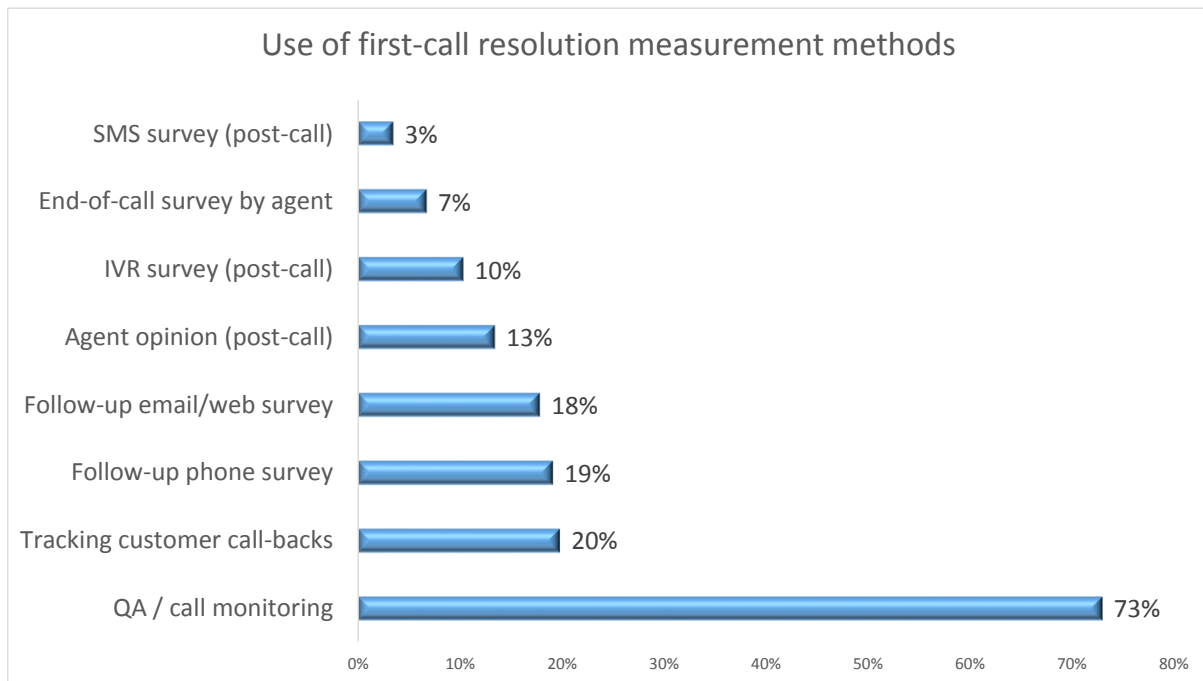
- Agents provide opinions on whether the call was resolved completely
- Tracking of issues shows if they are re-opened
- Supervisors monitor calls and score based on their opinion
- The company or a third-party can contact customers later to ask their views
- Customers provide feedback in end-of-call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

Call monitoring is by far the most widely-used way of gauging the call's success, and is used by 73% of respondents. Post-call methods of trying to gather first-call resolution rates are much less widely used.



However, even if FCR can be measured successfully and accurately, this figure is still not necessarily actionable: we do not always 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. In the near future, we expect to see the power of speech analytics being directed at understanding why customers contact a business multiple times.

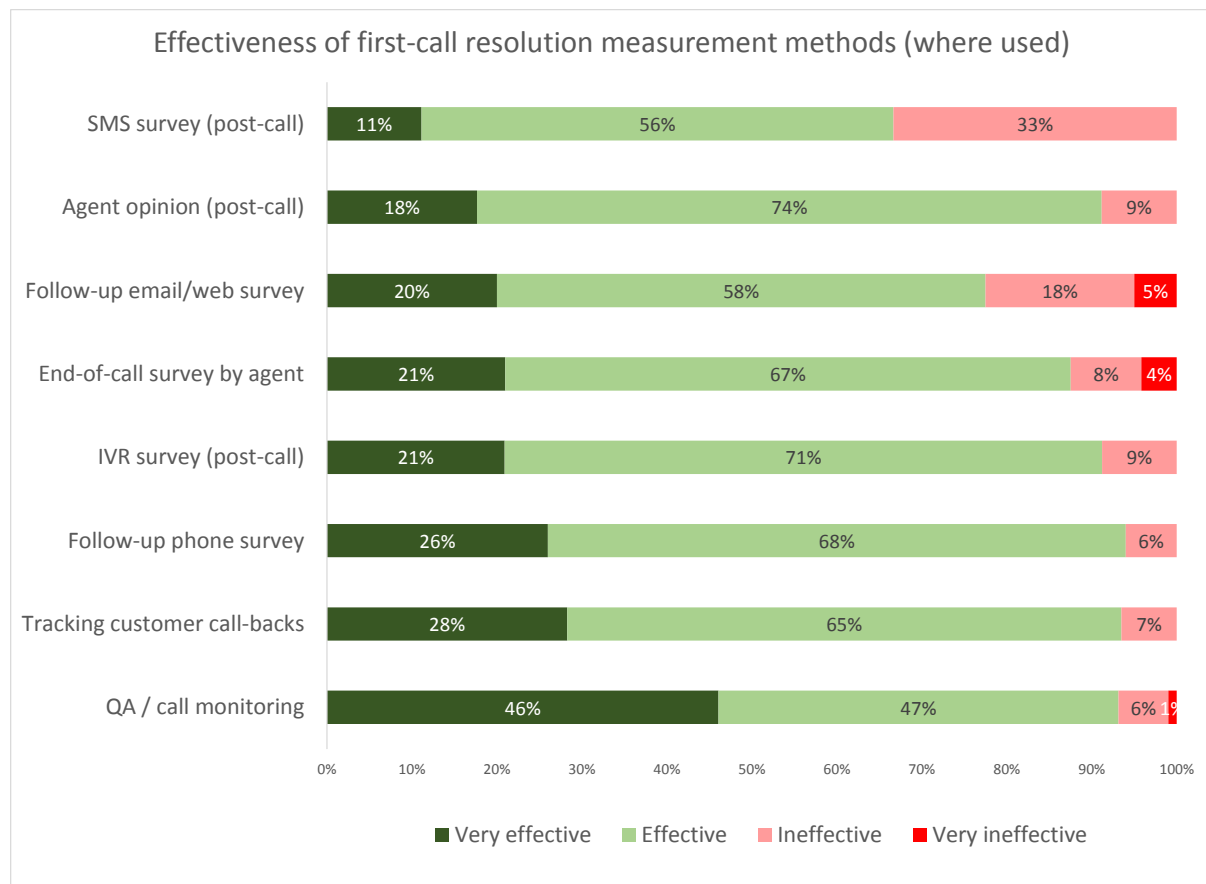
Figure 40: Use of first-call resolution measurement methods



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.

Perhaps logically, the most widely-used form of gathering first-call resolution information is also seen as being the most effective (or else, why would it be so widely used?). Call monitoring is seen as being very effective by almost half of respondents that use this, with only 7% viewing it negatively. Post-call methods, such as follow-up phone, email or web surveys are generally considered to be reasonably effective, although respondents tend not to be as enthusiastic about these as they are about call monitoring. The tracking of customer call-backs, which can be complex and inaccurate if systems and processes are not set up to do this, is also widely seen to be an effective way of tracking first-call resolution.

**Figure 41: Effectiveness of first-call resolution measurement methods (where used)**



*Fundamentally, you cannot improve First Contact Resolution without investing in agent training and development. The age-old dilemma is where to find the time to release agents off the phone to undertake these development activities.*

*An Intraday Management solution that can recover small pockets of fragmented agent idle time throughout the day and aggregate this time into larger blocks of time that can be allocated to complete off-phone activities like training, coaching, back office processing or administration goes a long way towards improving agent productivity with time you have already paid for, but could not previously access.*

## 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:

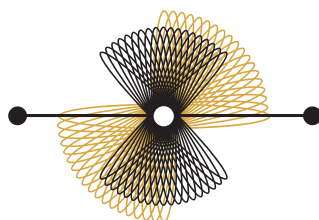
- For businesses involved in acquisitions or mergers, the number of contact centres they run have increased, particularly in the finance and insurance sectors, but also in telecoms and utilities sectors more recently
- Rapid contact centre growth in particular areas has caused agent recruitment issues. 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 2<sup>nd</sup>- and 3<sup>rd</sup> 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.



Typically, work at home agents enjoy what they do, are loyal, are well educated — and appreciate not having to commute. They're more satisfied, and extend that satisfaction to the customers they serve. And because they don't take up expensive office space, they cost less.

Interactive Intelligence makes work at home agents your best front-line ambassadors by making sure technology is never an obstacle. You deploy applications easily over IP networks, to reduce costs. You schedule, train, monitor, record, and report on at-home agents just like agents in-house, to ensure a consistent and superior customer experience.



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Cloud-based or On-premises



Figure 42: Virtual contact centre commercial and operational benefits

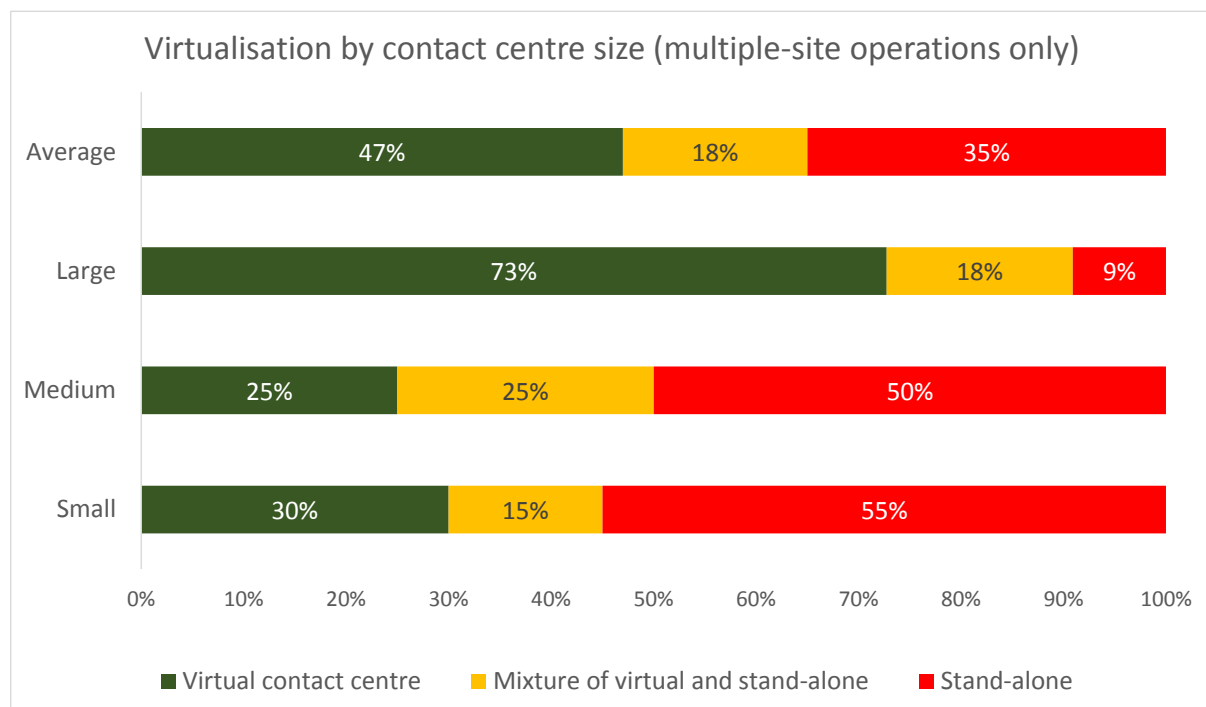
Effect of virtual contact centre	Commercial advantage
Larger pool of skills available	More likely to be able to match the call to the customer effectively. This improves first-call resolution, customer satisfaction and also improves agent morale, as they are able to help more customers first-time. It 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. In recent years, 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.

37% 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 47% of multi-site contact centres act as part of a full virtual contact centre operation (although this is up on last year's figure of 41%), with a further 18% 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 increased level of virtualisation continues the recent trend, 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 a substantial 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.

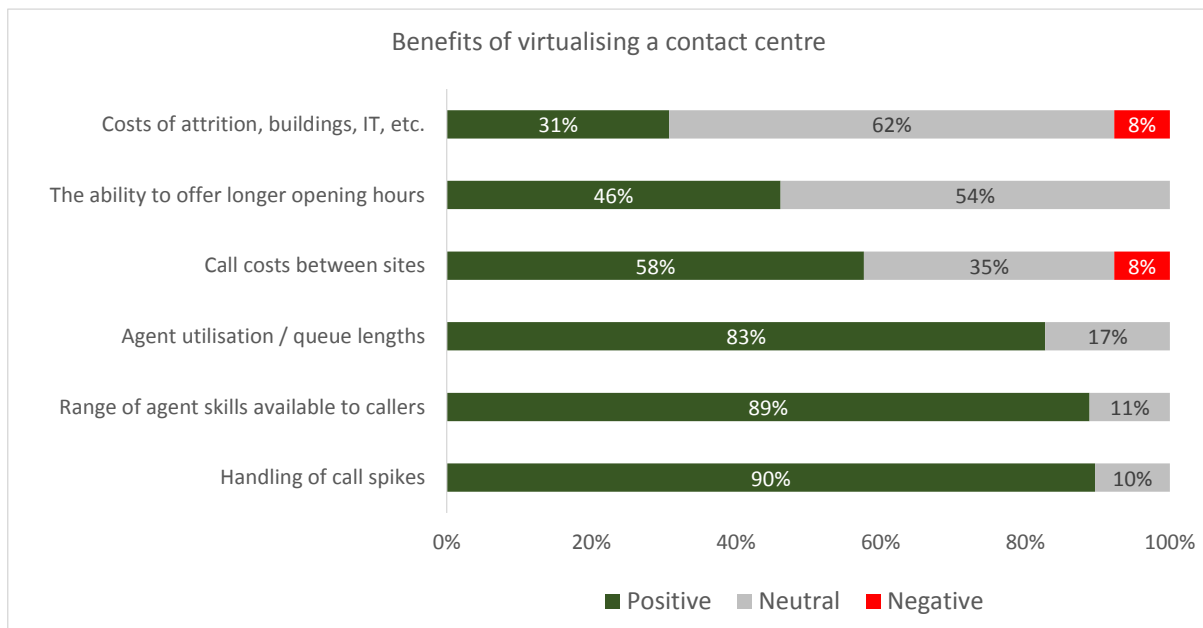
Figure 43: Virtualisation by contact centre size (multiple-site operations only)





Respondents with virtual contact centres generally report being 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 increased availability of agent skills were particularly mentioned, although most of the potential virtual contact centre benefits mentioned were rated positively.

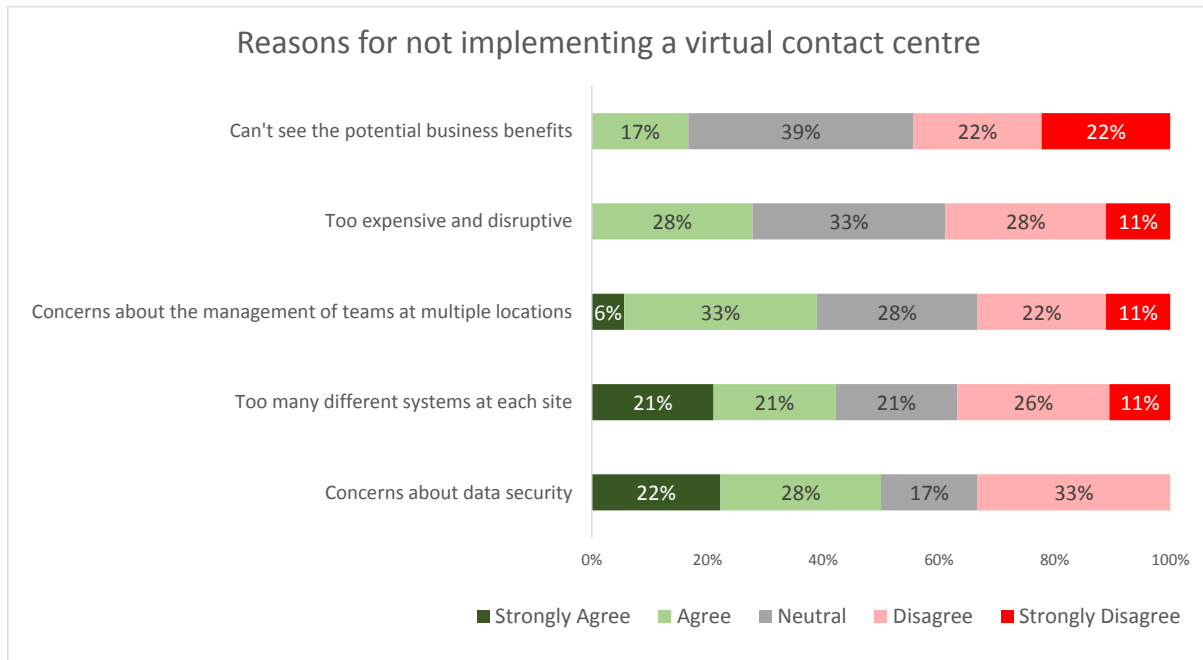
Figure 44: Benefits of virtualising a contact centre



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 45: 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, and data security, which is probably linked with the concerns seen within the Cloud chapter of this report. 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.

# Remote Agents and Homeworking:

## The Path to the New Customer Experience

Thought Leadership, by Interactive Intelligence



Customers will always demand “more and faster.” It’s the nature of business, and of technology putting customers in ever greater command of the path they take to contact a business and get the service they want. Call it the new customer experience.

To give customers what they expect, the smartest businesses are broadening their emphasis on service touch points in the contact centre, and beyond. By connecting the dots, these businesses are paving a smoother service path for their customers, with a singular accountability for optimisation. Further, these businesses recognise that the new customer experience requires a more sophisticated agent profile.

Rather than traditional agents trained only in customer service, the smartest businesses are targeting experienced knowledge workers for contact centre and customer care operations. Candidates in the knowledge worker class offer rich life and work backgrounds in customer engagement, with skills encompassing everything from sales to support to issue resolution. These candidates also are the types of persons drawn to flexible work schedules and true work-life balance, having a say over when they work — and where.

For this new breed of customer contact agent, home-based capabilities solve the challenge of flexibility and being able to balance work and life objectives. For businesses and their contact centres, technology makes the home-based model an attractive offering to this new class of agents.

### Key aspects of technology that appeal to remote agents and businesses

**Flexible scheduling.** Allow home workers to break full-time schedules into “micro shifts,” or split shifts. Doing so lets the worker maintain desired time and energy in their lives, and adapt work requirements accordingly.

**The utilisation of presence.** Presence connects remote workers with one another, with supervisors, and with the corporate base. In real time, presence provides constant visibility into a remote worker’s availability and activities, and into the availability and activities of the entire workforce.

**Live platform for team meetings and training sessions.** Utilise platforms such as GoToMeeting or Microsoft Lync for training updates, daily team huddles, recognition and reward, one-to-one coaching sessions, and customer-facing meetings. As virtual teams collaborate and share experiences and content, the business can effectively measure the activity of remote end-users.

**Live virtual help and collaboration.** With a virtual meeting room or chat room, establish a help environment for agents seeking information to complete customer transactions. Agents can also collaborate with other agents and subject matter experts to resolve knowledge search queries.

**Knowledge management.** A knowledge management system is a remote agent’s self-service quick stop for completing customer transactions. System capabilities should include a customised search function, plus the ability to bookmark, tag, and contribute knowledge to improve content overall.

**Learning management.** Support self-paced training modules and push them to agents by leveraging business rules established in the ACD. Capture information from additional channels such as email, and deliver the info in conjunction with training courses.

**Self-paced e-learning.** Reduce training times and labor costs — well-designed online courses can take learners much less time to complete and can free up facilitator resources. Housing e-learning courses in a learning management system additionally makes it easy to manage course schedules and track outcomes.

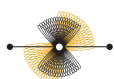
**Call delivery and VoIP.** The first consideration, for labor, home offices, and customer requirements, is the global flexibility of VoIP over that of a local physical footprint or ACD. The second consideration is anticipating end of life upgrade cycles for ACD/PBX equipment, and investigating the benefits of cloud-based offerings, either through VoIP or a hybrid MPLS network model.

**Speech analytics.** Supplement call and screen recording with real-time speech analytics to readily identify customer trends, performance trends, and training gaps. Speech analytics can further help mitigate the risk of deviant agent behavior or fraudulent activity.

**Video.** Use video to establish early-day relationships between the company and remote employees, and among remote employees themselves. Video likewise is effective in one-on-one performance management sessions with remote agents, particularly when delivering constructive feedback.

**Cloud-based technology.** Hosted contact centre platforms nearly eliminate the capital requirement of infrastructure and provide instant virtualisation. Moreover, application updates are automatic, deployment time is compressed, and costs to ramp up or down are minimised. Throughout, optimising the remote work force — and the new customer experience — remain safely in the control of the business.

*Tim Passios, Interactive Intelligence*



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## 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.

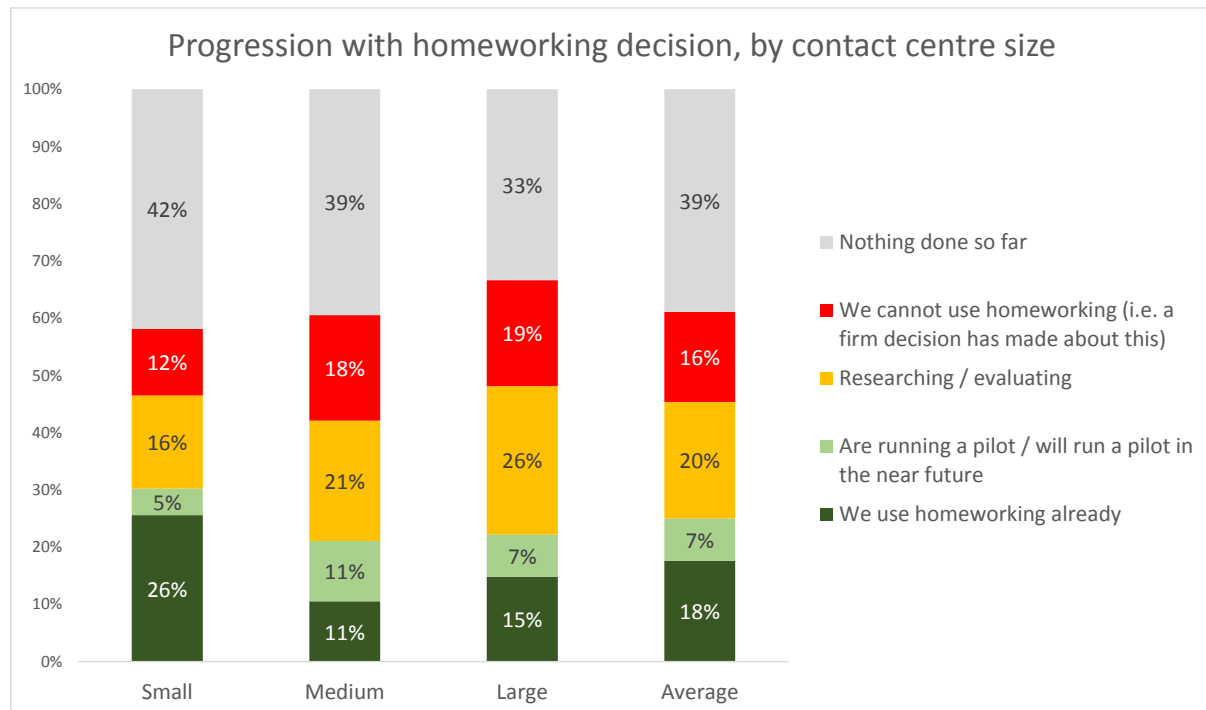
Remote agents, whether working at home, or in a telecottage (small, remote sites), can be a part of the larger virtual contact centre by being linked to the main operation via DSL or a leased line (in the case of telecottages). Some solutions permit least-cost routing and redundancy, where if the IP 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.*

There is a great deal of research and consideration being shown to homeworking by this year's respondents – in fact, more are actively considering homeworking than are using it – and a relatively small proportion of respondents have considered homeworking, only to reject it.

Figure 46: Progression with homeworking decision, by contact centre size



22% of this year's respondents were using at least some homeworking, including pilot schemes (slightly down from 23% in 2012, which was itself up from 18% in 2011, 15% in 2010, 13% in 2009 and 12% in 2008), and overall, 4.1% of agent positions in this survey were based at home (up on 2012's figure of 3.6%, 2011's of 2.5% and 2010's of 1.9%), supporting a definite upward movement over the medium-term.

Of the 22% of contact centres that were using homeworkers, a mean average of 22% of their agents are homeworkers. The median is 10%, the first quartile is 28% and the 3<sup>rd</sup> quartile is 2%.

27% of small contact centres were using some homeworking, compared to 19% of large and 19% of medium-sized operations (these figures include active pilot schemes).

As a comparison, 2013 US figures show that 45% 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.

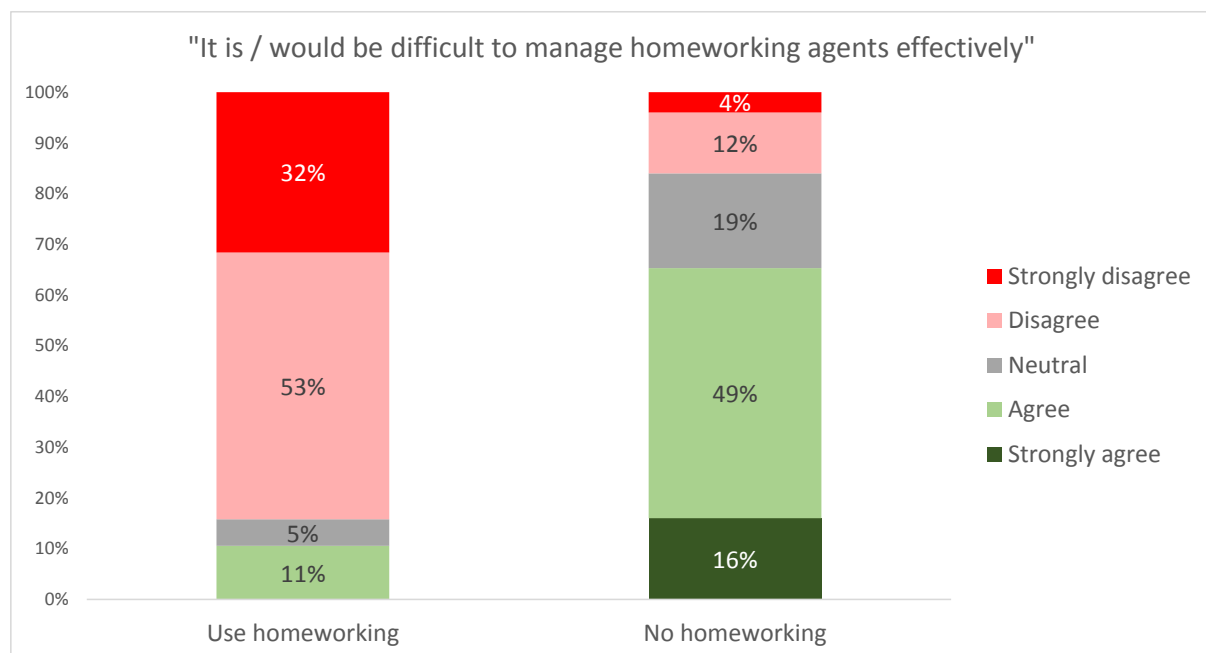
Respondents that use homeworking report that such agents spend 80% of the working time at home, with 20% in the contact centre. Half of homeworking respondents stated that their homeworkers spent all of their time at home.

### ***"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 47: Opinion: "It is / would be difficult to manage homeworking agents effectively"

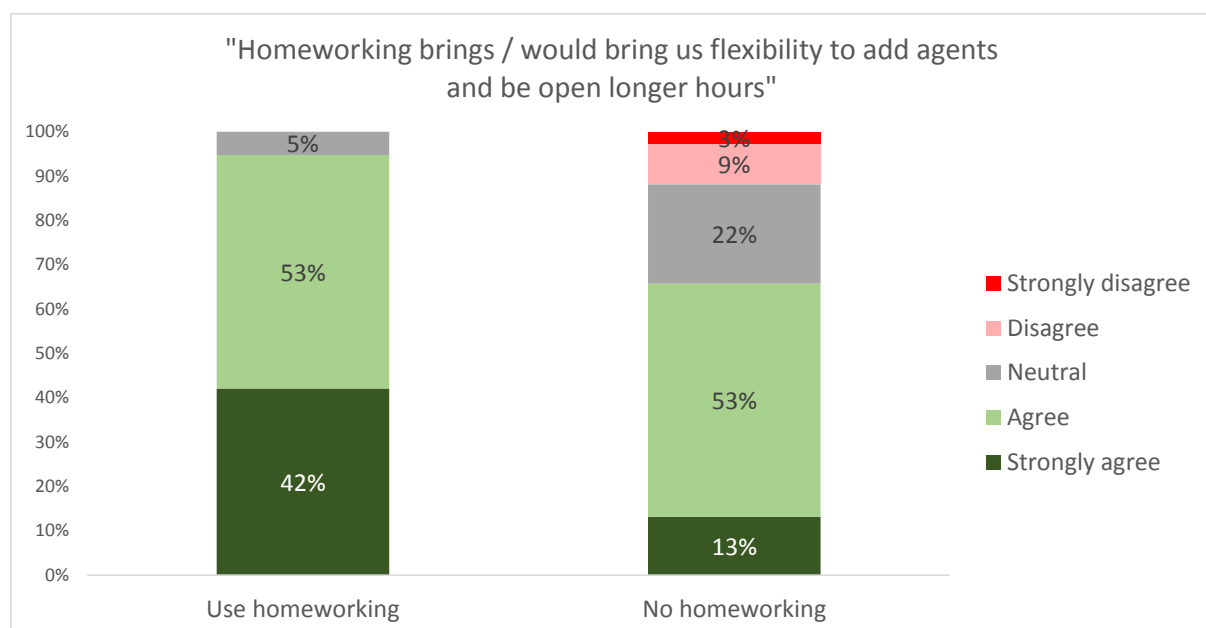


Mirroring last year's results, those contact centres with some experience of using homeworking are far more likely to be positive about management of staff than those without this experience. 55% of non-homeworking contact centre respondents are concerned about this, with few of those which have implemented some homeworking agreeing that remote management was difficult, and 85% 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 48: Opinion: "Homeworking brings / would bring us flexibility to add agents and be open longer hours"



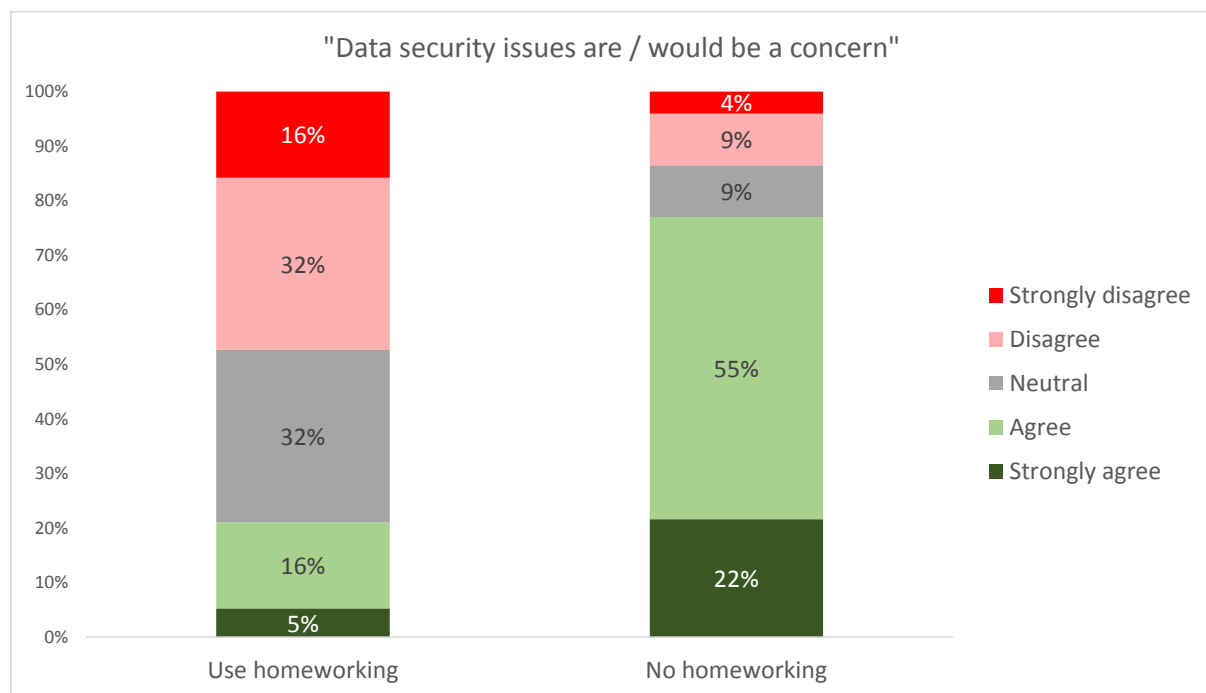
There is a general opinion that flexibility of staffing is both a potential and real major advantage of homeworking. 95% of contact centres using homeworking agreed that flexibility was a benefit to them as a result. Non-homeworkers seemed convinced of this potential too.

### ***"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 49: Opinion: "Data security issues are / would be a concern"**



Those with no experience of homeworking are concerned about security issues, with 77% expressing doubts. Only 21% of those who use homeworking agree or strongly agree that data security is a concern to them as well – a figure well down on past years - so it appears that this issue may be becoming less key in reality. More data are required before this can be stated with any certainty though.

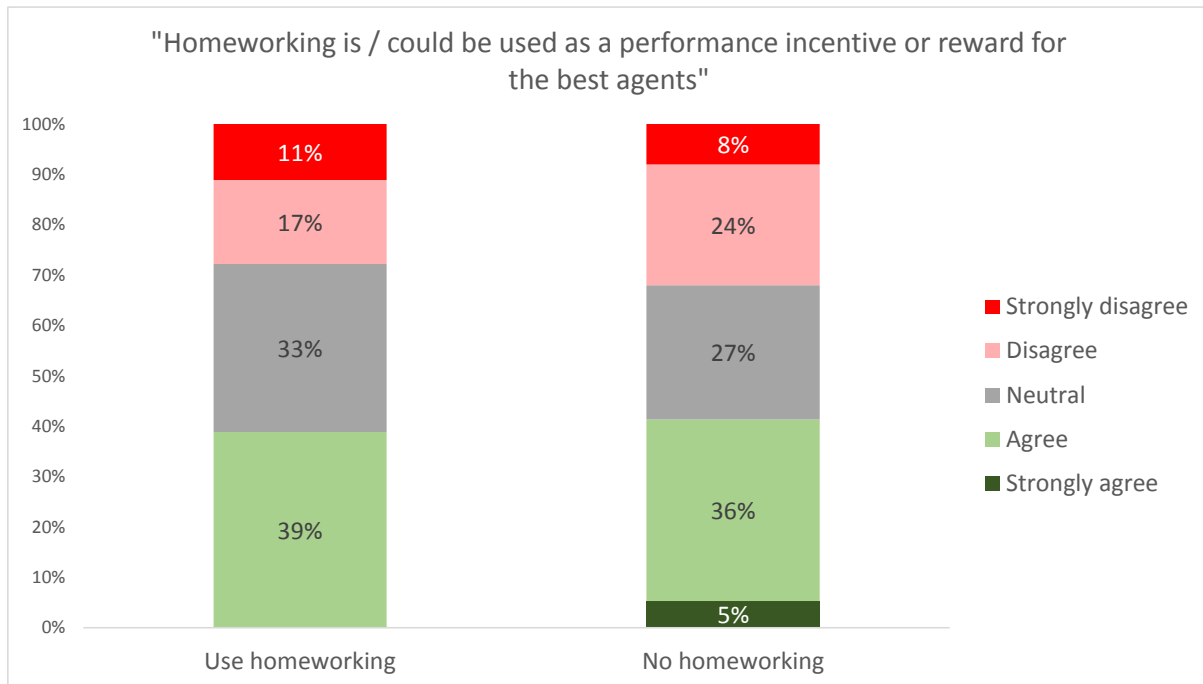




***"Homeworking is / could be used as a performance incentive or reward for the best agents"***

Interestingly, this possible advantage to homeworking is one which both homeworking and non-homeworking respondents have similar findings, although no general agreement can be reached. There is a substantial proportion of respondents who seem to feel that moving their best agents out of the contact centre is not the message they want to send to the operation as a whole.

Figure 50: Opinion: "Homeworking is / could be used as a performance incentive or reward for the best agents"

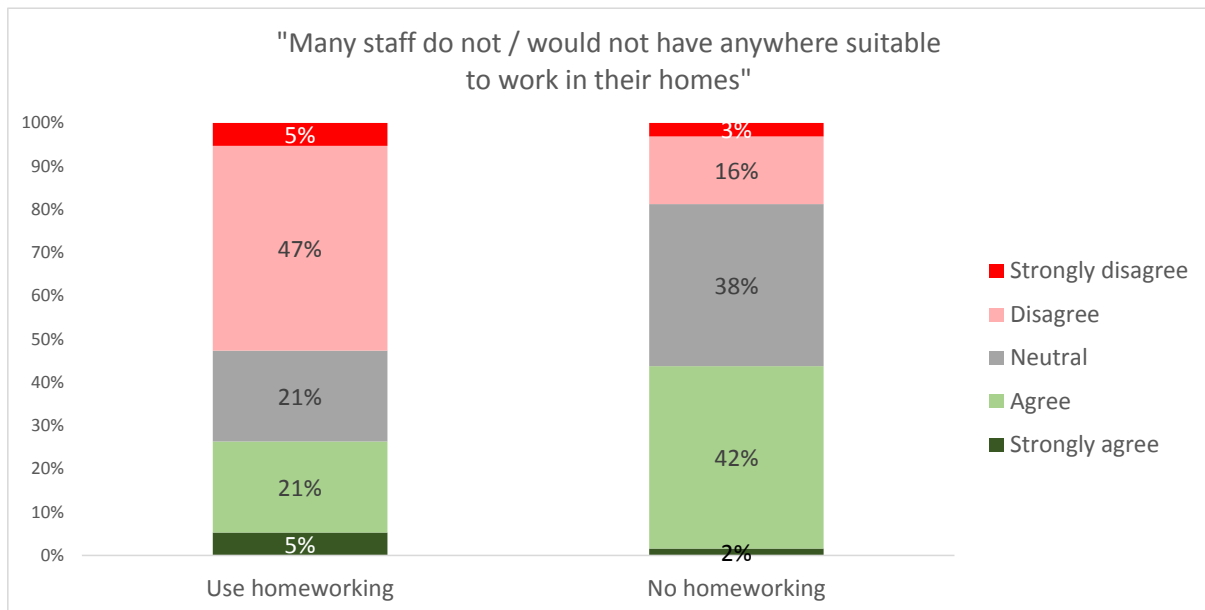




***"Many staff do not / would not have anywhere suitable to work in their homes"***

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 44% agreeing that this would be a problem. Even for those with experience of homeworking, 26% say that finding somewhere quiet for agents to work is an issue. Obviously, it's important to consider working location on a case-by-case basis to assess the suitability of the agent for homeworking.

Figure 51: Opinion: "Many staff do not / would not have anywhere suitable to work in their homes"



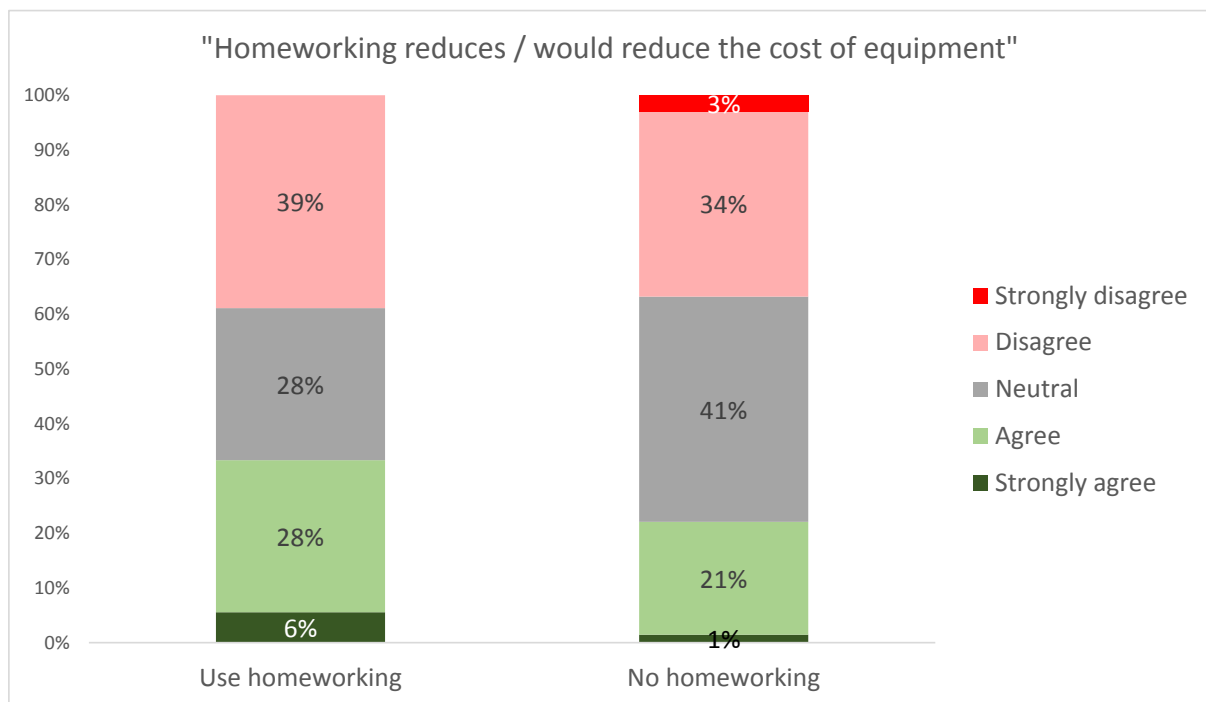


### "Homeworking reduces / would reduce the cost of equipment"

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.

34% 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 22% of non-homeworking respondents. However, 39% of homeworking users disagree that their IT costs have dropped.

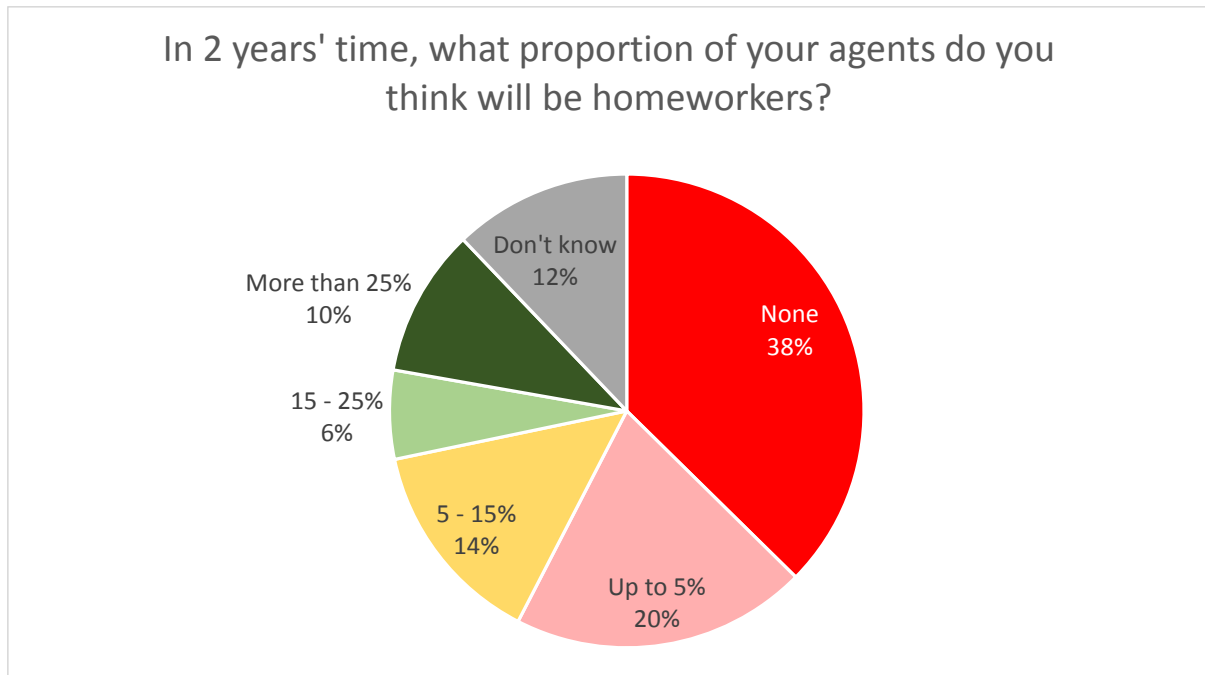
Figure 52: Opinion: "Homeworking reduces / would reduce the cost of equipment"





More than half of respondents actively believe that their operation will have some form of homeworking in place within two years. If nothing else, this shows that there is an open-mindedness and willingness to consider homeworking on its own merits, rather than rejecting a different way of working out of hand.

Figure 53: In 2 years' time, what proportion of your agents do you think will be homeworkers?



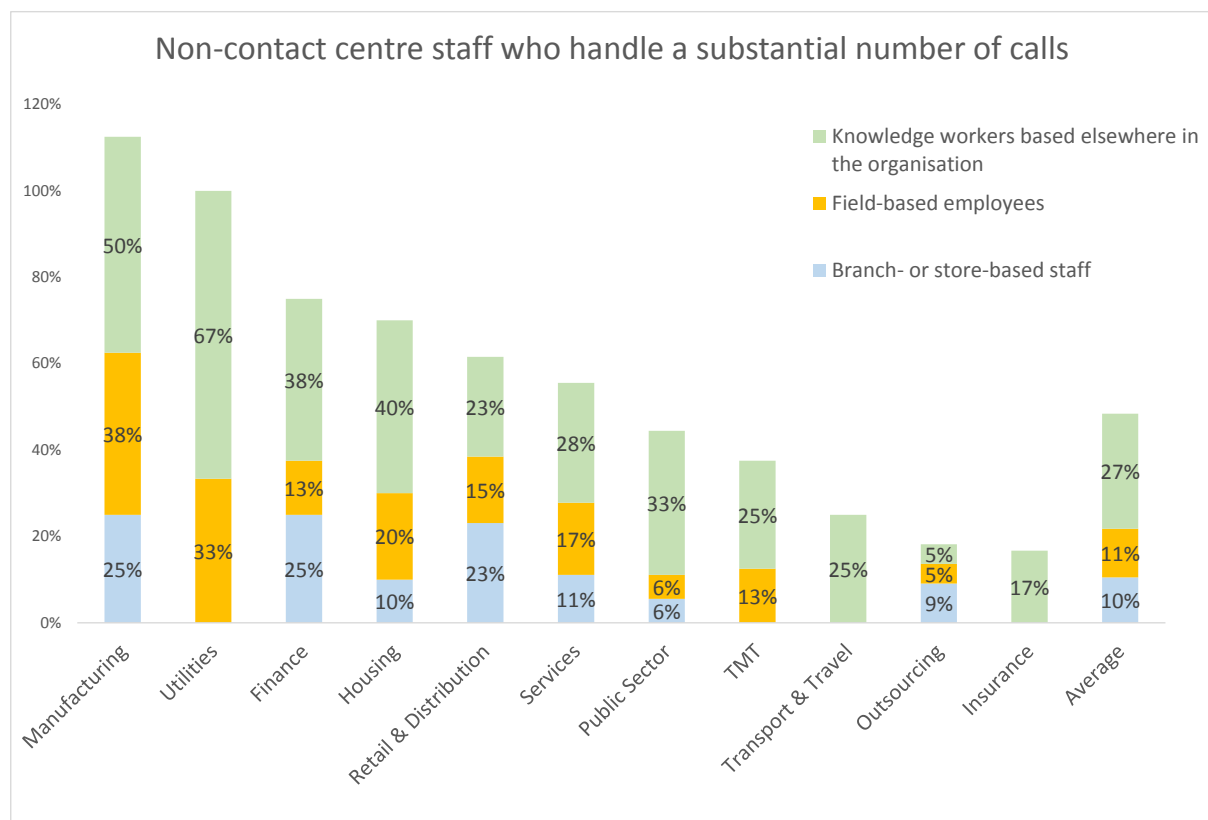
## THE ENTERPRISE AS THE CONTACT CENTRE

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



Knowledge workers / experts form part of the overall customer handling resource pool in 27% of cases (especially in the utilities and manufacturing sectors this year), with field staff and branch staff sometimes handling customer calls in 11% and 10% of organisations 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 manufacturing, utilities and finance, although care should be taken when considering vertical markets, as the research base may be low in some of the minor sectors.

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:

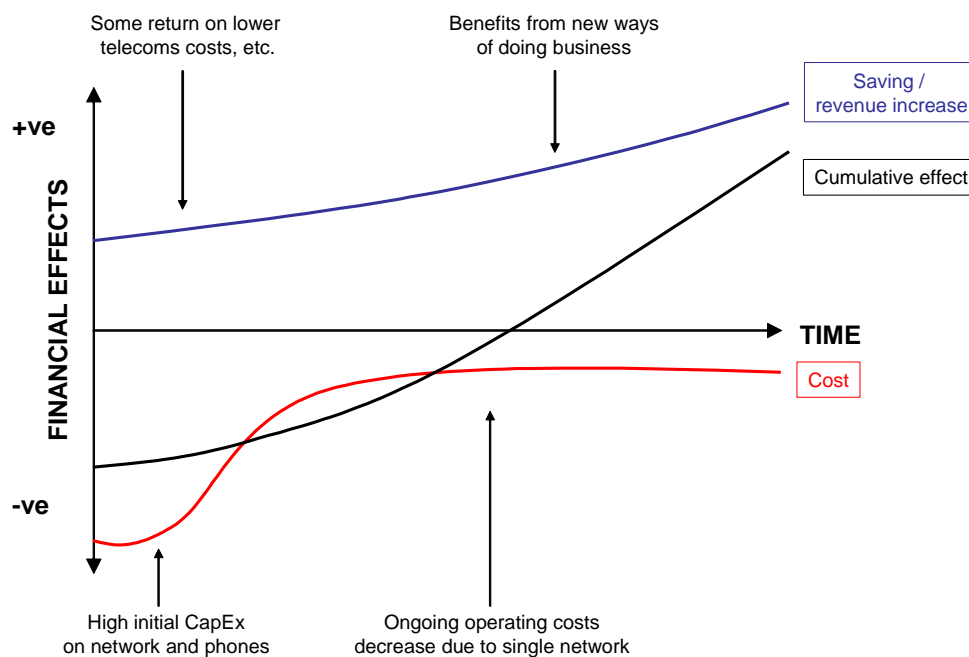
- The use of common protocol (IP) and the growth of key standards such as SIP allow rapid development of new application functionality
- IP enables virtual contact centres, homeworking and the remote office model
- IP promotes the successful take-up and management of multimedia customer interactions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

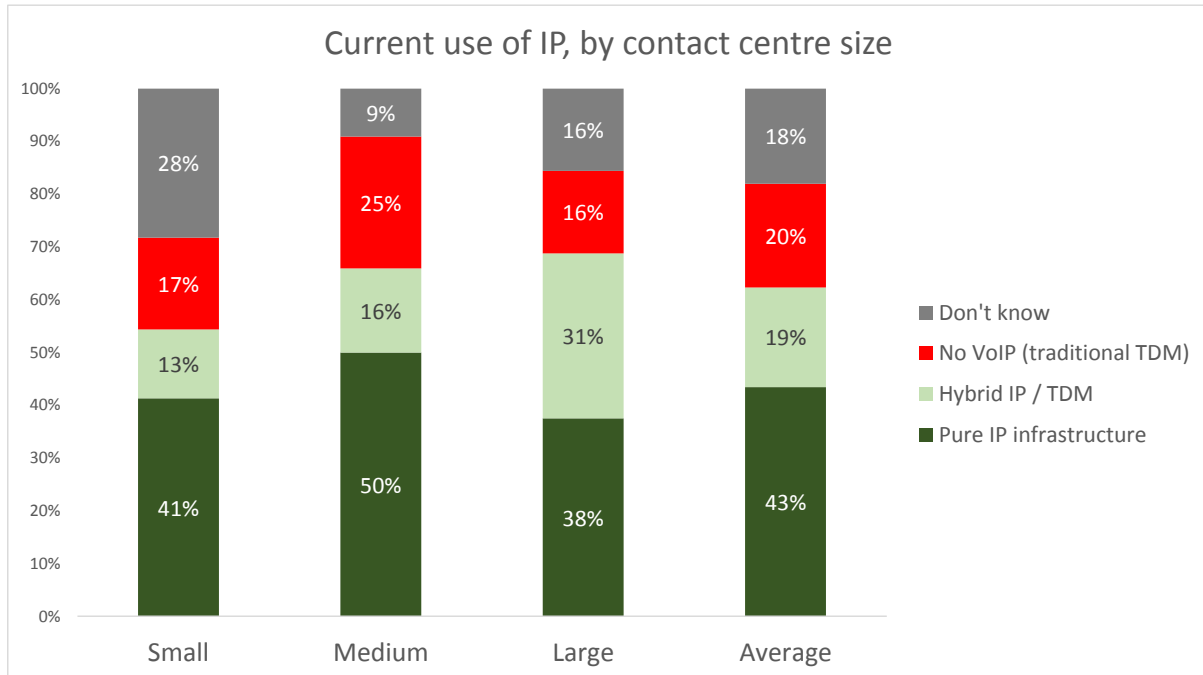
Open systems allow customers to select non-proprietary hardware and software for queuing, routing and applying treatments to interactions. This means that future contact centres will be free of the restrictive nature of proprietary systems, and able to develop and deploy applications which may have previously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

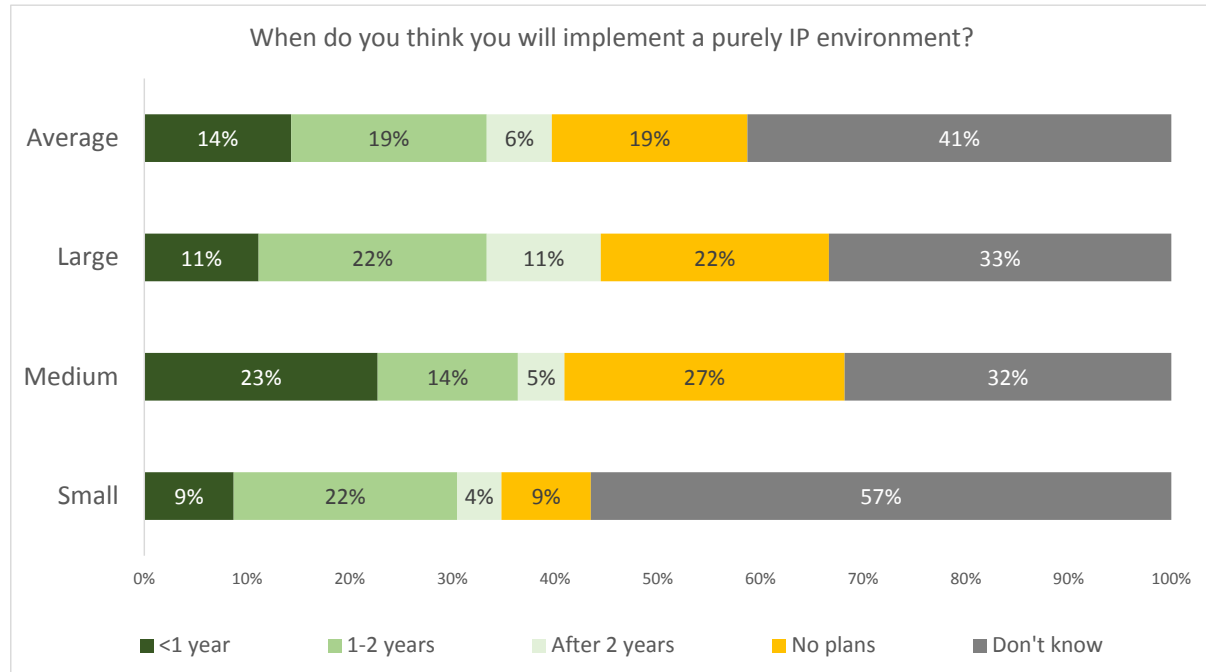
By including respondents who were not sure of their current use of IP, penetration rates cannot be directly compared with previous years, however a more accurate view of the industry can be portrayed this way. Of those respondents who were sure of their current use of IP, the majority are using pure IP infrastructure, which is particularly the case in the small and medium operations taking part in this year's survey.

Figure 55: Current use of IP, by contact centre size



Around one-third of respondents believe that they will implement a pure IP infrastructure within the next two years. However, there are still a significant proportion of respondents in all size bands, especially in the small sector, 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.

Figure 56: 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.

The main driver for IP implementation has historically been to reduce costs through running a single network, with significant numbers of contact centres having 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 has been seen as much less important, except in larger operations where flexibility and economies of scale are perhaps more achievable.

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, whether in a live environment or in a self-service application:

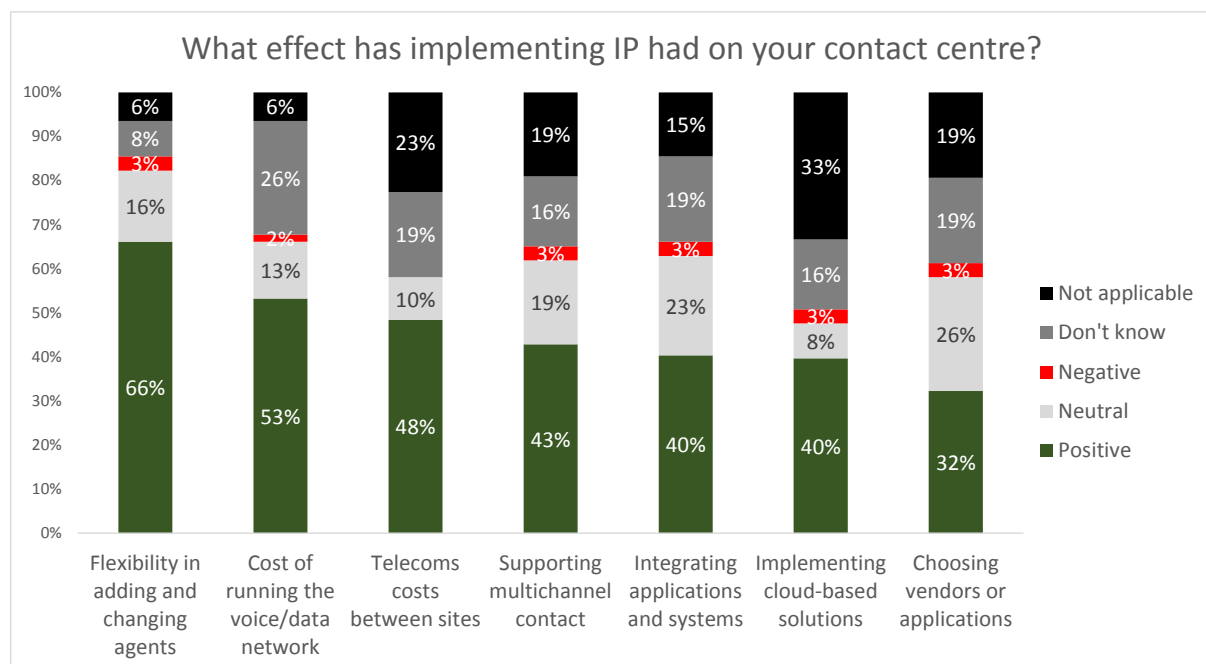
- the self-service experience is faster and more interesting
- visual agent interaction may enhance trust
- improved communication - a picture is worth a thousand words - reducing call costs
- higher customer perception of the level of service
- new revenue opportunity through video advertising.

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

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.

While the effect that moving to IP has presented businesses with a greater choice of vendors or applications garners the least enthusiasm amongst users of IP, it still receives a broadly positive answer. 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.

Figure 57: What effect has implementing IP had on your contact centre?





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## 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, as well as looking at security and PCI compliance.

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## COMPLIANCE AND SECURITY

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/](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.

The initial verification of a customer's identity at the beginning of a call is becoming increasingly common, and not only takes a considerable amount of time, but is also a low-value part of the call for both caller and agent. This chapter looks at the opportunities that voice biometrics gives to contact centres to reduce fraud and improve the customer's and agent's experiences.



*The main obligation under PCI DSS is to protect sensitive payment card data such as the Primary Account Number and the security code, and a critical part of this is to ensure that personal authentication information, such as the CAV2, CVC2, CVV2 or CID codes, is not retained, regardless of whether the information is encrypted after the transaction is complete or not. For contact centres, this not only applies to transactional systems, but also to any call recording or screen capture solutions in place.*

*Confusion around the requirements of PCI DSS, and to whom they apply, has resulted in contact centres failing to fully comply: this position is not sustainable, as the leading card providers threaten substantial fines for non-compliance and the ultimate penalty of withdrawing merchant IDs, eliminating the ability to take card payments completely.*



# Dispelling the Myths of PCI DSS Compliance



Despite a lot of material being written on the subject, there is still a degree of confusion about exactly what PCI compliance is and who it applies to. In short, if your business accepts payments using either a credit or debit card, you are subject to **PCI DSS compliance obligations**.

As experts in contact centre solutions, IP Integration are ideally placed to help you assess your options and make sure you avoid the **penalties of non-compliance**.

To discover more, visit [www.ipipci.com](http://www.ipipci.com) and download the FREE white paper.

**CALL NOW for your FREE**  
**PCI DSS compliance discovery**  
**session 0844 871 2172**

## About IPI

IP Integration are contact centre specialists with expertise in call recording and IVR self-service. Our consultants have a thorough understanding of PCI DSS and offer independent, vendor-neutral advice.



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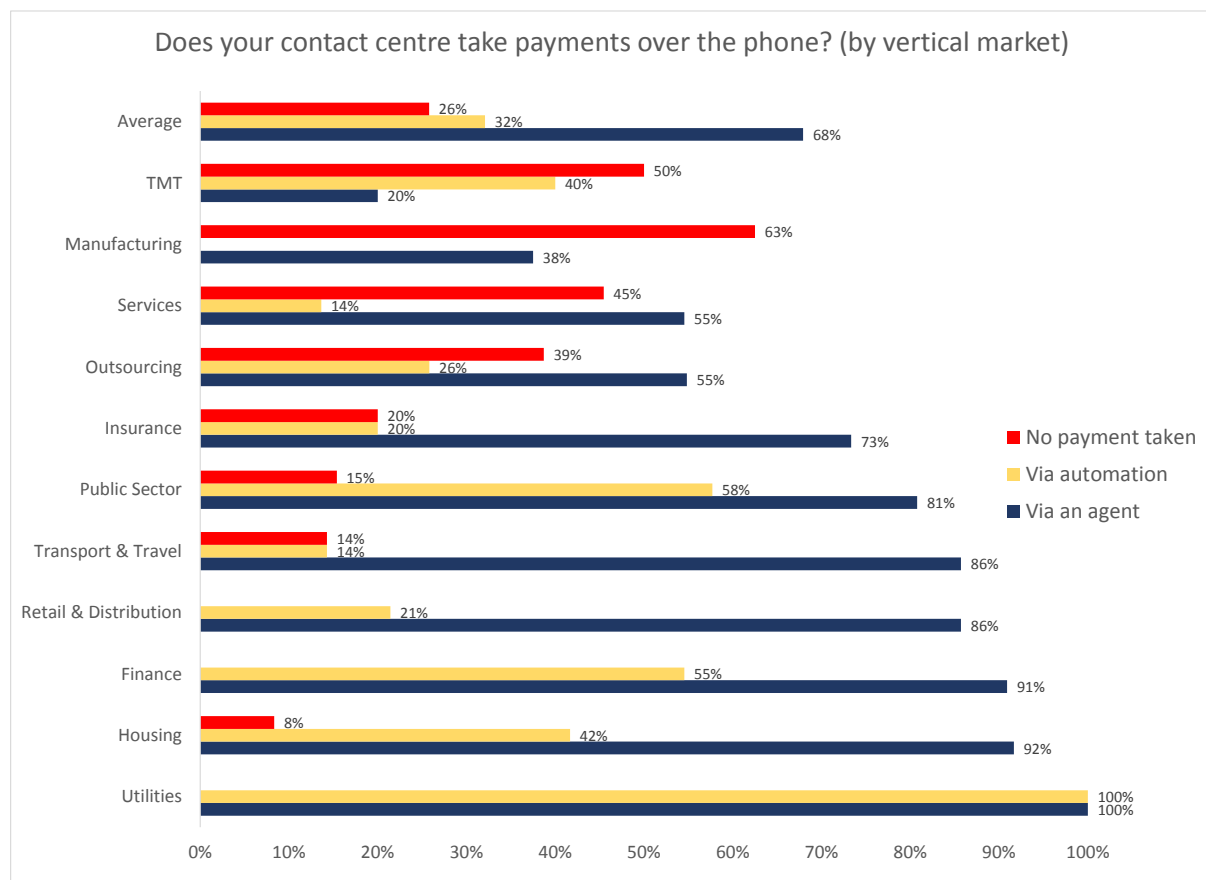


## PCI COMPLIANCE, PAYMENT CARDS AND CALL RECORDING

74% of respondents' operations take card payments from customers over the phone, although the TMT, service and manufacturing sectors are less likely to do so (probably as a result of much of this business being high-value, invoiced B2B work, as well as there being as significant number of technical support operations in this year's survey).

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

Figure 58: Does your contact centre take payments over the phone? (by vertical market)



For the past three years, any business that processes card payments over the telephone has to comply with PCI DSS, which means that no storage of personal authentication information such as the CVV2 code is permitted, even if the data is held securely in an encrypted state. For contact centres which use call recording, which is the majority, this presents a problem. This is further exacerbated by the presence of screen recording solutions as well. As such, contact centres need to consider both compliant call recording and automated payment solutions.

There are various options, either used individually or in tandem with each other, to assist contact centres to remain compliant.

Stopping the call recording at the point in which the card payment is made is possible, but in practice relies upon the agent's discretion and competence, and is not a long-term bulletproof solution, particularly with the risk of high fines for noncompliance hanging over a business. It may also be the case that industry regulation prohibits the manual stopping of call recording. This method is commonly known as 'pause and resume', stopping the call-recording process to allow payment card details to be taken from the customer, with the recording process continuing once this has been done.

However, allowing agents to pick and choose which part of an interaction are recorded is probably not the ideal way to eliminate fraudulent activity, and more importantly, this process is not PCI-DSS compliant, as the instructions state that "sensitive authentication data has to be removed from recordings, automatically, with no manual intervention by your staff." Most call-recording solutions allow automated triggers to pause and restarts the recording process at the appropriate time, however these can be complex and expensive to implement. There is also the issue to consider that some recording solutions do not allow pauses, only a complete halt within a recording, meaning that multiple recordings will exist for the same transaction, causing serious inaccuracies to management information. Muting the recording while the sensitive payment card details are taken may be a way around this.



*For those organisations who have invested in call recording - either through the necessity of regulatory compliance or as part of best practice for transaction protection, quality control and agent performance management - recording in a PCI DSS compliant manner is an essential requirement.*

*Solutions that encrypt recording or provide the ability for agents to manually pause and resume recording unfortunately do not provide full compliance: under requirement 3.2 of PCI DSS, no sensitive authentication data is permitted to be captured by your recording solution, even if encrypted, and the removal of such data has to be automated; it cannot be dependent on a manual process.*

*The only way to guarantee that you do not retain sensitive credit card information within your call recordings is to ensure that you do not capture the information in the first place: turning off call recording completely is not the answer as it denies your contact centre of all the benefits associated with risk mitigation and quality management, so the answer is to continue to record calls but to pause the recording at the point credit card details are collected and resume the recording after the process is complete.*

Taking the agents out of the process completely is another option. Some contact centres prefer to initiate a mid-call or post-call IVR session in order that the caller may type in the digits of their card using DTMF tones. If necessary, the caller is then reconnected with the agent. The call-recording system also has to be addressed here, which can be done by masking the DTMF tones.

The use of audio-processing technology means that the sound of a voice and a DTMF tone can be distinguished from each other: the agent asks the caller to enter their card details using an IVR, but these tones are not passed through to either the agent or call recording solution.



*The most effective way to achieve PCI DSS compliance, and to protect your customers through the payment process, is to leverage self-service to ensure that the agent has no access to sensitive information - by utilizing Self-Service Payment, customers are handed-off to an IVR solution to securely take payment card details and complete the transaction through to authorisation, allowing full control over the way card details are taken from the customer and enabling full PCI DSS compliance - Payment Self-service not only reassures the customer that they are not providing their personal authentication details to an agent, but also increases contact centre productivity through the use of self-service, either as a standalone service or as part of an agent-managed call.*

*When the payment process is a critical step in the buying cycle, it is not always advisable to fully hand-off the call to self-service: in this case, an assisted self-service solution can be used, allowing the agent and the customer to continue their dialogue while payment card details are being securely captured by an IVR application. By filtering sensitive card payment details through the IVR, neither the agent nor the recording solution are exposed to this sensitive information, yet the agent is able to remain in full control of the call.*



Thought Leadership

## Dispelling the Myths of Contact Centre Compliance

A lot has been written about PCI compliance in recent years. Despite a number of papers on the subject, there still appears to be a degree of confusion about what it is and where it applies; especially in terms of its implications for contact centres.

As contact centre specialist we've heard it all - from the belief that PCI DSS doesn't apply to contact centres, to claims that payment card details can no longer be taken by contact centre agents. Well, we're here to dispel some of the myths.

PCI launched its data security standard (DSS) back in 2007. The standard sets out the requirements governing the collection, retention and transmission of payment card data. Key to the standard is the definition of what information used during the payment process can be retained by the merchant.

Since 1st October 2010, any contact centre that takes card payments over the phone is required to comply with PCI DSS, regardless of their industry sector and regardless of the volume or size of payments they transact.

The main obligation is to protect sensitive payment card data such as the Primary Account Number and the security code. A critical part of this is to ensure that personal authentication information, such as the CAV2, CVC2, CVV2 or CID code, is not retained; regardless of whether the information is encrypted after the transaction is complete or not.

For contact centres, this not only applies to transactional systems but also to any call recording or screen capture solutions in place. Confusion around the requirements of PCI DSS, and to whom they apply, has led many contact centres into doing nothing or failing to fully comply.

This position is not sustainable, as the leading card providers threaten substantial fines for non-compliance and the ultimate penalty of withdrawing merchant ID's, removing the ability to take card payments completely.

### PCI DSS and Call recording

There are two common myths surrounding call recording that need to be dispelled. The first is that PCI DSS does not apply to information captured by call recording solutions; wrong, it does. PCI SSC looked to clear-up any confusion in their FAQ 5362 'Are audio/voice recordings containing cardholder data and/or sensitive authentication data included in the scope of PCI DSS?'

The response to the FAQ states: "it is prohibited to use any form of digital audio recording (using formats such as WAV, MP3, etc.) for storing CAV2, CVC2, CVV2 or CID codes after authorisation".

The second myth is that if you encrypt the call recording, you are compliant to PCI DSS; wrong again. The same FAQ 5362 issued by PCI DSS is very clear on this point: "It is a violation of PCI DSS to store any sensitive authentication data, including card validation codes and values, after authorisation even if encrypted."

### Does this mean Contact Centres have to stop recording?

Although some contact centres have elected to do this, it is a drastic step to take. For those who have to record for industry regulator compliance, this is simply not an option. For other contact centres, those who made the choice to record as part of 'best practice', why would they want to stop recording and forfeit the benefits gained from capturing each transaction, monitoring quality and managing agent performance?

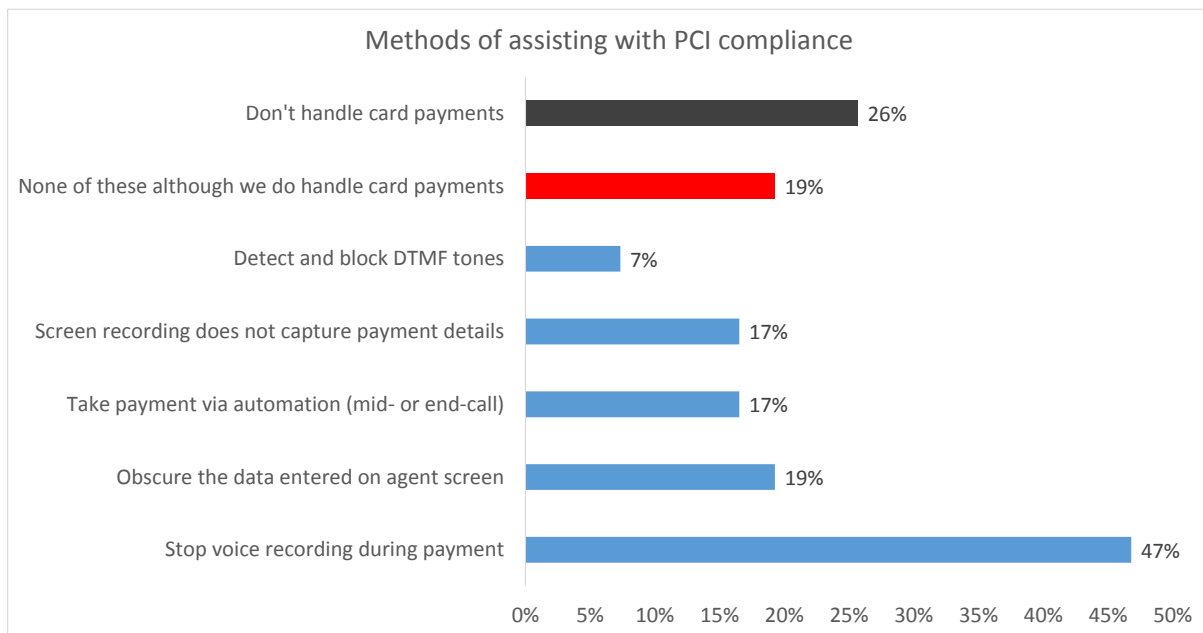
There is an alternative, commonly known as Pause & Resume. This is where the call recording is temporarily paused while sensitive payment card details are being taken from the caller and then resumed once the process is complete. There are a number of ways of doing this and we would encourage Contact Centres to seek independent advice, outside of their current vendor, as to the most viable option.

As a leading provider of contact centre solutions, IP Integration has an in-depth understanding of PCI DSS and can talk you through all the options available to maintain compliance. Visit us at [www.ipipci.com](http://www.ipipci.com) or call now on 0844 871 2172

Almost half of respondents choose to stop or pause voice recording during the payment process. Almost one in five obscure the data entered onto the agent's screen, with one in six using automation and the same proportion making sure that their screen recording solution does not capture payment details. Only 7% of respondents detect and block DTMF tones.

Most worryingly of all 19% of respondents admit that they are not PCI-compliant despite handling card payments.

**Figure 59: Methods of assisting with PCI compliance**



## 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 28 seconds to verify a customer's identity manually, and this mounts up considerably: the UK contact centre industry spends around £3bn each year, just to verify the caller is who they claim to be.

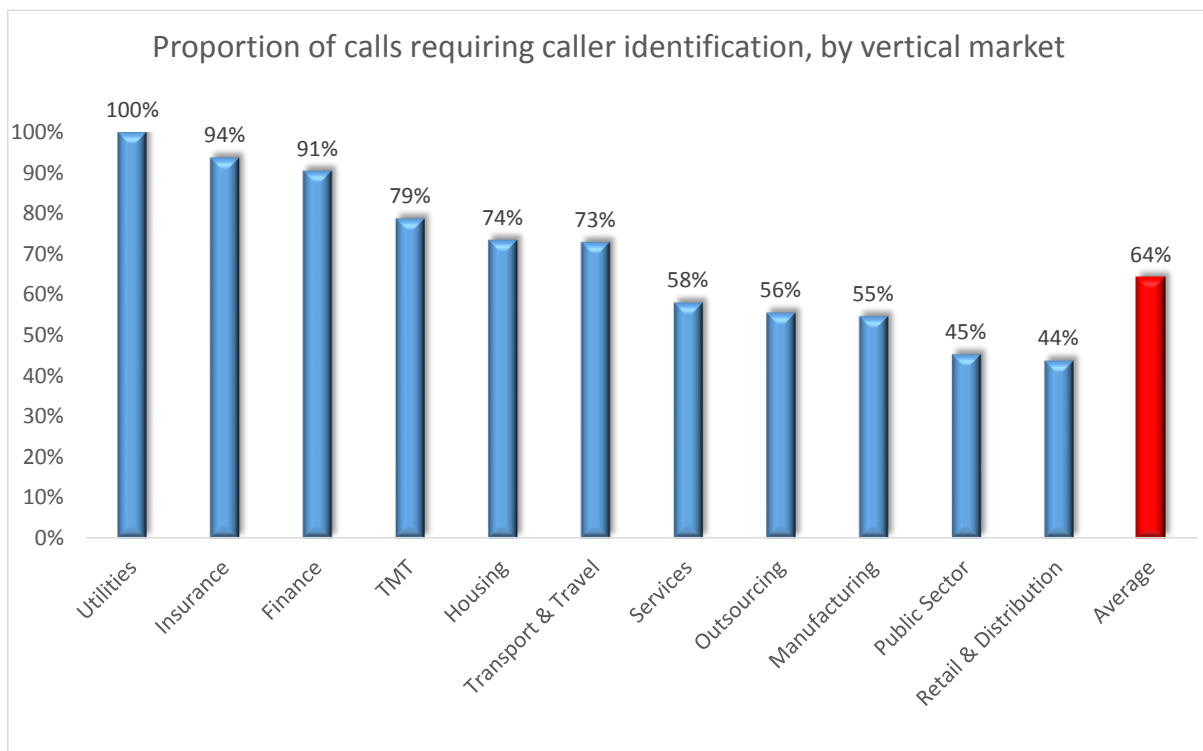
In fact, the cost of identity verification in the contact centre has increased by a factor of 3.5 since 2007, with more calls requiring identity checks, which now themselves take an average of 45% longer due to more stringent testing. With rising salaries and longer call times, cost-per-call has increased by well 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 60: 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 64% of calls this year requiring identity verification, 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 61: Caller identity authentication methods

Identification method (when required)	Proportion of contact centres using this method
Using <b>only</b> an agent	93%
Using <b>only</b> automation	0%
Using <b>both</b> human and automation	7%
<i>Do not authenticate any calls</i>	<i>10%</i>
<i>Touchtone IVR</i>	<i>6%</i>
<i>Speech recognition</i>	<i>1%</i>

93% of all respondents that identify callers do so through **purely** human means, taking an average of 28 seconds to do so. 7% use IVR or speech recognition to identify the caller (which itself takes around 20 seconds), but in 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 utilities, financial, insurance and public sectors taking the longest, as legislation and the risk of fraud is perhaps the greatest here.

Figure 62: Time taken to authenticate caller identity, by vertical market

Vertical market	Time taken to authenticate caller's identity (seconds)
Utilities	50
Finance	40
Public Sector	30
Insurance	29
Retail & Distribution	28
Services	26
Manufacturing	25
Transport & Travel	25
Housing	23
TMT	21
Outsourcing	20
<b>Average</b>	<b>28</b>



### The unnecessary cost of caller authentication

64% of all calls require a security and identification process to be completed first. 100% of these will require some agent input even if IVR or speech recognition is also used. On average, it takes 28 seconds to go through security.

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

Inbound call minutes per year: 49bn<sup>2</sup>

Average inbound call length: c. 4.75 minutes

Inbound calls per year: 10.3bn

Proportion of inbound calls that require security and identification checks: 64%

Proportion of security and identification checks carried out using an agent: 100%

Average length of agent-handled security and identification check: 28 seconds

Mean average cost per inbound call: £4.63 (end-2012)

Cost of time spent on agent-handled security and identification check: 45p per call

Overall cost of agent-handled security and identification checking: **£3.0bn per year**

<sup>2</sup> From ContactBabel, ["The UK Contact Centre Industry in 2013: The State of the Industry"](#), January 2013

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## 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 and mobile making it a viable identity verification solution for contact centres. Voice verification systems use spoken words to generate a voiceprint, and each call 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, 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.

A significant advantage of voice biometric verification is that it can be done unobtrusively – in the background during the natural course of customers' conversations with an agent – using text independent and language independent technology. Real-time authentication significantly reduces average handle time and improves the customer experience by utilizing voice biometrics to authenticate customers in real time. With this advanced technology, contact centres can:

- Voiceprint the vast majority of customers for seamless passive enrolment: in the course of a conversation, a voiceprint is created for that customer which lies on record for them to be authenticated against on the next call
- Securely authenticate customers with no customer effort—significantly improving the customer experience: the first few seconds of a call will be enough to match the customers' voiceprint against those on record
- Help agents expedite time to service, shaving valuable seconds off average handle time: no need for customers to answer numerous security questions as the conversation they are having provides enough information to identify them
- Significantly reduce fraud risk for all customers, and deter fraudsters.

### 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:

- In the case of text- and language-independent authentication, the customer's voiceprint (collected on previous calls) is authenticated in the background during the natural course of conversation with an agent, while simply outlining their service request – minimizing both customer effort and time-to-service. There is no need to remember PINs or passwords, which greatly improves the customer's experience
- '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. Real-time agent guidance can prompt agents to ask a further security question within the call if the process requires it.

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## 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 26 seconds and being performed by an agent:

- Eliminating the time taken by an agent to verify a caller's identity can save 45p per call (£4.5m per annum)
- Secure automated identity verification enables a broader range of fully automated services to be offered, reducing agent cost.

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

Similar savings will also be found in the case of text-independent authentication, where the caller's voiceprint is authenticated within the natural course of the conversation. The agent begins each call by immediately asking how they can help the customer, and the authentication process is carried out by voiceprint verification at the same time that the agent is listening to the caller and preparing to help them.

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 of 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.

## CALL-BACK, 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 infrastructure routes 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 elsewhere in this report for more detail) enables companies to use CTI functionality through IT infrastructure instead of 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 enables 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 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.



# How to build an award winning Contact Centre

"Working with Sabio we've been able to identify, deploy and reap the benefits from today's best practice contact centre technologies."

Barry Ibbetson  
Head of Contact Centres  
**Leeds City Council**

"Sabio has an important role to play in ensuring that Lebara's contact centre technology platform remains best-in-class."

Matthew Kemp  
Operations Director  
**Lebara**

*Large Contact Centre of the Year and Top 50 winner*

"Sabio's powerful platform for customer services optimisation helps us place outstanding customer care at the heart of the business."

Alex Mead  
Customer Services Director  
**Rentokil Initial**

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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 of 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 elsewhere). As such, 'IVR' will be used here to describe this particular call routing functionality, although the actual technology may differ between contact centres.

Figure 63: 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	100%
Utilities	100%
Finance	88%
Insurance	75%
Public Sector	74%
Outsourcing	61%
Services	44%
TMT	44%
Housing	40%
Retail & Distribution	38%
Manufacturing	13%
<b>Average</b>	<b>57%</b>

Less-automated or volume-based contact centres, such as manufacturing, and sales-focused operations, such as retail, show less of a demand for IVR call routing solutions. Larger contact centres, such as those found in the utilities and finance industries, will very frequently use IVR to improve their routing capability.

Automated speech recognition is in use by 13% of respondents, with the finance sector as usual 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 64: 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
Finance	100%	29%
Retail & Distribution	100%	20%
Housing	100%	0%
Manufacturing	100%	0%
Transport & Travel	100%	0%
Insurance	89%	11%
Services	88%	13%
Outsourcing	86%	14%
Public Sector	86%	14%
Utilities	80%	20%
TMT	75%	25%
<b>Average</b>	<b>89%</b>	<b>13%</b>
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, almost 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 65: 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	45%
Medium	54%
Large	79%
<b>Average</b>	<b>57%</b>



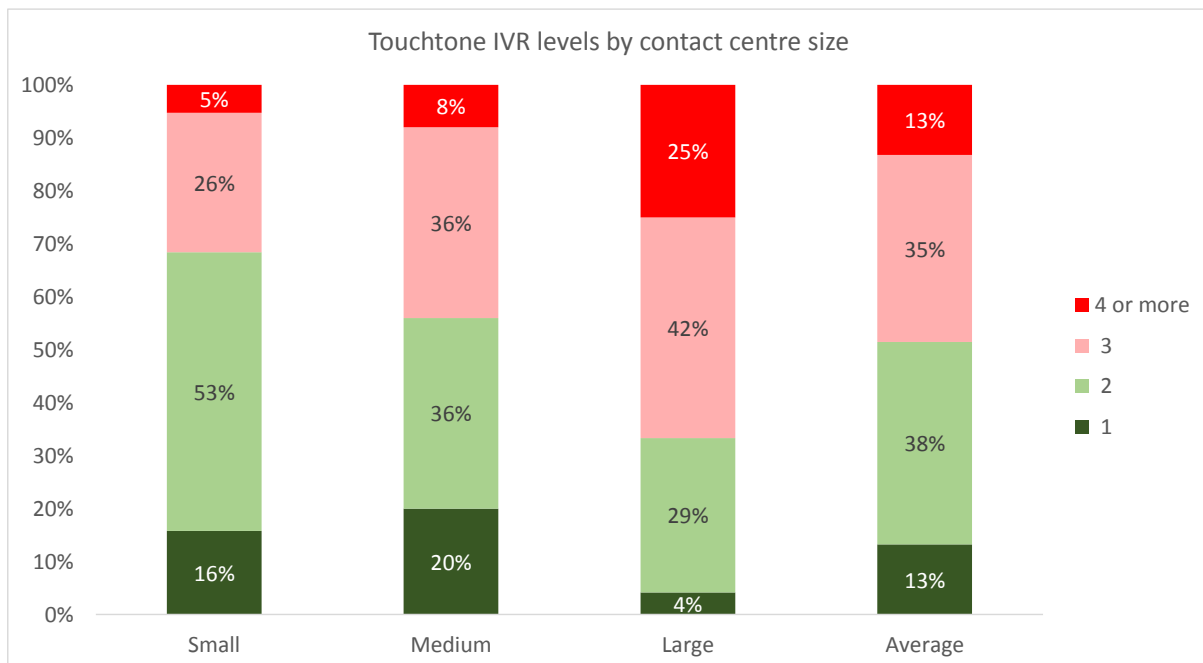
More expensive automated speech recognition solutions are far more prevalent in large operations, where the correct automated routing of many thousands of calls each day can very quickly make a case for ROI.

Figure 66: 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	95%	5%
Medium	92%	16%
Large	89%	19%
<b>Average</b>	<b>89%</b>	<b>13%</b>

Overly-complex and long-winded IVR menus are a frequent source of irritation to customers. Looking at the number of levels used on an IVR (i.e. how many key-presses a caller must make to reach their destination), only 13% of respondents keep it simple with a single-level of options, e.g. "Press 1 for sales, 2 for Service, 3 for Accounts", with the same proportion having four or more levels. It seems the larger the contact centre, the more complex and granular the IVR menu.

Figure 67: Touchtone IVR levels, by contact centre size



87% 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.

35% 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.

13% 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.

Figure 68: Touchtone IVR routing options, by vertical market

Vertical market	Mean average	Median average
Insurance	15	6
Retail & Distribution	14	9
Utilities	11	8
TMT	10	10
Transport & Travel	10	9
Outsourcing	9	7
Finance	9	10
Services	9	10
Public Sector	8	8
Housing	8	7
Manufacturing	5	5
<b>TOTAL</b>	<b>10</b>	<b>8</b>
NB: 1 <sup>st</sup> quartile = 5; 3 <sup>rd</sup> quartile = 11; High = 54; Low = 2		

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.

Most respondents claim to restrict themselves to a median of 8 options (e.g. 2 levels with 4 options on each), with the retail & distribution and insurance sectors - often home to multiple product sets, as well as service and sales in the same location – amongst those businesses offering the greatest numbers. Automated speech recognition removes the need for multi-level menus, as callers can be prompted to speak the service they require. These types of speech based solutions have been expensive to deploy and not necessarily had the desired accuracy levels, but this is far less the case and can now be delivered cost effectively to mid-sized and smaller operations.

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 69: 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	16%	Finance, Utilities, TMT	Large 7x more likely than small
High-value customer	21%	Manufacturing, Finance, TMT, Outsourcing	36% large, 13% small
Risk of defection / end of contract	13%	Outsourcing, TMT, Finance	Large 28%, small c. 0%
Specific language requirements	9%	Transport & Travel	Little 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). Finance, TMT and utilities respondents showed the most enthusiasm for this, with large contact centres being seven 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. 28% of respondents in large operations use this.

Only 9% of respondents route calls automatically based upon a caller's language requirements.

## ***Screen-popping***

Information about the specific caller is collected and popped to the agent's screen by 39% 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, 65% of large operations route calls to an agent complete with screen-pop, compared to only 20% of small and 28% of medium contact centres. At a vertical market level, all TMT respondents report using screen-popping, with outsourcers (85%) and finance (71%) and also well above average. The manufacturing and public sector respondents are very low users of this solution. Screen popping of an existing record may be seen as simple and cheap, the real value becomes clear when the customer verification and additional information collected from the initial IVR session can determine the information that is shown to an agent. If a call is transferred to another agent, information sent to the receiving agent will hopefully avoiding the customer having to repeat their requirements.

## **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.

39% of respondents use DNIS (69% of large operations), compared to 38% using CLI (54% of large operations).



Thought Leadership

## **Perfect routing – so where did all go wrong?**

It is interesting when you look back in time at how the process of connecting a telephone call between two parties has evolved. With original phone systems you spoke to a local operator sitting in an exchange, told them who you want to connect to, and a series of people patched you through to the desired recipient. From a caller's perspective, surely this was perfect routing! So where did it all go wrong?

In the normal phone call world, maybe technology is allowing us to get closer to perfect routing, but perhaps in our world of business contact we are still some way away. Contacting businesses rather than an individual has a few more challenges as we don't normally know who exactly we need to talk to. The result is that, callers choose who they want to talk to by dialling a telephone number they think is appropriate, and then often navigate limited routing options from simple DTMF IVR scripts. We then route these grouped calls to broad teams of agents based upon business tasking and skills. Naturally this creates a few challenges for your customers and your organisational efficiency, such as caller frustration with IVR menus along with a lack of contact centre efficiency.

For many years contact centres have tried to balance the need to run efficiently with a manageable impact on caller experience. Often the result is a strong demand for multi-skilling of agents to try to achieve minimum DTMF call steering with the maximum opportunity for the agent to be able to service the call, without the need to transfer. In some businesses this approach has been successful, but in many others, the multi-skilling approach has been difficult and costly to achieve. Even with a mature understanding of this difficult balance, it is still common in today's contact centres to witness issues where callers are subjected to complex IVR menus and yet often suffer from transfer rates as high as 20% of inbound calls.

The problem can broadly be broken down into two parts; inadequate ability to determine what the caller really wants associated with broad skills assignment within the contact centre.

There are mature technologies available that address some of these concerns. It is relatively easy to apply data driven routing and advanced speech recognition to make life easier for your customers whilst also providing a much better understanding of what the caller really wants. The world's best contact centres use what they know about a caller to help simplify call steering options and improve routing accuracy. Where required, this is supplemented using Natural Language, or Say Anything speech based call steering.

In turn, advances in routing technologies allow much finer routing resolution without impacting efficiency. Routing can be balanced based on target service levels per queue, allowing finer skills groups without the implied agent inefficiencies that go with having too many skills.

Using the latest techniques it's possible to get closer to the ideal of perfect routing. The next stage in evolution will be to benefit, even further, from processing to allow calls to be much better matched to agents on an individual basis, all done whilst taking account of service levels per call. We are pleased to say that optimised routing on this basis will be available in contact centres very soon.

Altogether the latest technologies plus individual call routing are combining to allow us to get much closer to perfect routing. The customer will dial one common number, state in their own terms what they want, and then the call will be routed to the agent best able to help them. The contact centre version of perfect routing!

## VIRTUAL QUEUE MANAGEMENT

Some years ago, a telephone questionnaire was asked to a representative sample of the UK population by ContactBabel on behalf of Vicorp<sup>3</sup>, 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 70: 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

<sup>3</sup> "Your call is important to us..." Why does the British love of queuing not extend to contact centres? - available from [www.contactbabel.com](http://www.contactbabel.com) without charge

virtual queuing system, which provides customers with information about current queue conditions and presents them with various options, such as remaining on hold or being called back when it is their turn.

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

Agents carrying out call-backs will know exactly who they are calling and in many cases why they are doing so. A scheduled call-back system increases customer satisfaction, reduces call durations and delivers higher first-contact 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 use of call-back functionality is growing gently, year on year. It is positive to see so many of this year's sales and mixed respondents offering a website call-back option, enabling another route for the customer to make a purchase.

The use of in-queue call-back options is less focused upon sales environments, as the call abandonment rate is a metric that is important to service-orientated contact centres as well.

Again, sales-focused respondents seem much more likely to announce the position of the caller within the queue, encouraging them to stay on the line and providing the company with a greater opportunity to close the sale.

Figure 71: 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	38%	25%	38%
Mixed	38%	31%	19%
Service	6%	23%	15%
<b>Average</b>	<b>17%</b>	<b>25%</b>	<b>18%</b>

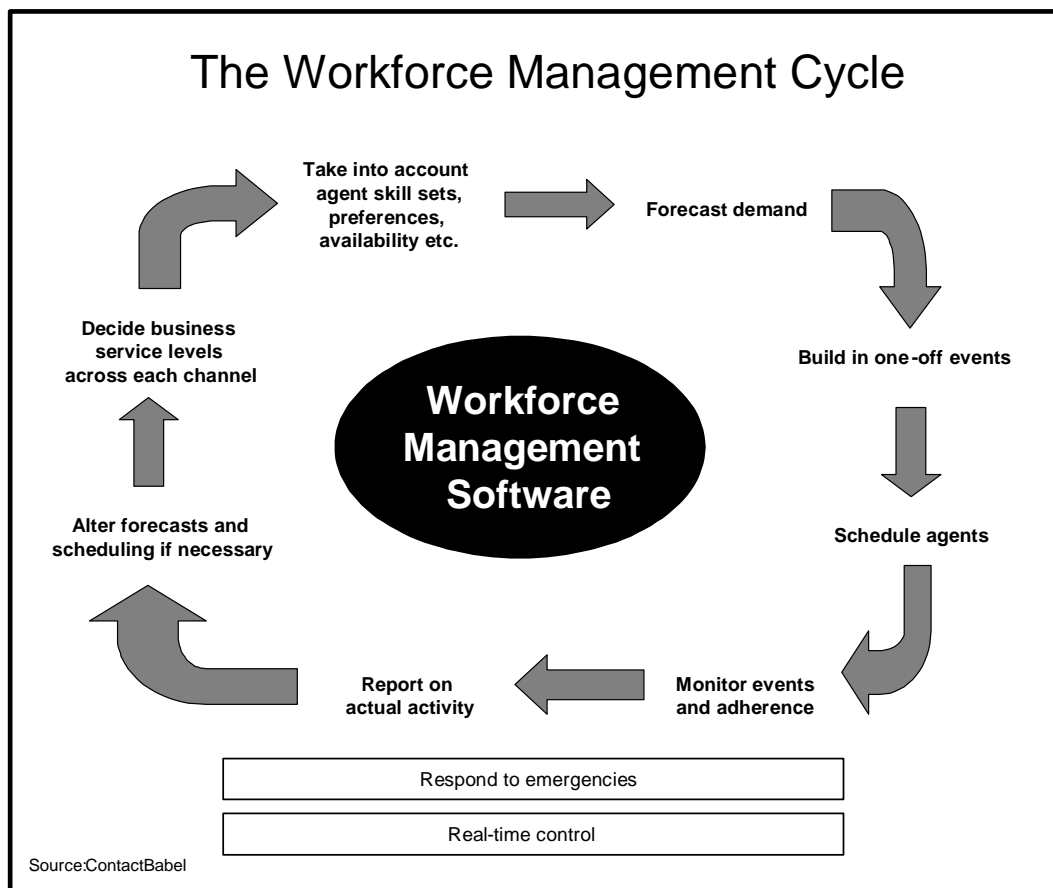
Vertical market figures are not given, as the numbers of respondents involved are low, and statistics may be misleading. However, outsourcers seem to be amongst the greatest users of all of these queue management solutions.



## 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.

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## 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.

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

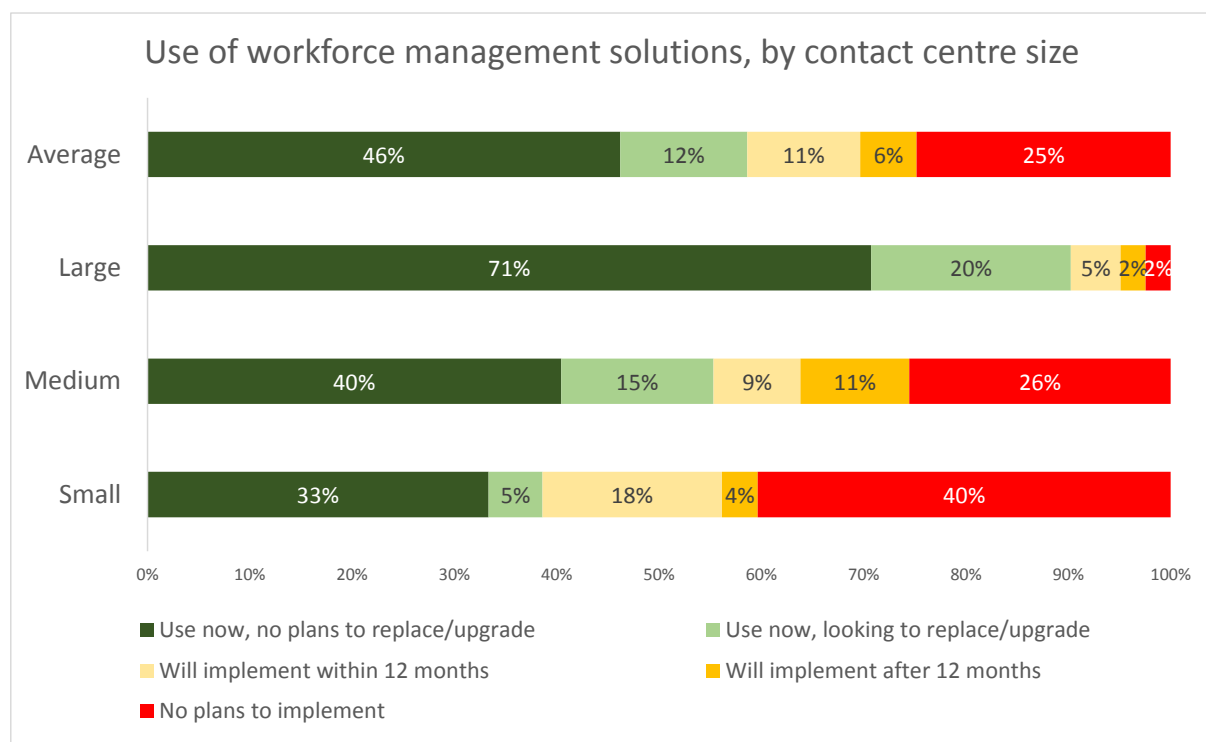
Adherence is the ability to compare forecasts with reality, and learn from mistakes. Sophisticated scheduling and forecasting is useless without the opportunity for improvement brought about by adherence monitoring. Real-time adherence allows managers to see exactly what is happening, and can alert them 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 72: Use of workforce management solutions, by contact centre size



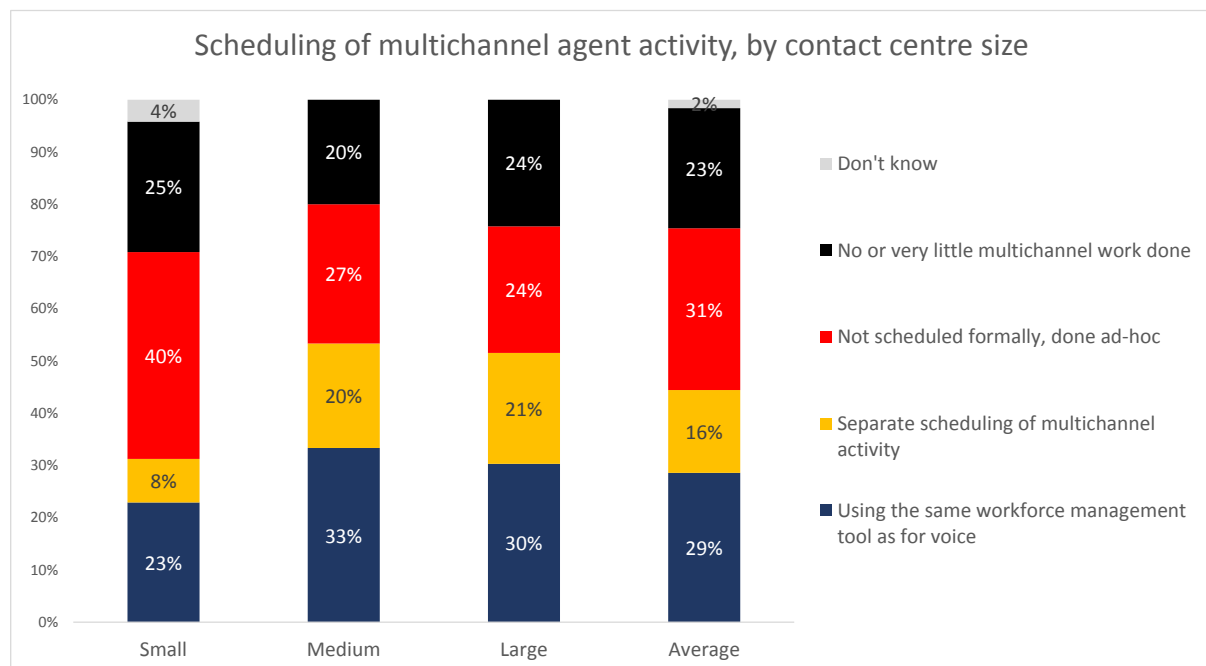


Small contact centres are still very heavily involved in manual workforce management, which offers extremely limited opportunities for doing anything other than a static schedule that cannot easily be changed. In fact, forecasting and scheduling in this scenario is more of an art than a science. Medium 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.

Today's contact centre workforce management solutions have to include back office as well as contact centre processes, and most now include email as well as a minimum, despite the different service levels and expectations around each type of work item. Further complexities arise as data is often siloed by channel, and third-party point solutions and legacy systems can muddy the water further. Solution providers are continuing to integrate more fully with multichannel, (for example, by offering a connector for MS Exchange), and by looking at live data on email volumes to improve the accuracy of intra-day scheduling. Traditional measurements are not applicable to multichannel interactions, as many are not done in real-time, which means different handling strategies need to be applied per channel, which makes forecasting and scheduling much more difficult.

Of those respondents who have significant amounts of multichannel work to schedule, around 40% do not use a formal process for this, a figure which is significantly higher in smaller operations. Within those businesses that do schedule multichannel activity, the majority will use the same workforce management tool as for voice. Medium and large contact centres are far more likely to carry out separate scheduling of multichannel activity, probably as a result of dedicated multichannel teams being more prevalent in these types of operation.

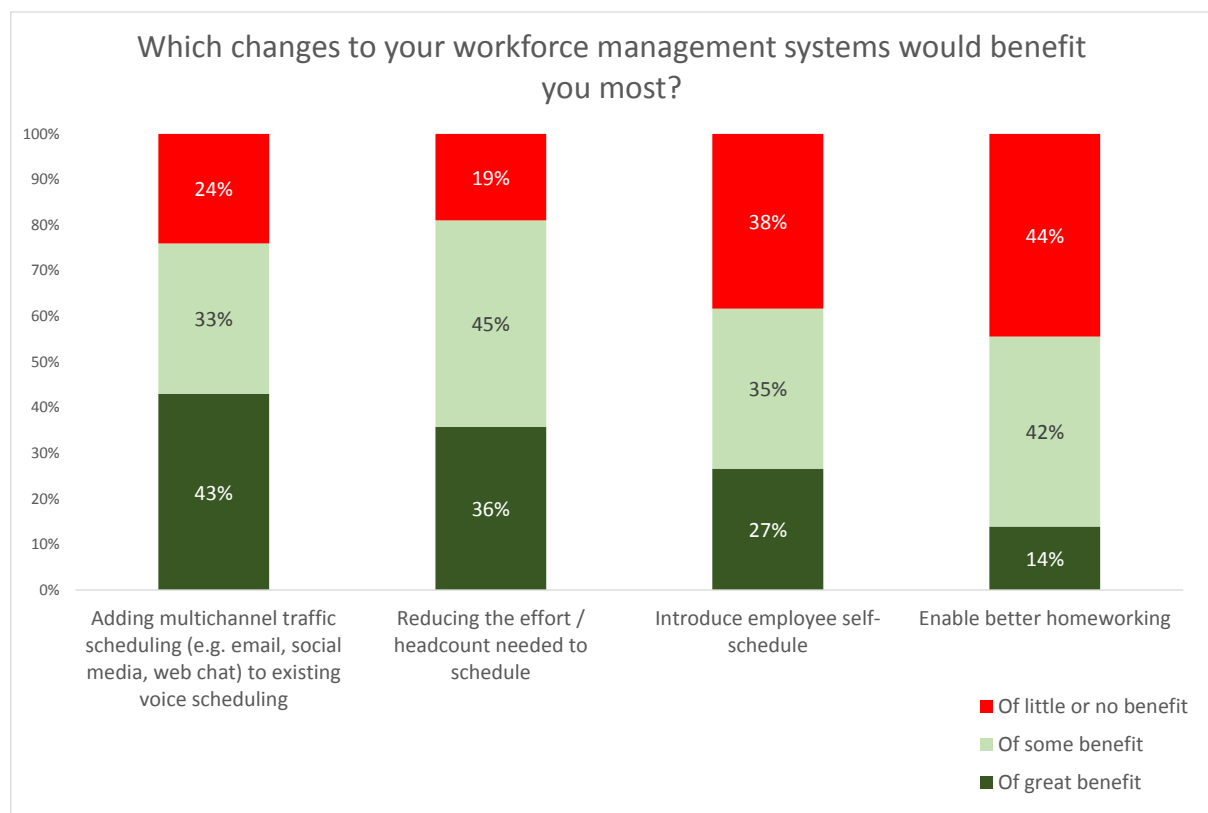
**Figure 73: Scheduling of multichannel agent activity**



The advent of social media contact, the rise in web chat and the jump in email volumes mean that contact centre suddenly have significant amounts of multichannel interactions to handle, as well as their voice traffic.

43% of respondents would find improvements to their multichannel scheduling capability to be of great benefit, with over 80% of respondents believing that a reduction in the effort needed to schedule would be of significant benefit to them. Improvements to employee self-scheduling, and the enablement of better homeworking would also be looked upon positively by most contact centres., but perhaps not to the same extent.

**Figure 74: Which changes to your workforce management systems would benefit you most?**



## HEADSETS

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

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

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

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

### **Headsets and the 'enterprise as contact centre'**

The newest headsets support the 'enterprise as contact centre' model by allowing the agent to involve knowledge workers in a three-way conversation with the agent via Microsoft Communicator, IBM SameTime or VoIP. This allows, for example, a 2<sup>nd</sup>-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.



# Great service & great deals



When it comes to equipping their contact centres, major organisations know they need more than just high-quality headsets.

## That's why they turn to Plantronics.

With over 50 years' experience in the field, Plantronics offers contact centres not only the latest audio technology but also the additional benefits of:

- **Advanced noise exposure testing** to aid compliance with legislation
- **World class phone support** and online resources to keep maintenance costs low
- **Next day** replacement headsets for complete piece of mind

Upgrade your contact centre with great deals on our latest range of corded and wireless headsets.



Buy 12 EncorePro®  
corded headsets and  
**GET A FREE WIRELESS  
CS510™ OR CS520™  
HEADSET\***

Buy 6 CS510™ or CS520™  
wireless headsets and  
**GET ANOTHER  
ABSOLUTELY FREE\***



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**plantronics®**  
Simply Smarter Communications™

## **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 it<sup>4</sup>.

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](http://www.acousticsafety.org).

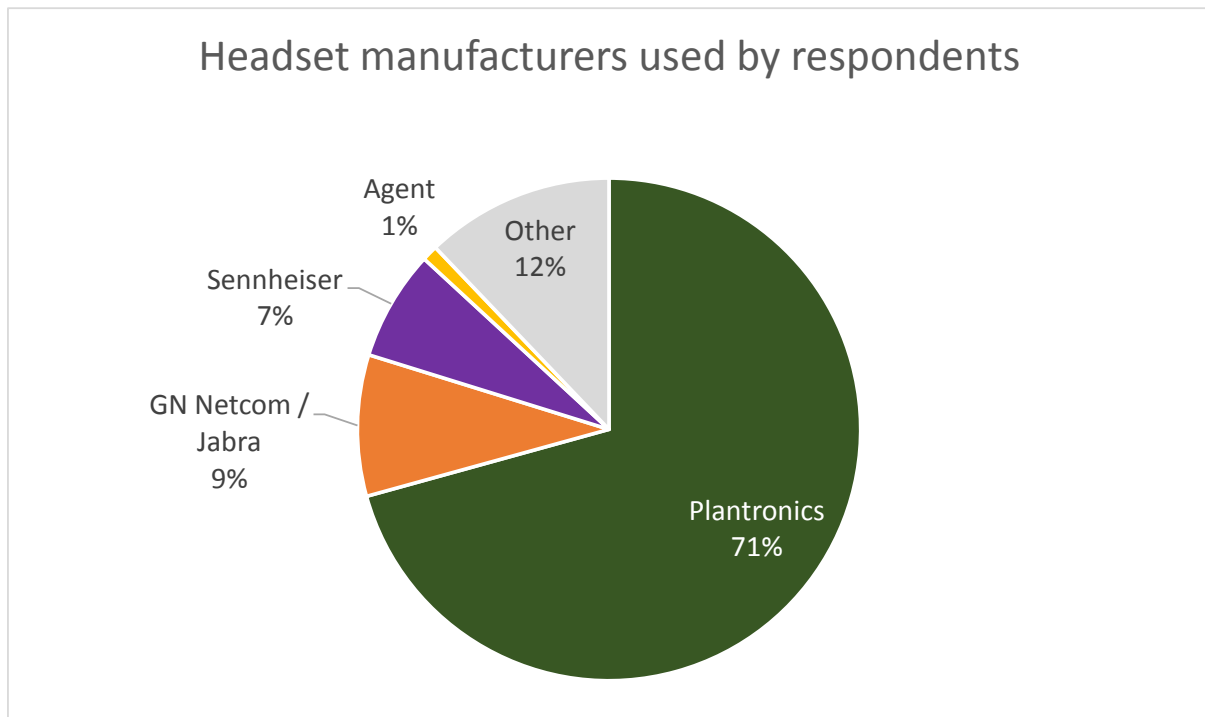
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<sup>4</sup> Source: CCF magazine

## HEADSET REPLACEMENT AND MANUFACTURER

Around 20% of respondents' headsets are replaced in a given year, meaning that the average headset will have a useful life of around 5 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 also that the overall quality and durability of headsets has improved, meaning there are fewer requirements for replacement.

Figure 75: Headset manufacturers used by respondents





## 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***

One of the main advantages of wireless headsets, compared to wired versions, is that agents may leave their desks to consult colleagues or refer to information resources elsewhere in the contact centre without having to put the caller on hold. Supervisors particularly benefit from the ability to move around a team, helping agents as required.

More sophisticated wireless headsets may also be IP-enabled, integrating with softphone software on a PC, as well as taking calls delivered through regular desks phones if required. The enterprise standard known as Digital Enhanced Cordless Telecommunications (DECT) supports communication at up to 110 metres, which is obviously more than enough for a contact centre environment, although buildings change the way radio signals operate, thus affecting the range of these headsets.

The issue of density also has to be considered: the DECT standard enables wireless headsets to work without interference in high density environments, as each headset-base pair continuously monitors the channels available to them, changing to the best available channel depending on the interference it encounters. However, there is a trade-off between density and the roaming range of headsets: as the number of conversations in a given area increases beyond the number of channels available, headsets start to share channels, which will reduce the roaming range. A possible alleviation is provided by some advanced wireless headsets, which take into account how close the agent is to the base station, and use less transmission power when the agent is near, but boost it when the agent is further away, increasing the potential roaming distance when required and increasing battery life when the agent is close to the base station.

DECT also incorporates security technologies between headset and base to block any eavesdropping which can occur on analogue transmissions, and these digital transmissions are coded and encrypted.

Possible benefits to wireless headsets include:

- Improved agent productivity due to increased mobility and reduced hold time, as the agents can move across the centre to consult a colleague or obtain the necessary resource
- Increased customer satisfaction due to reduced time on-hold
- Improved quality, as supervisors can move freely within their team, not are being held back by the physical limitations of wired headsets
- Improved training, as small groups of new agents can listen in to a live conversation by pairing their headsets to the agent's base
- Improved agent morale, as a high-quality headset is seen as a perk of the job, and wireless headsets tend to be more physically comfortable. Not having a wire hanging over the desktop also makes the workstation a neater and more pleasant place to work.

55% of contact centre respondents used some wireless headsets within the contact centre (an increase on last year's figure of 43%), with an average of 51% of headsets in these contact centres being wireless.

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. 20% of respondents were using wireless headsets for all of their agents.

In past years, there has been a strong negative correlation between the contact centre's size and its use of wireless headsets. This year, this pattern is weaker: 53% of respondents in smaller contact centres use wireless headsets, with a penetration rate of 85% in operations that use them, whereas. In larger contact centres, 48% of operations have some wireless headsets, with a penetration rate of only 11% in these contact centres, suggesting that it may be the supervisors who use these, rather than the agents.

The housing, public and services sectors are the most likely to be using wireless headsets this year.

## ***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, 83% of respondents have some headsets that are able to cope in an IP environment (up from 73% in 2012). Of these respondents, 92% of their headsets can handle IP, with 70% of these respondents saying that all of their headsets are IP-capable.

Respondents from large operations report having implemented IP headsets in 90% of cases, against 85% of medium and 76% of small operations. 94% of headsets in these large operations are IP-capable, against 93% in medium contact centres and 91% in small contact centres.

The public sector, housing, utilities and services respondents were most likely to have IP-capable headsets (in 90%+ of operations this year).

## 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.

Figure 76: What sort of IP phone device are you using?

IP phone device	Proportion of respondents
IP hardphone	48%
PC-based softphone	18%
Both hardphone and softphone	27%
Don't know	7%

## 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.

Dual-earpiece headsets are making inroads into the contact centre space, with the proportion of respondents using a mixture of both increasing significantly this year.

Figure 77: Use of single and dual earpiece headsets

Type of headset	Proportion of respondents
Single-earpiece	37%
Dual-earpiece	18%
Mixture of both	45%

## 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](http://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](http://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:



By applying Eckoh's multi-channel self-service solutions to their contact centres, our pedigree of cross-sector clients have all benefited from reduced operational costs and improved efficiency, enabling their contact centre to focus on more complex enquiries.



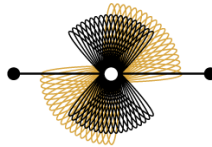
Enghouse Interactive can help balance your customer channel demands against the need to reduce contact centre operating costs, with our flexible multichannel contact centre, self-service, workforce optimisation solutions deliver optimum efficiency and maximise agent productivity across your operations.



Genesys Workforce Optimisation (WFO) comprises several components: Genesys Workforce Management (WFM), 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.



Infinity CCS's technology solutions help you improve customer experience and drive down cost to serve: with our unified desktop, smart workflow and knowledge base your agents can work smarter and focus on customers not processes and software; and with our management, reporting and QA software your operational management team has real-time, actionable insight into performance and compliance.



INTERACTIVE INTELLIGENCE<sup>®</sup>  
Deliberately Innovative

At Interactive Intelligence, it's what we do.



IP Integration helps business leaders create self-funding agent efficiency and optimisation programmes by releasing trapped agent capacity to reinvest in agent training and development or other off-phone activities



Moxie's multichannel customer service solutions reduce average handling time by 20%, increase revenue by 30% and reduce costs to serve by an average of 30%: advisors feel equipped to get the right answers quickly, while they have the customer on the phone or in the shop, increasing their job satisfaction and customer satisfaction, with CSAT scores higher than 80%.



Nexidia, long term educators of Customer Interaction Analytics, works with some of the world's largest contact centres to capture multi-channel interactions, analyse the data and then use this valuable insight into the customer experience to develop business strategies to improve the performance of nearly every area of the organisation.



NICE Systems is the worldwide leading provider of software solutions that enable organisations to take the next best action in order to improve customer experience and business results, ensure compliance, fight financial crime, and safeguard people and assets.



## NOBLE SYSTEMS

Noble Systems offers powerful contact centre technology solutions that increase our client's contact rates, enhance efficiencies and streamline campaign 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

## plantronics®

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

# sabio

Sabio is the only third party partner in the UK certified by Verint to deliver the full Impact 360® services suite: we believe Workforce Optimisation (WFO) is about getting the best out of your people to provide a superior customer service whilst effectively managing operating costs.



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



Ultra is the leading provider of Cloud technology solutions offering inclusive campaign performance monitoring services to ensure clients' contact centres are continuously as efficient and productive as possible.



Vocalcom's contact centre solution enhances efficiency as agents handle multiple contacts simultaneously, quickly access customer context information and answer accurately.

## NEW MEDIA AND THE CUSTOMER OF THE FUTURE

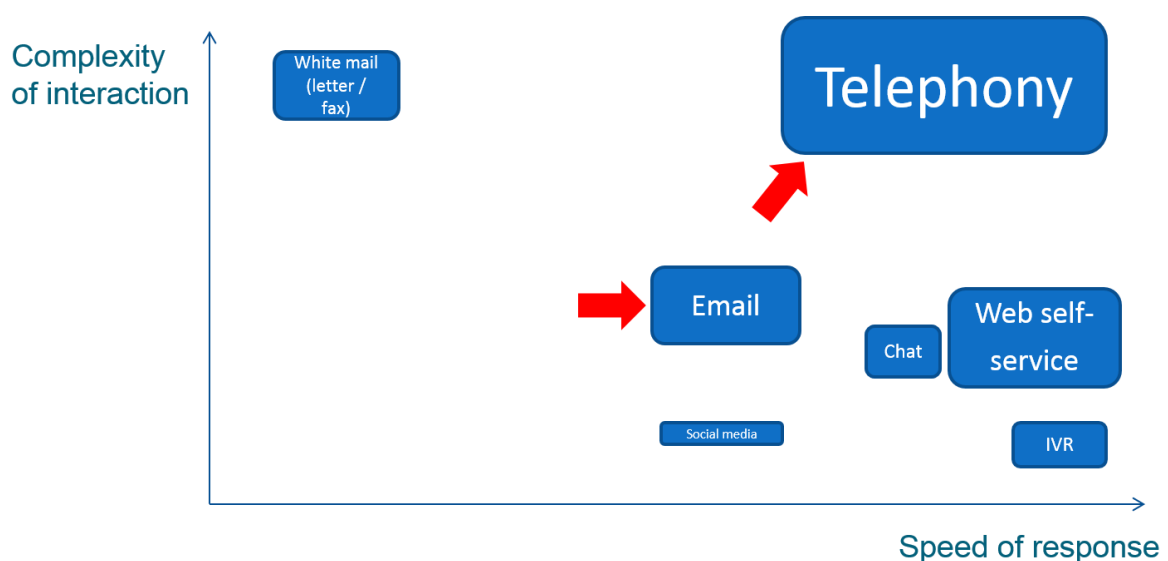
Channels of communication used by UK consumers have proliferated in the past 20 years, but despite the constant media-led groaning about how much everyone hates call centres, the telephone has emerged as the channel of choice, based on ubiquity, speed and ease of use.

In the late 1990s, analysts predicted email to be the next big B2C communication method, only for customers to find that, in many cases, sending an email didn't get customers any sort of answer at all. Predictably, for many years, email accounted for only 1-2% of a business's inbound communication. However, individual organisations (especially those in the IT and retail sector) managed to make email an acceptable channel for customers, breaking the vicious circle that consumers had experienced: receiving poor service via email from a number of companies put customers off from using the medium, which meant that investments weren't made in improving the email channel, which further weakened its effectiveness.

The past teaches us that it is the consumers that make the decision on which communication methods will be most used, not the businesses. If the channel proposed by businesses is suitable for the type of interaction, then it will succeed - otherwise, it will fail. Predicting which channels will be used in future, and by whom, will give businesses a better chance to deliver high-quality service at the right points, while reducing cost where possible. Getting it wrong is expensive and damaging to the brand.

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.

Figure 78: Inbound contact channels: popularity, suitability and speed of response



The preceding chart gives an idea of where things stand in 2013. The size of the boxes gives an indication of the relative importance of major channels, by volume. Each channel can handle interactions of certain complexity, and some are far quicker to provide a response than others. The red arrows indicate how the phone and email channels have altered their capabilities within the last few years.

**White mail:** suited to issues of great complexity and importance, due to the ability to establish a paper trail, found particularly in industries that are contract-driven, for example finance and insurance. Response times are, of course, relatively long.

**Telephony:** on average, by far the largest inbound interaction channel. It has ubiquity, is a real-time two-way channel covering many different topics if necessary, and if queue length is reasonable, has one of the quickest speed of responses of any channel, despite popular perceptions. Since the widespread uptake of self-service, telephony is in the process of reinventing itself as the channel of choice for lengthy, important or complex interactions. For many businesses, contact centre agents have actually become 'experts', without this having being planned.

**Email:** despite the inherent difficulty of establishing a real-time, two-way conversation via this medium, email volumes have grown dramatically in the past few years. Like white mail, email allows customers to go into considerable detail, expressing their thoughts in the order in which they wish. This ability is particularly valued in issues such as complaints, where the customer may have detailed information to impart which it is difficult to put across on a phone conversation. The red arrow in the diagram shows that email response times have improved considerably, but it is still by no means the quickest channel.

**Web self-service:** this channel has grown enormously in the past few years, to some extent at the expense of telephony self-service. The visual medium provides customers with a far more flexible experience, and it is a very quick channel to use for simple queries. (As we do not have statistics on the volume of web self-service interactions, the relative size of the box should be ignored in this case).

**IVR:** after some years of decline, this channel has stabilised this year, and is still widely available and widely used. It is most useful for handling the simplest of transactions, such as balance-checking or providing a meter reading.

**Web chat:** this niche channel is beginning to establish itself, particularly in retail-based environments. As telephony agents provide a back-up to telephony IVR, web chat will offer the same capabilities to support a web self-service session which cannot be fulfilled successfully. It provides a similar speed of response to the phone channel, and there is no reason why customer authentication cannot take place which would allow access to a wider level of service than is currently the case. Cobrowsing can be seen as a very closely related channel to web chat, with similar capabilities and uptake which will be closely tied to that of web chat.



**Social media:** as can be seen by the tiny size of the box in the preceding chart, social media does not yet have significant volumes of interactions for most companies. However it has an extremely high profile both outside and within the organisation, and has grabbed the attention of senior executives far more than the traditional contact centre has ever managed to do. As such, there is a disproportionate amount of interest being shown in social media as a customer contact channel, due in no small part to the potentially damaging nature of a customer service failure being made extremely public.

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 certain businesses may use to target the Internet generation as well as more technically-literate existing customers.

Figure 79: Multimedia channels

Channel	Current use	Drivers	Inhibitors	Proportion of interactions
Email	Widely offered for inbound and outbound service by all sectors, especially IT and retail.	Email is widely-used and accepted by customers. As a non-real-time application, businesses can deal with emails in slack periods. Written format is suited to long and complex answers. Templatised responses offer cost savings.	Without investment in email systems, email is no cheaper to handle than a phone call. Service levels are often poor or inconsistent, leading to customer dissatisfaction. Any interaction that requires security is unsuitable for email checks.	IT and retail often highest. Insurance and finance usually low. On average, the contact centre industry has 10-15% of inbound interactions as email.
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.3-6 of inbound contact centre interactions are dealt with by self-service, usually 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 around 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 very 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.
Social media	Twitter, Facebook, Linked-In, YouTube are all becoming very popular for businesses.	Personal social engagement (e.g. Facebook, Twitter) is spilling into the corporate world. Originally used by businesses as outbound marketing / brand awareness, has developed into de facto inbound customer service.	No security or ID verification process means not all interactions are suitable for social media. High risk of negative PR associated with this channel may lead to over-resourcing at the expense of others.	Less than 1%, but seen by senior management as far more important than volumes suggest.



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SELF-SERVICE



COLLABORATION



PHONE



EMAIL



CLICK TO CALL



COMMUNITY



CHAT



SOCIAL



COBROWSE

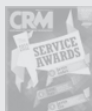


KNOWLEDGEBASE

Over 600 global companies and some of the world's largest contact centres use Moxie's solutions. Several big brands such as Tesco Telecoms, Barclays, Lebara Mobile and Nationwide have used Moxie to cut call volume by 50%, reduce costs to serve by 20% and increase revenue by 30%.



It's not just customers who have seen an impact on their business using Moxie, but analysts rate Moxie as the leading platform for CRM.



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## MULTIMEDIA MANAGEMENT AND THE UNIVERSAL QUEUE

The complexity of providing consistent and timely customer service 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 chosen 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 vital to understand.

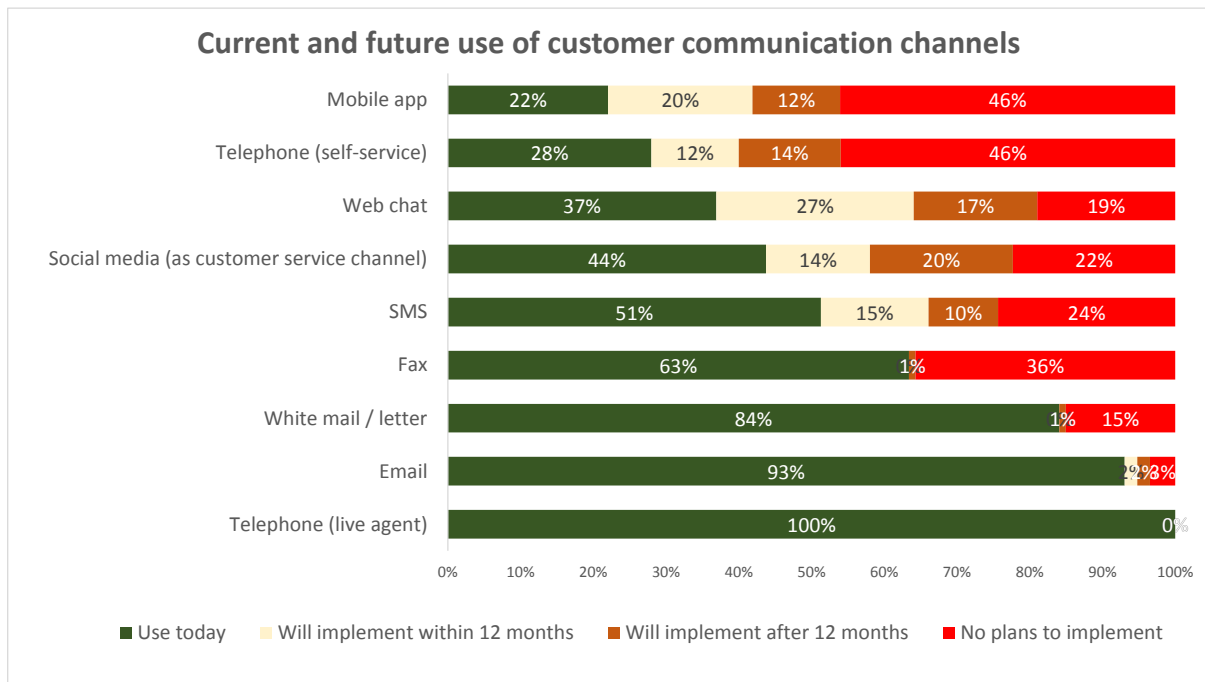
A universal queue is a platform which automatically captures, processes, routes and reports on customer interactions and related activities based on a company's specific business criteria, providing a view of each and every customer interaction. Customer interactions through channels such as voice, email, fax, web chat 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, emails 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.

An optimised multichannel contact centre will have specific groups of agents with the skills deemed necessary for handling particular channels. Interactions from every channel will come into the universal queue, and are routed appropriately based on the agent skills and any information that the system has been able to gather about the nature of the request and the customer who is contacting them. Some operations, particularly large contact centres, will have channels handled by a separate group of agents. While specialisation of this type fits in well with the concept of the efficient contact centre being like a production line, overly-inflexible allocation may lead to spikes and idle periods which could otherwise be alleviated by moving agents between groups.

The UK contact centre industry has embraced multichannel customer communication, with 93% offering an email channel as well as 51% SMS and 37% 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 44% of respondents this year, showing strong growth from last year's figure of 31%..

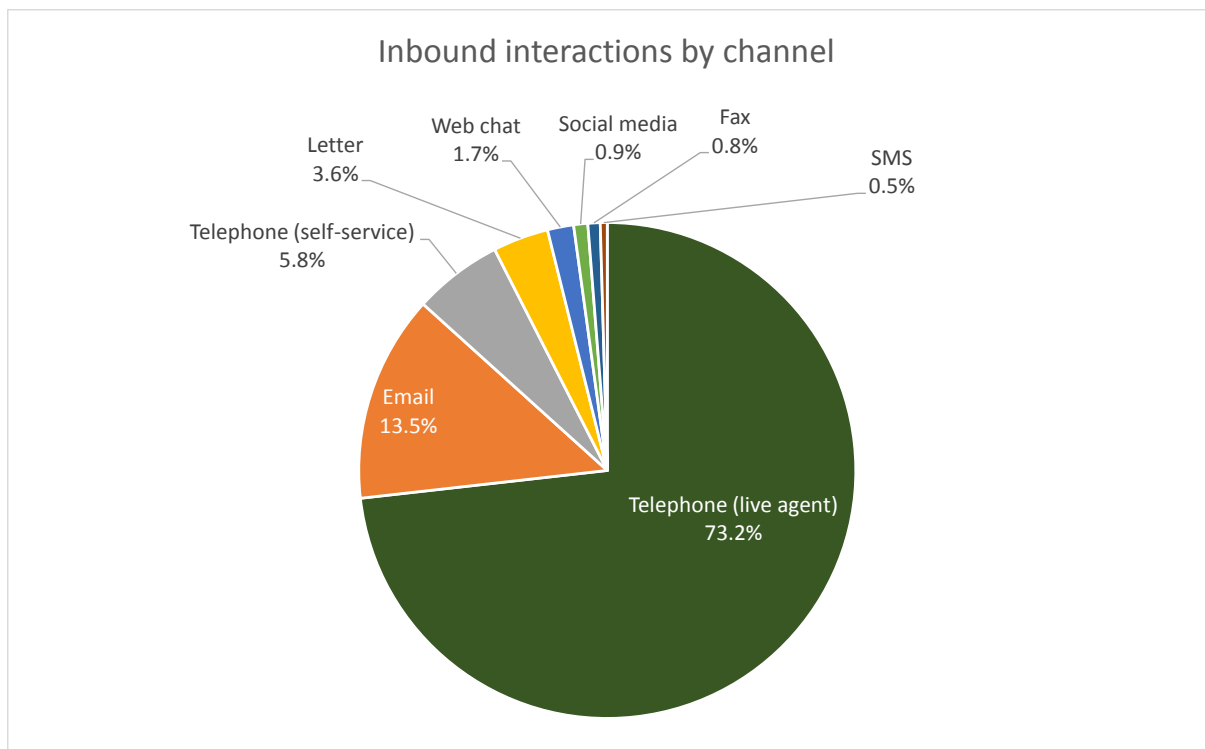
Figure 80: Current and future use of customer communication channels



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 - last year saw 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%.

2013's figures suggest that last year's dramatic changes were as much a statistical blip as a reflection of the underlying change in the structure of the customer contact industry. This is not to say that these changes are not happening, but that the pace of change is perhaps not quite as explosive as last year's figures seemed to suggest. Having said that, longer term historical comparisons show that email is still growing and that the gentle decline in telephony is certainly still present. New channels such as web chat and social media continue to grow strongly - albeit from a very low base - and telephony self-service regains some of its previous importance, after an outlying low figure last year.

Figure 81: Inbound interactions by channel



Agent-handled calls are most important to respondents in the public sector, transport & travel, housing and insurance sectors, with email very strong in manufacturing, retail, services and TMT (especially the IT sub-sector).

Telephony self-service is strongest in the utilities and finance sectors, as well as TMT. Web chat is developing a presence in retail (so as to close online sales), but is still a way off being a major channel for any vertical market.



*Self-service is a very popular channel for the Telecoms industry. Lebara Mobile uses self-service, and has seen a 20% reduction in the number of live calls received. Email is also an increasingly popular channel with large corporate travel companies, with some having thousands of seats of dedicated email agents.*

Figure 82: Inbound interactions by channel, by vertical market

Vertical market	FS	HS	INS	MAN	OS	PS	RD	SVCS	TMT	TT	UTILS	Average
Telephone (live agent)	52%	86%	83%	75%	80%	84%	63%	72%	60%	83%	66%	<b>73.2%</b>
Email	5%	10%	7%	19%	10%	6%	24%	19%	19%	13%	8%	<b>13.5%</b>
Telephone (self-service)	30%	1%	0%	0%	6%	2%	3%	4%	14%	2%	19%	<b>5.8%</b>
Letter	11%	1%	7%	2%	1%	6%	3%	3%	2%	0%	4%	<b>3.6%</b>
Web chat	1%	1%	1%	1%	2%	0%	3%	1%	2%	2%	1%	<b>1.7%</b>
Social media	0%	1%	0%	1%	1%	1%	1%	1%	3%	0%	2%	<b>0.9%</b>
Fax	1%	0%	1%	1%	0%	0%	3%	1%	0%	0%	1%	<b>0.8%</b>
SMS	0%	0%	0%	0%	1%	0%	1%	0%	0%	0%	0%	<b>0.5%</b>

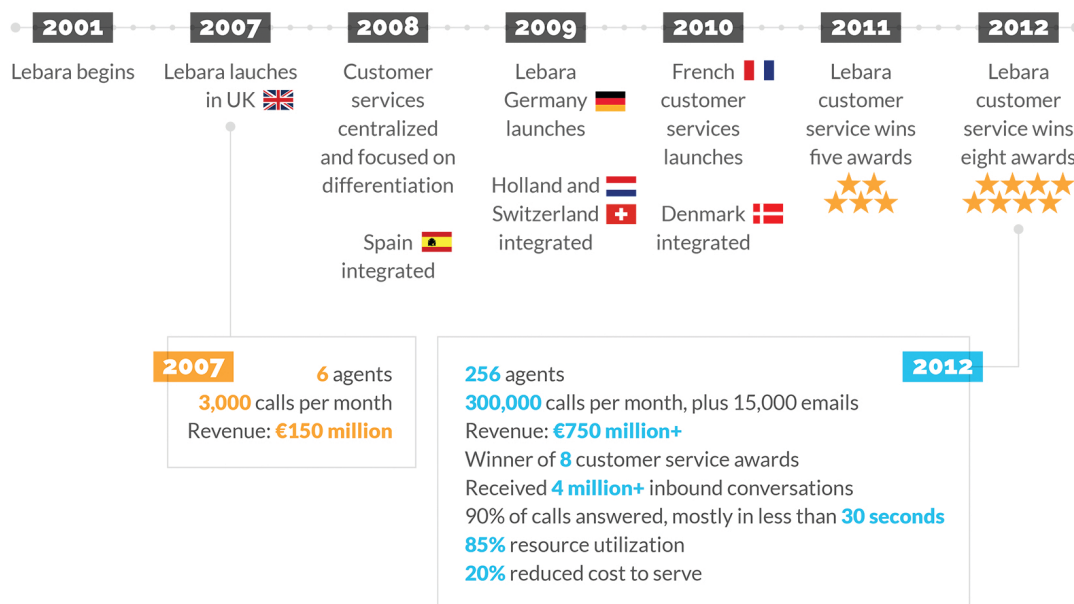
NB: "0%" refers to a number lower than 0.5%, rather than necessarily a zero value.  
Care should be taken when considering vertical market statistics, as the research base may be small. Use only as an indication of relative importance.



# WHO IS **LEBARA?**

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## Lebara's quick road to success



## How Lebara achieved success in customer service

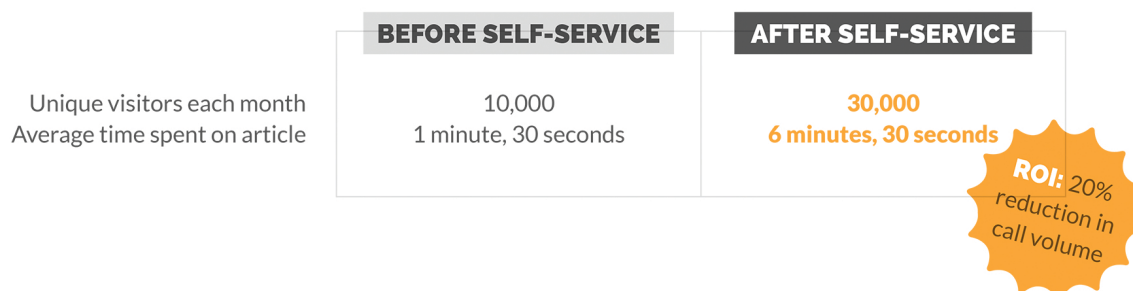


### THE BOTTOM LINE

## ENGAGED EMPLOYEES = AMAZED CUSTOMERS

## Self-service drives further success

Lebara added self-service to their website, which delivered impressive results.



## Learn more

Hear more details of this fascinating study on superior customer experience by viewing our [on-demand webinar with Lebara](#).

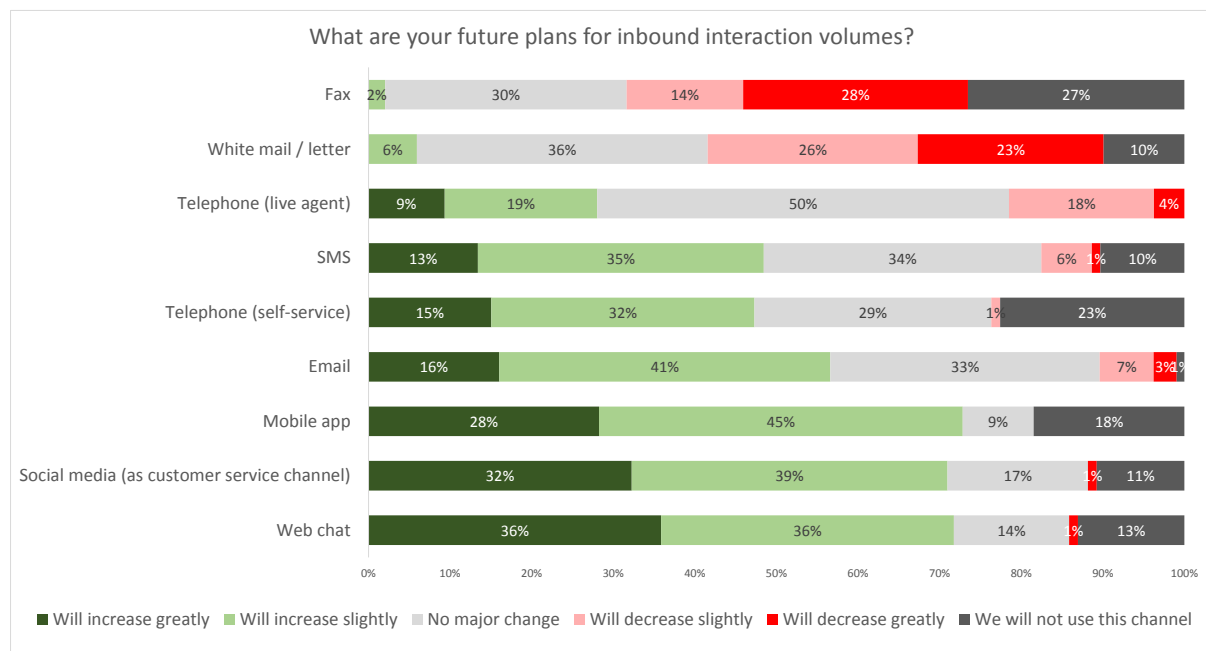
As not all of the same respondents take part in this survey every year, it is not always possible to have confidence that a jump in the usage of a minor multimedia channel is an industry-wide phenomenon, rather than the case of a couple of early-adopters skewing the results, which is certainly possible where only a few use a channel. Therefore, a question is asked about 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 reported sharp decline in telephone self-service last year was perhaps more a factor of specific respondents, rather than an industry-wide movement rejecting telephony self-service. 47% this year's respondents are planning an increase in telephony self-service volumes, impair to only 1% who believe that it will decline.

Email is still looked upon as a growing channel, and web chat, mobile apps and social media are also looked upon very positively. The traditional media of letters and fax are declining in our respondents' eyes, although still have their place in the likes of the insurance and finance industries.

The figure for live agent telephony remained steady at around 73% this year, and a similar proportion of respondents expect it to increase as decline.

Figure 83: How are inbound channels changing in your contact centre?




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## EMAIL MANAGEMENT

Email is the first of the 'multimedia' channels, and by far the most well-used, having been mainstream for well over 10 years. Although its current penetration rate of around 13-14% makes it a relative success, this should be placed in the context of the expectations of contact centre managers who in a 1998 survey confidently expected email to account for 25% of inbound traffic by 2003.

Email should stand as a salutary lesson that it is not businesses that make new channels a success, but customers. Put bluntly, email in its first, Stage I incarnation, failed almost entirely. Too many businesses rushed to push customers to this new channel – commonly supposed to be cheaper than voice – without having the processes, solutions or staff to manage this properly. What happened next can be understood as a 'herd inoculation': enough customers had enough bad experiences from enough organisations that the entire channel was discredited, even for those businesses which were providing a reasonable service through email or just keeping a watching brief.

The reason for this rejection was the appalling level of service provided by many of the early multimedia businesses. With response times stretching into many days, if not weeks, the companies failed to understand that any communication with the business has a degree of urgency to it, else why would they be trying to speak with the business at all? Of course, even when a response was eventually provided, the issue might have gone away, or been dealt with by calling the contact centre, meaning that customers' existing confidence in the voice channel was further reinforced at the expense of the email channel. 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.

 *Surprisingly, we have seen that email is now a major channel for high net worth transactions in the finance sector, and works really well for other verticals such as travel and eCommerce companies. We believe that email as a channel is going to grow significantly since it is a quick way of communicating confidentially (with appropriate workflows in place), without picking up the phone.*

It took many years, much investment and the coaxing of customers to try new channels again for email to emerge as being credible. Of course, businesses and customers now both realize that email is more suitable for some interaction types than others (the rise of web self-service has meant email is no longer the only online communication method available), and complex issues such as complaints, or other enquiries requiring a formal paper trail are well-suited to email. In fact, much of the demise in the letter and fax as channels can be traced to a direct replacement by email. Email is also an excellent outbound channel, providing reassurance, great levels of detail and is able to link to other specific areas of information via hyperlinks.

As an inbound channel, it has inherent weaknesses: an inability to carry out customer authentication and to carry out a 2-way conversation being amongst them, as well as the lengthy wait to get a response. In the longer term, it is likely to be superseded to some extent by more immediate online channels such as web chat and social media. It does however have the advantage over virtually every channel that there is no queue time at all – the customer writes the email and presses ‘Send’ immediately – a ‘fire and forget’ interaction.

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 and significant improvements in response rates in recent years.

Figure 84: Inbound interactions that are email, by vertical market

Vertical market	% of inbound interactions that are email
Retail & Distribution	24%
TMT	19%
Manufacturing	19%
Services	19%
Transport & Travel	13%
Housing	10%
Outsourcing	10%
Utilities	8%
Insurance	7%
Public Sector	6%
Finance	5%
<b>Average</b>	<b>13.5%</b>

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.

As with previous years, emails are proportionally less important for large contact centres, although the past two years have seen a significant increase in the importance of email in the largest operations.

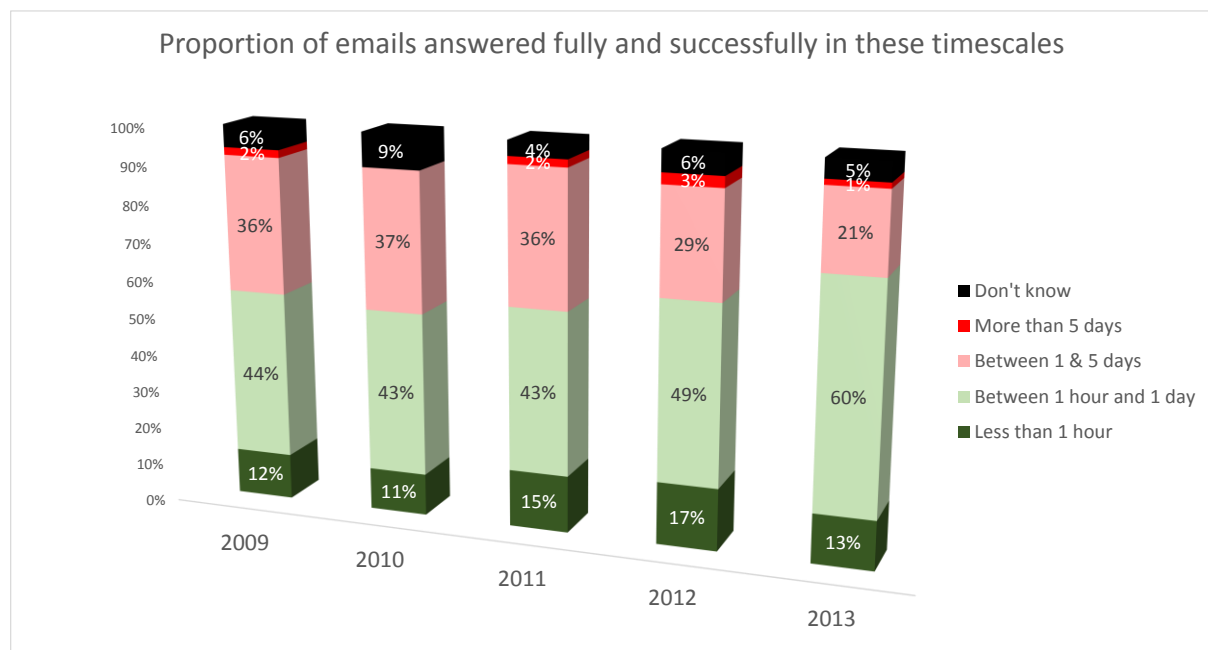
Figure 85: Inbound interactions that are email, by contact centre size

Contact centre size	% of inbound interactions that are email
Small	14.9%
Medium	13.9%
Large	7.7%
<b>Average</b>	<b>13.5%</b>

Email response handling times show further improvements on past years: although the proportion answered within one hour has declined from 17% to 13%, those answered the same working day jumped from 49% to 60%, 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 22% on a two year basis.

Figure 86: What proportion of emails are answered successfully and completely within these timescales?

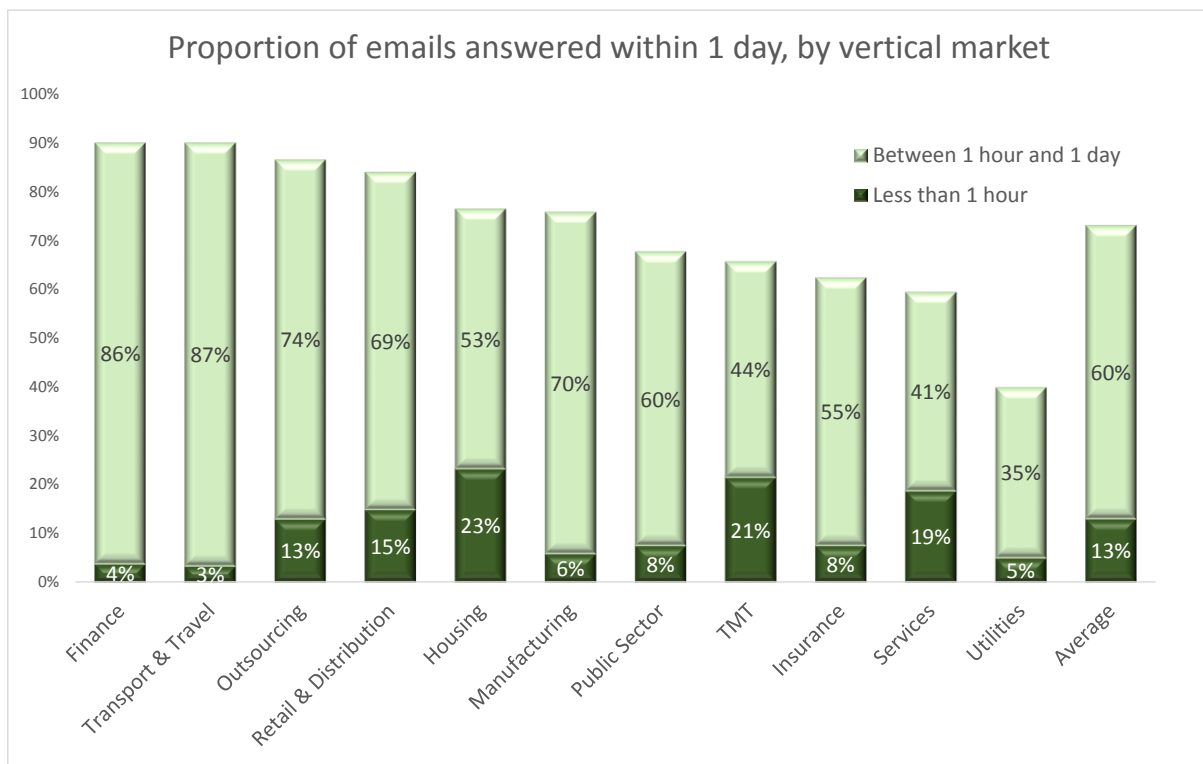


The proportion of emails answered within 1 day can be considered the minimum acceptable standard for an organisation to respond fully to an e-mail, although leading multi-channel businesses are aiming for a 1 hour turnaround in a significant proportion of cases.

The housing, TMT and services vertical markets are most likely to answer emails very rapidly, but the majority of emails in every sector except for utilities are reported to be answered within a day. Of course, the contents of the emails will heavily influence the turnaround time, and with the increase in web self-service, this means that the average complexity of emails is likely to increase, which should in theory mean that they take longer to answer.

When looking at customer satisfaction rates between channels, 22% of respondents state that customers are happiest using the telephone, 21% report little or no difference between email and phone channels, and 57% don't measure this at all.

Figure 87: Proportion of emails answered within 1 day, by vertical market







# Five Best Practices for Great Multi-Channel Service

Delivering great multi-channel service can be a significant challenge given customers' expectations of fast, accurate and consistent service across channels. At the same time, companies must strive to increase service efficiency in every channel in order to drive down costs.

By working closely with its customers, Moxie Software has developed a series of tried-and-true best practices to implement consistent, high quality multi-channel service that delivers a customer-pleasing, cost-effective experience.

## 1. UNIFY KNOWLEDGE

Multi-channel service gives customers lots of opportunity to contact you. It also gives them lots of opportunities to get different answers over different channels because information is maintained in multiple, channel-specific repositories.

**Best Practice:** Implement a unified knowledgebase that provides a single version of the truth over every channel. A unified knowledgebase makes sure answers are the same no matter how customers choose to contact you. With consistent response, customers are more willing to use less expensive channels, such as Web self-service, as they come to trust that answers in these channels are as reliable as answers in high-touch channels.

## 2. DELIVER THE RIGHT CONTENT

Unified knowledge is the starting point for high quality multi-channel service. The next step is to optimize knowledgebase content so that it is targeted to solving the *right* problems.

**Best Practice:** Typically, 20% of a knowledgebase's content answers 80% of inquiries. By identifying this key 20%, you can focus content creation and maintenance on inquiries that represent major cost drivers and most likely impact customer

satisfaction. Do not strive to make content perfect. Instead, streamline content development to minimize the time between creation and publication. The quickest way to do this is by crowdsourcing knowledge across the enterprise. A social knowledgebase allows organizations to capture, refine, and certify knowledge to deliver right answers to customers the first time.

## 3. RIGHT CHANNEL YOUR CUSTOMERS

While it's tempting to make every channel available to every customer all the time, this can prove costly. It is far better to make channels available selectively based on the nature of the inquiry, your service operations and even the value of the customer.

**Best Practice:** Analyze service interactions to align channels with their types, frequency and complexity. Simple inquiries, such as changing a password, can be supported with Web self-service or automated email response. You can also right-channel based on the value of the customer or the interaction. When the value of the items in a customer's cart reaches a certain threshold, proactively invite the individual to chat. Similarly, high-cost channels can be reserved for high-value customers, while lower value customers are offered only self-service and email.

## 4. MAKE EVERY CHANNEL THE BEST IT CAN BE

No matter which channel a customer is using, the goal is simple – deliver a response that promotes a positive outcome and increases first contact resolution. This requires fine-tuning each channel to operate at peak performance.

**Best Practice:** Each channel has specific requirements. For example, make Web self-service easy to find, with the right content to answer the most frequently asked

questions. Email should use auto-acknowledgements to set expectations for how long it will take to get a response. If you use auto-response, include an escalation method. Use chat selectively to support your service goals, such as making it available only on the Contact Us page or only through proactive invitations. Monitor social channels closely and use them to respond to customer issues. Start by focusing on key social channels for your industry, and use tools that can separate relevant issues from the large volume of published comments in order to respond efficiently.

## 5. DELIVER GREAT AGENT / EMPLOYEE WORKSPACES

Customer Service Representatives (CSRs) need a workspace that keeps critical information and functions for resolution at their fingertips. The workspace that eliminates the need to alt-tab between multiple systems and sift through hundreds of search results will reduce call time, increase first contact resolution and deliver a better experience to CSRs and customers.

**Best Practice:** Design a workspace that matches the CSR's skill level and job function. This should include a unified interface that simplifies finding information, as well as a role-based workspace that delivers the processes needed to support the CSR in a particular channel. Finally, enable CSRs to craft the workspace to meet their particular work style, information needs and skill level. For example, allow CSRs to organize their desktops so that the methods they like to use for finding solutions in the knowledgebase are the most easily accessible. ■

## Learn more about Moxie Software's multi-channel solutions:

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## 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 vast majority of respondents 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 88: Use of multimedia blended agents by contact centre size

Contact centre size	Respondent contact centres allowing multimedia blending	Proportion of agents answering both voice and email (only where applicable)
Small	92%	72%
Medium	97%	59%
Large	89%	29%
<b>Average</b>	<b>94%</b>	<b>58%</b>

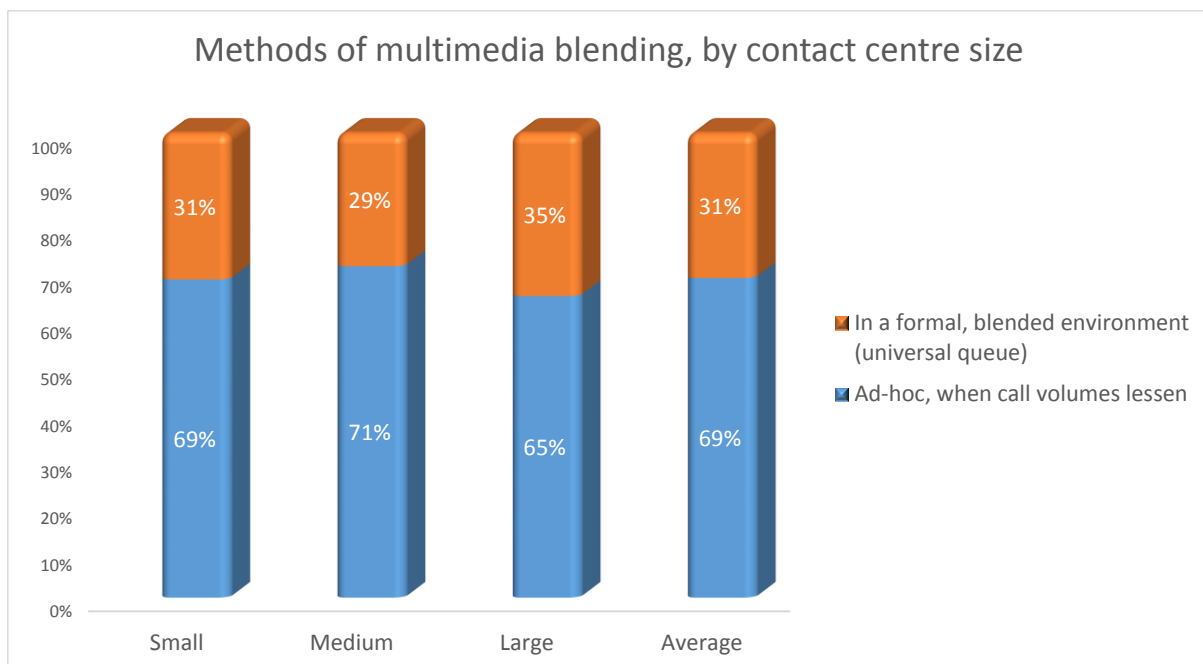


As we can see, simply because a contact centre uses the same agents for email and voice does not mean that all operations use the same level of multimedia blending. For some operations, multimedia blending is a strategic decision which has been invested in with the right levels of technology and training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

Historically, 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.

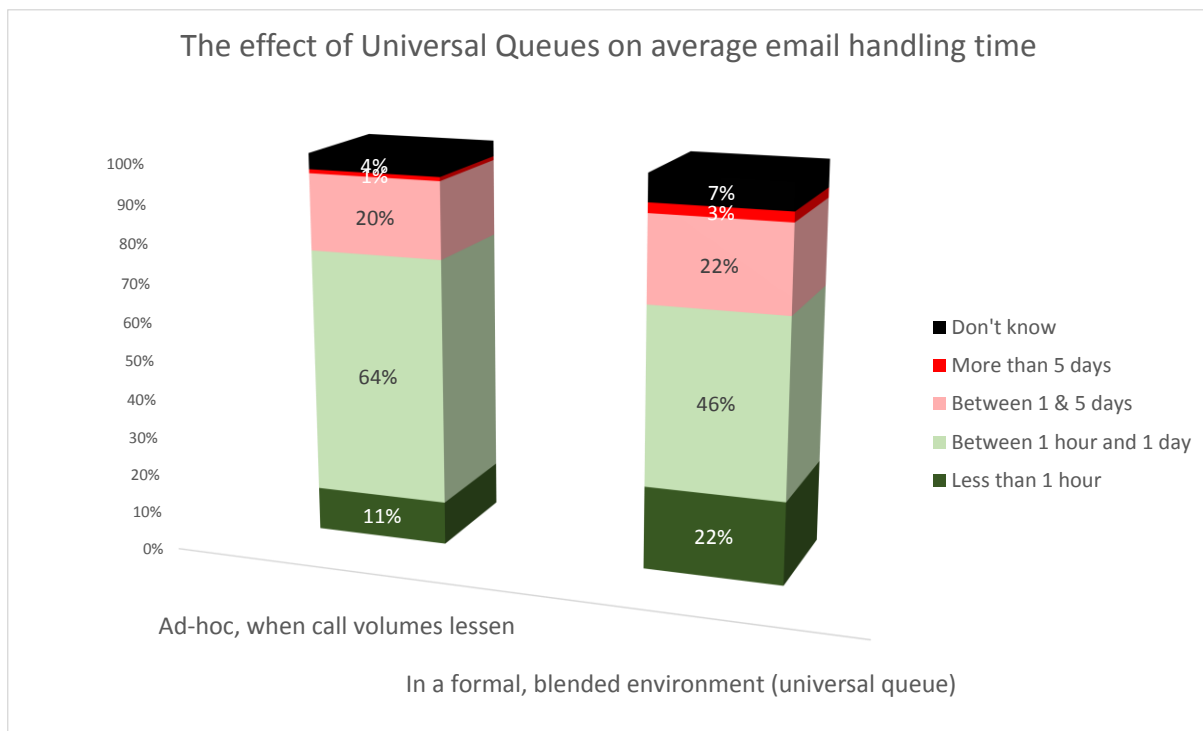
In the past few years, this has changed, perhaps as a combination of the larger volumes of emails coming into smaller operations, along with more reasonably-priced multimedia-capable solutions becoming available to this market. The result is that 31% of respondents from sub-50 seat contact centres state that they use a formally-blended environment, rather than an ad-hoc approach, with 35% of large contact centres doing so.

Figure 89: 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 46% being dealt with inside a day. The overall proportions of emails being dealt with in a single day is similar regardless of whether a universal queue or an ad-hoc approach is taken. It seems from these statistics that universal queue is more likely to increase the chances of an email being answered very rapidly, as there is likely to be a similar and significant number of email requests that will take longer than 24 hours to be resolved, regardless of the initial queuing and routing mechanism used.

Figure 90: The effect of Universal Queues on average email handling time



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## 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.

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### SMS

SMS is a potentially advantageous technology that many businesses have ignored. Growing numbers of 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 telephony<sup>5</sup>, while in the UK, 15% of all households are mobile-only<sup>6</sup>, 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, particular as MMS (multimedia messaging service) becomes more prevalent. 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.

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<sup>5</sup> Harris

<sup>6</sup> Ofcom, 2013

One of the potential issues with written communication - and especially SMS - is finding the best way to deal with replies from the customer. If the SMS is a call to action - e.g. texting a keyword to a five-digit shortcode to receive more information, for example, then that is simple enough. However, problems can arise when a customer wishes to reply directly to the SMS, in order to start a conversation with the business. The issue of queuing and routing the SMS to an appropriate agent is the same as for email, and there is also the question of getting through security - if necessary - which takes around 20 seconds in a normal conversation with an agent, but the same process can take minutes through the exchange of texts, making it unworkable, meaning that SMS is probably best as a one-way outbound or limited two-way channel.

SMS is suited to automated information requests from customers, marketing campaigns and proactive customer service. Like email, it is unlikely to be the channel of choice for customers with complex requests, but will be very capable of doing what it is good at: simple information provided in a timely fashion. SMS has the ability to add a new level of cost-effective customer service and marketing to many companies' contact strategies, and with Generation Y becoming important mainstream consumers, businesses may wish to consider if SMS can fit into their contact strategy.

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## WEB CHAT AND WEB COLLABORATION

Web chat (or instant messaging / IM) and co-browsing are similar in that they offer a live assistance option 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, but this is certainly changing quickly.

**Web chat** 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 quite another question. Agents can respond to frequently-asked questions by using 'hot-keys', which provide templatised answers and can escalate queries if required.

Web chat has often been used as a 'point of crisis' channel, for example, to convert an online shopping basket into a sale by providing timely service, or if a browser is paused on a webpage too long, perhaps as they can't find what they are looking for. In such cases, there are two main benefits to the business to provide text chat: revenue maximization, and the avoidance of unnecessary calls.

Web chat can also act as a safety net for the customer if an online self-service attempt fails. An analogy can be made with voice self-service, where a failed session is often ended with the customer 'zeroing-out' – pressing zero to get in touch with an agent. Failed web self-service sessions may end with a phone call being made, but web chat can avoid a number of these, which is a cost saving for the business, and better for the customer as well.

The customer of the future - especially the younger generation - are often accomplished Instant Messengers, and will be keen to use the web chat option with the businesses they work with. However, web chat is currently only really useful for general 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 web chat agent can't ask the standard security questions to the customer via chat, but this is rarely done today.



*Relate, the national charity for relationship counselling, uses web chat. They have delivered over 44,000 chats in the past 3 years and are able to reach more people (including men and teenagers) through this new channel. As such, web chat can provide a personalised experience: you can find their case study [here](#).*

A **Virtual Agent** appears to a browsing website visitor to be a human agent, offering web chat. However, it is an automated piece of software which looks at keywords and attempts to answer the customer's request based on these, including sending relevant links, directing them to the correct part of the website or accessing the correct part of the knowledge base. If the virtual agent cannot answer the request successfully, it will seamlessly route the interaction to a live web chat agent who will take over. It is possible that the browser will not even realise that any switch has been made between automated and live agent, particularly if the web chat application is sophisticated enough to pass the context and the history to the agent.

**Proactive and reactive chat:** originally, web chat was reactive, relying upon the browser to initiate a conversation. Businesses then decided to go on the offensive, popping up chat boxes and encouraging customers to start conversations. Some more sophisticated customers are unfazed by this, but overly-insistent use of web chat can put some customers off entirely.

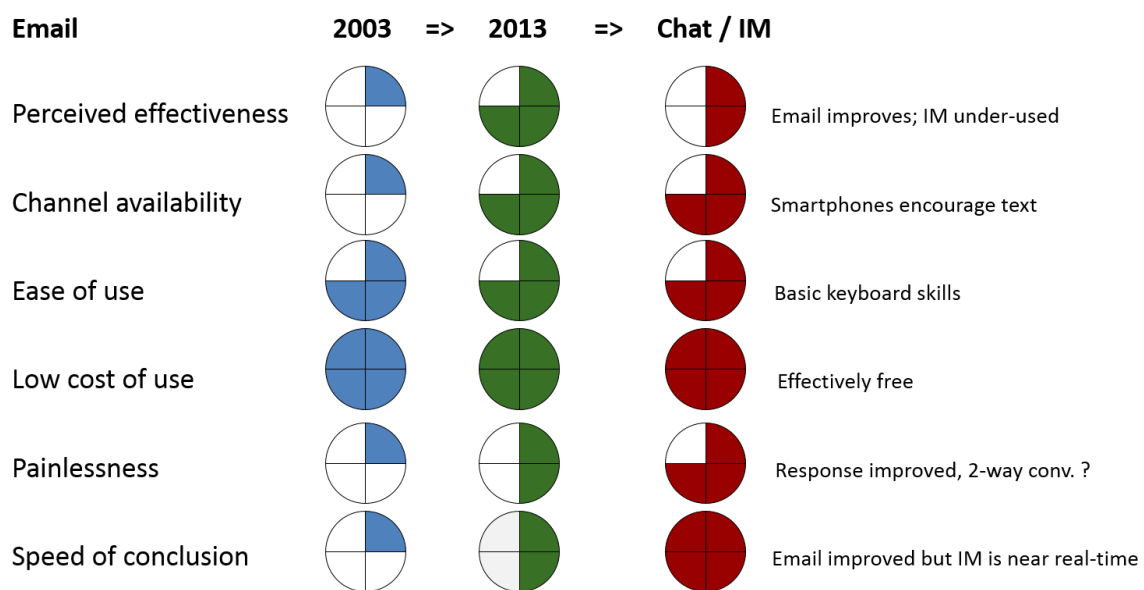
There are various levels of intelligence that can be used to support proactive chat more effectively. If the customer has logged in, it is possible to identify them, and take into account past channel preferences, purchase history and other relevant information in order to personalize the experience, (for example including details of relevant offers to that customer).

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 web chat, and some businesses are actively recruiting such people to work as web chat 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 possible mutual incomprehensibility of accents.

## Current and future role: web chat

Web chat seems to be experiencing growth in the UK, with the proportion of interactions jumping to 1.7%. There is no reason why this growth will not continue: it works well for customers as providing an immediate response, and with multiple concurrent chat sessions per agent, it can be a lower cost channel than voice for the business to support. Solution providers report that web chat is currently being trialled by numerous businesses, often at a limited, or departmental level so they can assess the suitability of the channel for a company-wide rollout, and understand what needs to be done to ensure a success.

Figure 91: Customer experience of email and web chat



A case can be made (above) for the future rise of web chat at the expense of email. From a customer's perspective, the near real-time response of web chat is far superior to even the best email response rates (i.e. less than one hour). This speed also means that a 2-way conversation is possible, with clarification and multiple questions being available in the same way that happens in a phone conversation (albeit more slowly). Customer identity verification is also in theory possible; although, the reality may be that some customers do not feel secure enough to divulge password or personal information online.

Web chat's perceived effectiveness is still not as great as email's, due in large part to the unfamiliarity of the new channel to many customers, rather than anything intrinsically less effective about the channel.

The increased importance of the mobile channel, especially via smartphones, means that customers will have a way to interact with agents without having to use their mobile's call minutes. We would expect a growing number of customer service mobile apps to have a web chat option included in them in order to provide live customer service in those cases where self-service has broken down.

**Co-browsing** (or web collaboration), which sometimes includes form-filling and page-pushing as a sub-set of functionality, is a very intensive, one-to-one channel, formerly 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 has been 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.

Co-browsing may be used to help customers fill out forms, or to complete online transactions, and may be done in conjunction with a concurrent telephone call. Unlike page-pushing - which is a one-way movement of information from agent to customer - and screen sharing - where the agent takes control of the customer's desktop - co-browsing is a true two-way collaboration tool. Either the agent or the customer can control the cursor or enter data into fields, and business rules can be set up so that the agent does not see or enter sensitive information.

While it is not a cheap option, cobrowsing, particularly in association with a telephone call, can be an effective way of closing a high-value sale. It is, however, currently used in very few UK organisations.

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More information about the future of multichannel customer contact can be found in [“The Inner Circle Guide to Multichannel”](#), available for download, free of charge, at the ContactBabel [website](#)



## SELF-SERVICE

Telephone self-service 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 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-Back, Routing and Queue Management' in the 'Maximising Efficiency and Agent Optimisation' section.**

**This chapter considers IVR and speech recognition only as part of a full self-service solution, i.e. one that takes the place of an agent.**

## Give your customers the multi-channel experience they want

To provide the level of multi-channel service that customers now expect, organisations have to optimise their contact centre environments. They can achieve this by automating the simpler tasks for customers that will also increase agent productivity:

- Intelligent, efficient call routing
- Customer identification and verification
- Real-time 24/7 information
- Customer data capture
- Secure PCI DSS compliant card payments
  - Premised
  - Cloud hosted

Enhance your customers' experience and minimise your contact centre's call handling time with automated voice, web and mobile self service solutions.

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Figure 92: Advantages and disadvantages of touchtone IVR for self-service

Advantages	Disadvantages
Fantastic cost-cutter: 6 IVR calls cost less than a single person-to-person call (a live call is reported to cost an average of £3.87m with an IVR session costing 65p)	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 personalisation, 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. Use of visual IVR or automated speech recognition can alleviate this
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
High level of familiarity of touchtone IVR as it has been in wide use for a long time	Although not a specific disadvantage of touchtone IVR, contact centres may measure the customer queue time only once IVR has been passed through, whereas the reality for the customer is that the IVR session is part of the experience
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, although VoiceXML and cloud-based solutions alleviate this

## 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 which can provide customer services apps and allow web browsing on the move. However, the Contact Centre Strategy chapter later in this report shows that there is still a lot of interest in implementing and upgrading voice-based self-service solutions, as well as implementing web-based and mobile self-service options as well.

Figure 93: 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
Check balance information	Banking
Product information	Retail
Online registration	Any
Order entry	Retail, travel
Balance enquiry	Banking, credit cards
Meter reading	Utilities
Dealer or store location enquiries	Car sales, retail
Ticket booking	Cinemas, other entertainment
Real-time punctuality checks	Airlines, trains
Status checks, delivery information	Retail (esp. online), IT helpdesk
Bill payments	Subscription services, utilities
Form filling	Any
Brochure request	Travel, retail, estate agent
Password reset	Finance, IT



*Organisations realise that to provide the level of multi-channel service that customers now expect they have to optimise their contact centre environments which includes automating tasks to increase agent productivity. Customers can now contact an organisation, locate a store, find real-time stock/service information, order and pay for goods and services; and receive confirmation of payment - all without physically needing to speak with an agent. And when a customer is presented with a well-designed self-service solution that quickly and accurately achieves their objectives, it provides a much more satisfying experience.*

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 generic 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	<b>Very high</b> <ul style="list-style-type: none"> <li>- balance enquiries</li> <li>- ticket booking</li> <li>- utilities meter reading</li> </ul>	<b>Medium</b> <ul style="list-style-type: none"> <li>May use speech recognition</li> <li>- form-filling</li> <li>- stock purchase</li> </ul>
	Low	<b>Medium</b> <ul style="list-style-type: none"> <li>May use hosted solution</li> <li>- FAQs</li> <li>- low security interactions</li> </ul>	<b>Low</b> <ul style="list-style-type: none"> <li>Cost of system purchase and update may be prohibitive compared to using live agents</li> </ul>

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 – little more than an ‘organic interface’) should have implemented self-service by now. There are estimates that 70% of calls to helpdesks are password 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 in the cloud, 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. Much of this type of functionality is being moved to a visual self-service channel, such as web, as it is quicker for the customer to read, although speech is still quicker than typing.

Touchtone IVR has been a notable success for many businesses, but the added flexibility and power of speech recognition should also be considered, as well as looking 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. In such cases, businesses should consider alternative application delivery methods, such as a cloud-based solution.

### **Speech Technology in the Cloud**

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, nor are they responsible for providing the IT resource to maintain it.

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. Cloud-based 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 cloud 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. Although all of this year's utilities respondents offer a telephony self-service channel, many have made significant investments in web-based self-service, and the relatively low proportion of self-service calls handled (20%) shows that many customers are choosing online servicing ahead of telephony self-service.

Overall, 28% of respondents offer a full self-service option through a voice channel, compared to last year's figure of 26%, 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 94: Overall proportion of calls handled entire through self-service (only in respondents which offer telephony self-service)

Vertical market	Proportion of contact centre respondents offering a full self-service option	Overall proportion of calls handled entirely through self-service <u>if offered</u>
Utilities	100%	20%
Finance	70%	58%
Public Sector	50%	7%
TMT	30%	40%
Outsourcing	29%	9%
Transport & Travel	25%	5%
Housing	17%	5%
Retail & Distribution	15%	18%
Services	15%	29%
Insurance	7%	5%
Manufacturing	0%	n/a
<b>Average</b>	<b>28%</b>	<b>22%</b>

NB: proportion of calls handled through self-service refers only to the 28% of respondents offering a full self-service option. A full-industry view of how self-service telephony fits into the inbound picture, including non-users, can be seen in the Multimedia chapter.



On average, 17% of voice self-service is handled through automated speech recognition, rather than touchtone IVR, a figure which remains 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 25% of medium-sized contact centres' and 17% of large operations' self-service calls being dealt with using ASR. This is an 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 95: 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%
Insurance	100%	0%
Transport & Travel	100%	0%
Services	98%	2%
Outsourcing	88%	12%
TMT	87%	13%
Public Sector	85%	15%
Retail & Distribution	83%	18%
Finance	69%	31%
Utilities	60%	40%
<b>Average</b>	<b>83%</b>	<b>17%</b>

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## SUITABILITY AND EFFECTIVENESS OF SELF-SERVICE

Self-evidently, many calls are not suitable for self-service, as they may require multiple requests within the same call, be of a complex nature or be from a caller who feels that they need to speak with a human agent. Additionally, some small businesses may have such a low volume of calls that it is not cost-effective to implement self-service.

Although 72% of respondents do not offer any full self-service solution via telephony, only a minority believe that self-service is entirely unsuitable for them, meaning around a third 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.

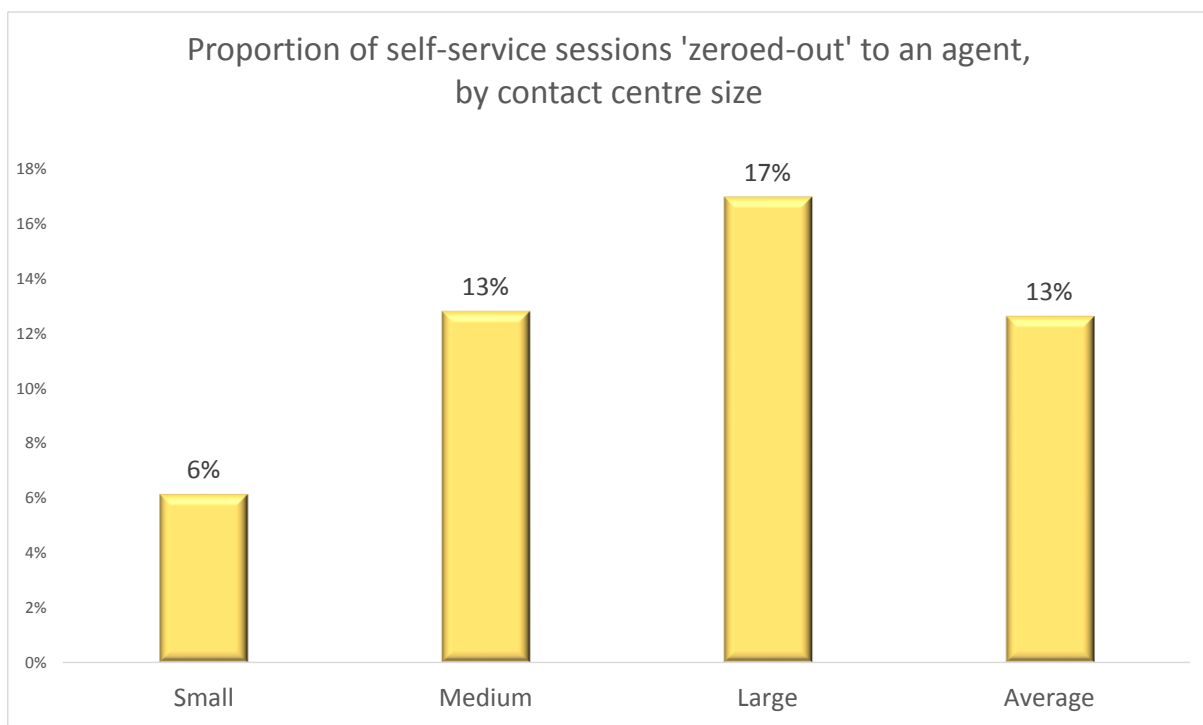
Even amongst those which offer telephony self-service options to customers, there is a feeling that the majority of calls are not suitable for complete automation. However, some sectors strongly believe that self-service has a great untapped potential, with the recently cost-conscious public sector stating 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 IT sector in particular has embraced the concept of customer communities, which is explored in greater depth within the Social Media chapter of this report. Effectively, users of the technology or products act as a crowd-sourced self-service base, which can actually be more effective and quicker than contacting the company in the first place. The mobile phone provider, giffgaff, is an example of this, whereby users help each other and customers will only contact the business for account-specific information, with a published 24 hour email turnaround timescale. The advent of mobile self-service applications via smartphone or tablet is something that is growing very rapidly, and is explored in The Mobile Customer chapter.

When considering telephony based self-service, customers need to be persuaded to use IVR, and businesses can measure success in two ways: through the “play” rate (what proportion of customers try to use IVR), and the “completion” rate (how many can successfully interact with the company without having to involve a human agent by “zeroing-out”). Customers need to be motivated to use IVR (i.e. there’s something in it for them), and businesses 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 appropriate 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 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 businesses don't offer a live agent option to an irate and frustrated caller, they 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 contract 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.

Figure 96: Proportion of self-service sessions 'zeroed-out' to an agent, by contact centre size



Overall, a mean average of 13% of calls that go into the self-service option are "zeroed-out": instances where the customer decides that they in fact wish to speak with an operator, which is up slightly on last year's 11.7%. (NB, 1<sup>st</sup> quartile performance for 'zeroing-out' is 1%, the median is 5% and the 3<sup>rd</sup> quartile is 30%, which indicates that there are a relatively small number of contact centres where self-service failure rates are high, which this year's data indicate are more likely to be in the public, finance, insurance and TMT sectors).

There is a very noticeable positive correlation between the size of the contact centre and the proportion of self-service sessions that are abandoned in favour of speaking to an agent: the larger the contact centre, the more often customers 'zero out'. One possible reason for this might be that larger operations are trying to do too much with their self-service. There is some circumstantial evidence to suggest that this is the case, as it is very noticeable that respondents from larger organisations tend to have far more options in the auto-attendant functionality of their IVR solution, and this tendency to offer a great deal of functionality and options may well also apply to IVR's self-service functionality as well. As an example, 25% of large contact centres have four or more options in their IVR routing menu, compared to only 5% amongst small respondents. Overly complex or long-winded IVR functionality will tend to encourage session abandonment, and this may well be what we see here.

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, again this year, 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 16.5%.
- In contact centres where the majority of self-service is offered through touchtone IVR, the mean zero-out rate is 10.2%.

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 from the industry.

#### **Cost differentials in self-service and live voice support**

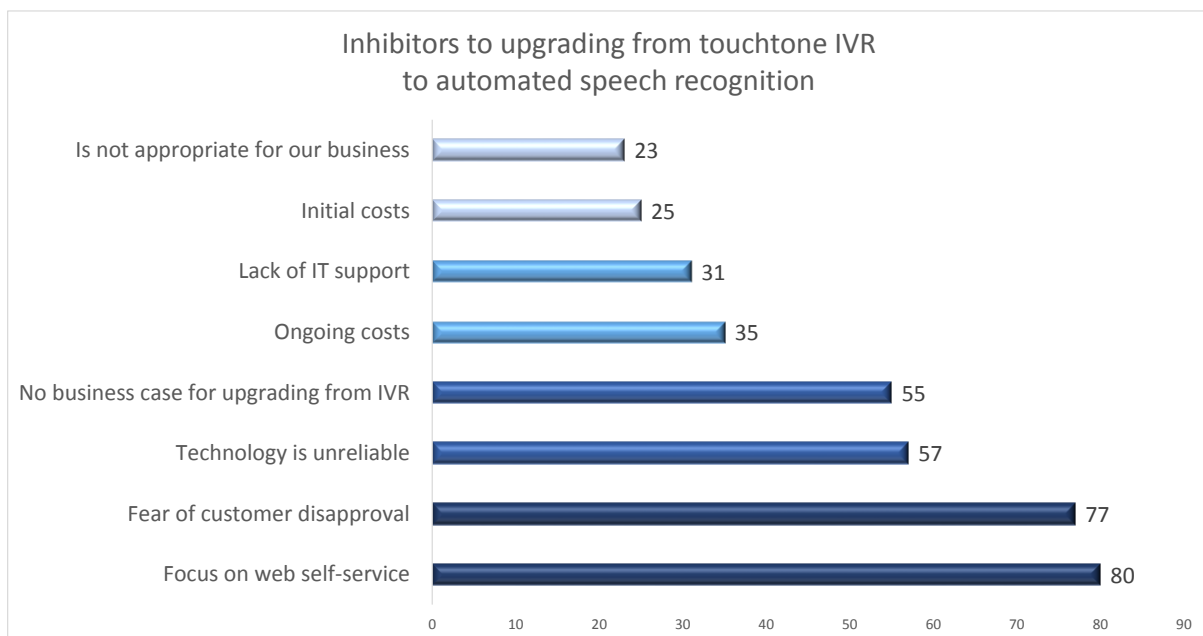
- The average cost of a live telephone call varies considerably, but has a mean average of £3.87.
- Respondents state that the average cost of a telephony self-service session is 65p.

## 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.

The following diagram shows the net scores based on how respondents considered the importance of various inhibitors to upgrading from touchtone IVR to automated speech recognition. If a respondent strongly agrees that an inhibitor is important, it will score 2; if they agree, but not strongly, a score of 1 is given. Conversely, if a respondent strongly disagrees that this inhibitor is stopping them upgrading to automated speech recognition, a score of -2 is given; if they merely disagree, a score of -1. Neutral opinions score zero. The figures next to the bar refer to the net score, with the highest figures being the strongest inhibitors.

**Figure 97: 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 and that their customers would not like it. Fear of customer disapproval is still a strong inhibitor to moving towards speech recognition, but the most important inhibitor is that businesses feel that they should focus upon web-based self-service, rather than looking to move from touchtone IVR to speech recognition.



*Natural language speech solutions are now available that greet callers with one simple question: “How can we help you?”. With speech recognition applications appearing on mobile devices, electrical goods and PCs, consumers are now more comfortable giving voice commands to an automated system - so when the customer describes the reason for their call in their own words and is routed correctly to the department or person they need, they perceive the experience as a good one. As customers can now take control of their interaction, this minimises any frustration and increases their confidence in an organisation’s ability to provide them with the right level of customer service and support.*

These are not the only inhibitors, there is still (perhaps misplaced) concern that technology is unreliable and that the additional expense may 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.

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. Businesses and solution providers should take note of the fact that self-service, in all of its many various guises and channels, is second only to telephony infrastructure upgrades in terms of the investment priorities of the contact centre within the next two years.

## A new empowered, self-serving customer

**It is predicted that by 2015, most people will use a tablet as their main computing device, replacing the home PC. In addition, 64% of people in the UK now own a smartphone. This unprecedented growth and demand for mobile information has led to a behavioural change in how your customers want to contact your organisation for help and information.**

Customers are becoming more self-sufficient and want to try and sort out their problems on their own before talking to a company representative. Where a phone number to a contact centre was historically the primary source of product and service information, this has now been absorbed into a much larger pool of communication options for the customer.

This doesn't mean to say that spoken interaction is diminishing as a customer contact channel. Your customers still want to speak to an agent but their rationale for picking up the phone has changed. The phone is still the channel of choice for customers and companies alike when it comes to resolving a complex query, but three main aspects have changed:

- 1) Consumers now expect self-service channels to answer their basic enquiries;
- 2) Agents are now viewed as the trusted advisor, the expert and the hub that binds all the other channels together.
- 3) As well as having a choice of contact points to an organisation (without being particularly loyal to any one in particular) customers want the option to start an interaction in one communication channel and finish it in another.

### Organisations are evolving their customer service functions

Organisations are introducing more ways for their customers to be more self-sufficient when seeking information, placing orders and making payments. These include automated voice systems (using both touchtone and speech recognition); feature rich websites and mobile web; SMS and smartphone applications.

Contact centre agents are being given access to customer history to provide a richer interaction by building on information that has already been communicated to the customer. Agents are also being empowered to use communication tools such as webchat, email, SMS and social media to directly and conveniently converse with customers for service and support.

Combining all these elements to create a seamless customer experience is the main challenge businesses are now facing. To date, multi-channel management has created communication silos that have often resulted in a disjointed service. Creating the agile service that customers want means standardising resolution and customer service processes, across all channels and touch-points.

### Increasing self-service automation and personalisation

To provide the level of multi-channel service that customers now expect, organisations realise they have to optimise their contact centre environments. This includes automating the simpler tasks for customers to deliver an increase in agent productivity.

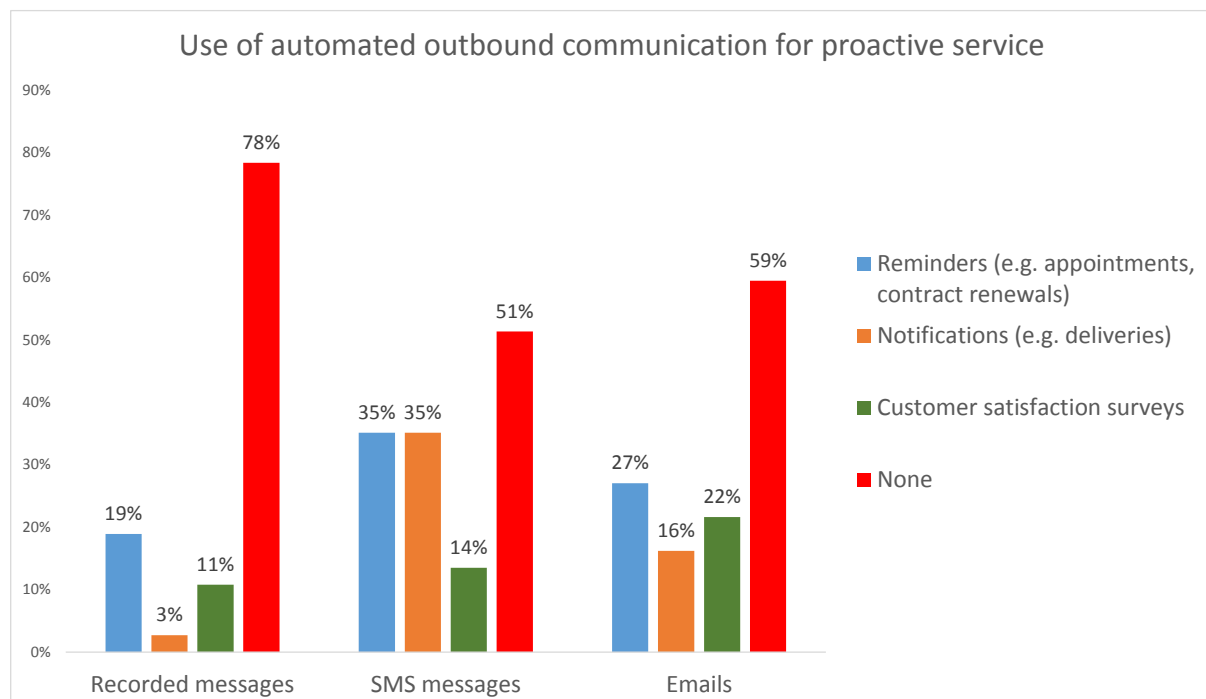
Through multi-channel automation, self-service applications make it easier and quicker for customers to achieve certain tasks or receive information over their phone, web and mobile devices. They can get their questions answered, provide feedback, find out or request information about products and services, order and pay for them securely and receive confirmation of payment. The addition of personalisation that recognises returning customers and anticipates their needs makes the overall self-service customer experience a much more satisfying one.

## OUTBOUND SELF-SERVICE

Traditionally, outbound customer contact has been heavily sales-focused, and as it relies on a live agent communication, has tended to be expensive. Leading companies now carry out a reasonable amount of live proactive outbound customer service, which tends to account for between 15 to 20% of their outbound activity. However, the same restrictions around cost apply to this process as well.

The opportunity exists for what could be called 'outbound self-service' to expand, such as sending reminders and notifications to customers through an automated process, thus significantly reducing the cost to the business while improving the overall customer experience. We could define this as being an element of self-service, because it is part of a longer process that is driven by the customers' initial action, such as placing an order or making an appointment. In a significant number of these cases, a customer will choose to seek clarification or a status update at some point in the process through making an inbound interaction. By sending a pre-emptive outbound message, the business is proactively assisting the customer to manage their interaction, making this an element of self-service.

Figure 98: Use of automated outbound for proactive customer service



More than three-quarters of respondents do not use recorded messages for any purpose, perhaps in part because of cultural negativity surrounding recorded messages, such as those pushing PPI compensation or personal injury claims. SMS messages are used much more widely, with reminders and notifications being particularly popular for this channel, particularly in the retail and finance industries. The simplicity of SMS provides a cheap and easy route to the customer, with all of the information that the customer requires able to be sent in a small number of characters. Although not strictly part of the self-service mix, outbound customer satisfaction surveys are also a popular activity for customers to be invited to take part in, via an automated outbound channel.



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## VIDEO AND IVVR

Video chat has often been marketed as being a powerful tool in order to build trust and rapport with customers, with many commentators pointing out that a great deal of communication happens non-verbally, which could in theory build trust between the customer and business. Video can be either one-way (traditionally thought of as the customer seeing the agent) or two-way. In fact, smartphones also allow one-way video from the customer to the agent, which is of greater interest to some businesses. Insurers are particularly interested in one-way video: for example, customers involved in an accident can take video of the situation immediately afterwards, which will give the insurer a far better understanding of what happened rather than relying on verbal testimony after the event. It can also mean reduced costs for the insurer in that they will not have to send out an investigator to look at the damage.

Solution providers report that two-way video (or 'talking head' video) is not a very popular option. It is possible that it might be used for certain high net-worth individuals, for example, for trust reasons, however, this is very limited. There may be a role for it in a consultative, kiosk-based environment, for example, contacting mortgage advisers via kiosks while in a supermarket. While this may seem a bizarre example, in certain rural parts of America where customers are nowhere near the bank branch, this works very well.

Video chat has traditionally been thought of as a live communication channel, but in fact the increasing popularity of YouTube and smartphones means that agents can send links to recorded videos to customers that can provide assistance to queries that might otherwise require a very long phone call.

### **IVVR - interactive voice and video response**

IVVR - the placement of visual self-service options on a screen (PC or smartphone) 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.



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)

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## VIPAS - THE FUTURE OF SELF-SERVICE?

It's probably fair to say that the interactions with the customer of the future will be a highly-polarised mixture of the automated and the personalised.

Moving a large proportion of interactions onto self-service will work for businesses, and having a VIPA (see below) or other third-party seek out the best deals on offer will appeal to many customers. This leads to the conclusion that many customer-agent interactions will be exceptional, such as a complaint, an urgent or complex issue or a technical query that an FAQ or customer community couldn't solve. It is also likely that whole segments of the customer base who don't want automation will be handled directly by live agents in many cases.

The VIPA is something which isn't yet widely available, but which is inexorably on its way, being driven by improvements in technology and the desire of the customer of the future to get the best deal with the least effort. Perhaps the most widely-used, albeit very basic version of the VIPA is the iPhones' "Siri", which provides basic web search functionality based on speech recognition. It is still a very long way from being a VIPA.

### ***'VIRTUAL INTELLIGENT PERSONAL ASSISTANTS'***

Most self-service scenarios suggest a world in which customers speak directly to 'intelligent' systems. The world of the 'virtual intelligent personal assistant' (VIPA) - turns this idea on its head, postulating an e2e world where the customer delegates many business interactions to a pseudo-intelligent device.

Storing information on a VIPA device - such as personal preferences, financial details and individuals' physical profiles - is the first step, and one which is possible to do today. Customers of the future will then instruct the device to research the best deals for products and services, and to come back to the device's owner with the best selection. The VIPA would 'call' the relevant contact centre (which would in fact be either a number of back-office company systems or even a live agent) and could even purchase the best deal without having to involve the owner in any way.

VIPAs may be used in association with knowbots and smart assistants (also called intelligent agents), which roam the web for answers to questions or situations, and could act as a third-party broker between the customer and a business. Price comparison sites act today as a type of first-generation smart assistant, but are entirely reliant on accurate and complete data inputs being provided by suppliers and the site's owners.

If VIPA technology could be relied upon to work, and standards of interoperability between VIPA and businesses were implemented, then this immediate and extensive market knowledge could create a 'perfect market' for commoditised products and services, with major impacts on existing businesses.

## 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, for whom 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 most businesses, wrong. With around 30% of 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 an issue for today.

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.

Social media started as a way to make marketing more effective, and social media analytics has focused mainly on this area as well. Now, the reality of social media is dual: it accounts for inbound customer service as well as outbound marketing, whether the business likes it or not. There is also another duality to consider: businesses can learn through direct solicitation of customer responses, and indirectly through the social media analytics process.



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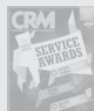
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### The *de facto* customer service channel

The rise of social media as a customer service channel has often been *de facto*, in that customers have actively sought out the company's Facebook page or Twitter account to communicate with it, even if the company originally had a social media presence only to disseminate information. ContactBabel expects social media to remain a niche channel in terms of overall number of interactions compared to telephony, but one with potential to be strongly negative – to punch well above its weight – and many senior executives within most companies are treating the channel with a great deal of respect.

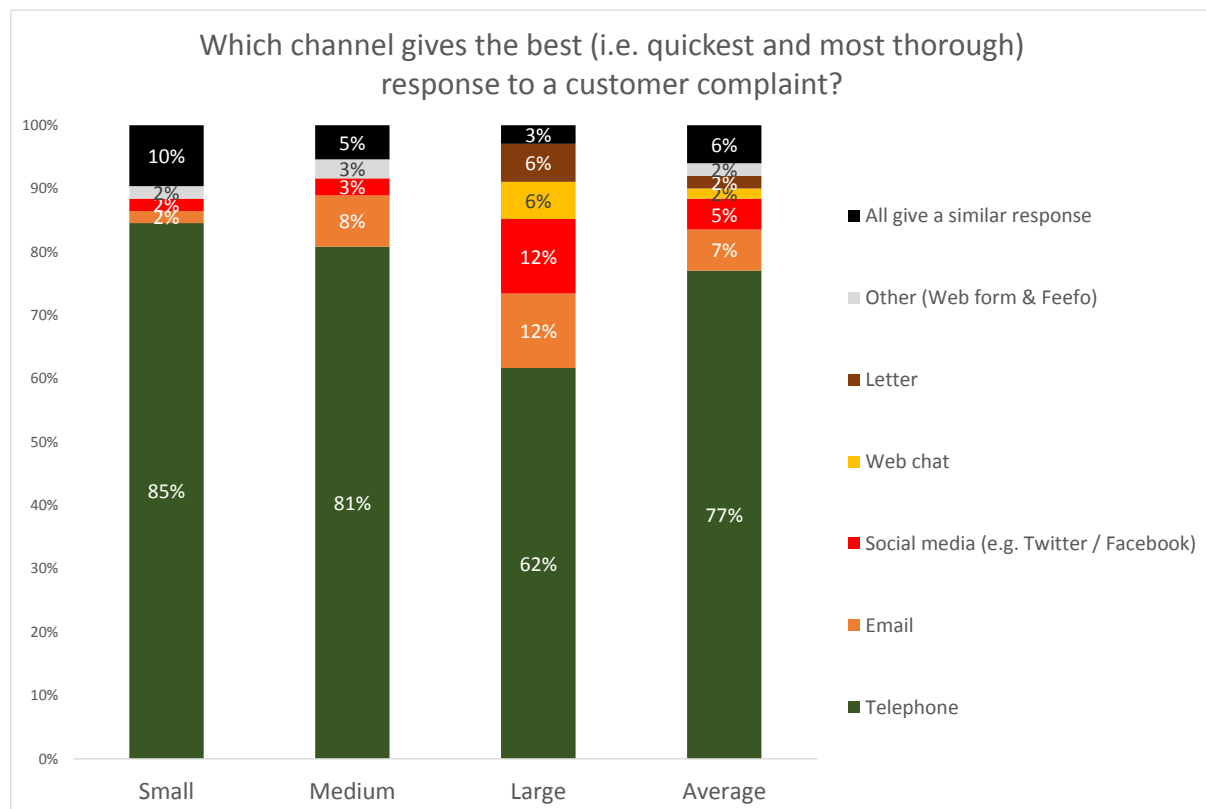
Despite the low levels of customer interactions via social media, the high-profile nature of this channel and the possible magnifying effects of negative comments means that social media is viewed as being far more important than baseline interaction statistics would suggest. There are anecdotal tales 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.

However, as the following diagram shows, contact centre professionals firmly believe that customers would usually be better off served by using the telephony channel in order to make a complaint. This is particularly the case with smaller and medium-sized operations, where more than 80% of respondents believe that telephony provides a better response to an unhappy customer than any other channel.

Amongst respondents from large contact centres however, there are minorities who believe that customers should go to social media first, or even webchat or email. Such businesses will tend to have dedicated teams supporting these channels, whose stated priorities may well be to handle unhappy customers immediately.

Few respondents believe that every channel provided to an unhappy customer gives the same level of quality, although consistency of service regardless of channel must be seen as the target for any company that is serious about providing high-quality customer service.

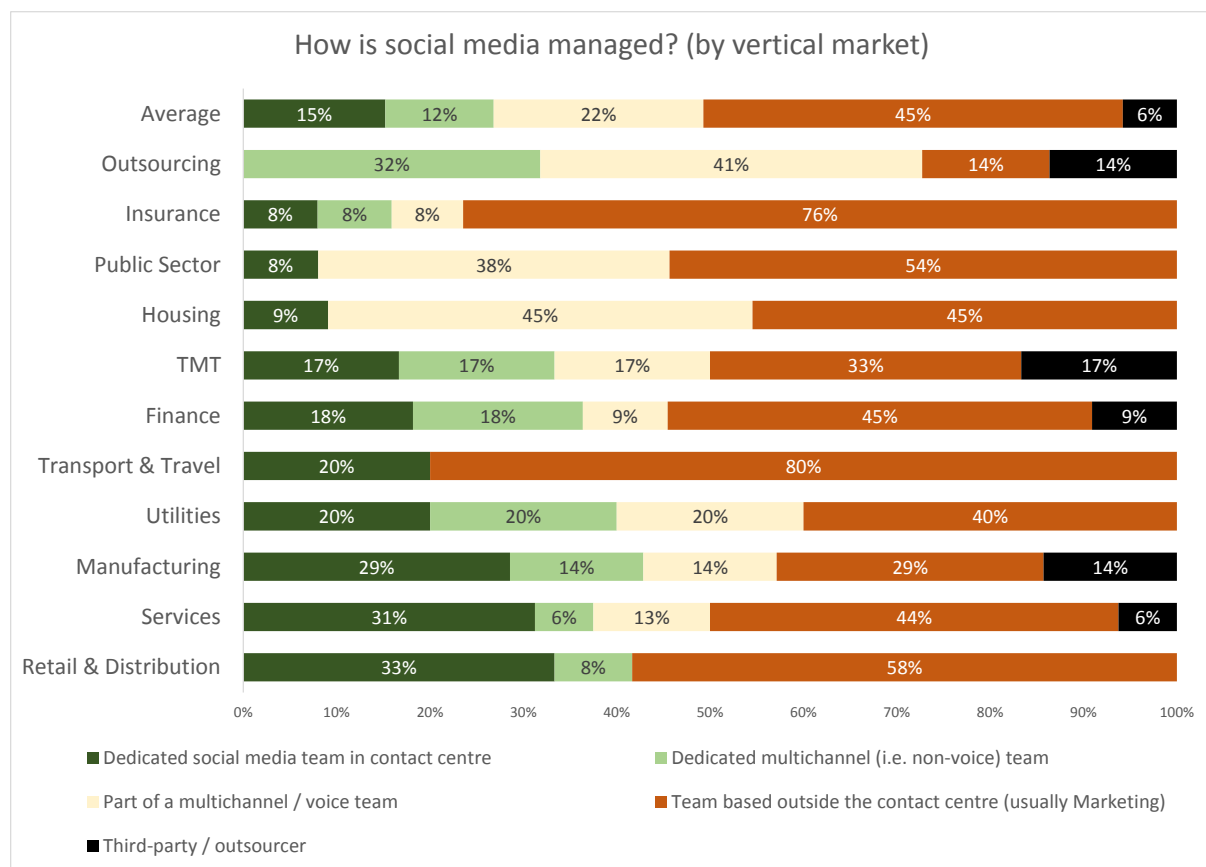
Figure 99: Which channel gives the best (i.e. quickest and most thorough) response to a customer complaint?



## SOCIAL MEDIA MANAGEMENT AND OWNERSHIP

The evidence that the social media channel was originally set-up as a marketing route rather than as customer service support can be seen within this section. Despite the increasing numbers of customers choosing to use social media for customer support, 45% of respondents report that social media is handled by a team based outside the contact centre, usually marketing, PR or corporate communications. Some vertical markets, such as retail and services, reported that they have a dedicated social media team working within the contact centre, and a minority have a dedicated multichannel team working within the contact centre location, but which does not answer telephone calls.

Figure 100: How is social media managed? (by vertical market)

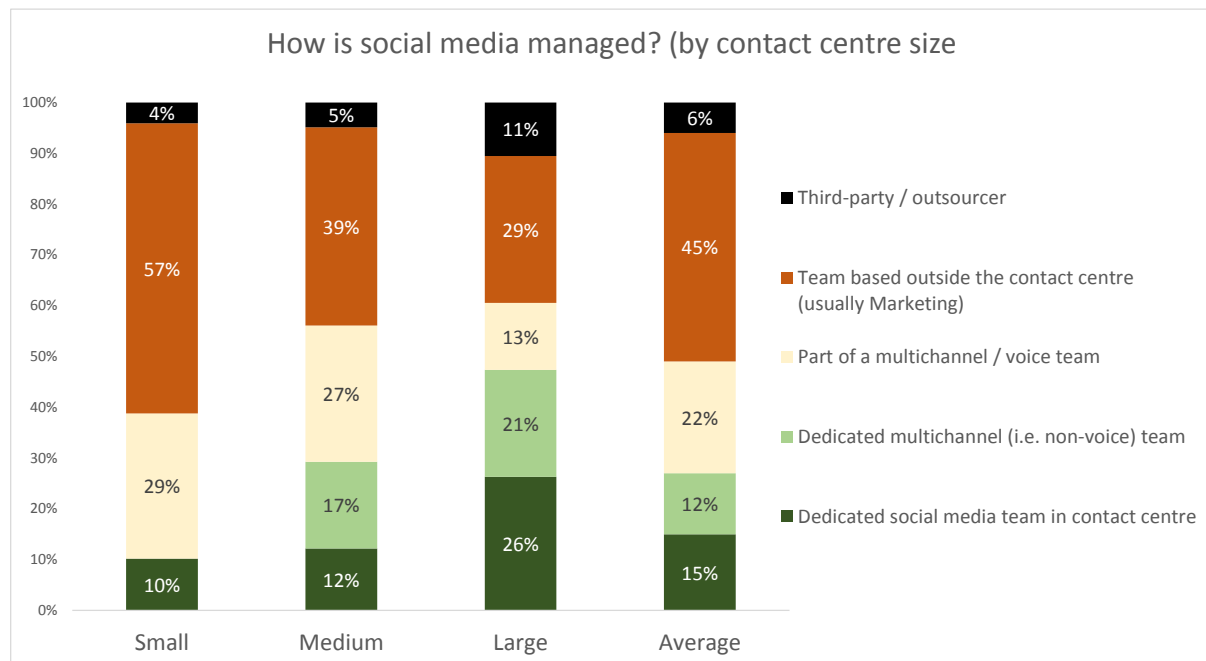


22% of respondents state that social media is dealt with as part of a complete multichannel blended team, including telephony. This set-up is particularly prevalent in the public sector and housing vertical markets, where we would expect perhaps a rather more ad-hoc approach, determined by the relatively small number of social media interactions that these types of organisation will tend to experience. The outsourcing sector, which due to the nature of its business tends to have a very different approach than in-house operations to much of contact centre work, also uses a blended voice / multichannel approach. The use of a third-party PR agency or an outsourcer to handle social media interactions is relatively rare, certainly compared to the US.



When considering the management of social media by contact centre size, larger operations are far more likely to have a dedicated social media team within the contact centre, or to have a dedicated multichannel, non-voice team. Smaller operations may well rely on a non-contact centre based team to handle their social media, although both small and medium-sized contact centres seem more likely to run a wider multichannel and voice blended team within the contact centre.

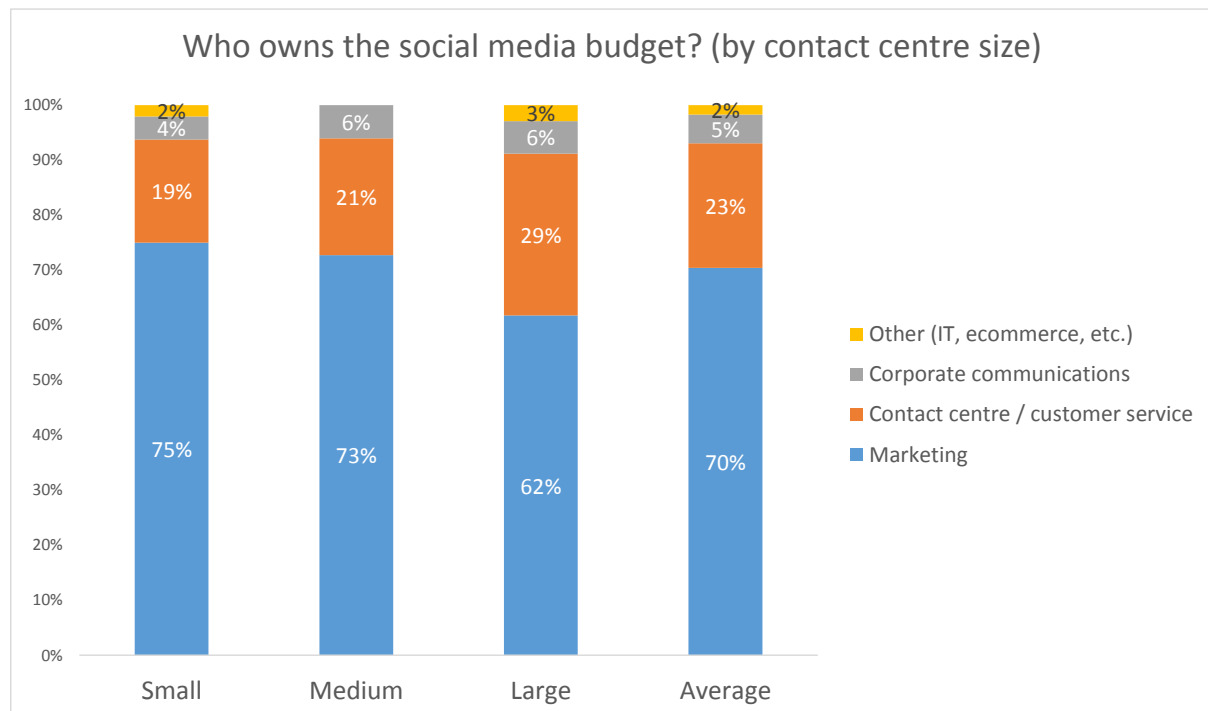
Figure 101: How is social media managed? (by contact centre size)



Increasingly, we would expect businesses to treat social media requests in the same way as other interaction types, using the expertise of existing agent teams. Requests via social media can be analysed (often by keyword spotting), prioritised and then routed in the same way as other interaction types to the agent team most capable of dealing with these specific enquiries. In terms of customer expectations, social media is perhaps closest to that of web chat, in that an almost instantaneous response is expected, with the attendant pressure that such a service level places upon the organisation.

The role of social media, and how it is managed, is obviously heavily influenced by who holds the budget. For 70% of respondents, it is the marketing department that holds the money for social media, with the contact centre only responsible for this channel's investment and finances in 23% of cases. Larger contact centres are somewhat more likely to hold the social media budget, but such respondents are still in a minority. As social media continues its move away from being a purely marketing channel towards being a key part of the customer contact mix, it would make sense for the contact centre and customer support operation to take more responsibility for the strategy and budget of this channel.

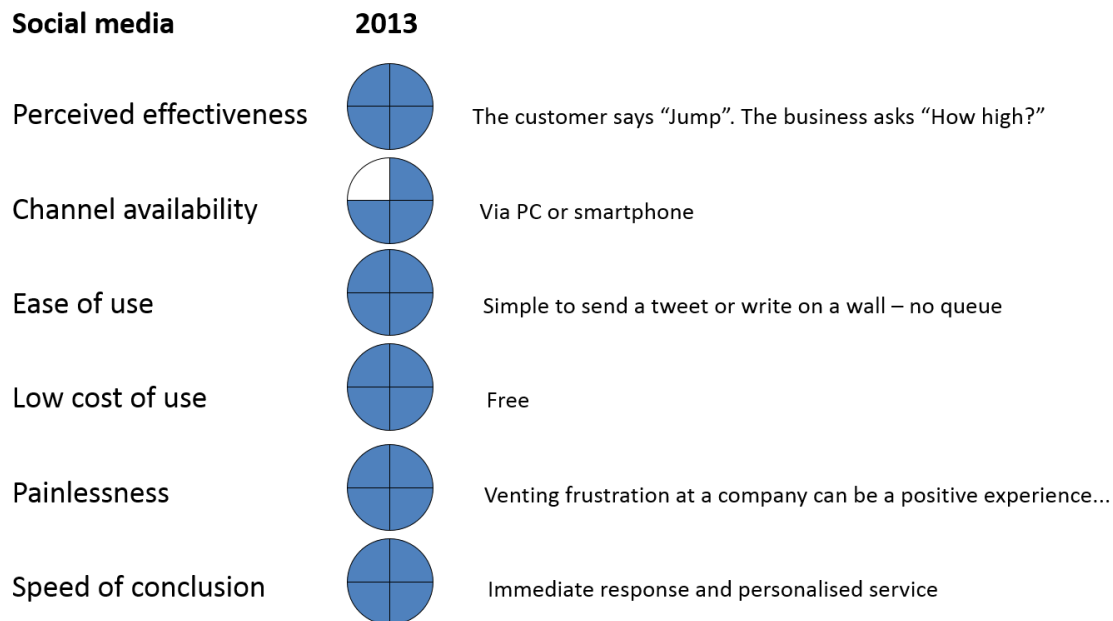
Figure 102: Who owns the social media budget? (by contact centre size)



## THE EFFECTIVENESS OF SOCIAL MEDIA

Uniquely, social media has taken off as a customer service channel as a result of customer take-up, rather than businesses' enthusiasm for promoting a cheaper service channel. The following chart shows how channels fit customers' needs, and we can see that social media for some customers can provide a very positive experience with a very low pain point, and at virtually no cost of time or money: the customer complains, loudly and in public, so the business reacts quickly and effectively. For the customer, this is great: it is the business for whom the current methods of social media do not work as well. Not only do they have to carry out their business in public, reacting quickly and without being able to authenticate the customer's identity, but they often cannot handle the query without resorting to another channel such as phone or email, which provide more privacy and functionality. In such cases, they are not even seen by the world as a whole to be reacting quickly and effectively.

Figure 103: Possible customer experience of social media channel



Both customers and companies are finding out what works with social media and what does not. Crucially, as with any channel, success will only come when a channel delivers a successful experience for both sides of the equation.

Despite respondents previous insistence that social media was generally not the primary channel for unhappy customers to use to make a complaint, the following table suggests otherwise. 44% of respondents that offer social media as a customer service channel considerate to be extremely useful for acting directly on negative comments and complaints picked up from customers. In fact, this ability to immediately address unhappy customers moves into the number one position this year, supplanting last year's most popular choice, which was monitoring what is being said about the company.

Positively, for both businesses and customers, there seems to be increased confidence that social media can actually provide customers with a fully-supported customer service channel. 26% of this year's respondents feel strongly that they are doing so, compared to only 12% in 2012.

Figure 104: Usefulness of social media for business activities

Vertical market	Average score / 10	% scoring 1 or 2/10	% scoring 9 or 10/10
Acting directly on negative comments and complaints	7.7	5%	44%
Monitoring what is being said about the company, products and marketing campaigns	7.3	3%	34%
Delivering product and marketing information to the customer	6.8	8%	28%
Offering customers a fully-supported customer service channel	6.4	9%	26%
Learning more about our competition	5.5	15%	18%

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## CUSTOMER COMMUNITIES

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 always 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 participants<sup>7</sup> 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, and conversations exist both on-topic and off-topic.

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 community mean that the supporting brand is considered positively, even if it 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.

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<sup>7</sup> "The Long Term Effects of Joining and Participating in Customer Communities", Algesheimer and Dholakia (Zurich / Rice Universities), 2006

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

- Those with complex products and services, to offer educational services and to enable rapid peer assistance with technical issues, which can work out extremely expensive otherwise
- Firms with already strong brands and customer identity (e.g. Ducati and Apple iPod are noted by as having positive experiences from running customer communities) where customer communities further strengthen the brand
- Those companies with rapidly-evolving products and services, especially "objects of desire", such as the latest mobile phones or games consoles. Customer communities can offer the most up-to-date information to customers and browsers, who will react by checking the community more frequently so as not to miss anything.

Businesses can also benefit from closely tracking the community's views, extracting high-quality, unbiased feedback about products, services and competitors, with an unsolicited opinion being 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 into the mainstream, 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.

Businesses such as giffgaff ([www.giffgaff.com](http://www.giffgaff.com)) have a great deal of their customer service strategy based around customer communities. Customers of the mobile phone network are encouraged to find their own solution via the web self-service application, with the next step being to ask the customer community to help. Giffgaff's agents are there to help with confidential account information, but this is via email with a published 24-hour turnaround target.

## THE MOBILE CUSTOMER

The dual, mutually-supporting drivers of high-speed mobile networks and the proliferation of smartphones means that provision of services via a mobile channel offers businesses and consumers the opportunity to make a step-change in the way that they communicate with each other. This new world of communication allows businesses to consider whether exotic-sounding functionality like multimedia streaming and videoconferencing could give them a competitive advantage in the customer service world.

However, the vast majority of service functionality available to the mobile consumer today is unsophisticated and divorced from the rest of the customer experience. Put simply, if the customer tries to use a mobile app or website but cannot successfully do what they wanted, in many cases they will be forced to initiate a service request via another channel, such as email or phone, which will be treated by the business as a similar request without any understanding of the history, activity or context that the customer has already undertaken.



*Smartphones have made it possible to provide richer and richer experiences on mobile devices, but even the most immersive and rewarding mobile experience can be a real let-down when customers have to move to a customer service agent to complete their query. Rather than being a benefit to the organisation, that excellent mobile app could become a catalyst for customer churn as the customer service experience does not live up to the standard set by the mobile experience. Companies need to bridge the gap between mobile and customer service, allowing customers to seamlessly shift from mobile to contact centre, without repeating information.*

Gathering, understanding and using the contextual data that can surround the mobile consumer will be key to pushing the uptake and functionality of this channel forward. The plethora of channels immediately available to the mobile consumer - including voice, web browsing, SMS, social media, and web chat - encourages the customer to act immediately for all their service or information requirements, rather than waiting until they are in front of a desktop computer.

60% of UK mobile phone users have access to a smartphone, with this figure growing rapidly<sup>8</sup>. This means that a large proportion of customers will want to contact businesses through these devices, whether via the telephony element of the device, or via the company's website or mobile app. Taking into account the use of tablet computers and handheld games consoles to access the Internet, the 'mobile channel' may actually be the first port-of-call for many customers, especially those in the younger demographics.

<sup>8</sup> <http://www.emarketer.com/Article/Nearly-Half-of-UK-Consumers-Will-Use-Smartphones-This-Year/1009956>

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Research from Limelight Networks<sup>9</sup> shows that 80% of customers who have a poor experience with shopping on a mobile site will abandon it: some may intend to return via a PC, but many others will search elsewhere. As the author of the blog astutely comments: “There is no mobile web as far as consumers are concerned. There is only the web. And it has to perform well.” Furthermore, most businesses are currently failing in this attempt, with recent research<sup>10</sup> around the shopping experience showing the mobile channel lagging way behind online websites and bricks-and-mortar shops.

Currently, offering a mobile customer experience tends to mean offering a smartphone app and/or a mobile version of a website.

### ***Mobile websites:***

A mobile website differs from simply accessing a full website via a mobile browser, rather offering a mobile-optimised alternative which is easier to use and overcomes some of the constraints around using a mobile device to access the web, particularly around usability and the high cost of data.

Mobile websites should not try to offer every single item available on the full website, but rather just the information and processes that most users will want in order to act or make a decision. Ease of use is vital: text must be fully displayed on screen, buttons must be clickable, and consider minimising the use of graphics to achieve quicker load times in areas with poor mobile data services. Many devices do not support Flash, and video uses a lot of data in any case, meaning greater cost and time for the user, at least until mobile bandwidth becomes cheaper and faster.

Bearing in mind that a mobile site generally cannot support every type of interaction that a customer may want, businesses may consider that allowing mobile users to access the main website is a good idea. Contact details should be clear, and offering a seamless route from self-service into supported service, via email, web chat or telephony is becoming increasingly expected, ensuring all of the data and information they have input, along with relevant contextual data, is passed across as well.

It is beneficial to understand why customers will use a mobile site rather than waiting until they are in front of a PC. Generally, they will be more task-focused on a mobile device than a PC, so the emphasis should be on delivering quick, simple, high-volume interactions. For example, by looking at the current use of their full website, a bank may discover that a high proportion of users want to check their bank balance or view recent transactions, rather than setting up automatic bill payments or ordering foreign currency. Consequently, the mobile version of the website may focus only on a small number of simple, high-volume interaction types.

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<sup>9</sup> <http://blog.limelight.com/2011/11/new-stats-show-how-critical-the-mobile-experience-is-for-e-commerce/>

<sup>10</sup> <http://www.prweb.com/releases/2013/6/prweb10789229.htm>



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### Smartphone apps

A good app can provide a superior user experience to a mobile website, due to the greater level of design. However, they tend to be much more expensive to build, and unlike a mobile website, a new one has to be developed for each smartphone platform. Additionally, company apps will tend to be free to download, so there is little opportunity to make money directly from them.

Recent years have seen the smartphone platform market change considerably. In 2013, Google Android has slightly more than 50% of the market, with Apple iOS at around 35%. BlackBerry and Microsoft each have less than 10%, so businesses could decide to produce only two flavours of app, which would actually support over 85% of the smartphone user market. (Of course, the downside is that you could be alienating 15% of your customer base).

A native application developed for a mobile device can use some of the device's capabilities to enhance the customer experience. For example, a smartphone app<sup>11</sup> can prompt drivers at the scene of a car accident to provide and capture the correct information, including photos. Such an app could also use GPS to give the exact location of the accident for use by the insurance company.



*When the gap is bridged between mobile and customer service, the readily available capabilities of smartphones offer up many possibilities to enrich the customer service experience: by knowing the customer's location, a service agent could direct them to their nearest branch or ATM, and location information provided by the smart phone may allow the call routing engine to choose a least cost routing path (e.g. to a local contact centre with the right agent available). For international companies, such as travel companies, the language settings on the phone can help determine which agent might be best to deal with the customer's query. Push notifications allow customer service to notify customers when their preferred agent becomes available.*

Industry estimates for building an app vary considerably depending on what they are trying to do, but many sources indicate that a cost of £20,000 upwards (per platform) is very feasible. The cost of developing a mobile website is less, and only needs to be done once. Whether an app is suitable for a company depends on their budget, and their customer base. It may be that the superior branding associated with apps is seen as being well worth the expense, even before factors like increased conversion rates are taken into account.

Solution providers mention that there can be a slight hurdle to overcome for customers who want a call-back via a mobile app, particularly for iPhone users. Apple's iOS stores the device's telephone number, but that cannot be accessed automatically by an app, for security reasons. This means that iPhone users may have to type in their telephone number rather than get a call-back automatically.

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<sup>11</sup> [http://www.naic.org/Releases/2012\\_docs/wreckcheck\\_mobile\\_app\\_auto\\_accidents.htm](http://www.naic.org/Releases/2012_docs/wreckcheck_mobile_app_auto_accidents.htm)

# Because Every Customer Interaction in Every Channel Matters

The best customer experiences are personalized and seamless across channels.

See why over 3,000 market leaders use Genesys to discover actionable insights that occur within each and every conversation and deliver engaging customer experiences.



 Genesys®

[www.genesyslab.com](http://www.genesyslab.com)

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### **Tips on building successful apps**

- Understand what the most popular self-service transactions are that your customers wish to do, and focus initially on providing the means to do this via a mobile app. This will give you a quick win, familiarise your customers with this channel, and encourage them to think positively about it.
- If any interactions require knowledge of a customer's location, the GPS capabilities within a smartphone may make this particularly suitable to put onto a mobile app.
- An app should be able to divert a large number of simple calls away from the contact centre. Businesses may find that mobile apps are able to replace telephony IVR, with the visual element allowing a greater depth of functionality and a quicker self-service experience for the customer.
- Consider the demographics of your customer base. Do your younger customers wish to carry out different transactions or interactions than your older customer base? If so, focus mobile functionality on the demographic that will use it most.
- If there is a problem with the app, or the customer cannot do what they wish to do, it is vital to offer a clear route into live customer service. This may be via a 'call me' button on the website, which can put the customer into a virtual queue, and can provide all the transaction-based information that the customer has already input, along with any of the other relevant customer details so that the agent does not have to start from scratch. A call-back option also means that the customer does not have to spend their own mobile minutes waiting in a queue.
- Businesses may use apps to encourage customer behaviour proactively. For example, an SMS message may be sent to a customer prompting them to take an action such as providing a meter reading, which can be done within the app. In this way, the only incremental cost to the business is through sending the original SMS.



### About Genesys

Genesys is a leading provider of customer service and contact center solutions. With more than 3,000 customers in 80 countries, Genesys software directs more than 100 million interactions every day from the contact center to the back office, helping companies deliver fast, simple service and a highly personalized cross-channel customer experience. Genesys software also optimizes processes and the performance of customer-facing employees across the enterprise.

For more information visit:  
[www.genesyslab.com](http://www.genesyslab.com)

## Inspire Engaging Mobile Customer Relationships

Your company has identified mobile as the next mainstream engagement channel and has created a striking, best-in-class application to address this need, but it can all be for nothing if your mobile customers can't get self- or assisted-service when they need it and the customer experience is inferior to your competitors.

Mobile applications offer your organization an alternative channel to further engage your valued customers and provide access to your company's portfolio of services – while at the same time reducing inbound call volumes, unifying the support channel interactions, minimizing customer wait times, improving first call resolution and ultimately improve customer satisfaction.

Even when mobile applications offer excellent self-service and transactional capabilities, they often fail to integrate with both the overall customer engagement strategy and the contact centre technologies. It is very easy to get a "silo effect" where each customer touch point lives in different organisational departments, resulting in a profound disconnect between agents, a dreadful customer experience and a higher cost to serve.

To truly take advantage of today's mobile marketplace, organizations need to do more than just add functionality to their isolated mobile applications. They need to transform each and every mobile interaction into a personalised and satisfying customer experience. And to do that, they must engage in a complete unified mobile conversation.

Mobile customer engagement should go far beyond simple self-service transactions. It should be dynamic and conversational, with the ability to:

- ▶ Offer single-touch escalation to assisted service from within the mobile application
- ▶ Carry accurate real-time and historical context between other channels
- ▶ Recognize preferences, customer context and location to personalise the experience

Businesses need to turn their transactional applications into conversational ones in order to maintain an ongoing dialogue that seamlessly joins together self-service and assisted-service touch points.

With a mobile strategy that's tightly integrated with your customer service strategy and contact centre infrastructure, a customer engagement from your mobile

application becomes a continuation of the 'conversation'. Providing a unified platform with a holistic, cross-channel-awareness helps bridge the gap between transactional and conversational interactions, as well as between customer service and mobile commerce, which ultimately delivers to a more delightful customer engagement experience, with higher long-term revenue and profit.

A truly integrated mobile application enables both self-service and assisted-service customer engagements to:

- ▶ Escalate from the mobile application via phone, text, chat, and social
- ▶ Connect customers to the next available, appropriately skilled resource
- ▶ Schedule interactions with customer service via notifications, and callbacks
- ▶ Apply customer and business context, including transaction history, location and preferences
- ▶ Integrate seamlessly with secure identification and verification

As a result, you get real-time awareness to proactively respond to and engage with your customers, all from within your mobile application.

Integrating the mobile application-based conversation with your customer service strategy and your contact centre technology platform enables you to create inspiring mobile customer relationships that:

- ▶ **Differentiate** your brand
- ▶ **Drive** customer loyalty
- ▶ **Generate** more revenue
- ▶ **Improve** business performance
- ▶ **Reduce** the total cost to serve

Do you want to reduce the effort for your customers at every point in the customer lifecycle? Do you want them to be inspired when they engage with your brand? A smart mobile strategy that takes into account the 360-degree view of customer engagement will go a long way in securing that outcome and improving your brand.



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### **Contextual data: the great mobile opportunity**

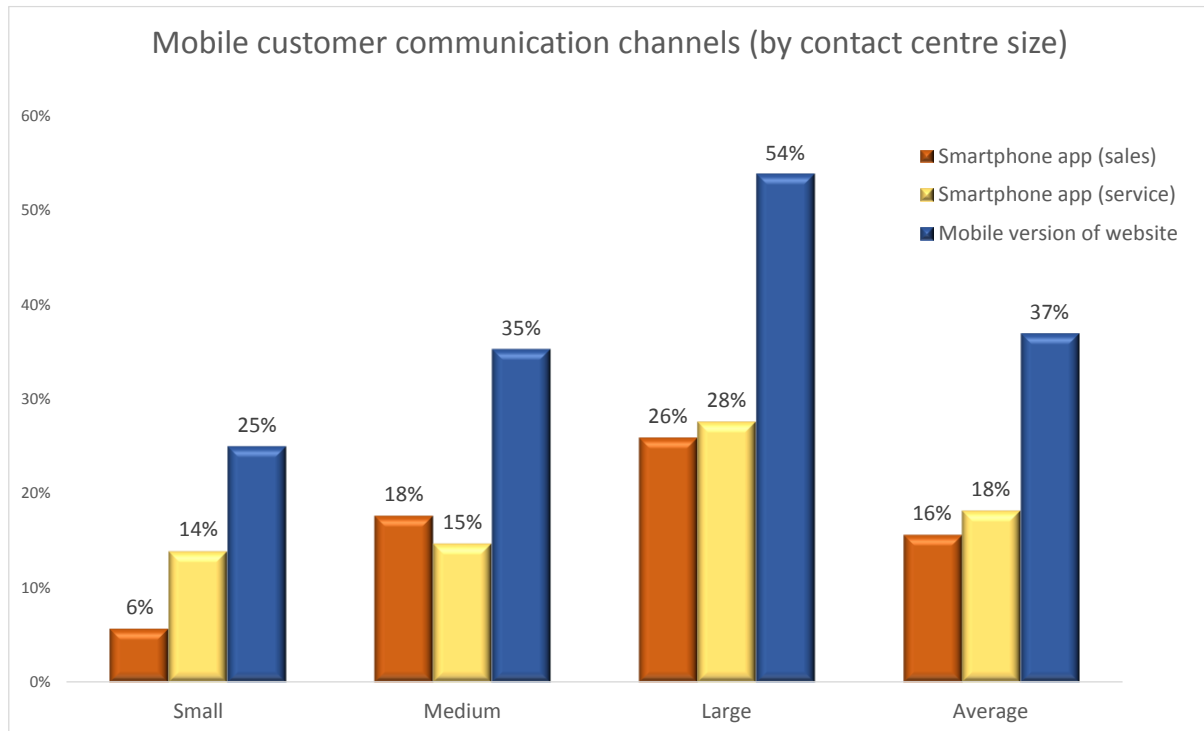
The nature of mobile devices means that businesses potentially have the opportunity to know more about their customers and their specific requirements and preferences than ever before.

This includes:

- **Customer identity:** once the customer has identified themselves, such as by logging on, or through the mobile phone number, this allows the agent to access their existing customer history in the same way that would be done so on a phone call into the contact centre.
- **Geographical information:** smartphones are GPS-enabled, allowing agents to see where customers are, and to direct them to the nearest store, for example.
- **Historical activity:** if the customer has been browsing a mobile website or app beforehand, the information that the customer browsed previously may be useful for the contact centre agent to have to hand, in order to see and understand what the customer has already tried to do.
- **Stored data:** the mobile device may have data stored that identifies the customer, such as account number, that can speed up the interaction and make it more effective.
- **Collected information:** the mobile device may also be used to capture and share information with the business such as photographs or videos. It may be possible to automate a two-way interaction: for example, a customer may use their mobile phone to scan a QR (quick response) code on a product. Using the information on the code, as well as the customer's input into the app about what they are trying to do, the customer may be directed to the correct place within business's self-service function in order to solve the issue that they have. This can take the contact centre out of the equation altogether, resulting in reduced costs for the business and a quicker and more effective customer experience.

As the following chart shows, only 37% of respondents provide their website in a ‘mobile-friendly’ format, for example by having the most popular elements available, speeding load times, optimizing graphics, improving readability and scrolling, etc. This figure is 54% for larger operations.

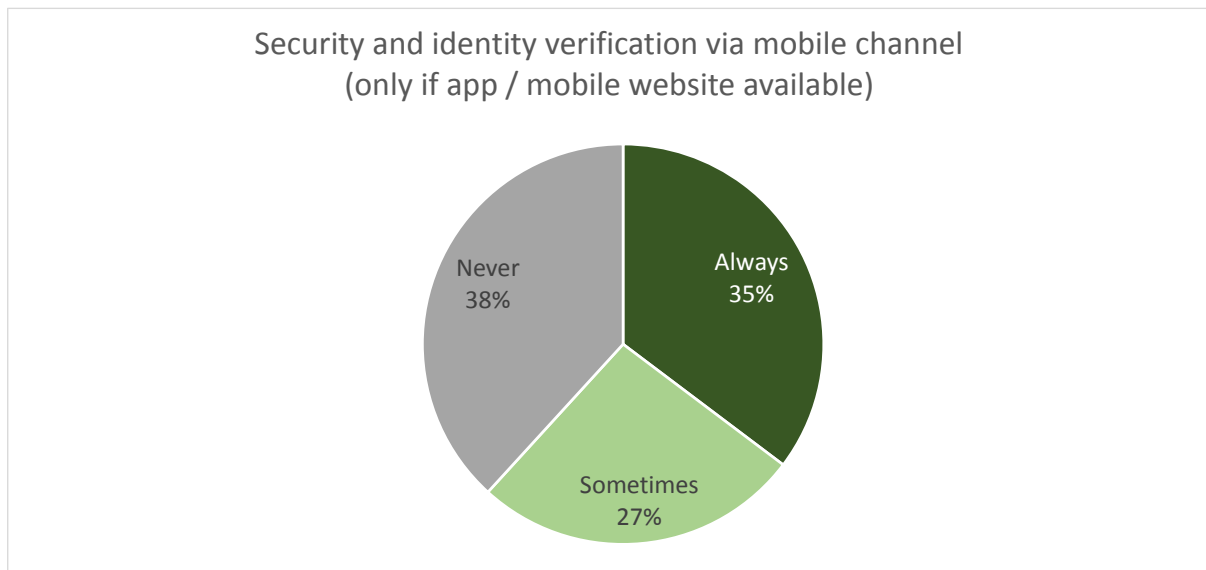
Figure 105: Mobile customer communication channels (by contact centre size)



However, fewer than 1 in 5 respondents have a dedicated smartphone app, either for sales or for service, although larger businesses were more likely to have both. This is likely to be a function of cost and budget, and also because smaller companies are less likely to get the numbers of app downloads necessary to make this an economic success for them.

Earlier in this report, it was found that 64% of inbound calls require some form of customer identification and verification process to happen. As the phone and mobile identity verification questions are differently-phrased, it is not possible to compare the two exactly. However, the figure for mobile interactions appears to be somewhat similar, with 35% of respondents that offer a mobile channel stating that users always have to identify themselves, with 27% requiring this only for some interaction types and 38% never doing so.

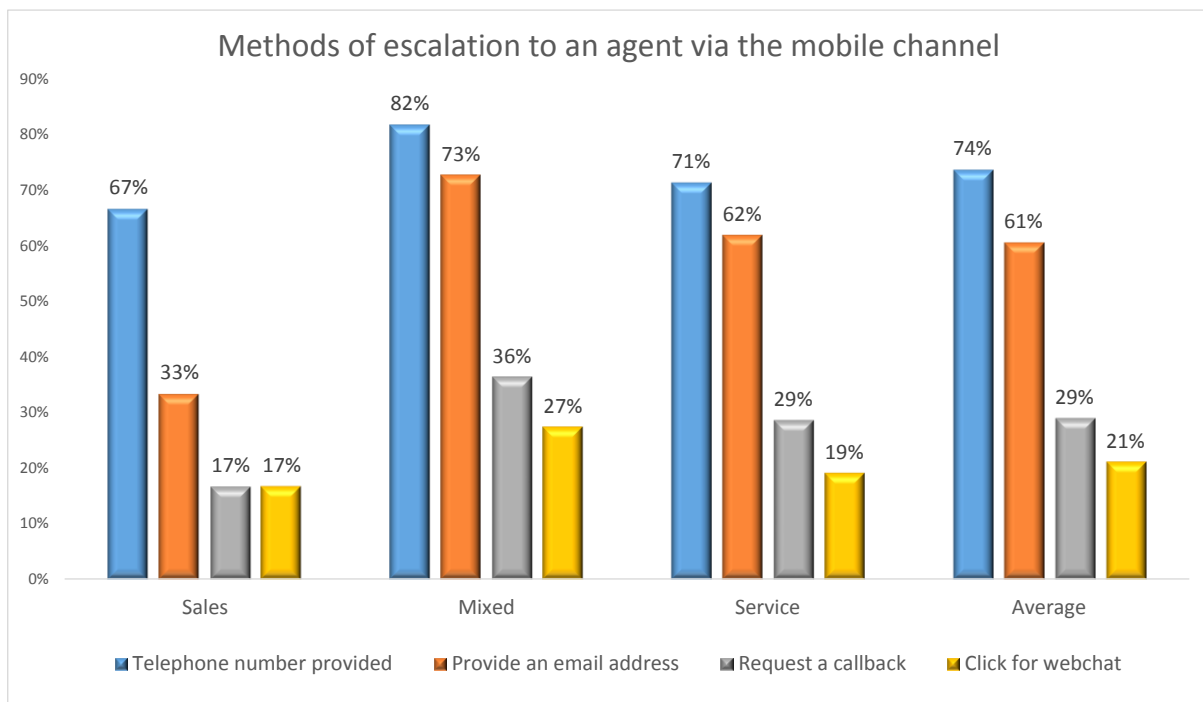
Figure 106: Security and identity verification via mobile channel (only if app / mobile website available)



## CROSS-CHANNEL ESCALATION

In cases where the user needs to pass through security - and also where other reasons mean that the customer cannot complete their interaction solely through mobile browsing or using an app - businesses should consider how they will keep the customer or prospect engaged with the business if the customer has to change channel.

Figure 107: Methods of escalation to an agent via the mobile channel



The easiest way to support cross-channel contact is to offer a telephone number on the mobile website or inside the app, but only 74% of respondents that offer a mobile channel do so. In the vast majority of cases where the customer breaks from a mobile session to initiate a live contact, they must start again from the beginning, as even if security has been passed through on the mobile channel, most respondents will not credit this security and identification process, nor will the browsing history be passed onto the agent. Effectively, the customer may as well not have used the mobile channel at all, which is a negative for them and their attitude towards this channel in future: not just for this business, but for all mobile customer experiences.

Providing an email address is the second most popular escalation method, which in theory does allow the pre-population of fields in an email form (user details, account details, type of issue etc.) although only a few respondents do this. However, email is a slow medium even when done correctly, and the user will not get an answer in real time.



29% of respondents using the mobile channel state that they offer scheduled call-backs to customers. While this is a positive and proactive response, the user is often left in the same situation as if they had called in the first place, as the agent will often have to take them through security and establish what the problem is. However, it should be a more real-time experience for the customer than sending an email.

21% of respondents using the mobile channel offered a web chat option within the mobile site or app, despite this being the channel most closely resembling the activity the user is already undertaking (i.e. using the mobile device to look for information, but typing rather than speaking). Web chat is more immediate than email, and offers a chance to move between self-service and assisted service seamlessly, with the agent being able to push links and video to the user in real-time.

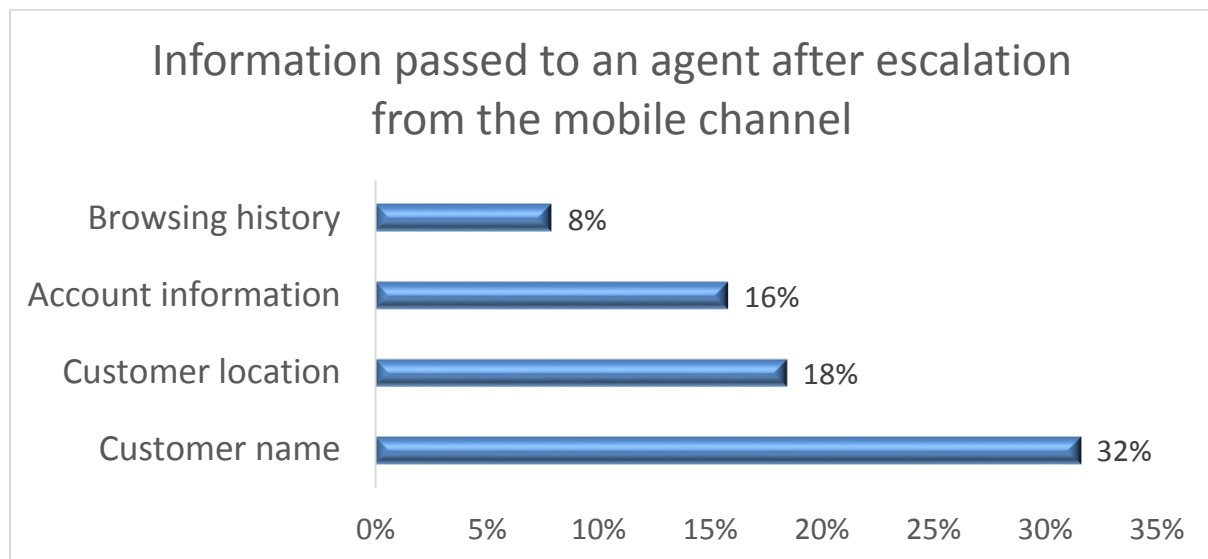


*Given the numerous methods of contact that are inherently present in smartphones, companies who have successfully bridged the gap between mobile and customer service can choose in real time which channel to offer to the customer when they need help - for example, if the voice agents are busy at this time, offer up chat instead – although for some customer types or certain query types, it might be appropriate to always offer particular contact methods (e.g. Gold customers have the phone call option, but Bronze customers get the chat option first).*

*This allows the customer service organisation to optimise contact handling in real time, mapping customer contacts to resource availability, rather than the normal working model of moving resources in response to customer demand. Such capability, while powerful, should be used with caution, as it may not be good for customer experience to “force” customers down a particular channel: a best practice approach is to use this capability to encourage customers to choose particular channels, making other channels appear less attractive (perhaps by showing a high expected wait time).*

A minority of respondents state that, upon escalation, an agent is provided with some information about the customer. This is most often the customer's name and account information, rather than anything more contextually relevant to what the customer was trying to do, and where they are currently located. In reality, this information is currently rarely used to provide a quicker customer experience (for example, by jumping a call queue or by having details of the mobile session already undertaken screen-popped onto the agent's desktop).

Figure 108: What information is passed to an agent after escalation from the mobile channel?



Looking to the future, solution providers are keen to offer technology that ties the mobile channel more tightly in with the existing voice and data customer support channels, providing a single integrated use experience regardless of initial channel choice, and any cross-channel movement by the customer. One of the key ways to do this is to offer live agent support more easily (for example, through clicking an icon within an app), which provides a context-relevant, geographically-supported and personalised customer experience. The movement between self-service and live service is currently very difficult for many customers – it is certainly not seamless - and actually may involve abandoning the mobile channel entirely as a failure in order to start afresh with another channel. As the customer has chosen originally to use a mobile channel, even a successful outcome with another channel will risk leaving the customer dissatisfied with the company, and less likely to use the mobile channel in future.

On moving from self-service to assisted service, leading mobile service applications should gather the browsing history, customer information and the context of the session in order to pass this to a live agent. Smartphones are enabled with GPS tracking, so businesses should look to leverage this capability to deliver better customer experiences where possible and desirable.

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SMS and outbound calling also offer opportunities for businesses to deliver proactive customer service through the mobile channel, creating a positive attitude. Furthermore, location-specific device information also allows businesses to deliver timely service and relevant marketing messages which are positives for the customer at that time.

It is not just the customer interaction points that will become more integrated. Brick-and-mortar stores are also becoming more integrated with their digital component, in order to provide correct inventory levels at store- and company-wide levels, thus matching the capabilities of their dot-com competitors while being able to take advantage of being able to provide in-store services to customers.

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**Organisations able to help with New Media and the Customer of the Future:**



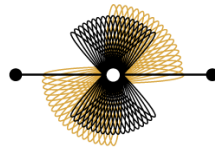
Eckoh is the UK's leading provider of multi-channel customer service and secure payment solutions, enabling organisations to provide their customers with self-service options they want.



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.



The Genesys Digital Customer Service solution enables 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 customers, and meet growth and customer satisfaction objectives.



INTERACTIVE INTELLIGENCE

Deliberately Innovative

At Interactive Intelligence, it's what we do.



Introducing Contact Centre 3.0. Next generation Contact Centres like Avaya Aura Call Centre Elite are fully-featured Contact Centre solutions with applications for multi-channel, inbound and outbound contacts and feature integrated, real-time and historic reporting.



Moxie's multichannel customer service solutions reduce average handling time by 20%, increase revenue by 30% and reduce costs to serve by an average of 30%: advisors feel equipped to get the right answers quickly, while they have the customer on the phone or in the shop, increasing their job satisfaction and customer satisfaction, with CSAT scores higher than 80%.

# nexidia

Nexidia, long term educators of Customer Interaction Analytics, works with some of the world's largest contact centres to capture multi-channel interactions, analyse the data and then use this valuable insight into the customer experience to develop business strategies to improve the performance of nearly every area of the organisation.

# NICE<sup>®</sup>

NICE Systems is the worldwide leading provider of software solutions that enable organisations to take the next best action in order to improve customer experience and business results, ensure compliance, fight financial crime, and safeguard people and assets.

# sabio

Social Media is such a powerful medium and potentially has more impact to your business bottom line than any other Customer Contact Channel - it's now becoming much easier to get the correct tools to harness Social and deliver excellent Customer service from your Contact Centre.



SAP Social Contact Intelligence allows sales, marketing and service organizations to follow customer sentiment and context to deliver unmatched 1:1 customer experiences.



Designed to simplify multi-channel communications and build a knockout mobile customer experience, Vocalcom's new Contact Centre solutions go mobile, social and cloud, providing unprecedented ease of use and all the capabilities to create stunning customers connection.

## 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.



## PROFITABILITY MAXIMISATION AND CRM

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, 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, and 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.

### **Cross-selling and upselling conversion rates**

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 28% conversion rate, retail 24%, services 14% and insurance 10%.

There was little difference across size bands, with small operations reporting 19% conversion rate, medium 17% and large 21%.

Looking at activity types, sales-focused operations reported 19% conversion rates, service-dominated contact centres 16% and mixed operations 23%.

Across all respondents, the mean average was 20%, the median 14%, with 1<sup>st</sup> quartile 22% and 3<sup>rd</sup> quartile 5%.



*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.*

# Why waste money supporting inflexible and costly telephony systems, when Salesforce.com can handle your communications?



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A fantastic opportunity to lower your costs, while maximizing productivity and business agility

**You embraced the cloud for your CRM**, but are you still wasting money maintaining CTI connectors & inflexible phone systems?

You selected a **unified agent experience** solution but are you still juggling multiple screens, reports and logins?

**You invested for productivity**, but are agents still wasting valuable time dialing when attempting to reach prospects?



## Make the Move - Turn up Productivity and Profitability in one Click



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**Anywhere agents** and sales rep's, **unmatched ease-of-use IVR**, **optimized skill based routing**, and great call recording options

**Automated dialing capabilities** including multiple dialing modes, dropping voice mail, calling the next lead and much more

**All-In-One solution built-in Salesforce.com** that gives you the scalability to keep up with your business and the peace of mind that only a world-class security infrastructure can provide.



As with previous years, the transport & travel and insurance sectors have the greatest proportion of service agents able to sell opportunistically, with the outsourcing sector also geared-up to achieve extra sales. Public sector and housing respondents are obviously less likely to find this relevant. Retailers, TMT and utilities respondents still feel they have a lot potentially to achieve with their cross-selling capabilities.

It is interesting to note that not only has the proportion of service agents actually able to cross-sell and upsell increased from 37% last year to 45% this year, but that the proportion of agents who would be able to do so in an ideal world has also increased as well, from 45% in 2012 to 56% in 2013. This suggests two things: that the stated intention of past respondents to increase their cross-selling and up-selling capability was not just idle talk, and that their enthusiasm for up-skilling agents to make extra sales is continuing into the future.

Figure 109: 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
Transport & Travel	94%	100%	7%
Manufacturing	67%	75%	13%
Insurance	62%	75%	21%
Finance	56%	60%	8%
Outsourcing	48%	61%	26%
Retail & Distribution	46%	65%	42%
Services	46%	55%	20%
TMT	46%	63%	39%
Utilities	35%	50%	43%
Public Sector	5%	5%	0%
Housing	0%	4%	n/a
<b>Average</b>	<b>45%</b>	<b>56%</b>	<b>24%</b>

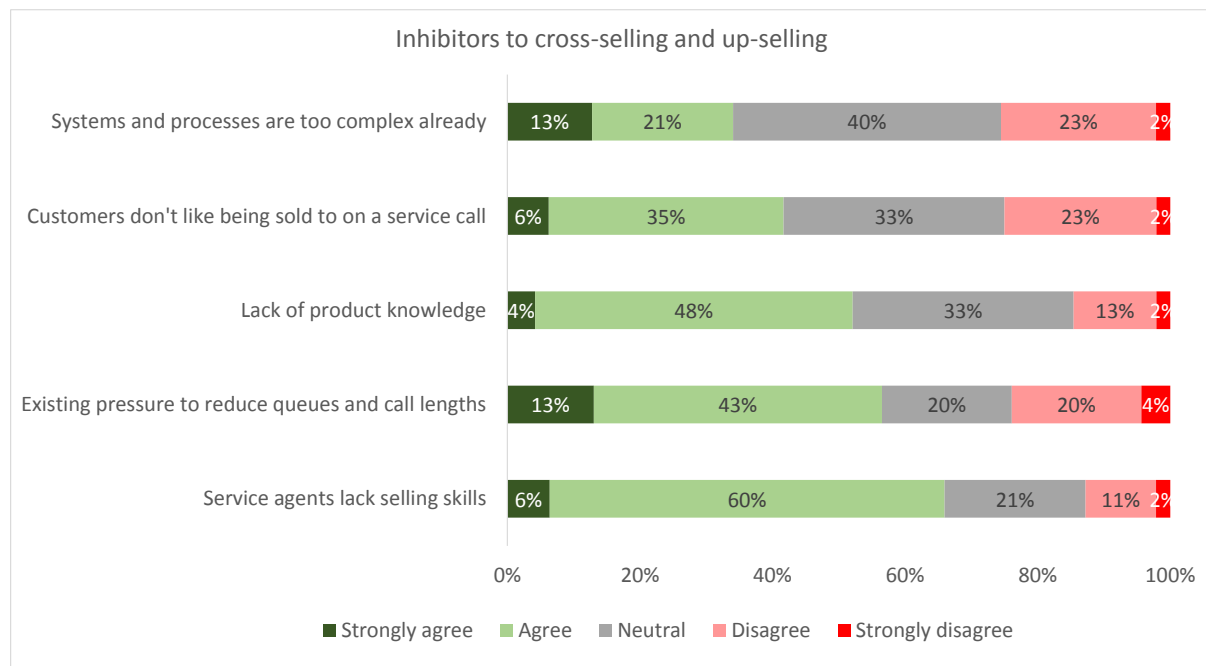
Figure 110: Agents capable of cross-selling and up-selling, with future requirements, by contact centre size

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	37%	50%	35%
Medium	42%	57%	36%
Large	61%	64%	4%
<b>Average</b>	<b>45%</b>	<b>56%</b>	<b>24%</b>

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 are very enthusiastic about increasing this activity, which indicates a potentially fruitful area for solution providers to target.

However, there are believed to be a wide variety of factors inhibiting businesses' desire to maximise their cross-selling and up-selling capabilities.

Figure 111: Inhibitors to cross-selling and up-selling



66% of respondents agreed (whether strongly or not), that 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.

58% 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). Interestingly, 73% of large contact centres cite this as an inhibitor to cross-selling and up-selling, with this sector of the industry traditionally having the greatest focus on efficiency and call throughput metrics. With an increasing number of calls being handled entirely through self-service, with the resultant uptick in the average complexity and importance of live calls, this mindset is looking increasingly old-fashioned.

52% of respondents cite a lack of product knowledge as being something of an inhibitor, a matter that can be addressed through training, but also through offering support systems such as dynamic scripting within the conversation, and also being more realistic with the number of products on offer through cross-selling and up-selling. This issue is of particular concern to smaller operations, with 67% of these stating lack of product knowledge as an inhibitor to cross-selling and up-selling, compared to only 31% of larger contact centres. It may well be the case that larger operations will tend to have more of the applications and infrastructure available to support agents' knowledge of a wider variety of products and services.

41% of contact centres – considerably lower than last year's figure – 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. In theory, real-time speech analytics applications can identify customer sentiment and their likely receptiveness to cross-selling and up-selling gambits. However, a well-trained and empathetic agent should be able to gauge for themselves any likely success.

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.

34% of contact centres believe that their environment is so complicated already that they can't carry out additional sales work. While this is a minority, it is still a missed opportunity for businesses - which should certainly be addressing the underlying systems as well as the presentation layer - as effectively their systems and procedures are stopping them from moving their business forward.



*Technology can never solve all business issues directly, but it can 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, meaning that 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: if this can be delivered in a single system, such as Vocalcom, the technology complexity referred to above can be overcome as well.*



## About Vocalcom

Vocalcom provides leading-edge call center technology in the cloud that supports any communication channel and delivers an exceptional customer experience.

Connecting with customers has never been this more convenient, user friendly or cost effective. Vocalcom's Cloud based Contact Center Software is designed to manage interactions via an intuitive, collaborative application, regardless of the channel. This allows you to manage every interaction as if it were one conversation across channels of voice, video, chat, email or social.

If you're just starting out with a few agents or have a large base of 1000's of agents our software scales to help carry this conversation no matter where your agents are located. We're trusted by over 550,000 users across 47 countries.

Vocalcom provides the world's most popular multichannel contact center solution in the Cloud, highly recommended by 3000+ successful customers. Don't miss out on the opportunity to get started in no time. Deliver easy and cost-effective multi-channel customer service. We don't succeed until you do!

Visit [www.vocalcom.com](http://www.vocalcom.com)

# Marketlink Enhances Services with Vocalcom Solution

**Company Name:** Marketlink, Inc.

**Company Overview:** Marketlink is a leading provider of outsourced teleservices solutions. Founded in 1992 and headquartered in Des Moines, Iowa, Marketlink has nearly 500 employees in 7 Midwest call centers and virtual agents in several states. The company offers telemarketing solutions to clients in the cable television, telecom, financial services, agriculture, pharmaceutical and manufacturing industries.

That they have connected with so many people is a testament to their strong connections with some of the most reputable B2B and B2C companies in America. As a nationally recognized member of PACE, they have the extraordinary privilege of speaking for companies of varied sizes from a variety of industries.

From Fortune 500 corporations serving a worldwide clientele to mid-size companies targeting niche audiences, they are the link that connects companies to consumers and businesses to other businesses. From their seven locations in Iowa and Minnesota, their 500-plus dedicated telemarketing professionals speak with everyone imaginable, from farmers to doctors to business owners.

**Challenge:** Marketlinks largest challenge, was that they were operating on three different systems. The Outbound dialer was ok and the Inbound was basic. They also have virtual agents working in various locations. Vocalcom had all the bells and whistles; chat, email which enabled them to fully integrate.

**Who did we replace?** Marketlink had a system in place that provided support but had no intentions of enhancing it. Therefore, they looked to other vendors.

**Competitor Short list:** Marketlink looked at six different companies then narrowed it down to three and ended up selecting Vocalcom.

**Solution Chosen:** Hermes.Net

**Key Business Benefits:** Marketlinks old system was not customizable. Vocalcom's system is software driven and is based on open architecture which allows you to be more nimble - from the hardware to scripting, changes can be made easily. Huge advantage to easily customize. Also, the Supervisor and Reporting functions are phenomenal.

**Why did they choose Vocalcom?** The passion Vocalcom's people had about their product itself made the decision to go with Vocalcom even easier. Also, the functionality of the dialer which includes the reporting and IVR and the promise of the stability and the open architecture are more examples of why we chose Vocalcom.

*The implementation of the Vocalcom solution has allowed us to seamlessly integrate with our customer CRM and all of our remote call centers plus virtual agents. It really has enhanced the services we can offer them to include, inbound, email, chat and as well as traditional outbound.*

— Kourtney Keough,  
President and Chief Executive Officer

## 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 three 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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- Outbound Dialling including: Predictive, Preview, Power or Manual Dialling
- Call Blending
- Voice Recording and storage
- PCI compliant payment handling services
- Virtual capability for remote advisors
- Real-time reporting tools
- A pay-as-you-use solution that is scalable, flexible and resilient

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For more information about Ultra's extensive range of Cloud contact centre services, call us on **0207 965 0207**, or email **Sales@UltraASP.net**

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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.

## 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.

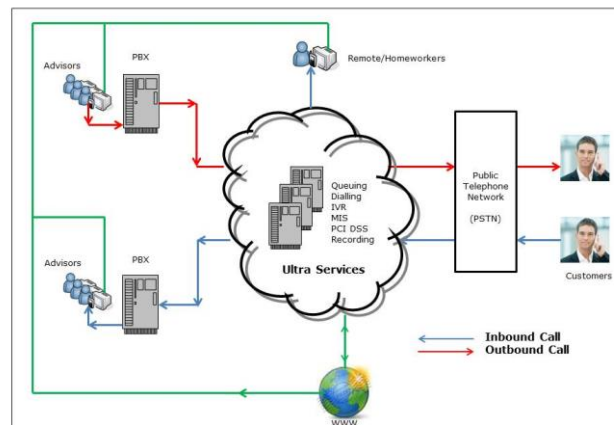
All advisors typically require to be connected to a Cloud service is a telephone and Internet connection – enabling them, regardless of location, to be part of any advisor group or queue. Cloud services also provide organisations with an extensive range of state-of-the-art contact centre applications 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                     | • Contact recording                   | • Computer Telephony Integration     |
| • Outbound dialling                        | • Queue Management                    | • Advisor user interfaces            |
| • Call blending                            | • Management information              | • Client requirements                |
| • Speech technologies                      | • Customer callback                   | • PCI DSS compliant payment handling |
| • Interactive Voice Response/ voice portal | • System management and configuration |                                      |

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.



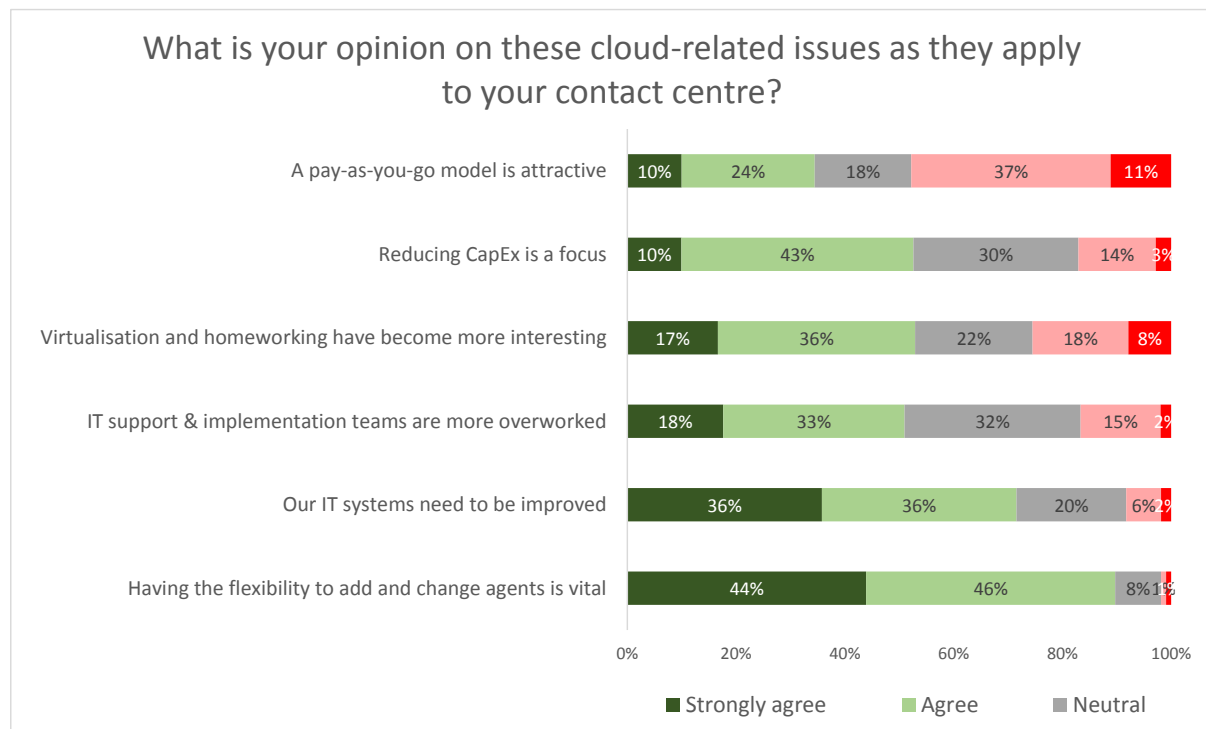
[Download a free copy of Ultra's White Paper, "Using Cloud services to integrate diverse technology infrastructure and improve service quality"](#)



## 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 these factors affect their own contact centre operations, to see if there are forces that would make a contact centre consider changing the way they deploy technology.

Figure 112: What is your opinion on these cloud-related issues as they apply to your contact centre?



The ability to improve flexibility comes out on top once again 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.

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 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.

Around half of respondents say that their IT staff are increasingly overworked. A cloud-based solution can offer a significant reduction in the level of on-site support required. Public sector 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, 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.

Virtualisation and homeworking is of interest to more than half of respondents. 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 connected with this.

Figure 113: What is your opinion on these cloud-related issues as they apply to your contact centre? (by vertical market)

	FS	HS	INS	MAN	OS	PS	RD	SVCS	TMT	TT	UT	Average
Having the flexibility to add and change agents is vital	1.3	1.1	1.1	0.8	1.6	1.1	1.3	1.4	1.7	1.5	2.0	1.3
Our IT systems need to be improved	1.1	1.3	1.3	1.0	0.6	1.0	0.8	1.1	0.7	1.5	1.0	1.0
IT support & implementation teams are more overworked	1.0	0.3	0.6	1.0	0.3	0.5	0.8	0.2	0.7	0.5	1.0	0.5
Reducing CapEx is a focus	-0.4	0.4	0.5	0.0	0.7	0.3	0.0	0.4	1.0	1.3	1.5	0.4
Virtualisation and homeworking have become more interesting	-0.7	0.8	0.9	0.5	0.2	0.7	0.5	-0.1	0.0	1.3	0.0	0.4
A pay-as-you-go model is attractive	-0.5	-0.3	-0.4	-0.7	0.0	-0.2	-0.1	-0.3	0.8	0.3	1.0	-0.1
NB: scores relate to the 5-point scale of "Strongly Disagree" = -2, "Disagree" = -1, "Neutral" = 0, "Agree" = 1, "Strongly Agree" = 2												



Cloud solutions offer a wealth of benefits including flexibility, scalability and high availability - all key requirements for contact centres facing changing regulatory requirements and an uncertain business climate.

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## 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 overall 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 live 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
  - Network systems can have the dialler and ACD controlled by secure website access still providing complete control to the business even though there is no CPE on-site
  - Superior network solutions do provide their solutions as managed services. These offer the added benefit of complete management support for the supervisor and centre. The network provider is incentivised to ensure that the centre is working at optimum productivity levels, unlike on-site providers.



*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 and 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.*

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## 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.

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## 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). Call recording and routing functionality were the most likely to be deployed through cloud-based solutions, with hosted IVR, CRM and automated dialler functionality also used in a significant minority of instances. 47% of respondents used at least some cloud-based functionality, with larger operations somewhat more likely to be using cloud-based routing, recording, dialling and analytics.

Figure 114: Is any of your contact centre functionality hosted in the cloud?

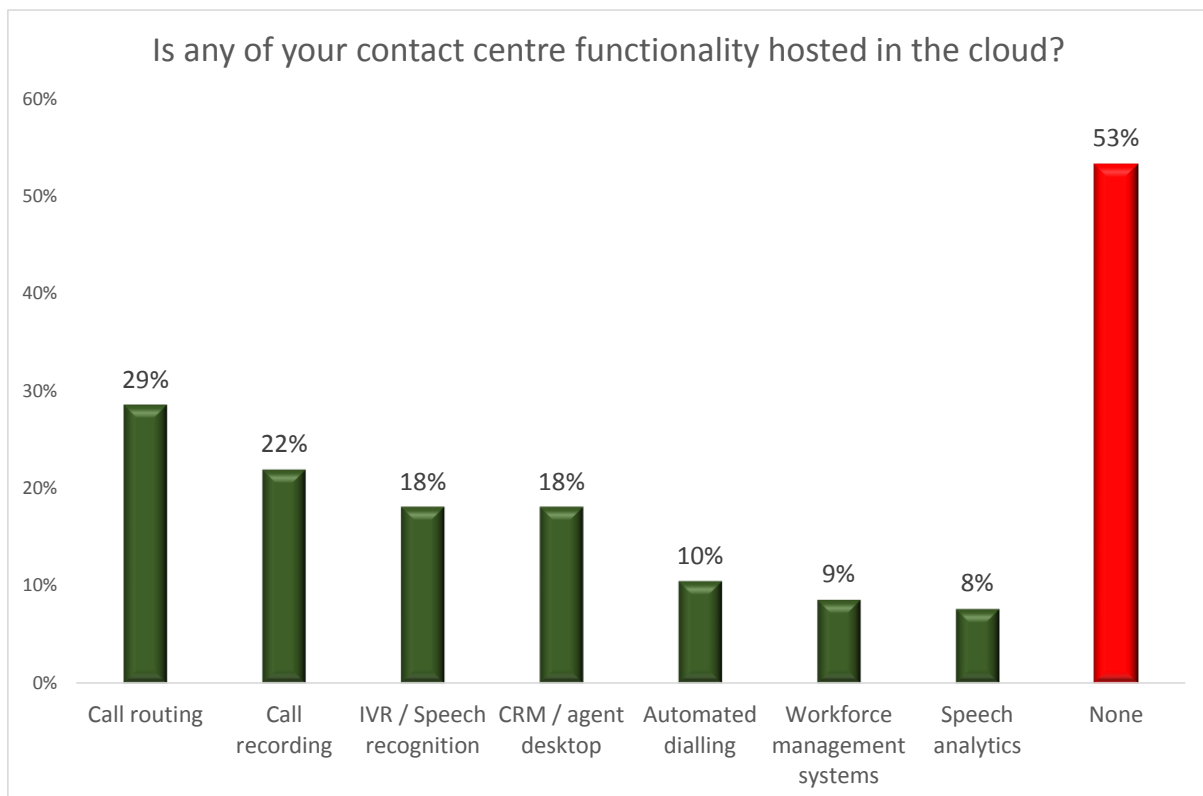


Figure 115: Is any of your contact centre functionality hosted in the cloud? (by contact centre size)

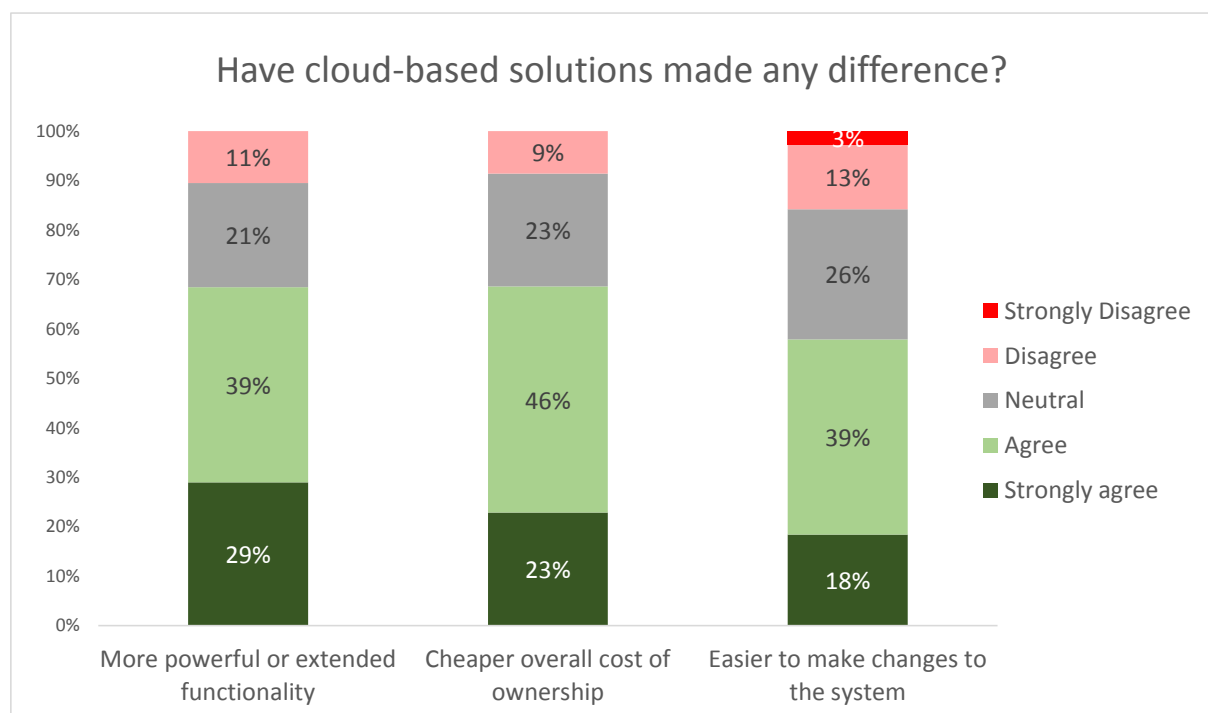
Technology	Small	Medium	Large	Average
Call routing	23%	30%	36%	29%
Call recording	18%	22%	29%	22%
IVR / speech recognition	20%	14%	21%	18%
CRM / agent desktop	20%	16%	18%	18%
Automated dialling	8%	11%	14%	10%
Workforce management systems	3%	16%	7%	9%
Speech analytics	5%	8%	11%	8%
None	58%	51%	50%	53%

## 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 69% of respondents agreeing that the overall cost of ownership was cheaper. 68% experienced more powerful or extended functionality in a hosted or managed environment, with only 11% disagreeing. 57% found that making changes to the system was now easier, compared with only 16% who felt the opposite. These research findings have been consistently positive for many years despite different companies taking part each year, and readers can treat these findings with considerable confidence.

Figure 116: Have cloud-based solutions made any difference?



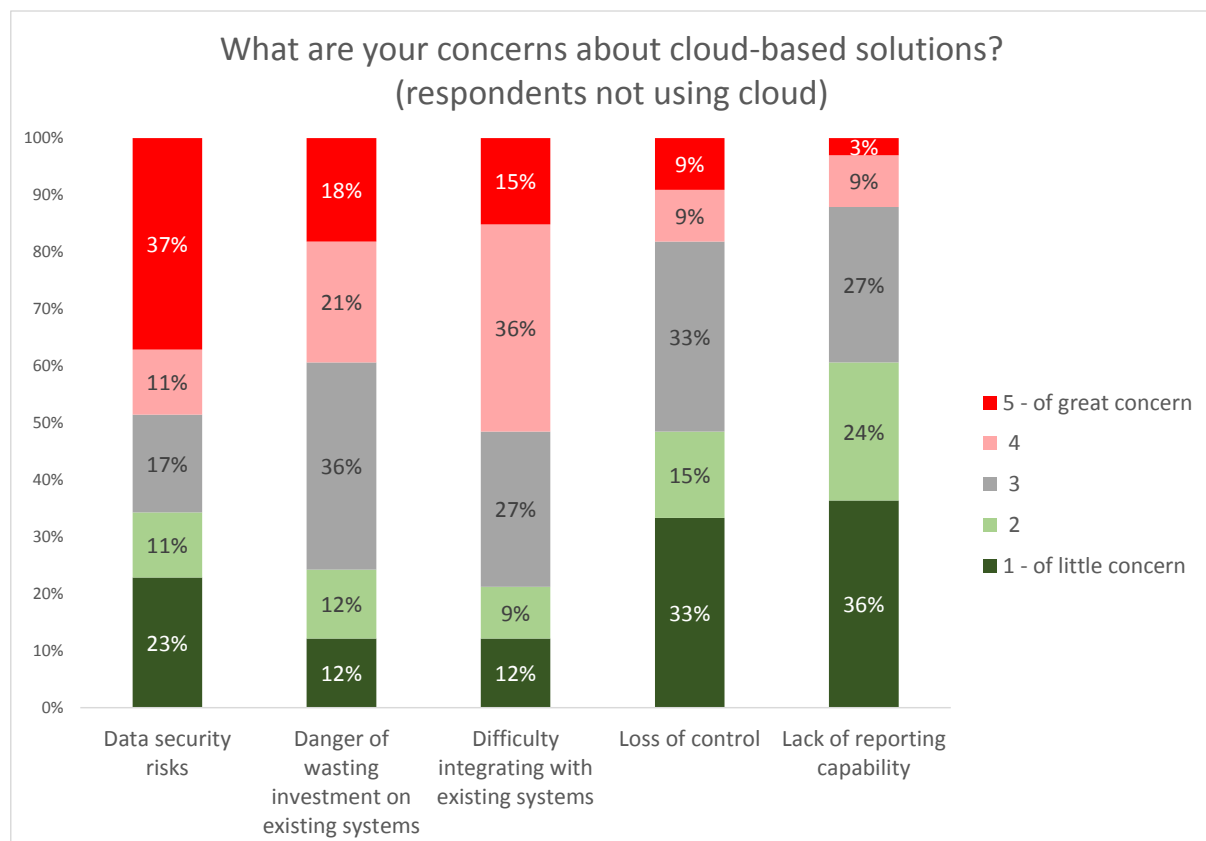
## CONCERNS ABOUT CLOUD-BASED SOLUTIONS

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, wasted investment and functionality.

The strongest of these is the concern that data security will be compromised by allowing a third-party to control customer details. 37% of non-cloud-using respondents state that data security in the cloud is of great concern to them, a figure which is increasing. This shows that greater education and understanding about risks, and the reality of this, is still needed. 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.

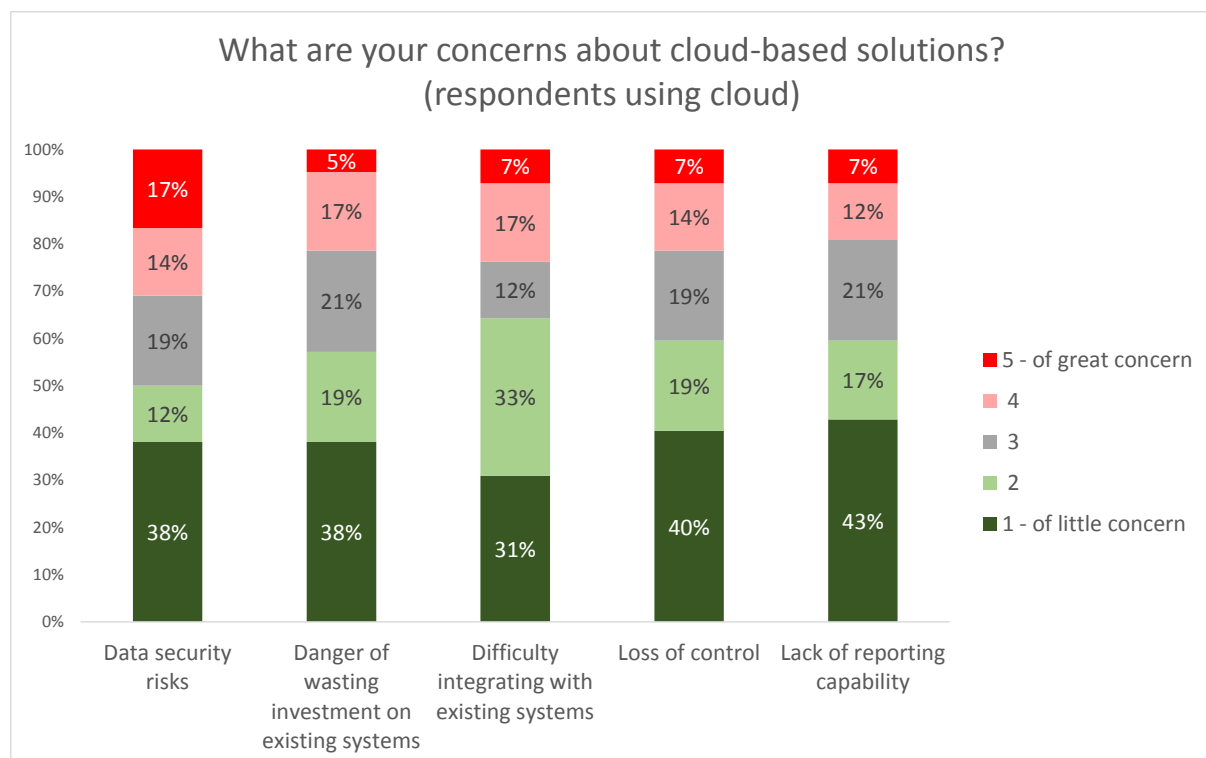
The difficulty in integrating with existing systems, and the danger of wasting existing investments is also of concern, although most respondents rightly do not consider a lack of reporting or loss of control to be a deal-breaker. Those with concerns that existing investments would be wasted if they were to move to cloud, should not that many vendors 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 117: What are your concerns about cloud-based solutions? (respondents not using cloud)



When the same question about concerns is asked to users of cloud-based contact centre solutions, it is noticeable that 31% still have concerns about data security. While this figure is lower than that given by non-cloud users, it shows that data security issues have not yet been fully addressed to the market's entire satisfaction. On a more positive note, the possibility of wasting investment on existing systems and the potential difficulty integrating with existing infrastructure is of much less concern in reality to those respondents who have actually gone through this process. However, a minority of cloud-users still have significant concerns about loss of control and lack of reporting capability of cloud-based Solutions, in line with the respondents who are still using CPE.

Figure 118: What are your concerns about cloud-based solutions? (respondents using cloud)



## OUTBOUND AND CALL BLENDING

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 to inform them proactively 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)<sup>12</sup>
- 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).

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<sup>12</sup> 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](http://www.noblesystems.com/flex)  
or call us today on 0161 772 7100

∴ **NOBLE SYSTEMS**  
CUSTOMER CONTACT TECHNOLOGIES

## OUTBOUND ACTIVITY

69% of respondents carry out some form of outbound calling, with the outsourcing & telemarketing sector leading the way, as might be expected, along with the utilities sector. Once again, the public sector lags behind the rest of the contact centre industry in outbound activity.

Figure 119: Use of outbound calling, by vertical market

Vertical market	Proportion of respondents using outbound calling
Outsourcing	90%
Utilities	90%
Manufacturing	86%
TMT	86%
Retail & Distribution	75%
Transport & Travel	75%
Finance	71%
Housing	70%
Services	69%
Insurance	67%
Public Sector	19%
<b>Average</b>	<b>69%</b>

There is some pattern between contact centre size and the propensity to make outbound calls, with large contact centres being more likely to do so.

Figure 120: Use of outbound calling, by contact centre size

Contact centre size	Proportion of respondents using outbound calling
Small	60%
Medium	67%
Large	84%
<b>Average</b>	<b>69%</b>

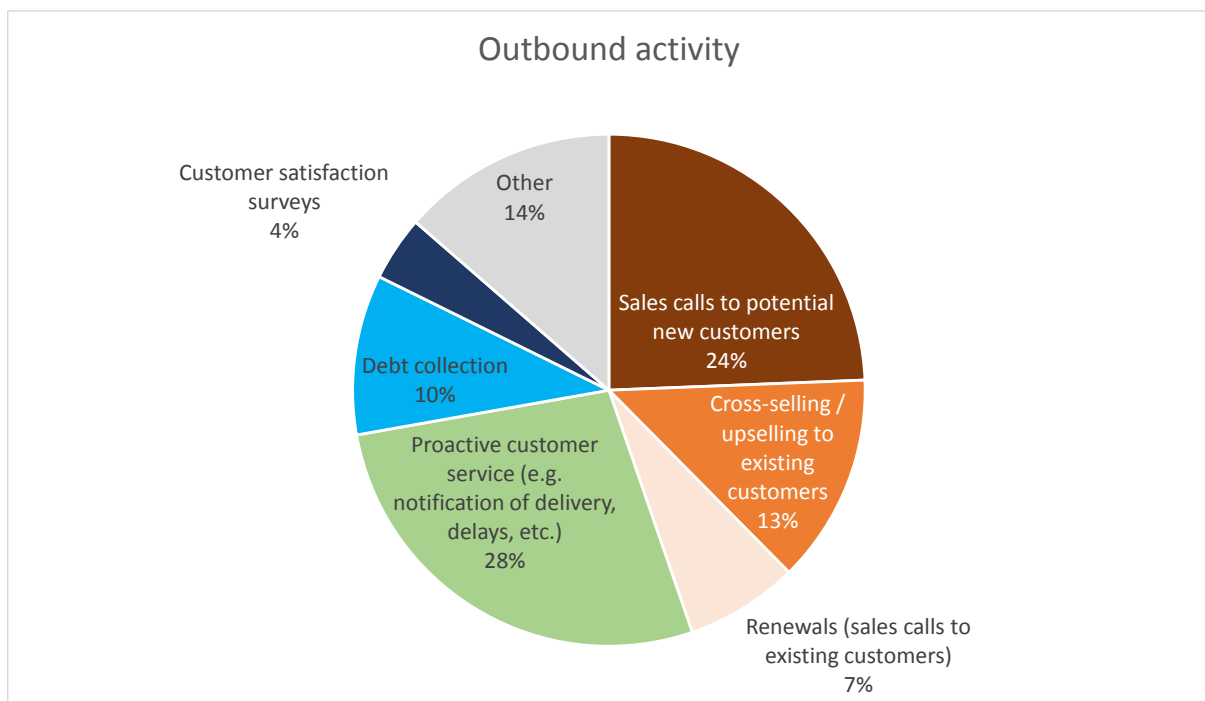


The single most popular outbound activity continues to be proactive customer service - a strong brand builder as well as an effective call avoidance tactic, which grows to 28% this year.

The overall proportion of sales calls grows again to 44%, with sales calls to potential new customers continuing this year as the top sales-related outbound activity, despite legislation. Cross-selling/upselling has continued to rebound upwards, with 13% of outbound calls being made for this purpose. (More information on cross-selling and up-selling can be viewed earlier in the CRM chapter of the report).

Renewals calls dip again to 7%, perhaps as a result of automated reminders via email and SMS playing more of a role.

Figure 121: 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.

The majority of manufacturing outbound activity is proactive customer service, advising of delays and deliveries in the main, with the linked retail sector also actively seeking and giving information up and down the supply chain (43%), with the utilities, public and housing sectors are also very involved in this.

Finance, TMT and transport & travel all report cross-selling and upselling accounting for more than 30% of their outbound activity.

The insurance and outsourcing sectors are the hungriest for new business and most likely to cold-call (within the law, of course), with the former sector possibly driven by the uptake in web-based sales lead capture via comparison sites, which provide qualified leads to be acted upon immediately. The outsourcing sector, as might be expected, is keen on sales in general, with 68% of its outbound activity being sales-related.

The housing respondents report over half of their outbound activity being connected to debt collection, with utilities and finance also active, although to a much smaller extent.

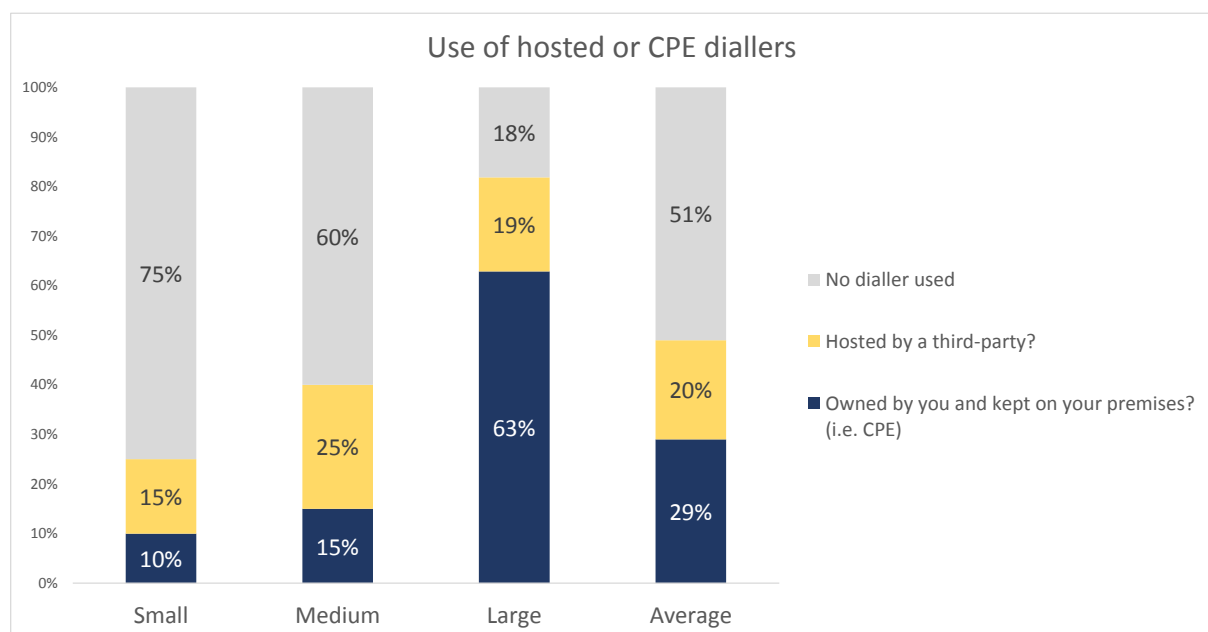
The contract-based business models, often found in insurance (20%), are most likely to be carrying out renewal sales calls to existing customers.

## USE OF DIALLERS

51% of respondents making outbound calls do not use a dialler to automate their outbound calls (down from 53% last year and 64% in 2011), with this continued movement possibly 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.

Larger contact centres are far more likely to be using a dialler, but this year's respondents from large operations report only 26% of these are hosted diallers, with the majority owning and managing it themselves. A majority of respondents in small and medium operations that use a dialler report that it is hosted.

Figure 122: Use of hosted or CPE diallers



*Noble Systems has seen a continued growth in the demand for hosted contact centre solutions over the last 12 months. Many of our clients have purchased Noble Enterprise Cloud, which gives access to a compliant, flexible, secure system that contains all of the latest functionality and reporting tools without an upfront capital investment. In addition, Noble has seen growth in the number of companies utilising a hybrid approach to combine premise technology with the flexibility of cloud services for adding capacity, disaster recovery or advanced features on a subscription basis.*

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## 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** *Noble Systems is a strong advocate for best practices within the contact centre industry, and in the last 12 months, Noble has become a founding member of the Network AMD Working Party, a group of outbound industry stakeholders working together to develop and promote AMD standards.*

*Noble Systems believes that when used appropriately and responsibly, AMD is a valuable tool for driving productivity in a compliant contact centre, and 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 solutions allow 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 multi-channel contacts and resources, allowing them to build productivity, improve efficiency, increase right party contacts, and manage customer contact preferences in line with Ofcom regulations.*



## 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](http://www.noblesystems.com).

### Permanent TSB Case Study

Permanent tsb's Asset Management Unit (AMU) is a new contact centre in Dublin City Centre dealing with Mortgage arrears and collections. Permanent tsb's AMU approached Noble Systems and asked them to provide a complete contact centre solution to meet their growing needs. The solution needed to be a complete package encompassing all areas of the contact centre. Before deciding on a Noble Solution, permanent tsb's AMU went through a full due diligence process with a selection of contact centre solution providers. Noble was chosen based on its functionality, commercials and compliance capabilities.

Ireland is unregulated in terms of dialling compliance, but permanent tsb wanted to ensure that they started this new contact centre by following the same guidelines and principles set out by Ofcom in the UK. Customer service is key to their ethos and therefore wanted a solution that would allow them to manage and minimise silent and nuisance calls to their customers. Marc Hicks, Dialler Manager said "When choosing a supplier, we looked at a number of options. For us, the Noble Enterprise solution ticked all the boxes in terms of functionality, commercials and compliance. We also wanted a supplier that was keen to partner with us to provide a best in breed contact centre and foster a relationship that would last".

Permanent tsb were delighted with the implementation process as the whole solution was installed in less than four weeks. Praise was given to the engineers and subsequent support on upgrades; Noble's support team were described by staff at permanent tsb as extremely helpful and knowledgeable. The Noble Enterprise solution for permanent tsb includes the Noble Predictive Dialler, call blending, SIPhony IP-based telephony platform, Composer Agent Desktop Scripting & Workflow tool, ShiftTrack blended Workforce Management (WFM), Speech Analytics, IVR and IVR payment line. The key to increasing productivity has stemmed from the Noble Enterprise Suite's ability to automate many manual processes and to provide an effective and granular system of monitoring and reporting on the collections staff.

Noble Systems' main USP for permanent tsb was that they could maintain the dialler in a blended environment without the need for a separate PBX. This meant that the solution was more cost effective and the skills based routing was able to mimic telephony functions. Today, permanent tsb have 235 staff using the Noble solution.

In addition to payments taken by agents, the Noble solution will enable automated and self-service collections and mortgage arrears payments through the Noble IVR payment line. In addition, the bank has recently launched dynamic call routing that can intelligently route calls throughout the business based on information held on a specific customer.

In the future, the group aims to take advantage of the Noble platform's open design and integration abilities to provide their agents and staff with a fully unified desktop that directly integrates agent workflow with their collections software, further increasing efficiencies. "Since installing the Noble platform, productivity has gone through the roof in terms of Right Party Contacts," states Marc Hicks, Dialler Manager. "We've seen increases in contact and RPC rates across the board and the Noble dialler system has made it possible to reach more customers than ever. We really hope the Noble system will improve the experience our customers have when making contact with us here at the AMU."

## OUTBOUND PERFORMANCE METRICS

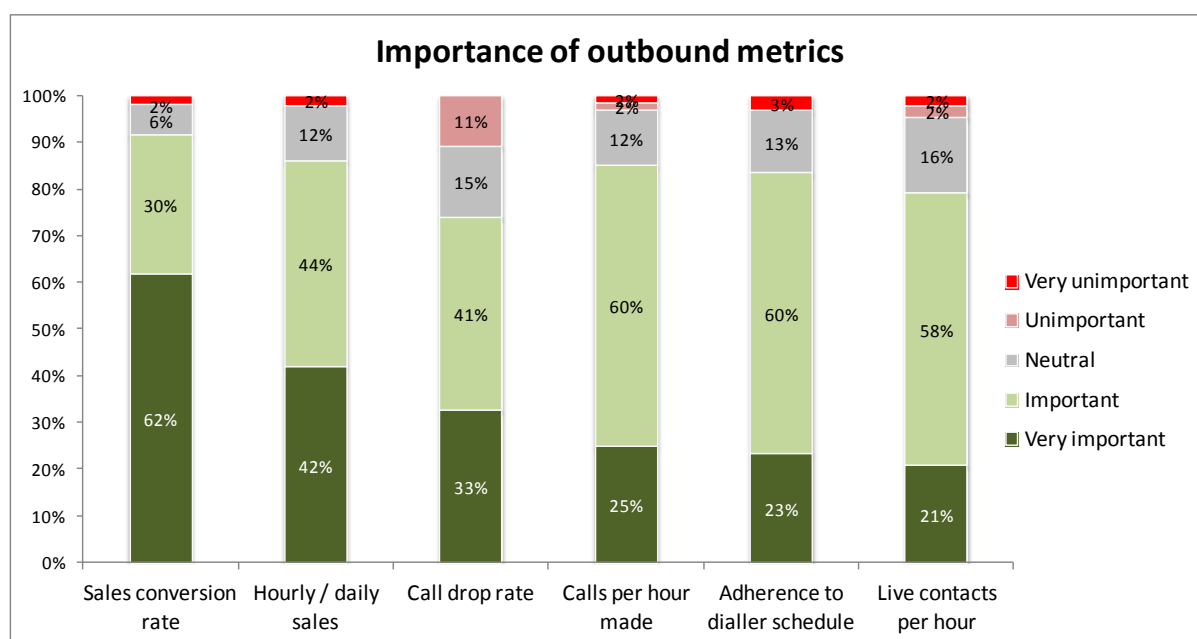
The most widely-used outbound metric is perhaps the simplest - how many calls are made per hour? In second place comes the sales conversion rate and in third, the number of calls dropped or abandoned, which is important to see if the contact centre is keeping to Ofcom regulations. Two-thirds look at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

Figure 123: 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 124: The importance of outbound metrics (where used)

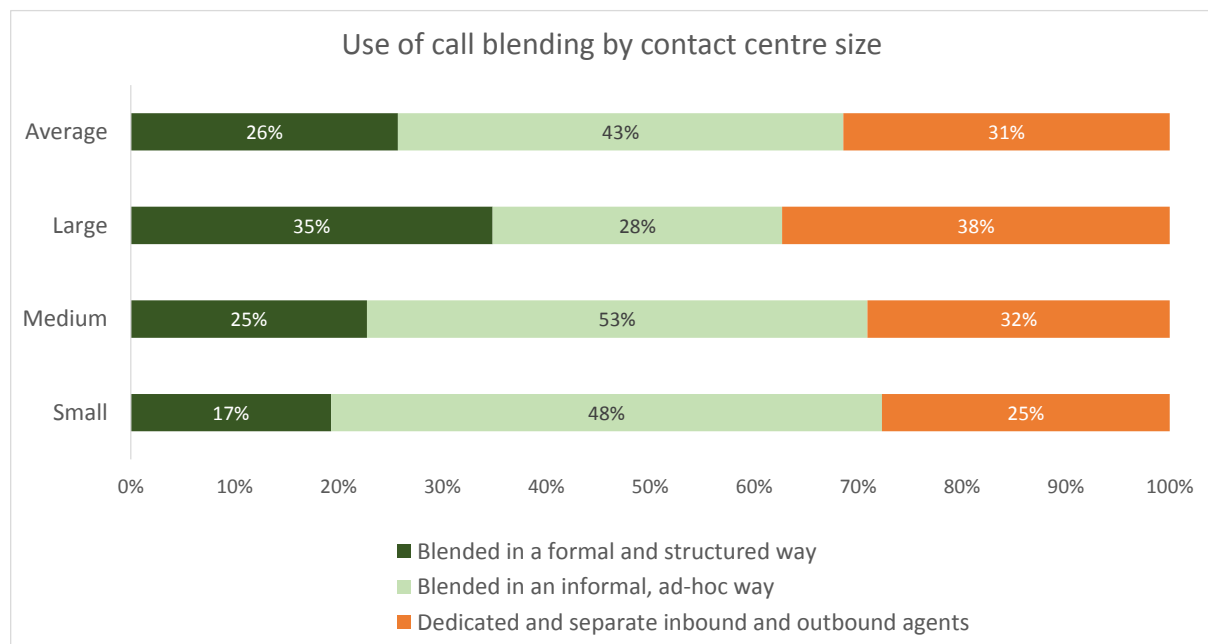


## CALL BLENDING

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 26% of respondents' operations, an increase on previous years, with large contact centres being twice as likely to do this as respondents from small contact centres.


Figure 125: Use of call blending by contact centre size





As with previous years, the attrition rate in contact centres using formal blending is somewhat lower than in those that do not, as perhaps the variety of work may have a positive impact. Those respondents reporting formalised blending had an annual agent attrition rate of 16%, against 22% for those with dedicated inbound/outbound staff, and 32% for those employing an ad-hoc approach.

Of course, there are other variables at play that affect attrition, such as contact centre size, location, salary, working conditions and type of work, but although attrition is currently a serious problem for only a small proportion of operations, the use of blending as an antidote for attrition should be considered for the future.

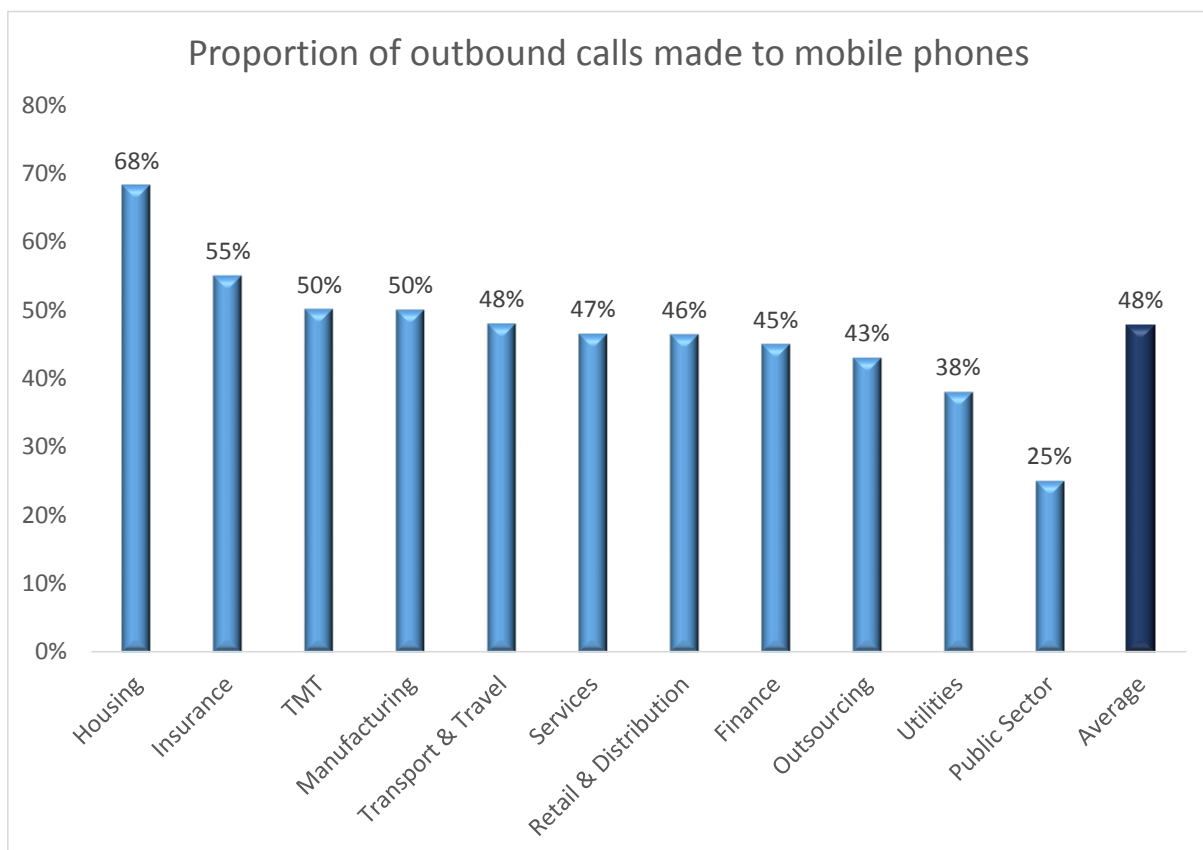
 NOBLE SYSTEMS *Customers of Noble Systems have seen a real improvement in agent attrition since adopting contact blending technology; the system seamlessly adjusts the pace of outbound dialling in response to changing inbound volumes, so that agents are always kept busy, alleviating boredom and improving morale. Adding the ability to automatically deliver the relevant workflow and customer data to the agent's screen for each call further improves the agent experience and eliminates redundant keystrokes and manual look-ups. Finally, using workforce management and real-time adherence tools to ensure that the right agents are in the right place at the right time and agent preferences when creating schedules, helps to reduce agent attrition, whilst contributing to the bottom line by using resources more effectively.*

## 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.

Figure 126: Proportion of outbound calls made to mobile phones



Currently, as a mean average, UK respondents make 48% of their outbound calls to mobile phones (historically, 46% in 2012; 42% in 2011; 35% in 2010; 36% in 2009; 28% in 2008).

It costs an average of around 3 - 4 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): 1.1p
- Median cost of outbound call to landline (ppm): 1.0p (1<sup>st</sup> quartile 0.2p, 3<sup>rd</sup> quartile 2p, low 0p, high 4.5p)
  
- Mean cost of outbound call to mobile (ppm): 3.5p
- Median cost of outbound call to mobile (ppm): 3.8p (1<sup>st</sup> quartile 0.8p, 3<sup>rd</sup> quartile 6.4p, low 0p, high 9p)

As outbound calling switches from landline to mobile, businesses faced with a growth in the costs of calling may feel tempted to cut back on outbound communications, perhaps even going as far as not encouraging mobile numbers as the primary contact method. However, this would be very short-sighted, 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. The power of smartphones also means that the mobile channel will become a crucial part of the customer contact mix very soon, and businesses should be looking to engage with mobile customers, not worry too much about cost differentials. Besides, 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.

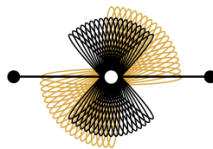


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**Organisations able to help with Increasing Profitability:**



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



**INTERACTIVE INTELLIGENCE'**  
*Deliberately Innovative*

At Interactive Intelligence, it's what we do.



IP Integration helps business leaders reduce operational cost and increase revenue yield in the contact centre through self-funding contact centre improvement initiatives and transformation programmes; utilising an optimal mix of people, process and technology.



Moxie's multichannel customer service solutions reduce average handling time by 20%, increase revenue by 30% and reduce costs to serve by an average of 30%: advisors feel equipped to get the right answers quickly, while they have the customer on the phone or in the shop, increasing their job satisfaction and customer satisfaction, with CSAT scores higher than 80%.



Nexidia, long term educators of Customer Interaction Analytics, works with some of the world's largest contact centres to capture multi-channel interactions, analyse the data and then use this valuable insight into the customer experience to develop business strategies to improve the performance of nearly every area of the organisation.



NICE Systems is the worldwide leading provider of software solutions that enable organisations to take the next best action in order to improve customer experience and business results, ensure compliance, fight financial crime, and safeguard people and assets.



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.



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



Ultra offers advanced Cloud technology solutions for the contact centre on a Pay-As-You-Use basis. Various Dialler modes optimise customer contact rates and all services are flexible and scalable ensuring clients only ever pay for what they use.



Vocalcom provides a complete all-in-one contact centre solution that will put your business on the path to reducing costs, improving performance, enhancing customer experience, increasing business agility and staying prepared for the future.

## 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.

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## 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,, but contact centres must understand that this may be 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 a very significant proportion 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.



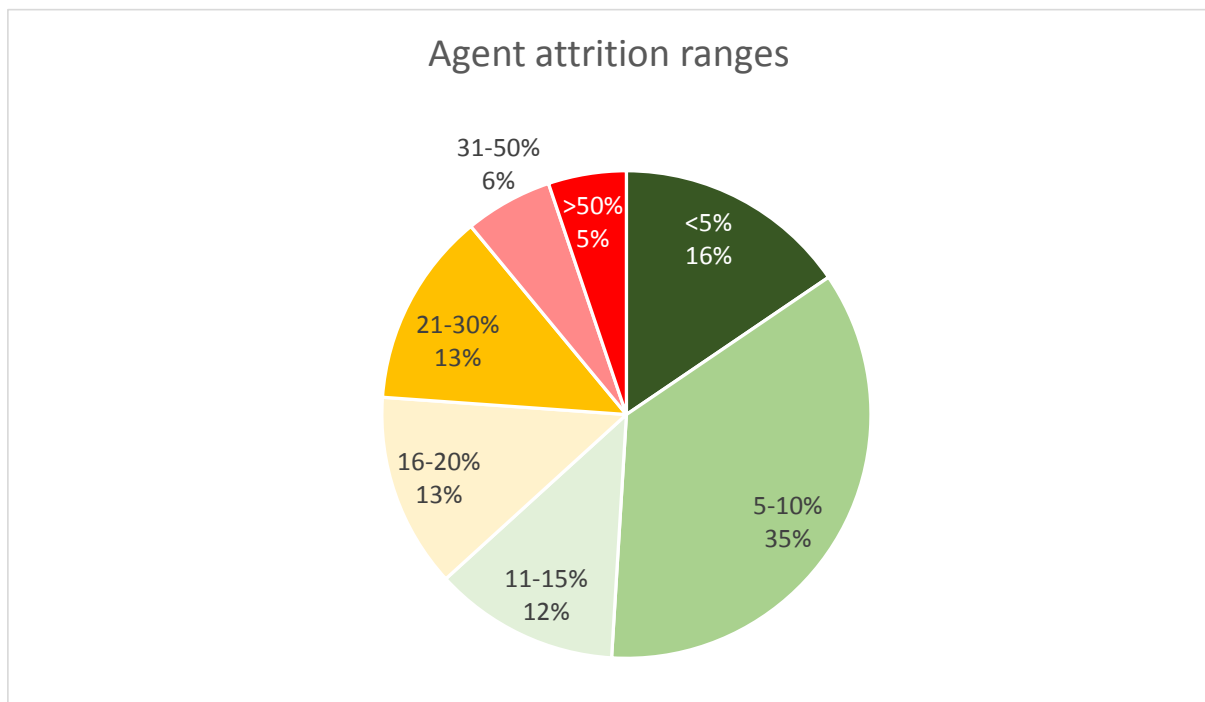
**Attrition rate:** *the total number of agents leaving the contact centre in a 12-month period, divided by the average number of occupants during the same 12-month period, expressed as a percentage.*

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%. In 2012, figures dropped very slightly, to 20% and 12% respectively. In 2013, attrition fell further, to a mean of 17% with the median dropping to only 10%.

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, 52% of respondents say that there has been little real change, with 15% saying the attrition is on the way up, and 31% saying it has decreased, the 1% remainder being unsure, figures which are almost identical to 2012's findings.

Figure 127: 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 \(2013\)"](#).

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

## ABSENCE

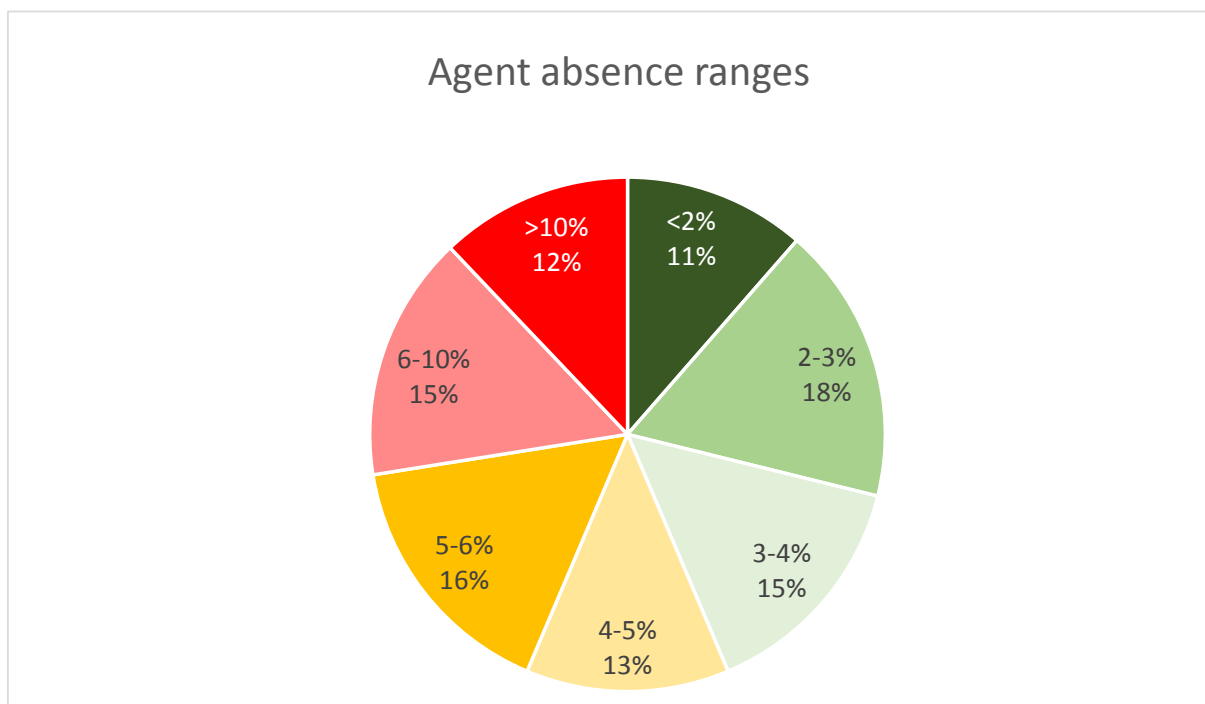
In a tightly-run operation like a contact centre where costs and performance are closely managed, significant levels of staff absence can cause major problems with contact centre performance and the customer experience. Even just a slight increase in absence rates can mean a major difference to how well the contact centre performs on that day. Staff end up over-worked and stressed, and more likely to take time off as a result. Morale suffers, which increases staff attrition, overwork and thus, further absence.

**Short-term (no-show) absence** - this is the average number of agent days lost through short-term sickness and unauthorized absence as a percentage of contracted days annually. This is included in this year's report.

**Long-term absence** - this includes long-term sickness, maternity leave, sabbaticals and other long-term absences where the business is able to expect and plan for the absence. This is not included in this year's report.

The mean average for staff absence is 5.5%, with a median of 4.0%, a decrease in 2012's figures.

Figure 128: 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 \(2013\)"](#).

## 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.

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## 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.

Respondents using personality testing tend to report high levels of success through this method, 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. 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.

**On average, it costs £2,360 to recruit a new contact centre agent, with a median cost of £1,462. The 1<sup>st</sup> quartile cost is £2,500 and the 3<sup>rd</sup> quartile is £575.**

## SALARIES

New agent salaries are reported to have decreased by around 3%. However, it may be that last year's substantial 5.2% increase in agent salary was a factor of those particular respondents surveyed, rather than being indicative of an industry-wide jump in salary. This can be tested by comparing the raw data on salaries to the 'sanity-check' chart on the following page, which details how salaries have changed in the past 12 months in these particular respondents' operations. If an general industry-wide salary decline had actually happened this year, we would expect to see a significant proportion of our respondents reporting a decrease in salaries.

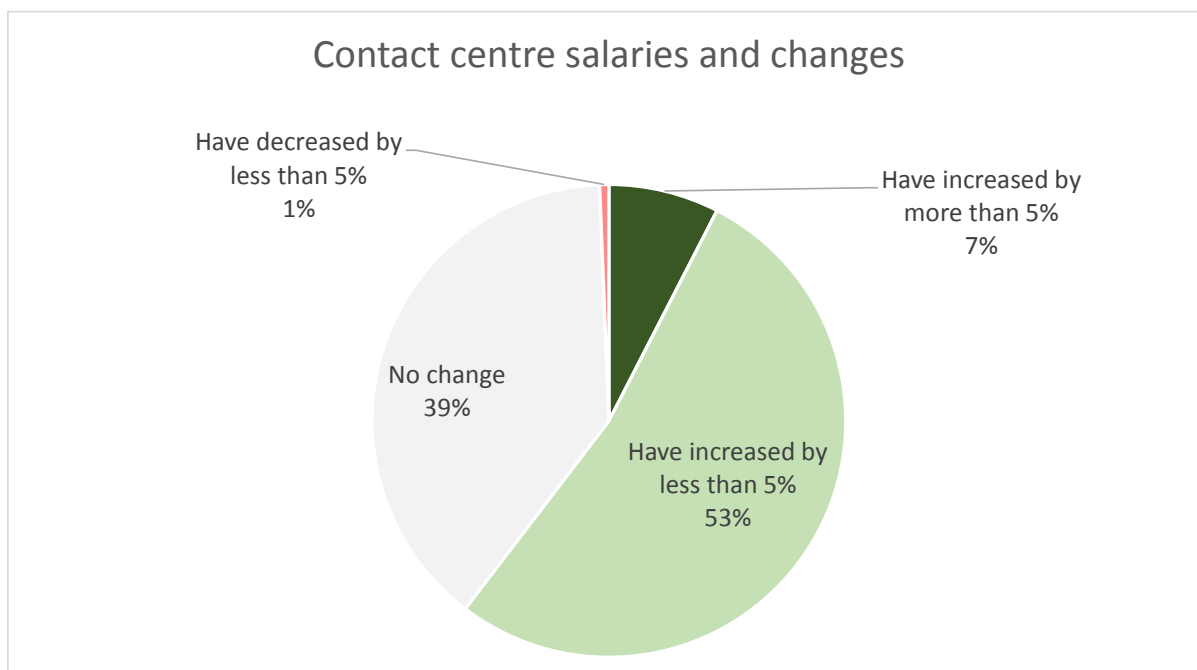
In fact, the changes within the respondents' operations is very similar to the year before: the majority report a small increase, with a significant minority reporting no real change. This suggests that the big jump seen in 2012 was most likely because a larger-than-normal group of well-paying contact centres responded to the survey last year.

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 \(2013\)"](#).

Figure 129: Contact centre salaries and changes

Role	2013 mean average salary	Change 2012-2013
New agent	£15,675	-3.0%
Experienced agent	£18,065	-3.4%
Team leader / supervisor	£23,335	-2.8%
Contact centre manager	£38,139	-0.9%

Figure 130: Contact centre salaries and changes



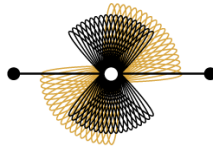


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**Organisations able to help with HR Management:**



Enghouse Interactive has the ability to equip your agents to deliver better customer experiences through quality monitoring and agent coaching with agent evaluation software: employees will benefit from feedback and training utilising live customer calls and objective feedback mechanisms, and flexible scorecard templates allow you to tailor your quality assurance program to your business needs, delivering objective employee evaluations, coaching employees for improved success, and tracking performance improvements over time using our agent evaluation software solution.



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IP Integration can help reduce agent churn and improve agent experience by helping release trapped agent time through a self-funding model to reinvest in training and development resulting in happier, more productive agents.





Moxie's multichannel customer service solutions reduce average handling time by 20%, increase revenue by 30% and reduce costs to serve by an average of 30%: advisors feel equipped to get the right answers quickly, while they have the customer on the phone or in the shop, increasing their job satisfaction and customer satisfaction, with CSAT scores higher than 80%.



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## STRATEGIC DIRECTIONS

Much of this report is about how contact centres are performing today, but this final chapter looks at the more strategic decisions and issues that contact centres are facing. HR issues have often been what make contact centre managers most concerned, but the past years have seen a growing feeling that the technology in place is letting the operation down, or at least, preventing it moving forward to the extent that it needs. Contact centres are also aware that they have to modernise their processes as well as the technology, but as ever, cost, time and the need to keep the operation running smoothly make this sort of strategic thinking very difficult, especially in a situation where many contact centres still do not have much in the way of a champion at the higher levels of the business.

The need to measure and improve customer satisfaction, and its impact upon profitability, has become an obsession throughout the industry, which is positive for customers and businesses. Historically, much of the short-term investment coming from the wider business has been focused on 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 seemed strange.

While the industry is growing in terms of increased volumes of interactions (especially non-voice) and the recruitment of new agents, more needs to be done to increase the effectiveness of agents. Self-service levels are low across much of the industry, and we can see that taking low-value work away from agents, freeing them up to do more profitable and difficult work, is an important step. It is clear to see that there is a movement away from voice self-service to more flexible visual self-service, whether through a website or a mobile app, changing the face of customer contact.

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 communicating with 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.



*Around 40% of an agent's time is spent doing something other than communicating with customers. Download a complimentary Aberdeen Report on Agent Desktop Optimisation here: [www.sap.com/bcm](http://www.sap.com/bcm). The report reveals business processes and technologies that top performing businesses use to empower agents with relevant and timely information through their desktop.*

## TECHNOLOGY USAGE AND PLANS

Figure 131: 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
Headsets	89%	10%	1%	0%	0%
Call recording	76%	11%	9%	3%	1%
ACD/PBX functionality	73%	16%	2%	2%	7%
Management information systems	70%	18%	7%	1%	4%
IP infrastructure	69%	13%	2%	3%	13%
Touchtone IVR	62%	11%	5%	4%	18%
Workforce management systems	46%	12%	11%	6%	25%
Email management software	42%	11%	17%	6%	24%
Outbound dialler	31%	6%	3%	4%	56%
Web chat	29%	8%	27%	17%	20%
Speech/interaction analytics	15%	1%	12%	15%	57%
Customer service mobile app	13%	9%	20%	12%	46%
Automated speech recognition	12%	4%	6%	9%	69%

The preceding table shows respondents' current and future use of specific contact centre solutions. Telephony infrastructure 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 call recording, touchtone IVR, email management, 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 mobile apps and interactions analytics also receiving attention. In the longer-term too, these are 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 132: Most important areas of IT expenditure in the next two years

Expenditure type	1st	2nd	3rd
ACD / IP / telephony infrastructure	21%	9%	13%
Self-service	19%	9%	11%
Web chat	9%	2%	5%
CRM	8%	9%	3%
Workforce management	7%	7%	12%
Multichannel	6%	11%	2%
Integration	6%	10%	7%
Interaction recording	5%	2%	3%
Cloud / hosted	4%	2%	0%
Social media	2%	10%	5%
Interaction analytics	2%	7%	5%
Outbound dialler	2%	2%	2%
Workflow	2%	0%	0%
Document management	2%	0%	0%
Management information	1%	1%	3%
Customer satisfaction measurement	1%	0%	3%
Training / eLearning	1%	0%	2%
Mobile	0%	4%	7%
Virtual contact centre / homeworking	0%	4%	7%
Knowledge base	0%	2%	2%
Agent desktop	0%	2%	0%
Quality assurance / quality management	0%	2%	0%
CTI functionality	0%	1%	2%
Complaints management	0%	0%	3%
PCI	0%	0%	2%
Voice biometrics	0%	0%	2%



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As has been the case for many years now, moving to an IP environment has been the most popular priority amongst respondents, with 21% of respondents stating that upgrading their telephony system was the most important area of expenditure, with a further 9% putting it as their second priority.

CRM (taken to indicate an improvement to the core customer management systems as well as company-wide CRM) has dropped from its no.1 position, with a massive jump in self-service (which includes both web and IVR), and especially web chat which is the priority investment for 1 in 11 respondents.

Workforce management, especially in smaller contact centres, maintains its performance, being a top 3 priority for 26% 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 19% of respondents putting this as a priority and 17% mentioning social media, both figures up on past years.

Speech analytics has maintained its importance, with 14% of respondents making this a top 3 priority.

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Managing contact centers and multichannel communications to optimize customer experience is not easy. But SAP® Business Communications Management software can help boost your performance to keep you ahead of the game. It enables you to manage inbound and outbound contacts with customers and partners across multiple locations and communication channels so you'll have more satisfied customers and improved sales and service operations. Visit [www.sap.com/bcm](http://www.sap.com/bcm) and see how we can help your business run better.

## 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.

While most respondents have a strong focus on decreasing costs, it is particularly noticeable in the utilities sector. The outsourcing, utilities and transport & travel sectors are particularly keen to increase their revenues, with these sectors marking this as their no.1 priority, even above customer satisfaction.

The housing and 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 133: Most pressing managerial issues, by vertical market

Vertical market	FS	HS	INS	MAN	OS	PS	RD	SVCS	TMT	TT	UTILS	Average	% of respondents scoring this as a maximum
Improving CSAT	8.2	8.5	8.4	9.6	7.3	7.6	9.3	8.1	9.0	8.0	8.5	<b>8.2</b>	36%
Achieving set metrics	8.3	7.1	6.9	6.8	6.9	7.2	7.3	7.4	7.9	5.0	8.5	<b>7.2</b>	16%
Increasing revenues	7.3	6.3	6.8	6.8	9.0	2.8	6.6	7.4	8.0	9.7	10.0	<b>7.0</b>	30%
Decreasing costs	7.0	7.3	6.6	7.4	7.2	6.4	5.7	7.8	7.6	7.0	9.0	<b>7.0</b>	21%
Improving first-call resolution rates	7.7	7.9	7.5	6.0	5.8	7.4	7.4	7.2	5.9	5.0	8.5	<b>6.9</b>	18%
Improving staff morale	7.2	6.0	6.5	6.6	6.6	6.9	7.1	6.8	5.9	5.0	7.5	<b>6.6</b>	11%
Compliance with regulations	8.5	4.6	6.8	6.4	6.8	7.0	6.2	6.1	6.7	4.7	7.5	<b>6.5</b>	23%
Growing or maintaining staff numbers	6.0	4.5	5.8	7.3	6.9	6.5	6.4	6.2	5.4	5.0	5.0	<b>6.1</b>	11%
Improving staff attrition	5.3	3.5	6.3	4.8	5.6	4.5	4.2	5.3	4.7	5.0	5.0	<b>5.0</b>	8%



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.

Figure 134: Most pressing managerial issues, by contact centre size

Contact centre size	Small	Medium	Large	Average	% of respondents scoring this as a maximum
Improving CSAT	8.3	8.0	8.3	<b>8.2</b>	36%
Achieving set metrics	6.7	7.1	7.6	<b>7.2</b>	16%
Increasing revenues	6.9	6.8	7.2	<b>7.0</b>	30%
Decreasing costs	6.7	7.0	7.4	<b>7.0</b>	21%
Improving first-call resolution rates	6.5	7.1	7.4	<b>6.9</b>	18%
Improving staff morale	5.9	6.8	7.2	<b>6.6</b>	11%
Compliance with regulations	6.4	6.6	7.0	<b>6.5</b>	23%
Growing or maintaining staff numbers	6.3	5.9	6.0	<b>6.1</b>	11%
Improving staff attrition	4.3	5.0	5.9	<b>5.0</b>	8%



*Improving customer satisfaction is the most pressing managerial issue among contact centre managers. Read this [customer case](#) to see how Yaskawa America improved customer satisfaction in their contact centre.*





Thought Leadership

## **Big Data in Contact Centres – Size Does Matter**

We are told on a weekly basis about the 'next big thing'. Usually the next big thing is over before we even realize it, but sometimes there are important developments that have the potential to make real changes to the world of business. One of them is 'Big Data'. Hardly any technological innovation has proven its benefit to businesses so quickly and it also offers a huge number of opportunities for every single member of staff to increase the quality and efficiency of the contact centre and customer services.

Just think about modern contact centres: They store not only volume and service level statistics on private channel interactions – for example, phone conversations, email and chat discussions – but also their contents. This data probably provides businesses with the deepest understanding of customer insight – especially when combined with public channel data from social media and transactional data sources like ERP and CRM systems. The data is there, but the question is: How to analyse and make use of it for the benefit of customers and the businesses?

The answer: By combining existing solutions with in-memory database technologies. This integration gives the ability to utilize all available data to gain a deeper understanding of your customers and to increase the speed and quality of your interactions with them.

Communications technology plays a key role in understanding customers and it is a crucial element when different systems in the contact centre are integrated with each other. Modern communications platforms integrate with business systems and are able to utilize the customer data stored in these different systems. For example, CRM data is used to identify the customer and to route the contact to the best possible customer service agent. Furthermore, the data gives the agent all the relevant insight needed to handle the customer interaction fast and professionally. By introducing Big Data technologies, contact centres get the most out of the huge amount of data they already store in different business systems.

When existing business systems, Big Data solutions, and communications technology are combined professionally, they help businesses know their customers much better and to respond to their needs quicker and in more detail. Contact centre managers and service reps can anticipate the different customer behaviours and take the next best actions to improve these customer experiences.

Consequently, if nothing more, modern Big Data technologies help organizations make complex tasks simple enabling them to take actions for the benefit of their customers – and for their business.

Visit [business2community](http://business2community.sap.com) to read more about Big Data and contact centres.

For more information about how SAP can help, visit: <http://www.sap.com/BCM>

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## 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 maintains 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” may actually mean “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 utilities 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 two years, with 20% of respondents scoring this as a maximum, compared to only 10% in 2011. 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.

The public sector is also under pressure to cut costs, and its even-greater interest in both telephony and web self-service (despite historically low levels of this channel) can be viewed in this context, and is also interested in social media. The utilities and finance sectors, great users of self-service already, rate web self-service very highly as a future focus.

Figure 135: 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	8.7	9.1	8.5	9.6	8.1	7.9	8.9	8.6	8.6	8.3	8.5	8.5	44%
Business process optimisation	6.8	6.0	7.4	7.8	6.6	8.5	7.5	7.7	6.9	7.3	10.0	7.3	20%
Multichannel	8.0	4.6	6.7	5.5	7.7	7.7	7.7	5.9	6.1	8.3	6.5	6.9	16%
Web / mobile self-service	8.5	5.9	7.0	6.8	5.3	7.7	7.6	6.3	5.9	7.7	9.5	6.8	19%
Effects of legislation / compliance	8.3	4.9	8.1	5.2	7.1	6.2	5.8	5.2	6.7	6.0	7.5	6.4	20%
Agent desktop optimisation	6.4	5.4	5.1	7.3	6.1	6.8	6.2	5.7	6.3	7.0	6.5	6.1	7%
Social media	5.4	5.6	5.4	5.6	6.1	7.6	6.3	4.9	4.6	6.7	5.0	5.9	6%
Telephony self-service	5.4	4.9	4.1	5.0	4.7	7.5	5.0	4.4	4.8	8.0	6.5	5.3	9%
IP / unified communications	7.7	3.6	4.3	1.7	5.4	4.3	5.9	4.9	6.2	6.0	5.0	5.1	6%
Cloud/hosted solutions	5.0	2.8	3.4	2.3	5.3	4.7	3.9	4.5	5.3	4.0	4.0	4.4	2%
Site consolidation / virtual contact centre	5.0	2.3	4.1	3.3	3.9	3.5	3.0	4.0	3.0	3.7	5.0	3.6	4%
Domestic outsourcing	1.8	1.5	1.6	2.0	6.2	1.7	1.6	1.1	3.3	3.0	1.0	2.6	5%
Offshoring	1.3	1.2	1.3	1.8	2.9	1.0	1.5	1.7	2.2	3.0	2.5	1.8	4%

Looking at data segmented by contact centre size, telephony 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. However, web-based self-service and social media seem to have the same level interest to smaller operations as well.

Respondents from large contact centres are very focused upon multichannel, as they are starting to get a larger proportion of interactions from non-voice, and these operations are also far more concerned about compliance, probably as a result of the type of business (often financial) that many larger contact centres carry out. 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 136: 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	8.6	8.2	8.7	<b>8.5</b>	<b>44%</b>
Business process optimisation	7.1	7.2	7.7	<b>7.3</b>	<b>20%</b>
Multichannel	6.3	6.8	7.9	<b>6.9</b>	<b>16%</b>
Web / mobile self-service	6.9	6.5	6.9	<b>6.8</b>	<b>19%</b>
Effects of legislation / compliance	6.1	5.7	7.7	<b>6.4</b>	<b>20%</b>
Agent desktop optimisation	6.1	6.3	5.9	<b>6.1</b>	<b>7%</b>
Social media	6.1	5.1	6.5	<b>5.9</b>	<b>6%</b>
Telephony self-service	4.6	5.4	6.1	<b>5.3</b>	<b>9%</b>
IP / unified communications	4.8	5.2	5.4	<b>5.1</b>	<b>6%</b>
Cloud/hosted solutions	3.7	4.7	4.9	<b>4.4</b>	<b>2%</b>
Site consolidation / virtual contact centre	3.2	3.3	4.7	<b>3.6</b>	<b>4%</b>
Domestic outsourcing	2.3	2.7	3.1	<b>2.6</b>	<b>5%</b>
Offshoring	1.7	1.9	2.1	<b>1.8</b>	<b>4%</b>

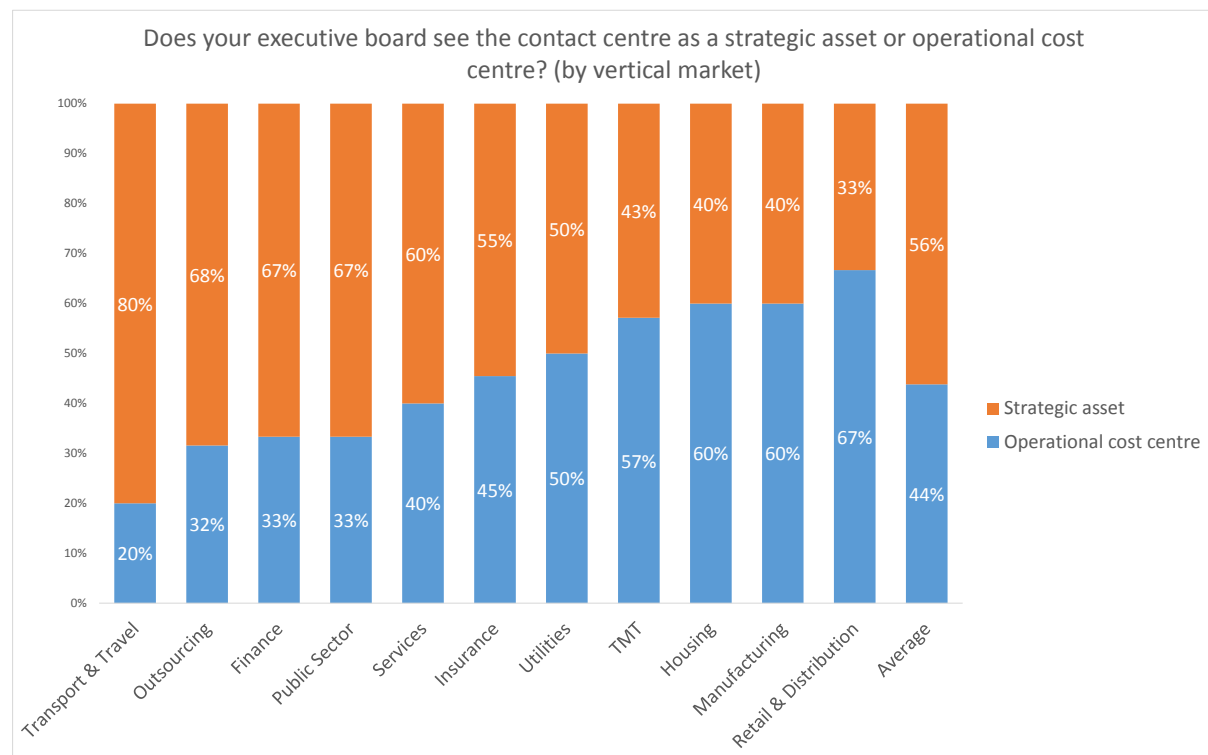
## THE CONTACT CENTRE AS A STRATEGIC ASSET

There has historically been a rough 50-50 split between whether contact centres are seen as strategic assets or operational cost centres by the organisation's executives, which went some way to explaining why so many operations did not share their insight with the wider business.

However, this year, the strategic group seem to nose in front, with the transport & travel, outsourcing and finance respondents more likely to feel that they are seen as strategic, whereas those in the retail and manufacturing sectors are less likely to do so this year.

There is little difference between size bands, with 59% of large, 54% of medium and 57% of small operations feeling that they are seen as strategic to the business.

**Figure 137: Does your executive board see the contact centre as a strategic asset or operational cost centre? (by vertical market)**



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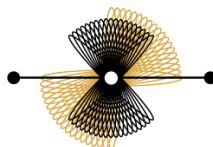
Organisations able to help with Strategic Directions:



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.



Infinity CCS's technology solutions help you improve customer experience and drive down cost to serve: with our unified desktop, smart workflow and knowledge base your agents can work smarter and focus on customers not processes and software; and with our management, reporting and QA software your operational management team has real-time, actionable insight into performance and compliance.



INTERACTIVE INTELLIGENCE<sup>®</sup>  
Deliberately Innovative

At Interactive Intelligence, it's what we do.



IP Integration helps business leaders originate and define a self-funding road map; articulating qualified and measurable contact centre improvement initiatives and transformation programmes to achieve your desired business outcomes.



Moxie's multichannel customer service solutions reduce average handling time by 20%, increase revenue by 30% and reduce costs to serve by an average of 30%: advisors feel equipped to get the right answers quickly, while they have the customer on the phone or in the shop, increasing their job satisfaction and customer satisfaction, with CSAT scores higher than 80%.



Nexidia, long term educators of Customer Interaction Analytics, works with some of the world's largest contact centres to capture multi-channel interactions, analyse the data and then use this valuable insight into the customer experience to develop business strategies to improve the performance of nearly every area of the organisation.



NICE Systems is the worldwide leading provider of software solutions that enable organisations to take the next best action in order to improve customer experience and business results, ensure compliance, fight financial crime, and safeguard people and assets.



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



Sabio's consultancy team is focussed on helping contact centres to improve sales, productivity, quality and customer service through better use of technology, process optimisation and a focus on people: our team consists of industry experts with real-life experience at running award winning contact centres



Modernise and be ready for opportunities ahead, giving your business the agility to quickly react to changing customer demands - connect with us today to learn how this fast-emerging technology can place your business ahead of the competition.





## 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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