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INTRODUCTION AND METHODOLOGY

The *"US Contact Center Decision-Makers' Guide (2013 - 6th edition)"* is the major annual report studying the performance, operations, technology and HR aspects of US contact center operations.

Taking a random sample of the industry, a detailed structured questionnaire was asked to 205 contact center managers and directors between January and February 2013. Analysis of the results was carried out in March and April 2013. The result is the 6th edition of the largest and most comprehensive study of all aspects of the US contact center 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 US Contact Center Decision-Makers' Guide first identifies six of the major pain points and issues that affect the contact center industry:

- Improving quality and performance
- Maximizing 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.

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

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

SEGMENTATIONS

Looking at industry averages for contact center 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 center size (agent positions)
- by contact center 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 analyzed data along vertical market (business sector) lines, to highlight the specific issues and environments particular to that vertical industry. Below are the ten vertical markets studied within this report which had sufficient respondents to justify inclusion.

Figure 1: Vertical market definitions

Vertical market	Sub-sectors
Entertainment & Leisure	Hotels, resorts, gambling, sports
Finance	Banks, credit cards, loans, debt collection, credit checking, corporate
Insurance	Insurance for life, motor, house, corporate, reinsurance, etc.
Manufacturing	Mainly B2B sales and support, along with customer helplines
Medical	Medical insurance, hospitals, pharmaceuticals,
Outsourcing	Large full-service outsourcers/BPOs and telemarketing firms
Public Sector	Government (federal, state and city) agencies, emergency services/911
Retail & Distribution	Retailers, home shopping, mail order, parcel carriers, logistics
Services	Non-physical service offerings to public and business
Technology, Media and Telecoms (TMT)	Technology sales and service; Cell and fixed line telco, TV, satellite and cable providers; Broadband/ISP; triple/quad play

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 centers surveyed fit into one of three categories:

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

CONTACT CENTER TYPE

Whether a contact center is predominantly inbound or outbound can fundamentally determine how the contact center is run. Therefore, we sometimes analyze data by contact center 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 205 contact centers interviewed in this study were broken down into discrete segments:

Vertical markets

- Entertainment & Leisure - 7
- Finance - 19
- Insurance - 16
- Manufacturing - 8
- Medical - 15
- Outsourcing - 29
- Public Sector - 14
- Retail & Distribution - 21
- Services - 26
- Technology, Media and Telecoms (TMT) - 40
- Other (not included in vertical market analyzes) - 10

Size bands

- Small (10 to 50 agent positions) - 89
- Medium (51 to 200 agent positions) - 50
- Large (200+ agent positions) – 63
- Did not answer (not included in size analyzes) - 3.

Inbound / outbound

- Mostly inbound (75%+ inbound) - 121
- Mixed (between 25% and 75% inbound and outbound) - 41
- Mostly outbound (75%+ outbound) – 39
- Did not answer (not included in size analyzes) - 4.

Sales / service

- Mostly service (75%+ service) - 121
- Mixed (between 25% and 75% service and sales) - 40
- Mostly sales (75%+ sales) – 40
- Did not answer (not included in service/sales analyzes) - 4.

DISTRIBUTION AND USE OF THIS REPORT

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

- Contact center managers and directors
- HR managers and directors
- Operations managers and directors
- Customer service directors and those involved in contact center strategy
- IT managers and directors
- Contact center solution providers: hardware, software & services
- Outsourcers
- Consultants
- Training providers
- New entrants to the US contact center industry
- Government bodies
- Academic institutions
- Contact center industry organizations
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VoltDelta OnDemand Solutions provides a global hosted infrastructure for enabling virtual contact centers and home agent call distribution and management, inbound and outbound voice recognition applications, and voice of the customer call and agent screen recording. VoltDelta's platform supports more than 2.4 billion calls and 2 billion SMS text messages per year.

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IMPROVING QUALITY AND PERFORMANCE

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

Topics include:

- Interaction recording and analytics
- Quality management
- The agent desktop
- Workflow
- Training and eLearning
- Customer satisfaction and complaints
- Queue management systems.

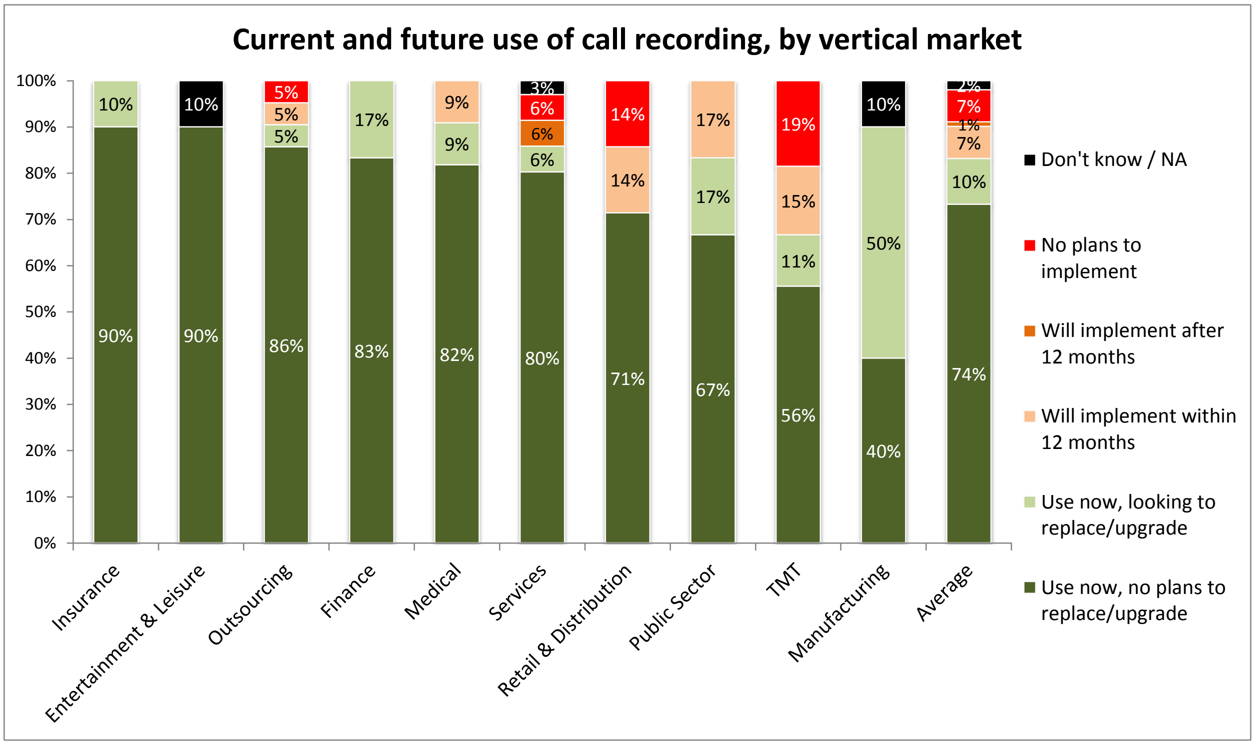
INTERACTION RECORDING

For the past decade, there has been increasing desire within contact centers 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 US contact centers, outperforming other key areas such as decreasing costs or increasing sales.

Call recording and monitoring may have been around for a long time, but it is at the forefront of the battle to improve quality and thus customer satisfaction and loyalty. The new generation of interaction recording solutions brings the whole contact center into play, potentially gaining at several levels of the business through using the solution in different ways.

Call recording is one of the most prevalent contact center solutions, having many applications around quality assurance, compliance, security and agent training. It is used by 84% of this year's respondents, 12% of which state that they wish to replace or upgrade their current system. Only 7% of respondents have no intention of using call recording.

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



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

CallCopy®

Innovations in Call Recording
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75% of people would do business with a company based on a **great call center experience.**

50% of people stopped doing business with a company due to **poor customer service.**

Which Side Are You On?

In today's highly competitive market, providing superior customer service is critical to an organization's success. cc: Discover, CallCopy's award-winning workforce optimization (WFO) suite, enables organizations to maximize customer satisfaction by gaining a deep understanding of their customer interactions.

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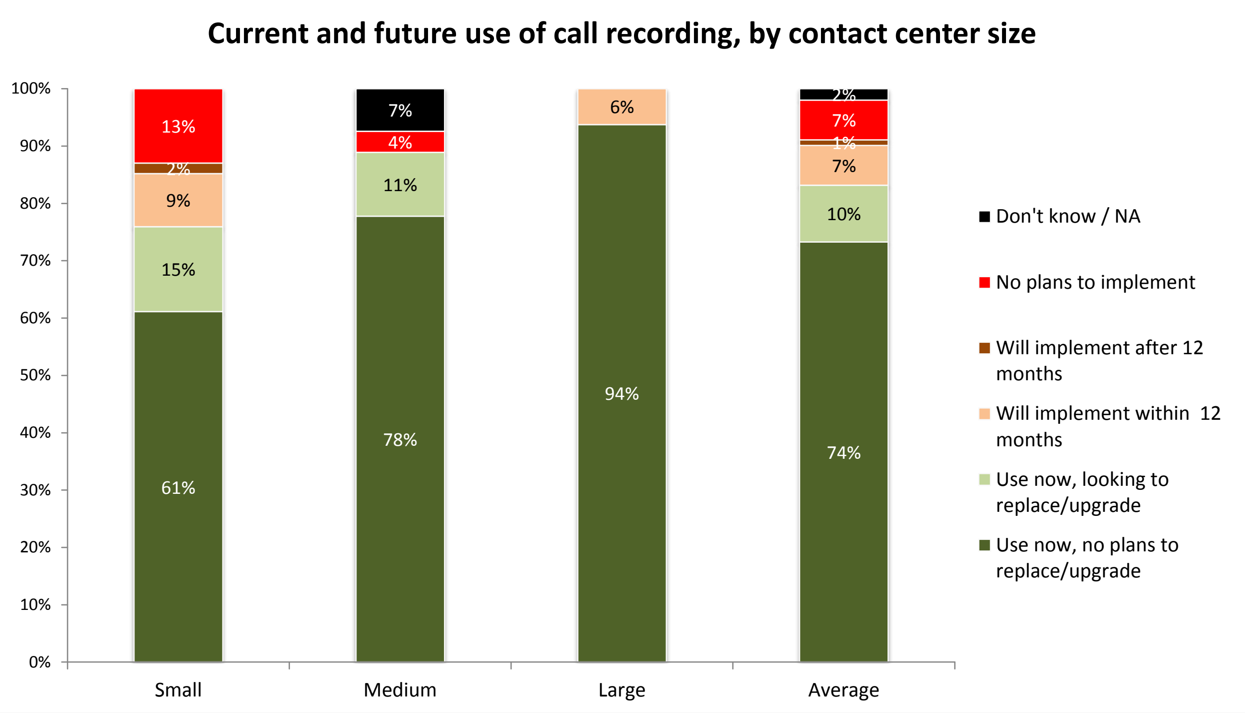
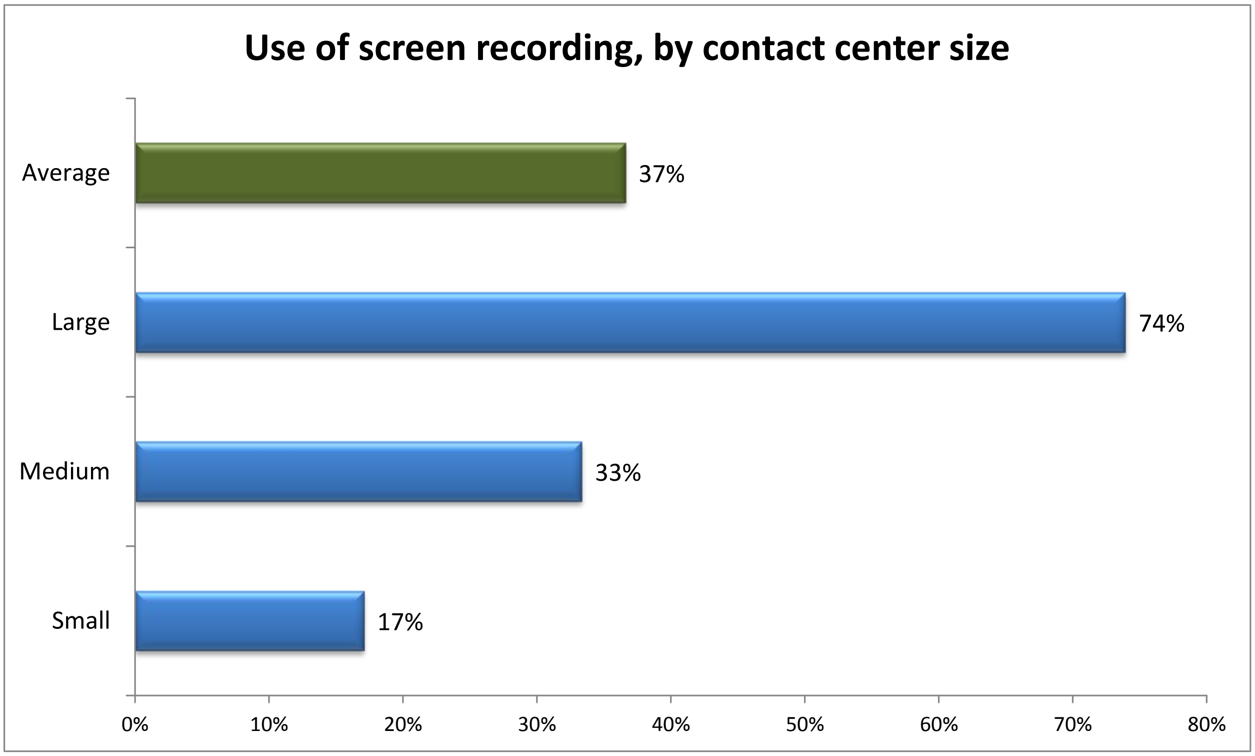
The use of call recording is influenced by the size of the contact center operation although the figure of 76% penetration in small operations shows that vendors have been able to offer solutions successfully at various price points.

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



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. 74% of respondents from large contact centers use screen recording as well as call recording, with an industry-wide figure of 37% 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 what is happening 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.

Figure 4: Use of screen recording, by contact center size



Columbus Blue Jackets - Quality Assured

CallCopy Assists Sales Team with Improving Fan Experience

CallCopy®

The Columbus Blue Jackets are a team in the National Hockey League (NHL), the premier hockey league in the world. Based in Columbus, Ohio, the team competes in the NHL's Central Division of the Western Conference. The Columbus Blue Jackets employ multiple individuals in various capacities that focus on boosting attendance. It boasts a team of 29 sales individuals who work together to attract individuals and groups to the team's exciting home games.

The team includes an inside sales team comprised of one manager and 12 individual sales people selling season and group tickets, an account executive sales team of five people serving repeat customers and other high-value attendees, a group sales team of eight representatives and one director that focuses on larger groups and associations, and a service team of four people that establishes longer-term relationships and provides customized service to full season ticket holders. All of these groups rely heavily upon phone calling to close sales, and they conduct nearly 300 calls per day.

Challenge

A considerable challenge for any sports team is to encourage loyal attendance and grow or maintain the levels of corporate and season ticket sales that drive revenue. Blue Jackets sales management desired to improve the training tactics used with its phone-based sales team. Prior to implementation with CallCopy, the sales department management used several techniques to train sales staff. They would conduct role-playing exercises, posing as a potential customer and conducting a back-and-forth exchange to simulate real conversations.

Managers would also directly observe sales staff in action, although this was limiting as they did not hear the customer's voice at the same time, so the calls lacked tone and contextual insight. They would also occasionally listen in to sales staff calls, and then meet with the employee at a later time to discuss the call. While such exercises could prove useful at times, there was a substantial disconnect as the employee needed to operate immediately on specifics of the conversation from recall. Their memories of a call's duration or tone were often incorrect, either because of their own bias or simply due to the passage of time. The Columbus Blue Jackets' sales managers wanted a solution that could clearly record calls so training could be conducted with the proper context and staff members could hear their own voices.

Solution

After a thorough review of other vendor offerings, the executive team for the Columbus Blue Jackets selected CallCopy's cc: Discover workforce optimization suite because of its innovative, flexible capabilities. The suite's components selected to meet the Blue Jacket's need include integrated modules for call recording, agent screen capture, quality assurance (QA) and agent coaching and training. Implementation of cc: Discover for the Columbus Blue Jackets was completed in September, 2011.

This flexible solution provides the team's sales agents with a customizable call recording framework that fits their specific needs, including for priority-based archiving, that enables the organization to set rules for which calls are kept short term and which ones are archived to meet transaction record retention requirements. cc: Discover is easily integrated with the organization's other applications. Its application programming interface (API) is included with every system installation.

Prior to implementation of cc: Discover, the Blue Jacket's sales department integrated a new Microsoft Dynamics CRM solution in order to store more conversation data, such as various customer preferences. By recording calls with CallCopy, the department is able to actively capture a considerable amount of data which is then inserted into the new CRM system, dramatically increasing its usefulness for the team.

Results

The Blue Jackets management considers CallCopy's solution to be primarily an aid in training. The solution features intelligent call recording that does not record very short calls that might just have a "no thanks" or "yes" quick conversation. This functionality prevents the Blue Jackets management from sifting through dozens of calls that do not offer any training potential.

Once a week training sessions are conducted with each individual sales person. Managers review multiple recorded calls, and then coach the employee on areas that could be improved, or point out positive elements that should be included on future calls. Many employees gained valuable insights during the first of these sessions, especially regarding surprise at their tone of voice, clarity, or their ability to enthusiastically promote Blue Jackets hockey.

Management also conducts a weekly group training session. Several recorded calls are selected that feature both negative and positive outcomes and are then shared with the group to promote peer coaching and brainstorming. "In addition to our mandatory one-on-one and group meetings, we also see our team seeking out immediate call feedback, so they might come in to my office any time of day," said Bob Sivik, Vice President of Ticket Sales and Service. "Our sales staff wants to improve their closing and presentation skills, and they see the real value in reviewing calls. Our team fully embraces the depth of training that CallCopy enables, which allows them to excel at their jobs and ultimately move up in the organization."

"CallCopy's solution works perfectly for our needs," continued Mr. Sivik. "Recorded calls are very clear and are available in real-time, giving us the flexibility to address any major issues immediately. We needed a call recording platform that gives us a good sampling of calls so we could improve training and ultimately bring in more patrons to our exciting fan experience. The solution exceeds our expectations and we look forward to a long-term partnership."

To learn more about CallCopy and how other organizations use our solutions visit:

www.callcopy.com

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

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

With some of the more sophisticated interaction recording solutions available, the supervisor can move into a more analytical role, understanding not only what has happened, but the reasons for it as well. Taking a top-level view of team performance, a supervisor may see that certain types of call have been dealt with very quickly by a specific agent. Standard management information systems may show this as a positive situation, but using interaction recording capabilities may illustrate that this agent cannot help the customers, and is simply passing the calls through to colleagues. Now the supervisor has a chance to improve the situation, rather than missing the problem in the first place which may happen without this interaction analysis.

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

A more strategic use of call recording may occur at the **management or executive** level. When all interactions are recorded and analyzed, a complete performance management program may be put in place. Agent performance can be viewed by supervisors, team performances can be analyzed by the operational manager, and contact center 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.

CallCopy®

Performance management solutions, such as CallCopy's Insight, harness the power of big data in the contact center by analyzing data from across the enterprise, including unstructured interaction recordings and structured data, such as customer records. When staff at all levels of the organization use metrics driven by big data, then they can evolve into a customer-focused culture.

Using interaction recording, the performance of the contact center 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 center'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 center capable of making a real impact on a company's profit.

Of those contact centers 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 center. Compliance has also been a major reason to implement call recording.

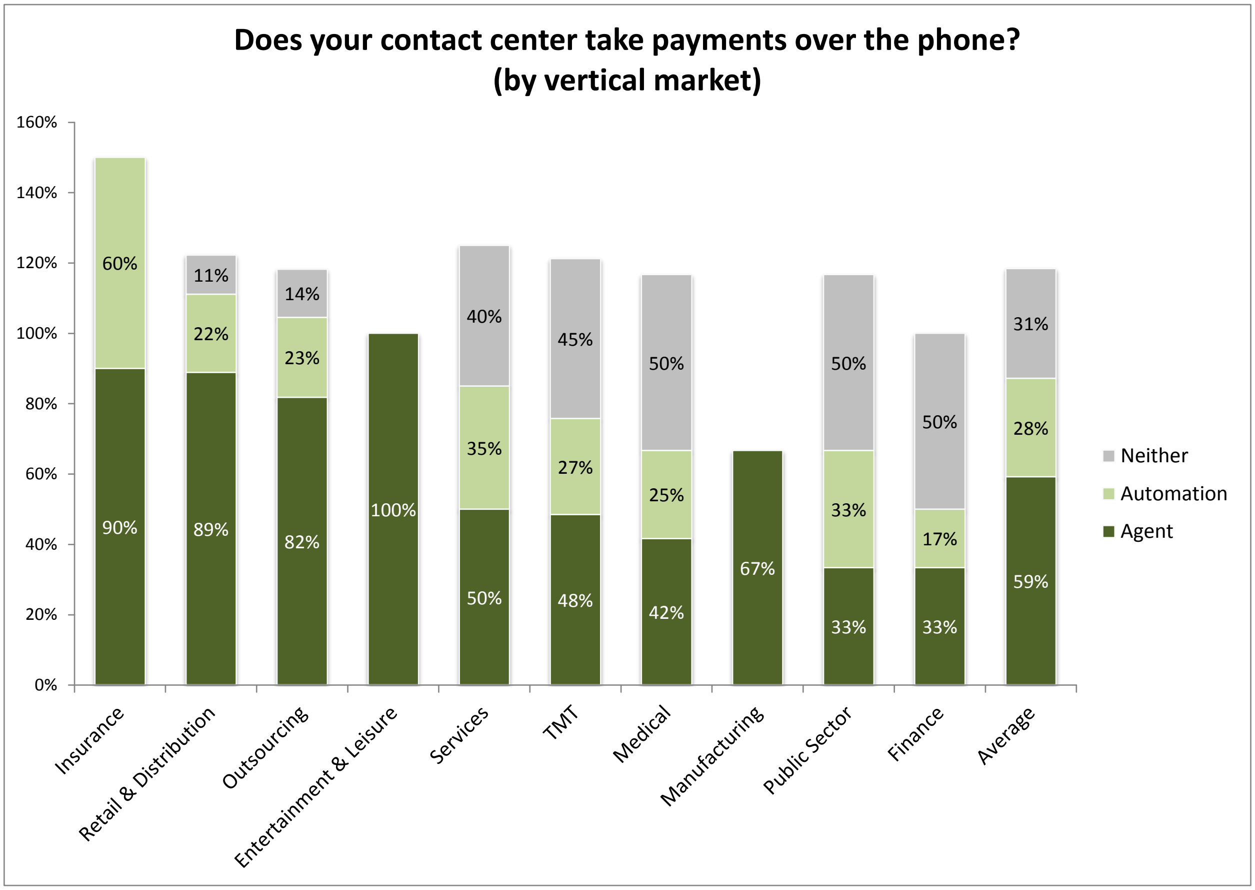
Call recording may be used in three modes:

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

One of the main areas that businesses have been questioning how to use recording solutions is when dealing with taking card payments over the phone. 69% of respondents' operations handle such payments from customers, although the public sector and finance vertical market respondents are less likely to do so this year.

Payments are normally taken by agents, although vertical markets such as insurance and services are likely to provide a fully-automated as well as a human payment option to their customer base. As such, issues arise with PCI compliancy which affects the use of interaction solutions as well.

Figure 5: Does your contact center take payments over the phone? (by vertical market)



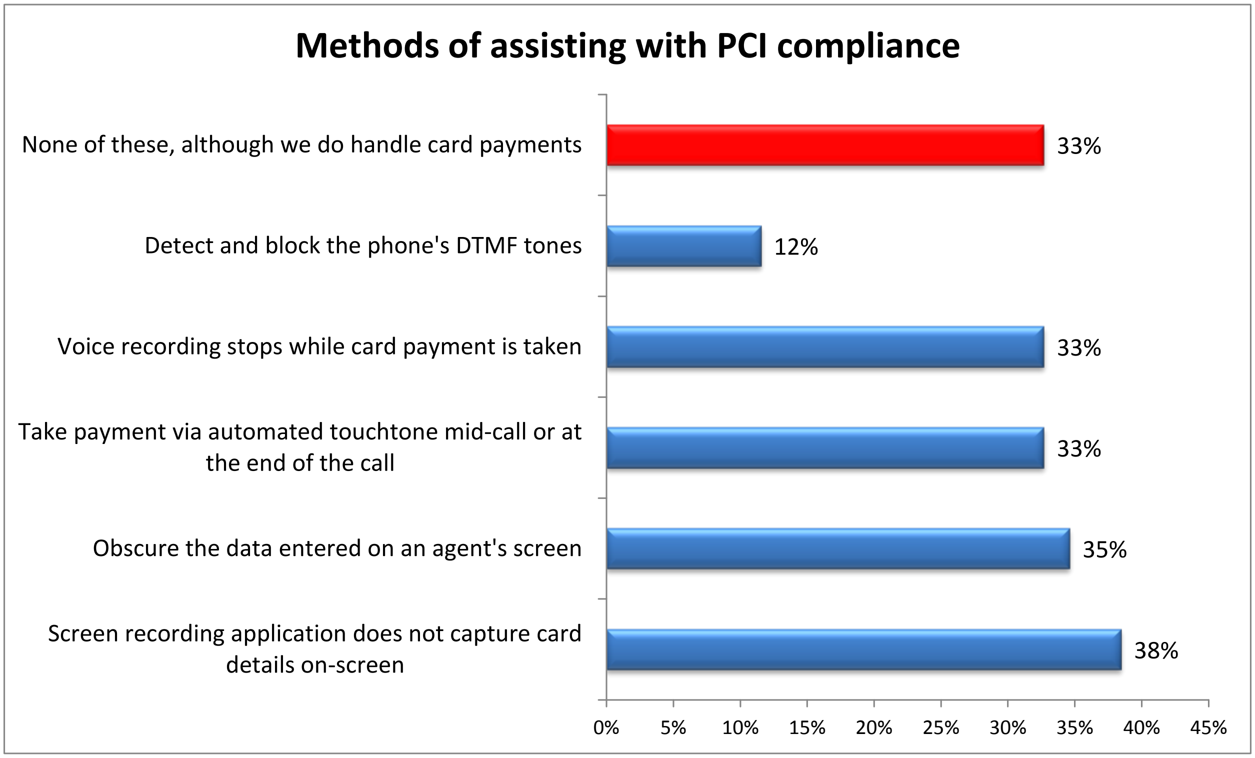
There are significant elements to consider around manually taking payment from cards: the time taken to take payment, the risk of fraud by agents and compliance with standards set by the Payment Card Industry Data Security Standard (https://www.pcisecuritystandards.org/security_standards/), in order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

All organizations that take payment card data must comply with the Payment Card Industry Data Security Standard (PCI DSS). It is highly recommended that when implementing a recording solution, organizations utilize automated audio and video "blackouts" that prevent the recording of sensitive cardholder data, in accordance with the PCI DSS.

One-third of respondents handle card payments without any form of automated assistance at all, trusting to internal processes and QA to reduce the chance of fraud.

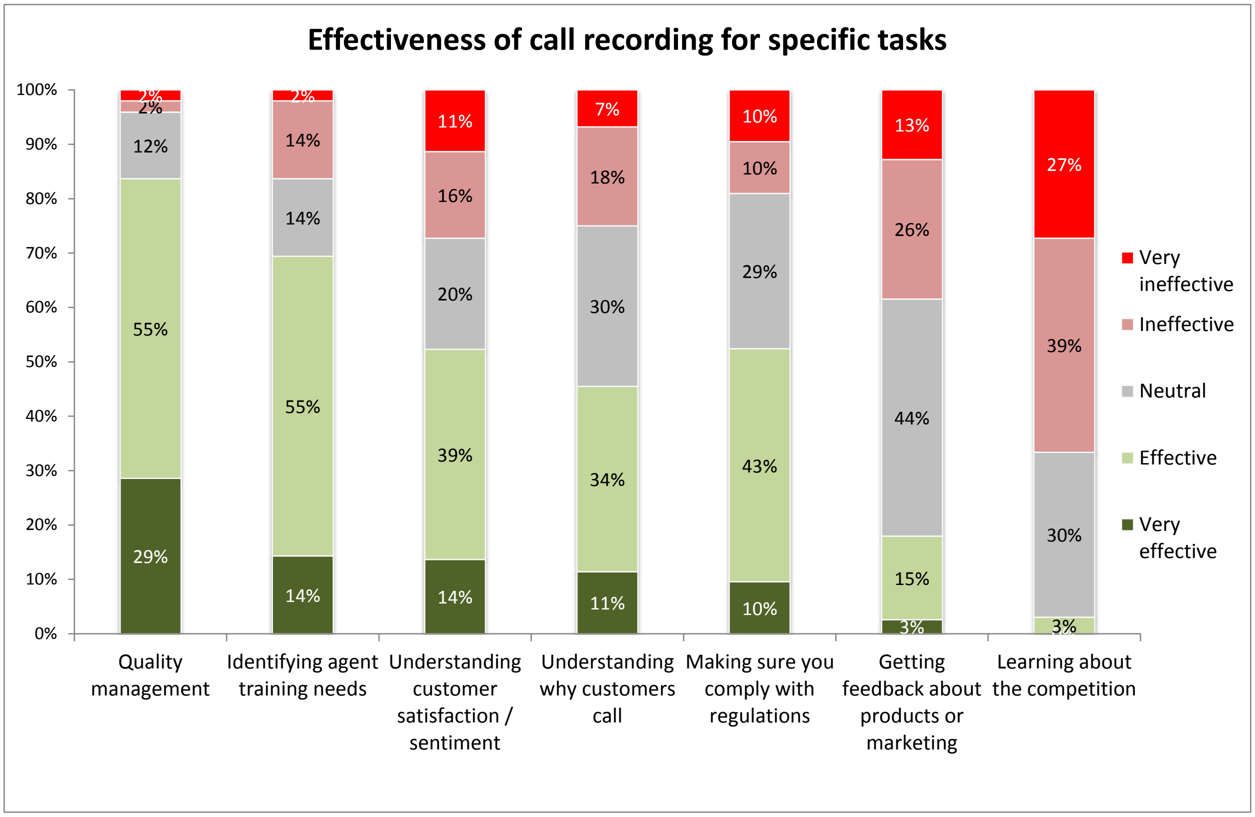
38% of those that handle card payments use screen recording solutions that do not capture card details, and 35% obscure the data as it is typed in. 33% use an automated in-call or post-call solution to take the agent out of the frame altogether and a similar proportion use a recording solution that stops at payment processing time. Only 12% detect and block the DTMF tones that could be used to identify digits.

Figure 6: Methods of assisting with PCI compliance (only those respondents taking card payments are included)



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

Figure 7: Effectiveness of call recording for specific tasks



However, there is less enthusiasm for call recording's effectiveness at getting feedback from customers - it can be a difficult manual task to pick the right calls to demonstrate customer sentiment - and there is a strong link between those who find call recording very effective and those who use speech analytics, which the next chapter looks at in more depth.

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

Interaction recordings contain vast amounts of information that has the potential to provide valuable insight, such as customer sentiment and competitive intelligence. The challenge is how to uncover this business intelligence without playing back every interaction. When deployed with interaction recording, speech and desktop analytics automate the discovery process by sifting through thousands of hours of unstructured data to uncover hidden gems of useful information.

CUSTOMER INTERACTION ANALYTICS

The term Customer Interaction Analytics refers to the analysis of all interactions between contact centers 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 analyze. 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 customer interaction analytics technology available today is very effective at capturing the voice of the customer and improving contact center performance based upon information gleaned from interactions.

For the past decade, there has been increasing desire within contact centers 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 US contact centers, outperforming other key areas such as decreasing costs or increasing sales.

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

Interaction analytics solutions are analogous with the data warehousing and mining applications in as far as they analyze huge quantities of data - here, call 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 centers 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.

Customer interaction analytics solutions are analogous with the data warehousing and mining applications in as far as they analyze huge quantities of data - here, unstructured data such as call recordings or emails, etc. - and identify important and insightful patterns in customer and agent activity. Hence, speech analytics is also called audio mining (it should be noted that some speech analytics solutions act in real-time, so the analogy is not quite exact), and text analytics is also called text mining. However, unlike the gap in functionality between data warehousing and data mining that we saw a decade ago, customer 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.

Speech analytics

Within the contact center 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.

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.

UTOPY (which was recently acquired by Genesys) pioneered the Interaction Analytics market by releasing the first Speech Analytics solution for business purposes in 2002. The patented method of direct phrase recognition leveraged by UTOPY Speech Analytics, which directly recognizes entire phrases within free-flowing conversations without first converting the speech into text or phonemes, is far more accurate and complete than any other method of Speech Analytics, as no data is lost in conversion. With the acquisition of UTOPY, Genesys now also offers the only coaching and quality monitoring applications which are completely driven by Speech Analytics and are completely independent of call recording systems.

Just Hearing is **NOT** Understanding

HURRY UP AND HELP ME!!
Hello, this is the third time I've contacted your company about this issue.

Don't just listen, understand **BOTH** the voice of the customer **AND** agent performance.

UTOPY Speech Analytics from Genesys.

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- Enhance their experience
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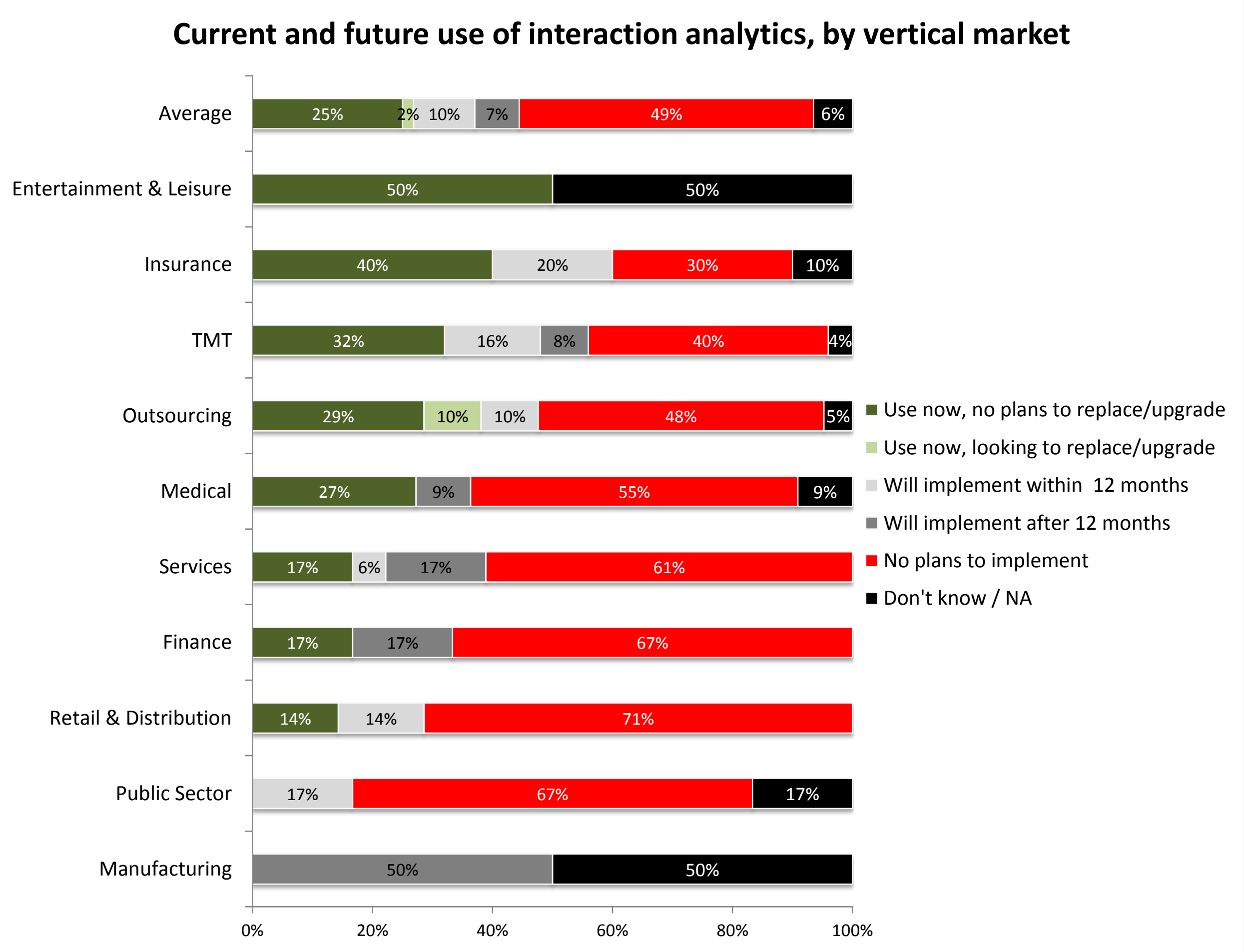
Against a ubiquity of call recording, the penetration rates of interaction analytics are much lower, although 27% of this year's respondents are using it today. While vertical market figures have been provided, readers should not rely on these as the research base is relatively low for this question.

Last year, there was a great deal of intent to implement interaction analytics in a short timeframe, with 10% of respondents looking to use the solution within 2012, and 11% intending to do so in a longer timescale. 2013's data seem to back this up somewhat, with a big step up in penetration rate, and further increases expected.

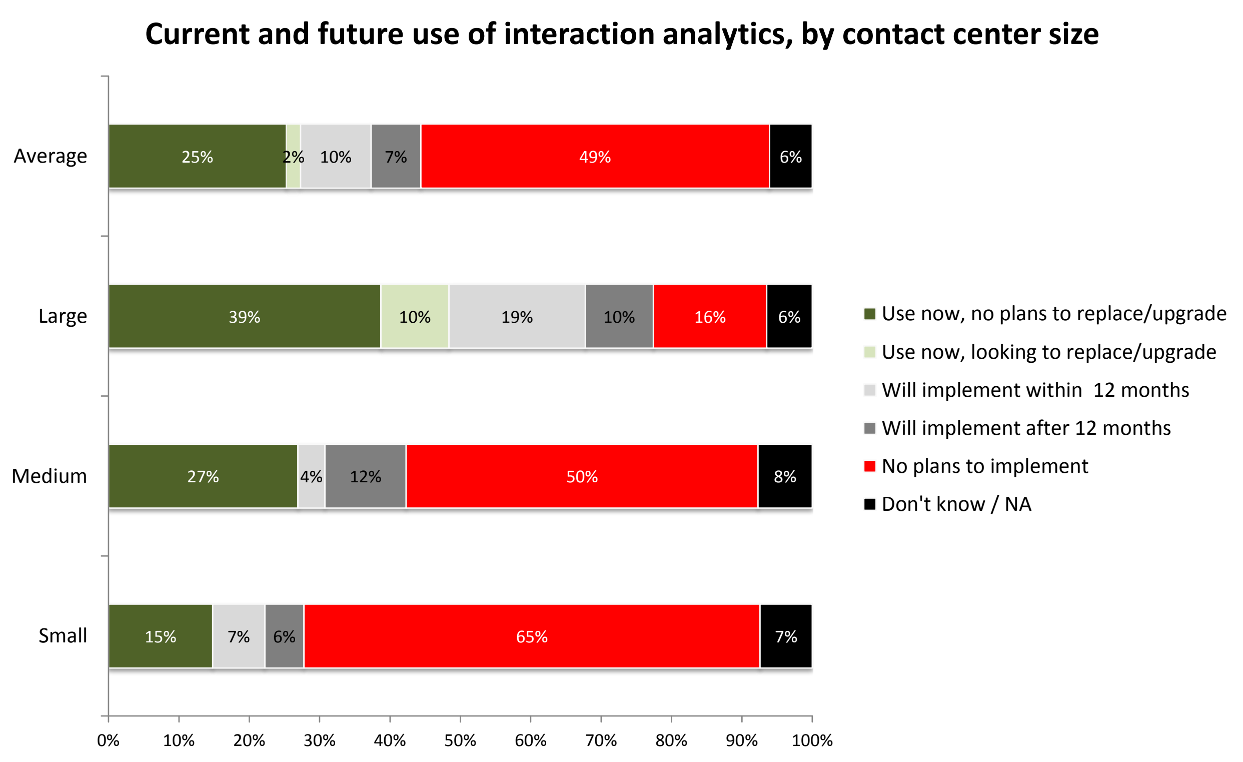
Figure 8: Current and future use of interaction analytics, by vertical market



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.

49% of respondents from large contact centers are already using interaction analytics, with those in the large and 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 9: Current and future use of interaction analytics, by contact center size



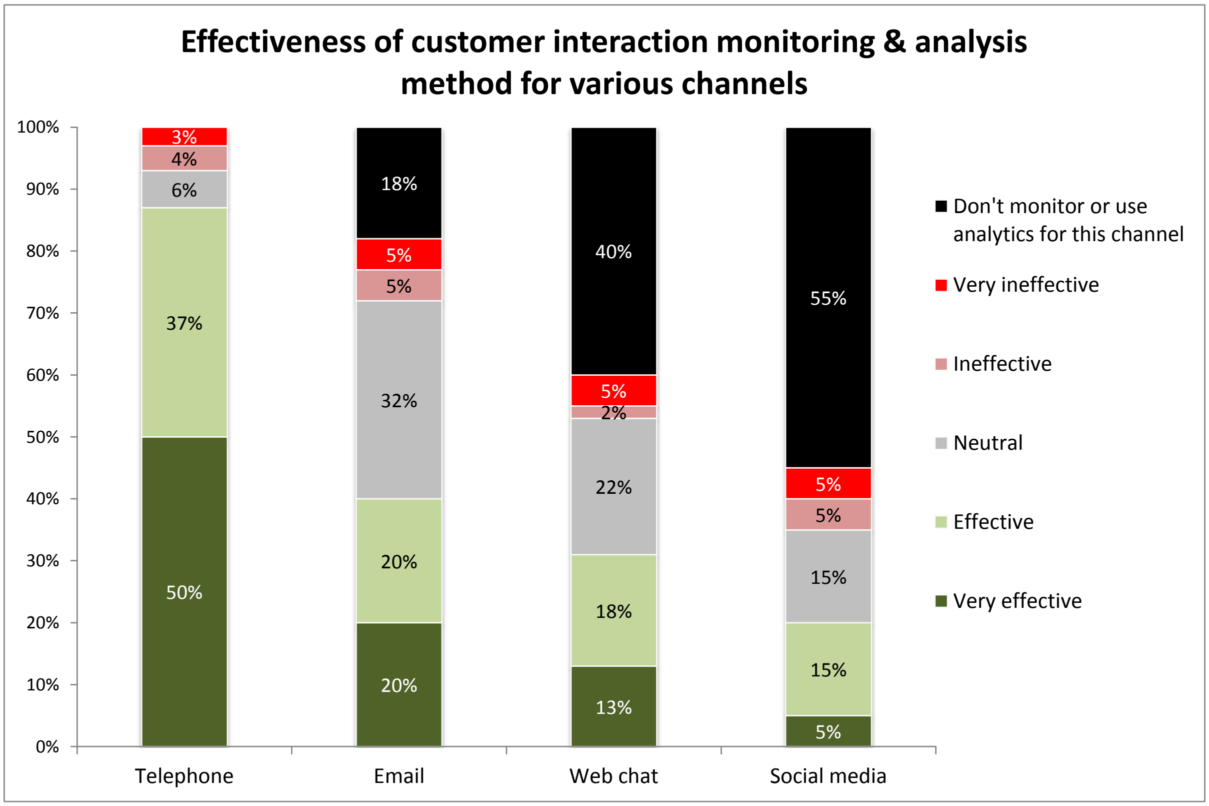
MULTICHANNEL MONITORING AND ANALYSIS

‘Interaction analytics’ as a phrase is not simply replacement marketing-speak for ‘speech analytics’, but does in fact seem to refer to the reality of contact center analytics. 67% of respondents who said that they used speech analytics also said that they had analytical tools for multichannel (email, web chat and agent desktop) as well. While the relative importance of multichannel analytics to speech analytics is not known, it seems that solution providers are indeed persuading end-users that insight and knowledge does not stop at the spoken word. With 25-30% of many contact centers’ business being non-voice-related (and growing), this seems a sensible attitude.

This explosion in use of email, web chat, and social media means there is an increasing requirement and interest in multichannel analytics within the contact center. Considering email, text chat, IVR and web browsing sessions as well as voice will allow businesses 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 fulfill their requirements. Integrated multi-channel analytics are an increasingly important part of many leading vendors' solutions, which apply interaction categorization methodology to e-mails, chat and social media in addition to calls, to provide a complete analysis of the entire customer interaction lifecycle.

As the following chart shows, there is a currently-unfulfilled demand for improved monitoring and analysis of non-voice channels, with considerable numbers of respondents using multimedia channels either not being entirely happy with their understanding of these media (especially social media), or not using any monitoring or analysis tool on them at all, certainly compared to the well-supported and generally satisfactory voice channel.

Figure 10: Effectiveness of multichannel customer interaction monitoring & analysis method (NB – only includes respondents using analytics)



THE COMMERCIAL APPLICATIONS OF INTERACTION ANALYTICS

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

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

Analysis of bulk call / interaction recordings can reveal patterns and suggest cause and effect which go towards building real business insight. As discussed earlier, there is certainly a place for real-time and near-real-time analytics as well, but the following charts look at how analytics can add to the strong base that call / interaction recording solutions give to an operation. Respondents which used recording solutions were asked how effective these were in various circumstances. Data were segmented by those respondents which use **only** call recording, and those which use interaction analytics **as well as** call recording. Any difference in effectiveness between the two groups may be at least partially-attributed to the use of analytics.

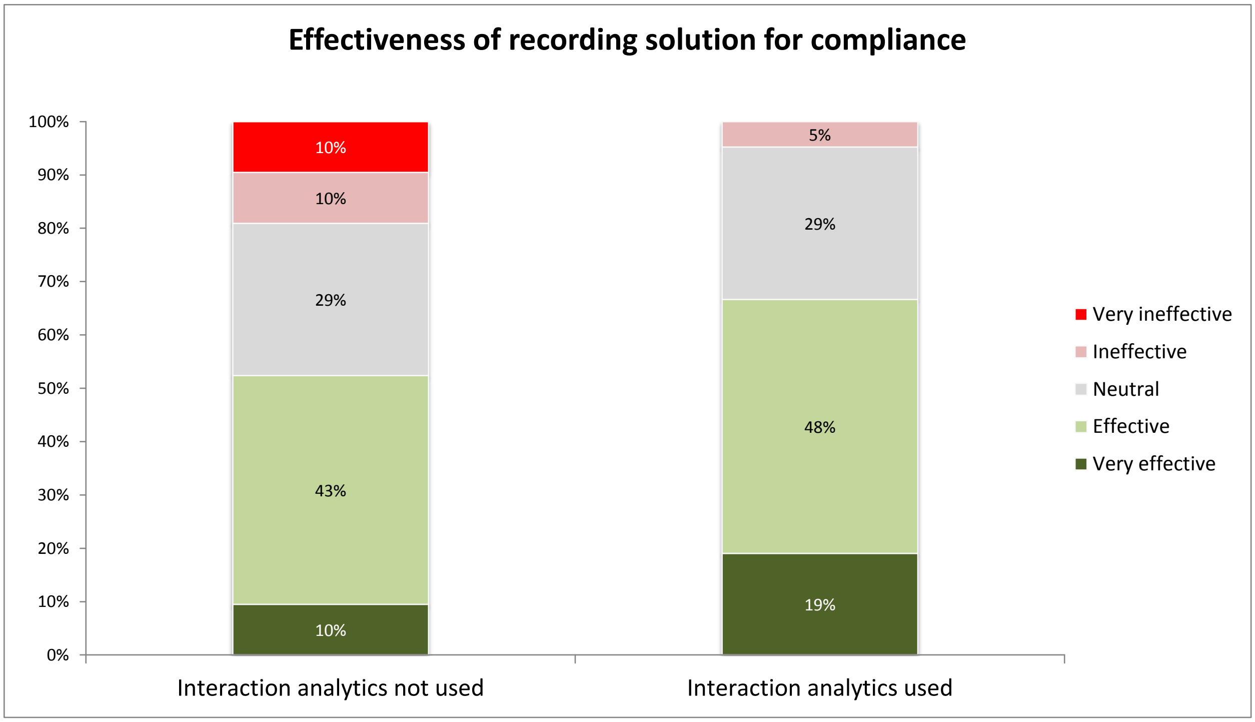
NB – the following charts show responses only from those businesses which actually use recording and/or analytics for these purposes. As shown later in this chapter, there are a substantial number of analytics users which are currently greatly underutilizing the potential of analytics, and these are not included in the following sections as they are unable to answer the questions.

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

Figure 11: Effectiveness of recording solution for compliance

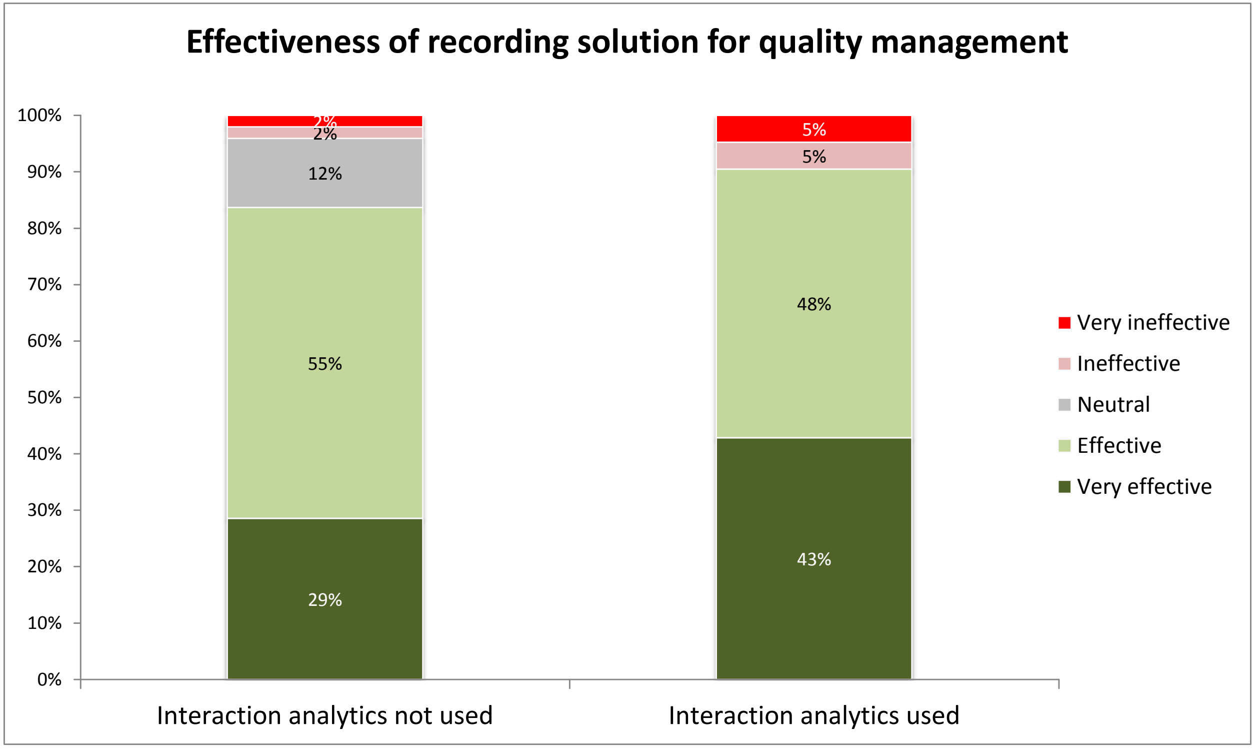


AGENT EVALUATION AND IMPROVEMENT

Improve the quality monitoring program

Interaction analytics tries to takes 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 centers 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.

Figure 12: Effectiveness of recording solution for quality management

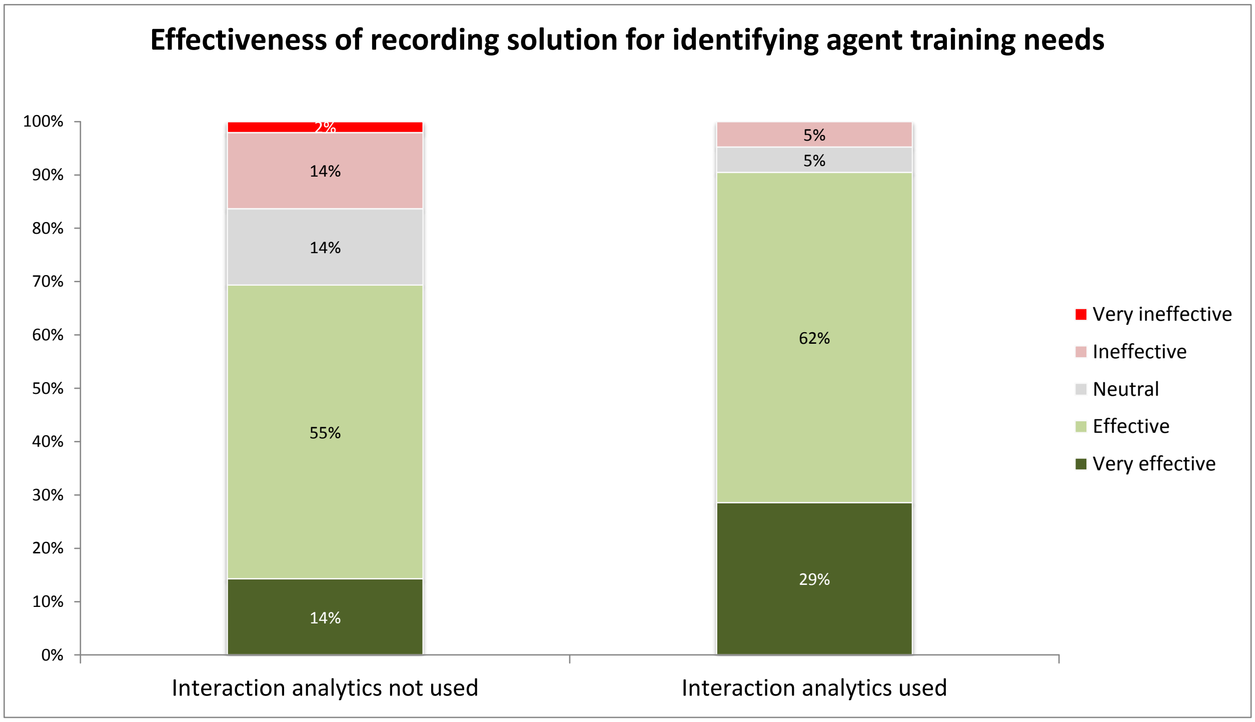


As illustrated by the previous chart, quality management/monitoring (QM) is much more effective when Interaction Analytics are used. This is because traditional QM consists of QM Analysts manually listening to a very small sample of an organization's calls (usually no more than 3%) and *subjectively* analyzing those calls, whereas Speech Analytics can *objectively* analyze *100%* of the organization's calls. Many of today's QM applications also require proprietary call recording systems, creating unnecessary dependencies on legacy contact center infrastructure, whereas some Interaction Analytics offerings are completely flexible and independent of the call recording system, enabling contact centers to separate their QM processes completely from their infrastructure decisions.

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.

Figure 13: Effectiveness of recording solution 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 organization.

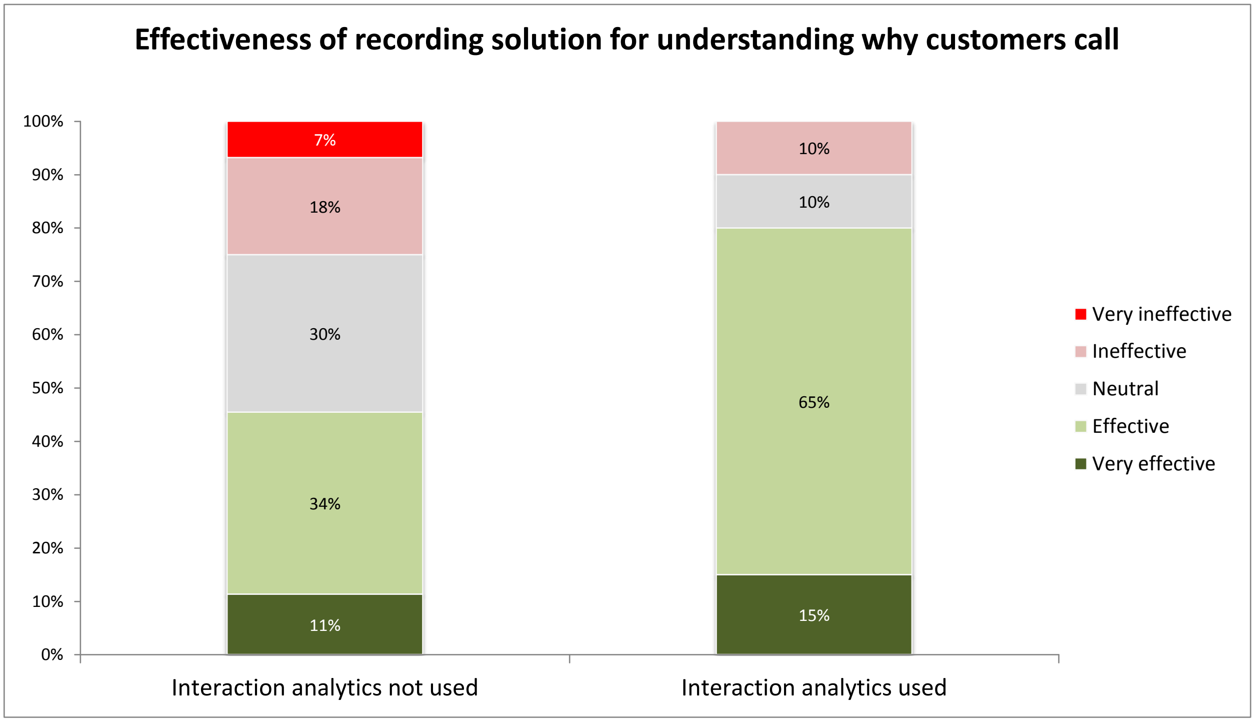
CONTACT CENTER PERFORMANCE IMPROVEMENTS

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 center's performance and perhaps even inside the wider business. However, the vital thing to understand about interaction analytics is that it gives contact centers 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 center? 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 center and process levels.

Why are customers calling?

Categorizing types of calls or emails, and then analyzing them for the occurrence of similar types of words and phrases can give an insight into the reasons for customers' interactions. For example, a category such as 'sales' might be analyzed for patterns, and it is discovered that the words 'delivery' and 'website' are mentioned in a disproportionate number of them. Analyzing 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 center, rather than the customer purchasing on the website.

Figure 14: Effectiveness of recording solution 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 center and customer experience success, first-call resolution can be increased by identifying repeat callers and eliminating the root cause. Multichannel interaction analytics can also track contacts across channels, as many callers may first send an email, then try to call, which may appear to be a voice-only issue when in fact it is a multiple contact interaction.

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

Average handle time

Average call duration / average handle time has traditionally been one of the main measures of a contact center'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 center 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 center 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 center 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 center.

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

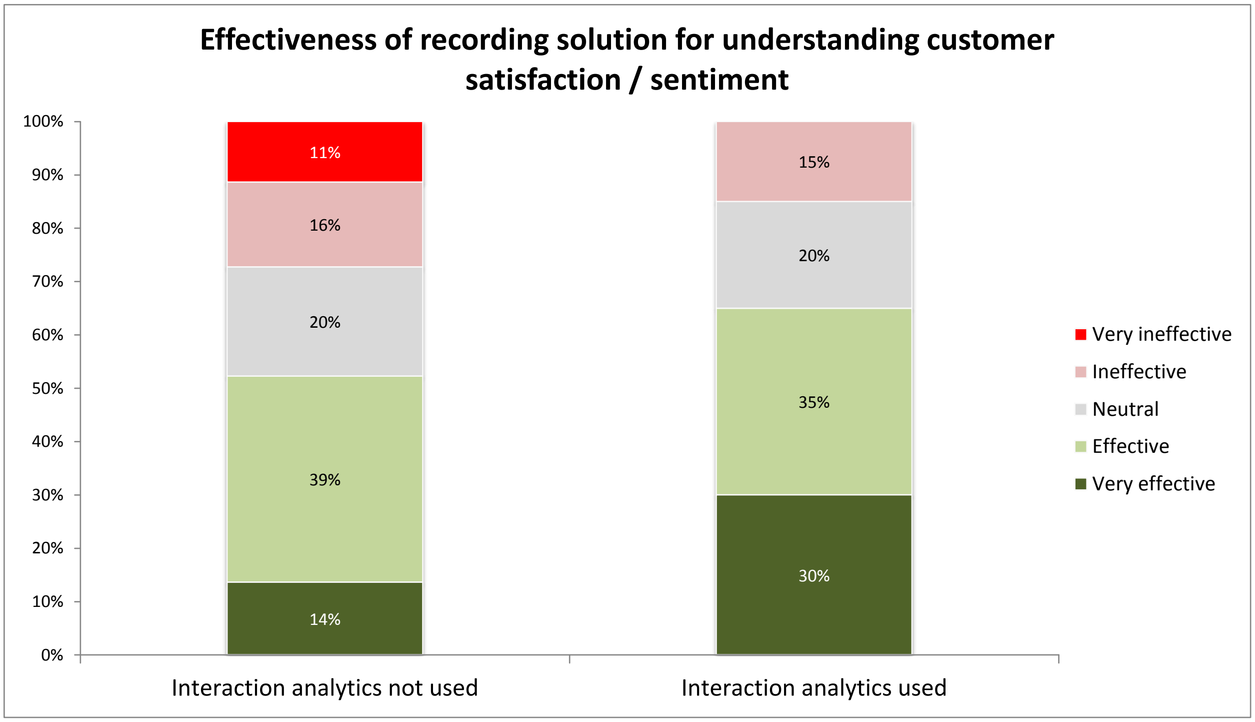
BUSINESS INTELLIGENCE

Customer Satisfaction Surveys

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

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

Figure 15: Effectiveness of recording solution for understanding customer satisfaction / 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, analyzed and passed to the marketing or pricing teams to provide them with real-life, rapid and accurate information upon which to base decisions.

Crisis management and reaction

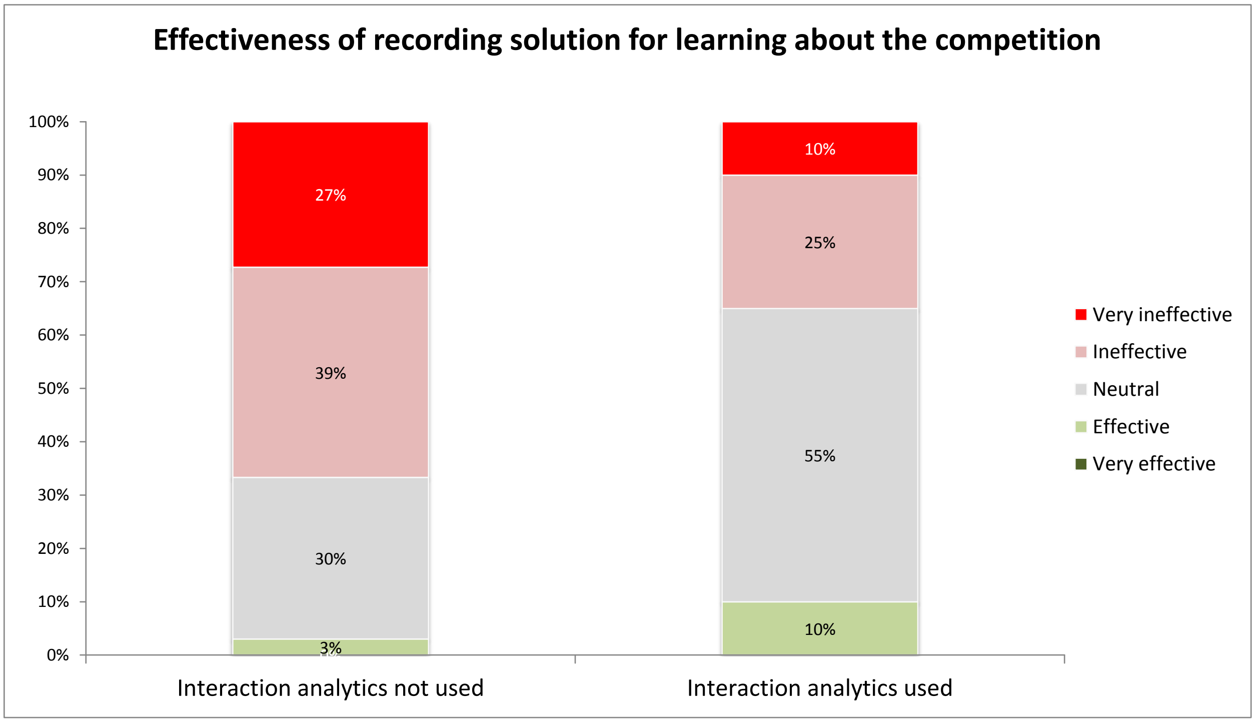
A solution with automated root-cause analysis capabilities - constantly looking for anomalies and new patterns - can identify spikes in unusual activity shortly after it happens, alerting specific users to the key issues so as to handle them before it runs out of control, damaging brand or customer satisfaction.

Product and pricing feedback

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

However, for once analytics does not seem to be particularly effective at a task, with few rating it as effective at providing insight about competitors, although feedback about marketing and product customer opinion is much more successful (as shown in a later chart).

Figure 16: Effectiveness of recording solution for learning about the competition



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 center.

Complaints handling

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

Interaction analytics gives businesses a chance to quantify the reasons that customers complain, identifying the most important factors, assessing trends and spikes, and providing hard recommendations based on every call taken. Around 8-12% of US calls received by contact centers are complaints, with over 80% of these being about problems elsewhere in the enterprise (rather than in the contact center). 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 analyze emails as well as phone calls when looking at complaints is very useful.

The customer experience outside the contact center

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 fulfill their requirements. Improving self-service optimisation is often a quick win that can provide immediate economic benefit to businesses: in the US, a mean average of 20-25% of calls that go into an IVR system are 'zeroed-out' - rejected by the customer in favor of an operator.

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

INCREASING PROFITABILITY

Debt collection and improving cross-selling & up-selling

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

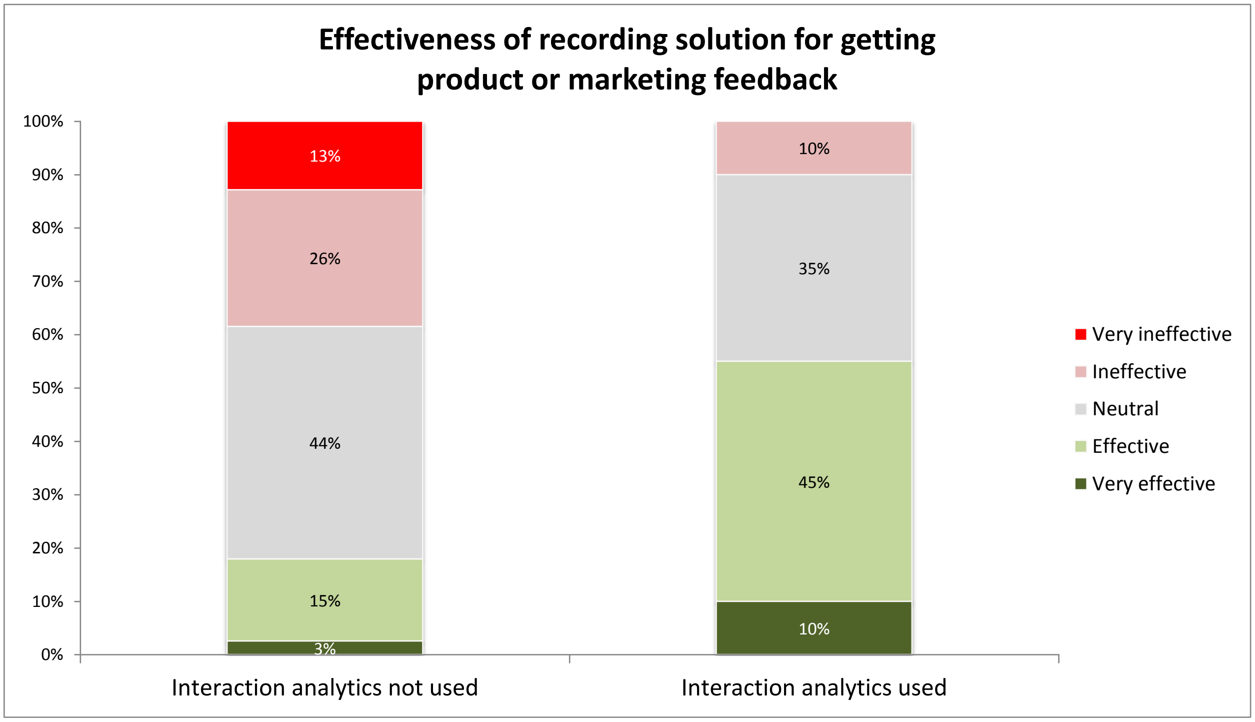
Managing customers at risk of churn

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 center becomes swamped with calls about the issue.

Figure 17: Effectiveness of recording solution for getting product or marketing feedback



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 center 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 center level, and these teams must be made to understand that the contact center 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 center and IT teams.

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

Interaction analytics is used extensively in North America for compliance, for which ROI can be proven through the avoidance or reduction in litigation and regulatory fines, placed against the cost of the solution. Large banks will have funds allocated that run into the tens of millions of dollars 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 organization (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 center should be considered.

Against these potential positives, costs to consider include:

- License fees or cost per call analyzed
- 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 of 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 center sector. Apart from calculating figures for ROI, perhaps the most difficult element of the business case is to ensure that executives beyond the contact center understand and support the contact center'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.

UTOPY, which was recently acquired by Genesys, has consistently delivered the fastest ROI in the Interaction Analytics industry, routinely delivering a complete return on our customer's investment within three to six months of deployment of our solution. Of course, the business case and ROI model for each company depends on the specific Key Performance Indicators (KPI) which the company would like to focus on. Our Business Consulting Team would be glad to use our extensive experience helping our customers to achieve rapid ROI to build an Interaction Analytics business case/ROI model specifically for your company, free-of-charge.

Thought Leadership

The Value of Interaction Analytics

As this chapter illustrates, Interaction Analytics are being used in leading contact centers today to drive cost reduction, agent performance improvement, business process optimization, avoidance of litigation and fines, customer satisfaction and loyalty improvements, and increases in revenue.

Speech Analytics is a critical element of Interaction Analytics, as the majority of interactions in the contact center still occur via the telephone. This chapter demonstrates how companies using Speech Analytics have been able to achieve drastic improvements in contact center performance and customer service delivery. The most successful deployments of Speech Analytics in terms of positive business impact tend to have one thing in common: they don't utilize Speech Analytics engines which begin by converting speech into text our phonemes, because that conversion process destroys the business meaning of the conversation. Instead, all of the most successful users of Speech Analytics leverage a Speech Analytics engine which directly analyzes the speech itself, "listening" for the phrases and topics which are most relevant to improving agent performance and business processes and truly understanding the voice of the customer.

Emerging Interaction Channels….and The Challenges They Bring

It is also important to note, as illustrated in the "Multimedia" chapter of this report, that the usage of non-voice channels within contact centers is exploding. 94% of survey respondents handle email in their contact centers today, while 43% of respondents currently offer web chat and 53% handle social media. This being the case, it stands to reason that contact centers today need an effective method of monitoring and analyzing *all* interactions, regardless of the channel(s) of communication used by the customer.

However, Figure 8 in this chapter shows that considerable numbers of respondents using chat, email and/or social media are either not entirely happy with their understanding of these types of interactions, or are not using any monitoring or analysis tool on them at all. One of the challenges many organizations face when attempting to monitor and analyze these types of interactions holistically is that each type of interaction is usually handled (and often captured) by a different system, which makes it very difficult to detect trends that are emerging across *all* interactions *before* they become major issues for the organization.

The Solution: Unified Customer Interaction Analytics

The best way to address these challenges is to use a single system to analyze all customer-agent interactions, regardless of the channel used by the customer to communicate with the company. Furthermore, such a system needs to be capable of creating unified definitions of critical interaction topics, events and/or customer sentiment, as people express themselves differently in each of the different channels of communication (i.e. different language is used in "Tweets" as opposed to phone conversations), even when they are discussing the same subject.

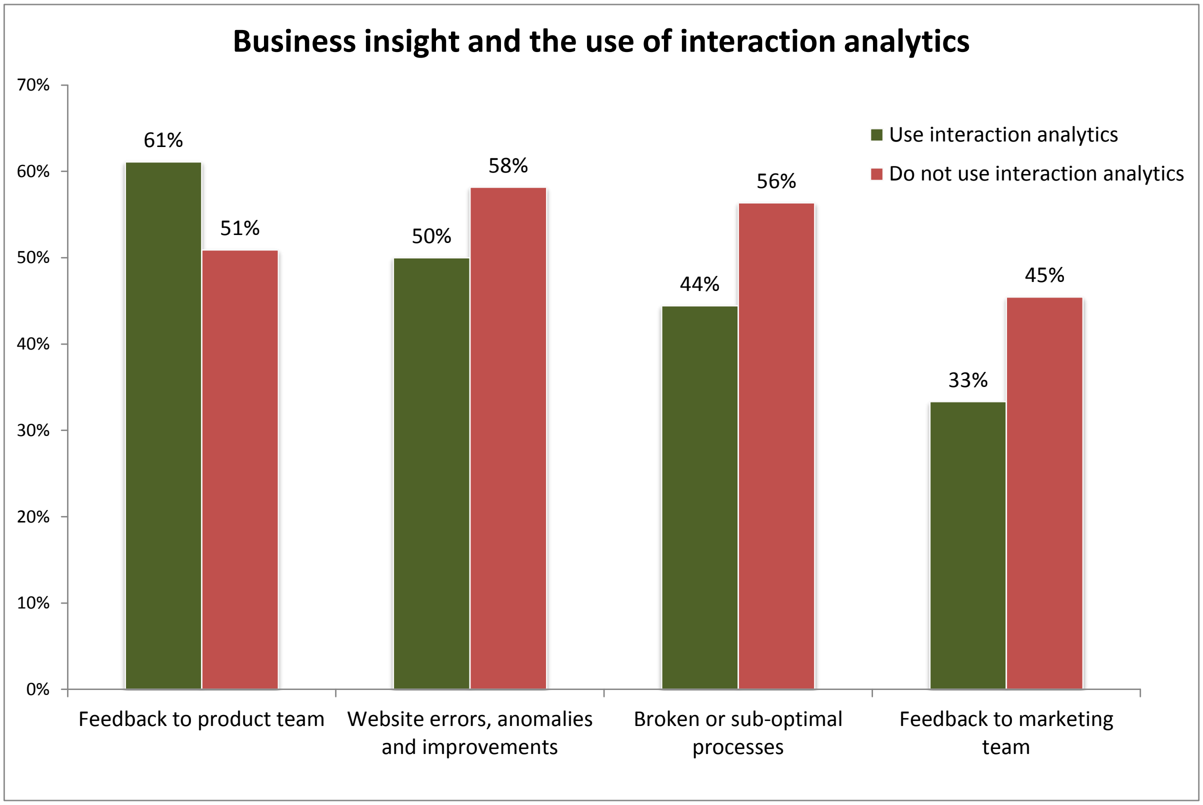
Having recently acquired UTOPY, Genesys now offers the only Interaction Analytics solutions which provide all of these capabilities. With the most accurate and complete Speech Analytics technology as a foundation, our Interaction Analytics solutions unify the voice of the customer and analyze agent performance *across all* contact channels. Genesys is also uniquely capable of making these Interaction Analytics actionable, enabling one-to-one customer service driven by Interaction Analytics that optimize the performance of your workforce and deliver a 360 degree view of your customers and their experience with your company. Please visit www.genesyslab.com/utopy to learn more.

BUSINESS INSIGHT AND THE USE OF INTERACTION ANALYTICS

Having seen previously how interaction analytics **can** provide real value-add to the existing worth of call recording solutions when they are used for this purpose, the chart below comes as something of an anti-climax, showing as it does the extent to which respondents actually influence processes and actions outside the contact center itself. Of course, there is the possibility that the level of detail and actionable insight provided by users and non-users of interaction analytics is very different, and that analytics users are providing far more to their businesses.

Interaction analytics, for the reasons detailed above, can offer a huge amount of inside, quantitative knowledge that can be fed to the rest of the organization. However, the under-usage of this solution can be seen by the very small differences between the amount of insight provided by users and non-users of interaction analytics solutions, with non-analytics respondents actually having more say in three examples out of the four (the exception is that analytics users provide more feedback about customers' views on products and services).

Figure 18: Business insight and the use of interaction analytics



This suggests that interaction analytics solutions are not yet being used to anywhere near their full potential for the provision of business intelligence, being perhaps more focused upon concrete issues such as compliance. As users of analytics gain more experience and confidence in the solution's ability, the wider business will be seen to benefit far more than it does now.

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

DESKTOP AUTOMATION & ANALYTICS

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.

THE AGENT DESKTOP

Many of today's contact centers 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 19: 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, fulfillment 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 center 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.

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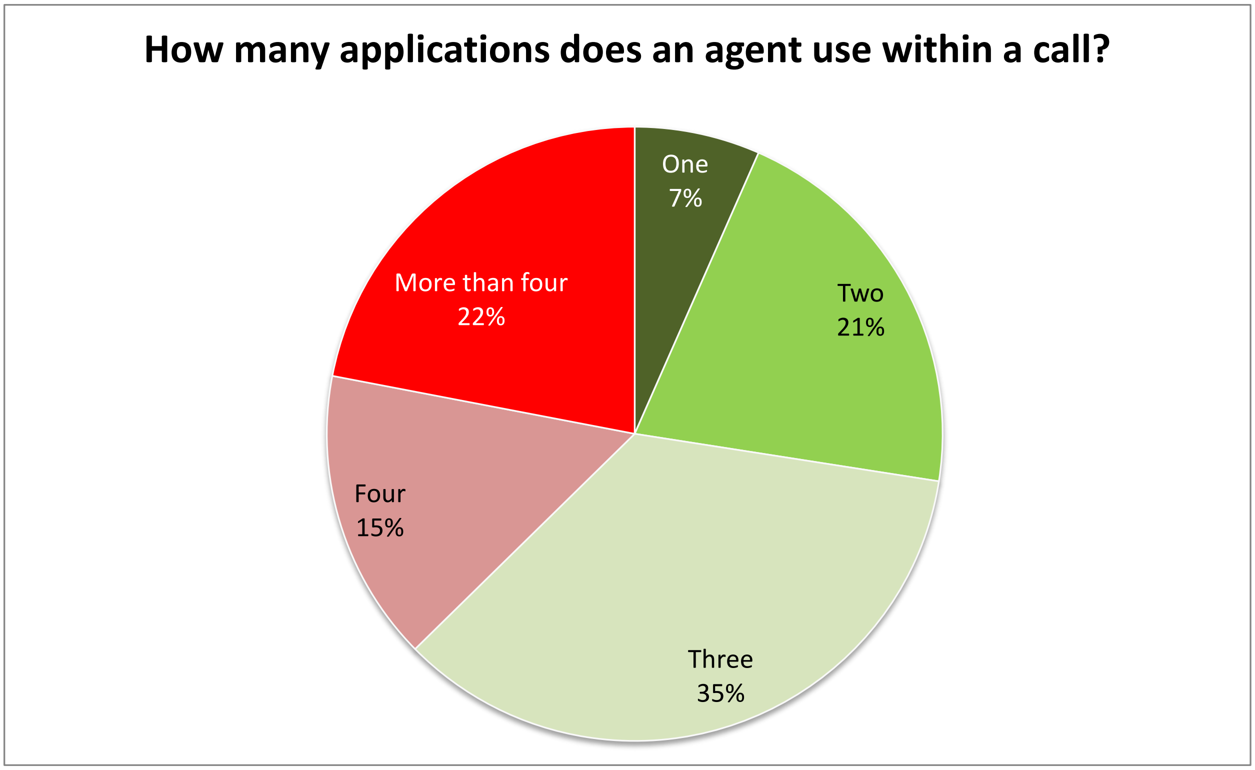
With 93% of contact centers requiring their agents to use multiple applications within a call, there are significant dangers around forgetting to key in information, forgetting to ask for the required information, starting the correct processes or failing to type in consistent data. The use of multiple applications will have a negative effect on training times for new agents as well.

Figure 20: How many applications does an agent use within a call?



Looking at these statistics by contact center size, there is a positive correlation: the larger the operation, the more in-call agent desktop applications tend to be used. Small respondents' agents had a mean average of only 3.0 applications on the agent desktop, with medium respondents at 3.3 and large operations at 4.5.

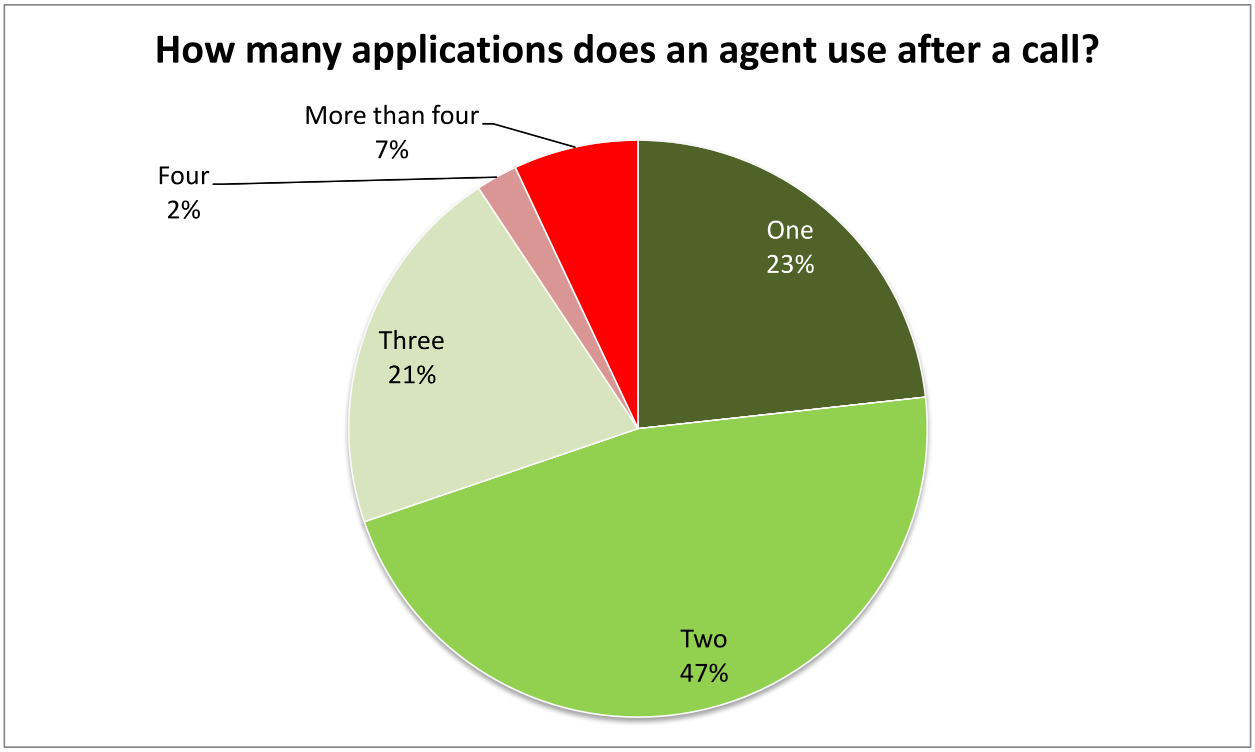
In most cases where complex, multiple applications are used, they are necessary for the agents to do their job, so the question is not "How can we reduce the number of applications?", but rather "How can we improve how the agent uses the applications?". At the moment, due to complexity, expense and the 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 21: 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 center 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 center 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 optimizing the agent desktop is not simply a matter of writing consistently to the correct databases, although this is a key element. The contact center 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.

The cost of excessive wrap-up

Although few contact center 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 center agent spend each hour in after-call work adds up to an enormous cost.

The overall expenditure of the contact center sector - salaries, IT, telecoms, building, rent, utilities, etc. - comes to around $150bn each year. Wrap-up time accounts for 12.5% of the time spent by the industry: slightly less in larger contact centers, which account for the bulk of the jobs. As such, wrap-up costs the industry around $19bn 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 center, processing 5m calls per year, would spend around $3m each year just on wrap-up. A 20% reduction in wrap-up time would save around $600,000, 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 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).

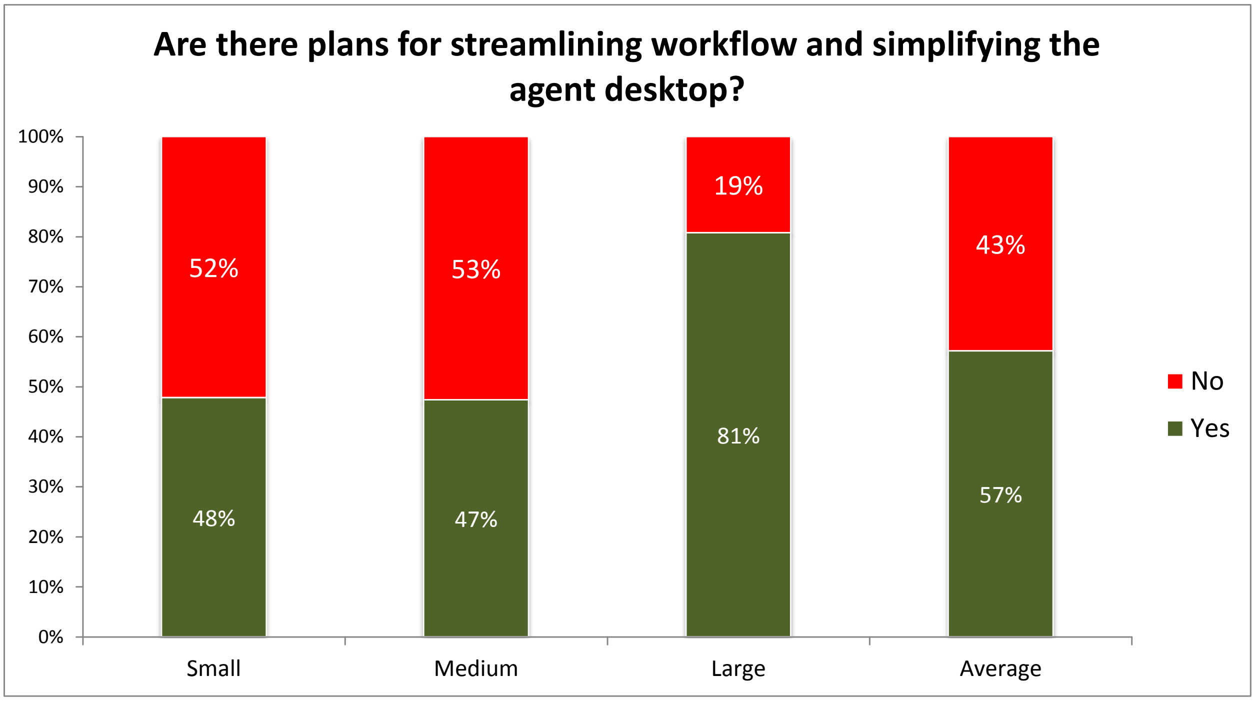
Businesses can usually focus either on cutting costs or improving quality. However, there is a third way, which allows desktop solutions for users to be developed separately from the underlying applications, re-using existing logic and interfaces rather than replacing them. The agent works with a single desktop application which is tailored to their specific needs, pulling in only the right data and applications from disparate systems and presenting them on a single screen. In the background, business rules and workflow make sure that the right back-office processes happen without agent intervention, thus reducing wrap-up costs.

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

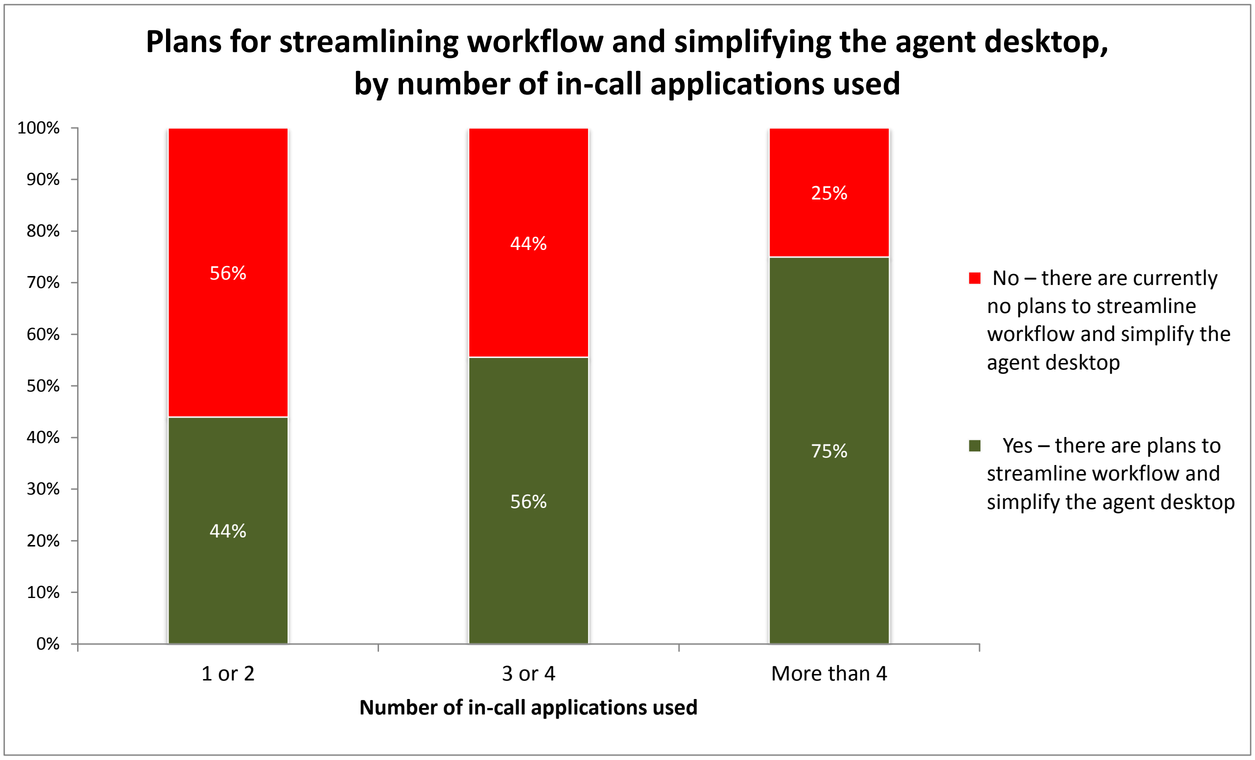
Large contact centers – which tend to use more numerous and complex systems – are more likely to be looking at ways to streamline and improve the agent desktop and workflows driven by it, although almost half of small and medium respondents felt the necessity to do the same.

Figure 22: Plans for streamlining workflow and simplifying the agent desktop, by contact center size



This desire to improve the agent desktop and workflow seems to be more of an issue for those with numerous in-call applications - as we would expect – but it is by no means exclusive to them. Even amongst those respondents with only one or two in-call applications, there is significant appreciation that processes and follow-on work can be improved, which suggest that this is not simply about reducing the number of applications that an agent has to learn to use.

Figure 23: Plans for streamlining workflow and simplifying the agent desktop, by number of in-call applications used



Case Study

Customer: Group O
Industry: Business Process Outsourcing
Geography: Global
Employees: 1,350
Locations: Headquarters - Illinois

About Group O

Group O is a business process outsourcing provider that helps world-class organizations optimize their operations through strategic marketing, business intelligence, packaging and supply chain solutions.

Group O provides contact center services to support the millions of reward cards that it fulfills annually on behalf of its blue-chip client roster. The center handles more than three million calls annually, with two million handled by a live agent.

Business Challenge

While overall call handle time, cost structure and customer satisfaction results were positive and trending in the right direction, Group O regularly looks for ways to take its results to the next level. As part of its continuous improvement process, Group O identified opportunities that could benefit from an integrated automation solution:

- Agents were using disparate applications and websites from its clients, partners and internal systems.
- This resulted in reps often needing to complete manual processes and redundant steps when serving callers.
- Reps sometimes were required to focus more on system navigation – taking focus away from the customer experience and interaction
- Multiple systems also posed a risk factor that potentially could impact accuracy.

“We realized we needed a way to bridge the disparate systems and enhance the customer experience,” commented Paul Flemr, director of customer care for Group O. “In order to keep our leadership position and better serve our clients and customers, a change was in order.”

Solution

Group O began to investigate a variety of call automation solutions. Following a comprehensive demonstration and proof of concept of the OpenSpan Desktop Automation solution, Group O selected OpenSpan to move forward with its contact center project. Group O rolled out its first live implementation in less than ten weeks.

Group O took a strategic approach to building and deploying its first automations. Leadership met with representatives to uncover where the greatest redundancy and duplication of effort was occurring – as well as the areas that could distract an agent from providing customers with full attention. This helped to build buy-in and adoption of the new automations – and helped to drive immediate results.

The company rolled the solution out one team at a time, paralleling with untrained agents on the use of both the new and old ways of doing business. “The differences in average handle time (AHT) and call presentation accuracy between the trained and untrained agents were striking and the results helped us affirm our choice of OpenSpan,” said Flemr.

The solution building effort was flexible and allowed Group O’s development team to experiment and find just the right sequence of interrogations to pull or plot the most useful data for agents. “The OpenSpan solution provided great options for the front end dashboard display to agents and allowed other applications to run in the background,” said Flemr. “This allowed agents even more focus on the tasks at hand and the customer on the phone!”

OpenSpan’s support teams provided onsite help during the initial deployment as part of its enablement model. This allowed Group O’s development team to receive firsthand guidance and mentoring as well as tips for building future solutions.

Results

Group O found that the OpenSpan solutions helped to improve its AHT, quality and customer satisfaction scores:

- AHT on calls supported by OpenSpan automations improved by as much as 40%
- Overall AHT decreased from 3:30 to an all-time low of 2:54 over a sustained 90-day period
- QA scores improved from 94% to 96%
- Customer satisfaction scores increased from 91% to 99% in targeted categories.

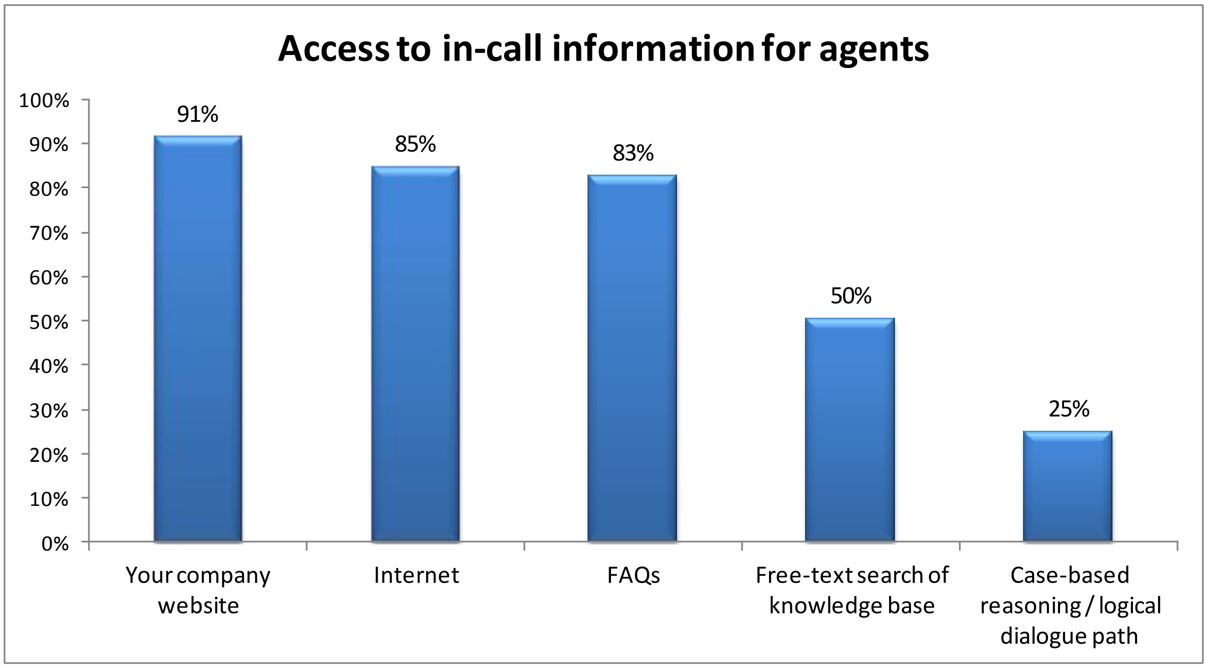
In addition, Group O was able to reduce new agent training by a full 1.5 days for new hires, thanks to OpenSpan. This allows Group O to put agents into production sooner, and their transitional ramp-up time to achieving key metrics has dropped by almost 25%.

Group O has already begun to expand OpenSpan’s use to other major client contact centers. To date, it has built more than 30 automations for agent desktops – and has plans for another dozen within the next six months.

AGENT DESKTOP KNOWLEDGE MANAGEMENT

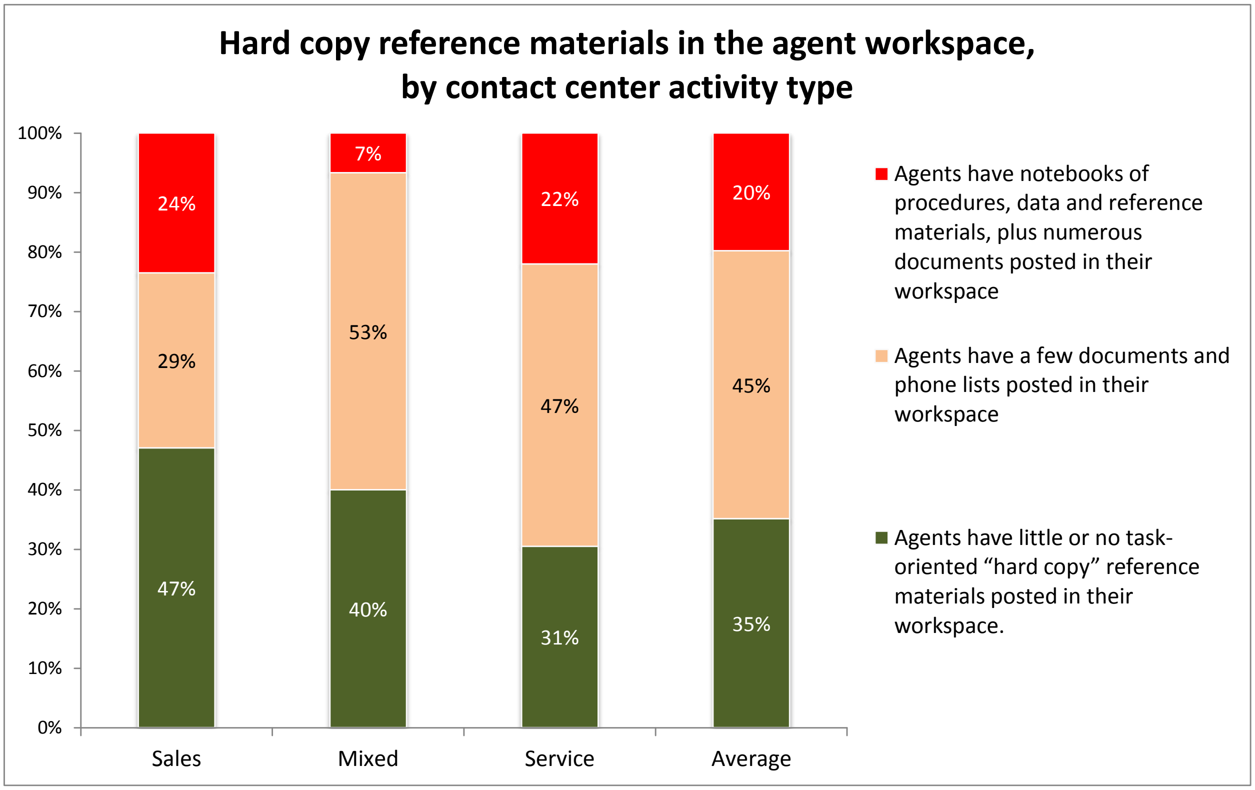
The following table shows the knowledge resources that agents have within a call. Finding, reading, assimilating and using information actually within a call as very difficult and is rarely done seamlessly. An application such as case-based reasoning, which prompts the agent to ask specific questions, drilling down to find the right answer, is very useful but only 25% of agents have access to this sort of dynamic application. Most have to search around on a company website or FAQ page, or rely on a wide, unsupported search of knowledge bases or the wider Internet, hoping to get lucky.

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



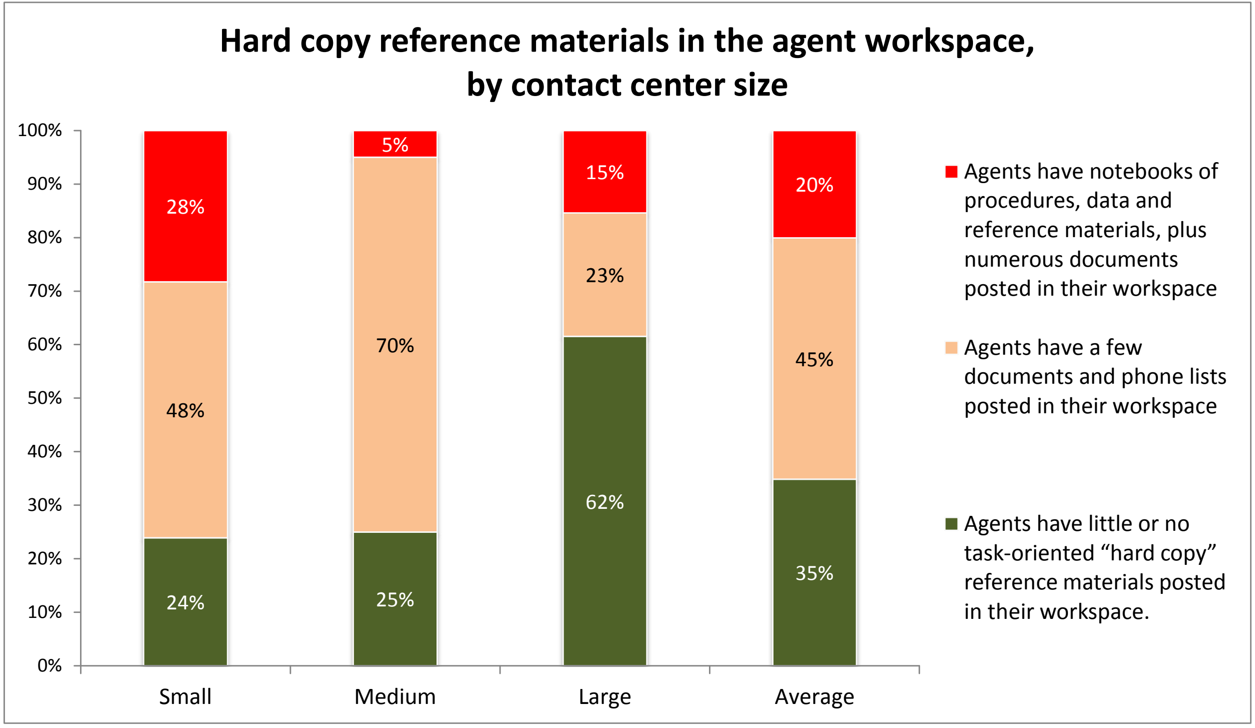
Not only do most agents have numerous in-call / post-call applications as well as non-integrated knowledge sources to contend with, but most also have hard-copy documents in their workspace that they have to refer to as well. Only 35% of respondents had effectively a clean-desk policy with no hard copy reference material available to agents, a figure which was lower for service agents, who tend to have to cover a wider range of varying topics than those involved in sales-related activity.

Figure 25: Hard copy reference materials in the agent workspace, by contact center activity type



Larger operations were more likely to have a clean-desk policy, with 28% of small respondents' operations having large amounts of paper-based reference materials at each agents' workstation.

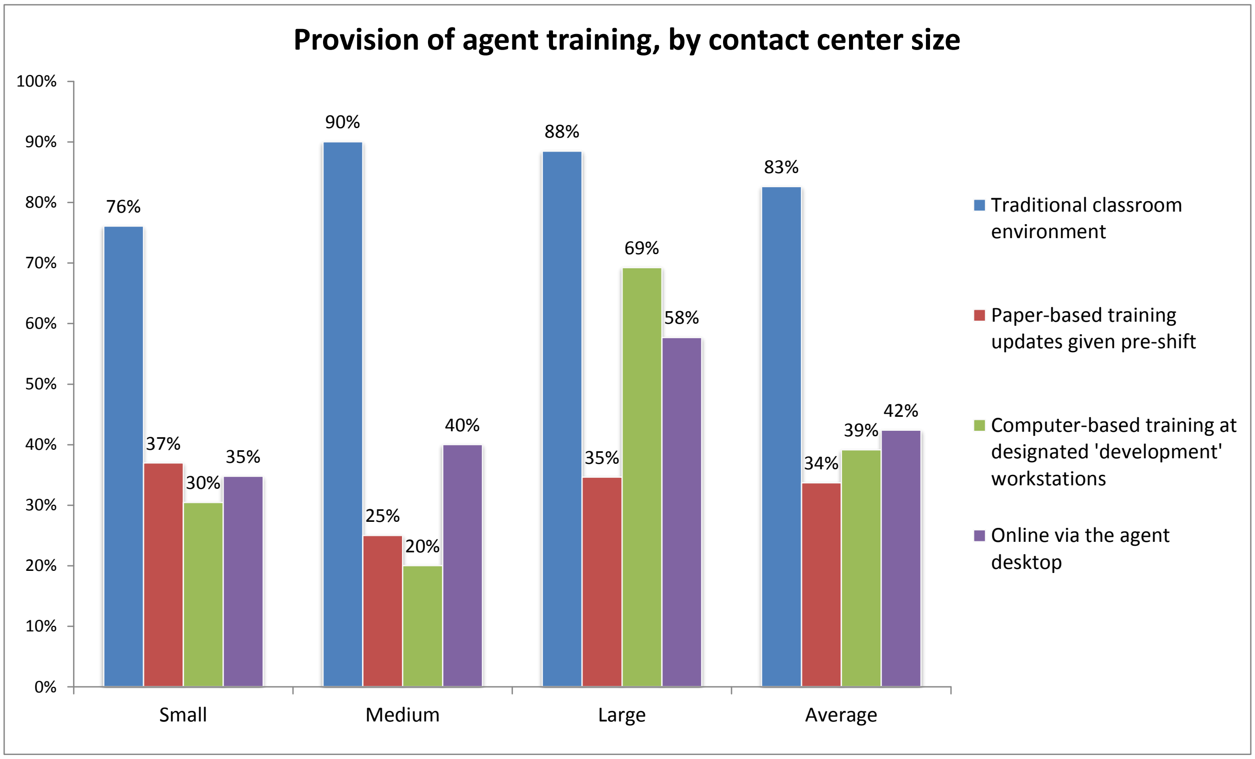
Figure 26: Hard copy reference materials in the agent workspace, by contact center size



AGENT TRAINING PROVISION

The provision and delivery of agent training via a traditional classroom environment is still popular with the majority of respondents, regardless of the size of the operation. However, larger contact centers are far more likely to be using computer-based training aids as well, whether a dedicated IT training resource away from agents' desks (69% vs 39% average), or online via the agent desktop (58% vs 42% average). A significant minority of each size band still give paper-based pre-shift updates to their agents.

Figure 27: Provision of agent training, by contact center size



CUSTOMER EXPERIENCE MANAGEMENT & 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 centers? Quite simply, they would like to be answered quickly by a person who is able to help them without passing them around, and have the correct answer given to them quickly by someone with whom they feel comfortable talking. Additionally, the business has to deliver on the reason the customer is calling in the first place – by sending out the purchased item promptly, changing the database details or refunding money, for example. So the contact center 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 center can achieve all the operational performance measurements which it sets for itself, without actually being successful. If the customer does not hang up the phone feeling that she has been treated appropriately and that her query has been resolved to her satisfaction, then that counts as a failure, regardless of how good the internal metrics may be (the earlier section on quality as an internal or external metric is a case in point).

As customers become more demanding and their expectations of what constitutes good service increase, then contact centers 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.

AVAYA

Customer experience is increasingly recognized as one of the key factors determining how much customers spend with an organization and how loyal they are to the brand. By managing the experience throughout the customer's journey with a company, contact centers help transform a satisfied customer into a loyal brand advocate.

Anticipating customer needs
isn't always easy.

Just essential.

Travel Alert
Flight cancelled
due to snow
Click for your options ▸

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Stay a step ahead of your customers with Avaya's multichannel customer experience management solution.

A new generation of consumers expects a new kind of service, one that puts their needs front and center. They also expect answers via email, chat, social media and even video. As the global leader in contact centers, Avaya provides the solutions and insights for your business to excel across all these channels. So you'll be prepared to help — even before your customers get in touch. Find out how it all works at **avaya.com/CustomerExperience.**

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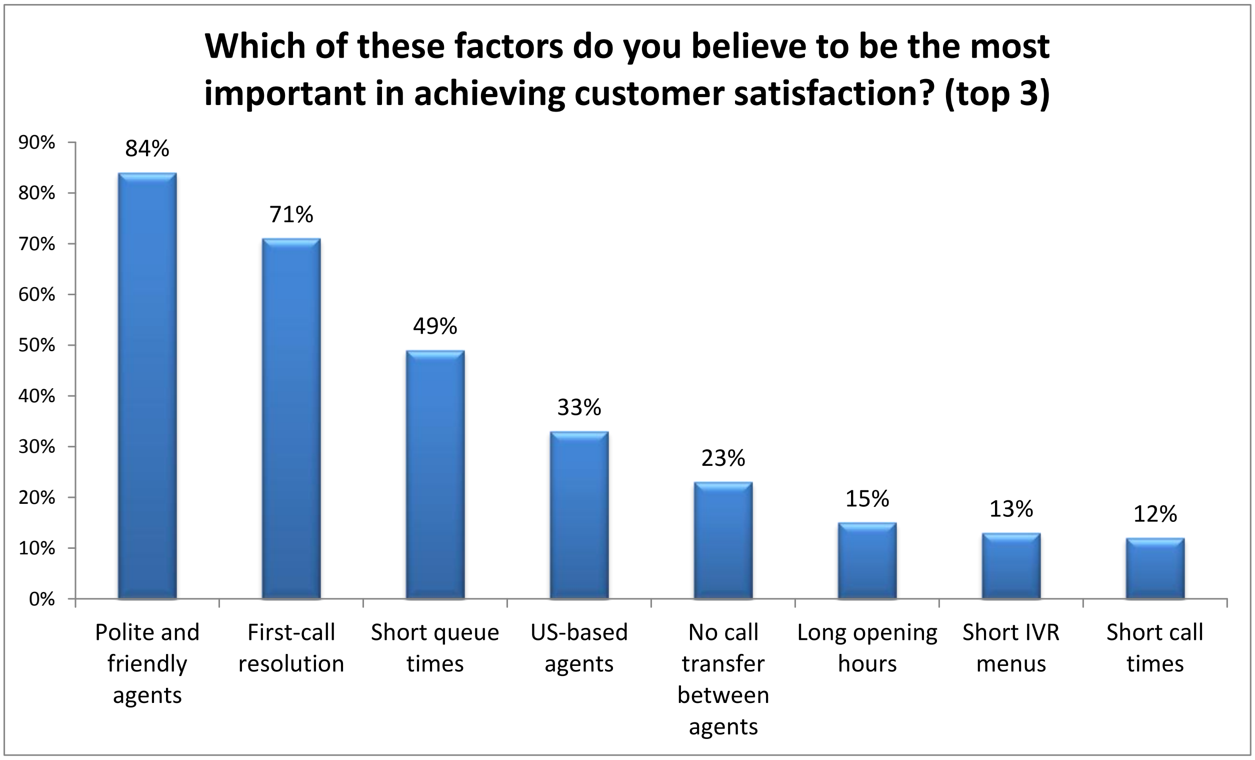
FACTORS IN ACHIEVING CUSTOMER SATISFACTION

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 28: Which of these factors do you believe to be the most important in achieving customer satisfaction? (top 3)



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 center management also believe that having US-based agents goes a long way to helping customer satisfaction, with 33% of respondents placing domestic agents in the top 3. Short call durations, which has been slipping as a primary metric for a number of years, as seen as being far less important than actually getting the matter sorted first-time.

CUSTOMER SATISFACTION MEASUREMENT TECHNIQUES

The numerous methods of surveying customers include the following:

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

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

Although not included within this particular report, it is certainly worth mentioning that outbound automated surveys are becoming more prevalent, with more than 10m outbound IVR survey calls estimated to be made each year in the UK. After the call has been concluded, the caller's number may be put into an outbound dialer'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.

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

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

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

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

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

SMS: Text messaging has the advantage of immediacy of sending and also of reporting on the results. It is a cheap way of carrying out surveys, and can be linked to a specific agent, allowing the contact center 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 center to identify very unhappy customers and schedule an outbound call to deal with the problem.

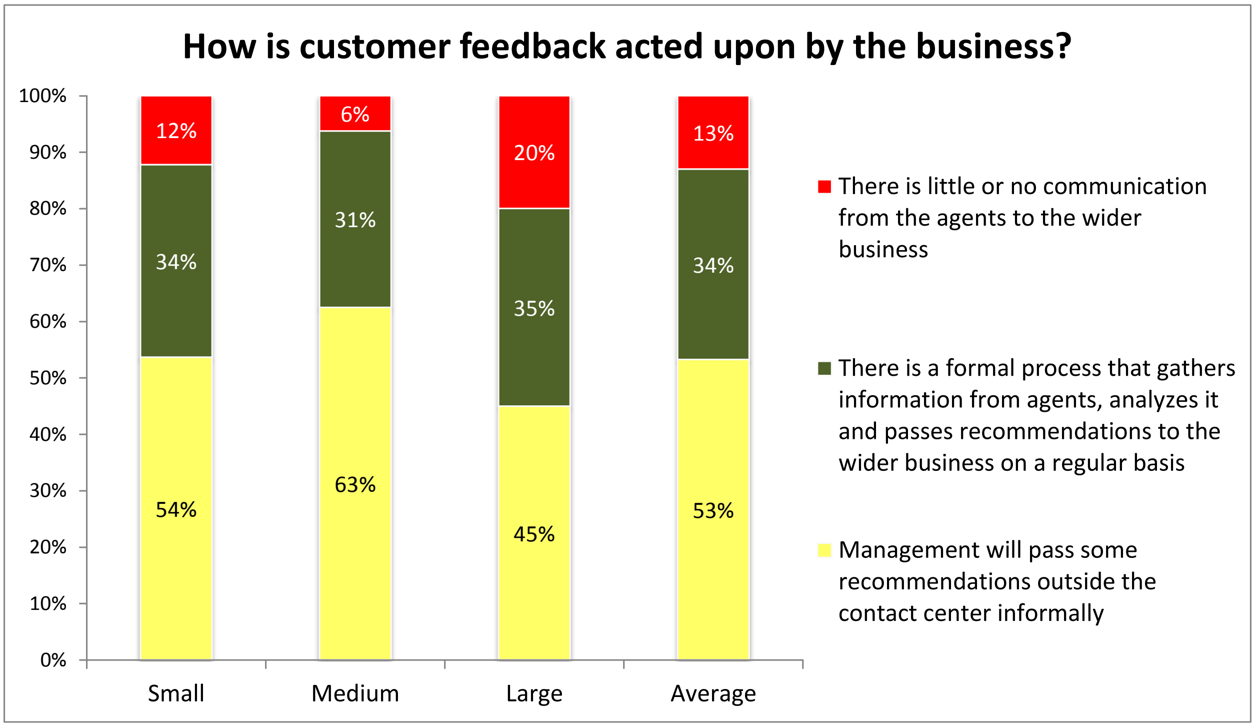
We would suggest that there is no single best way to gauge customer satisfaction. If detailed feedback is what's needed, a written or telephone-based questionnaire is best, although IVR can offer the option of direct quotes through speech recognition or recording transcription. If what you need is immediate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

USING CUSTOMER FEEDBACK

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

13% of respondents admit that customer feedback is never used by the wider business, with that figure increasing to 20% for large operations. Only 34% of respondents have a formal process for gathering, analyzing and passing on information to the relevant sources. 53% try to pass information to where it might be useful to the business, but this will be fairly hit-or-miss.

Figure 29: How is knowledge gained from customers used to improve the business?

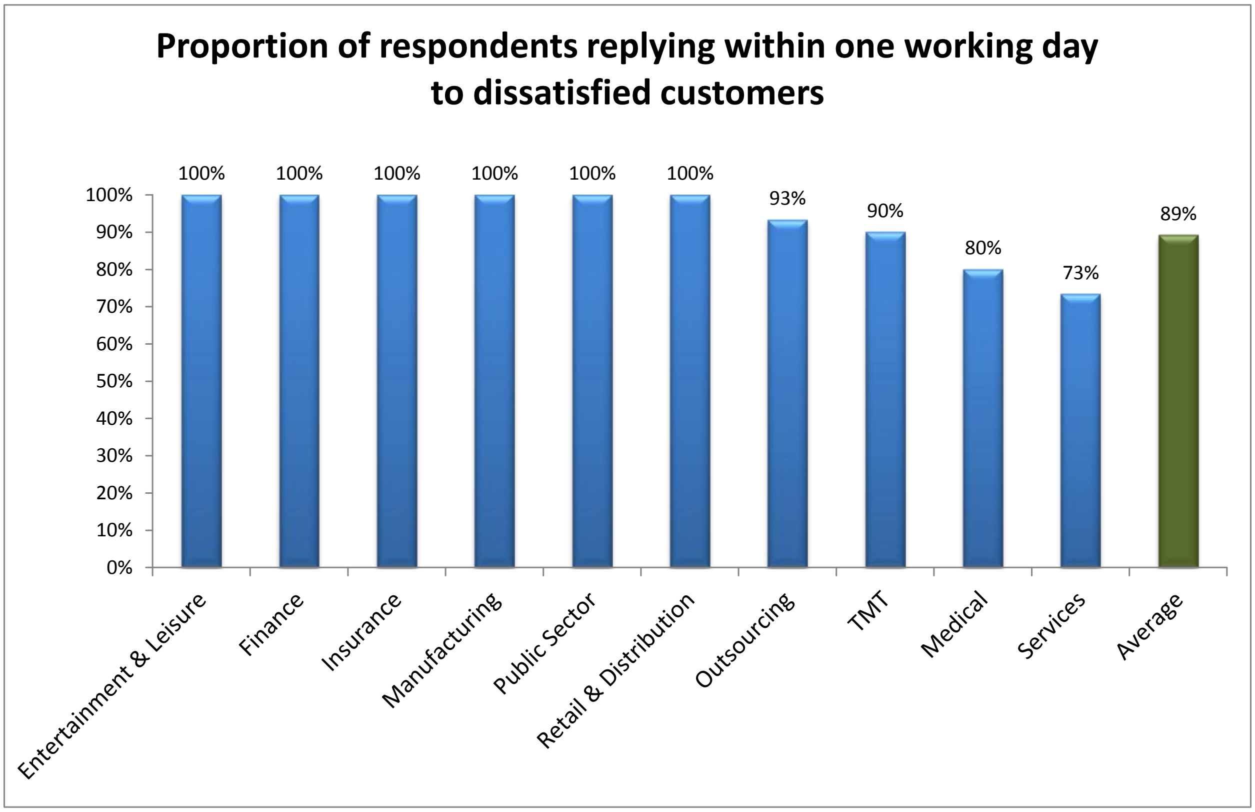


With the focus on improving customer experience, the very notion of the contact center changes dramatically. It's not about saving the company money, it's not just about delivering customer service; it's about protecting and growing assets - your customers - and the growth of these assets is measured in lifetime value. Speak to Avaya about further leveraging your contact center to drive improvements in customer lifetime value.

Some of the most important feedback a customer can give is that they are dissatisfied, as these people are far more likely to go elsewhere, and to tell their acquaintances (in real life or via social media) about their bad experience, doing increased damage to the brand and company.

Looking in more depth about how disgruntled customers are treated, 89% 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 big jump on last year, possibly driven by the fear of what social media can offer to the disgruntled customer). This offers businesses the chance to prove themselves to the customer, potentially turning a detractor into an advocate.

Figure 30: Response to dissatisfied customers within one working day, by vertical market



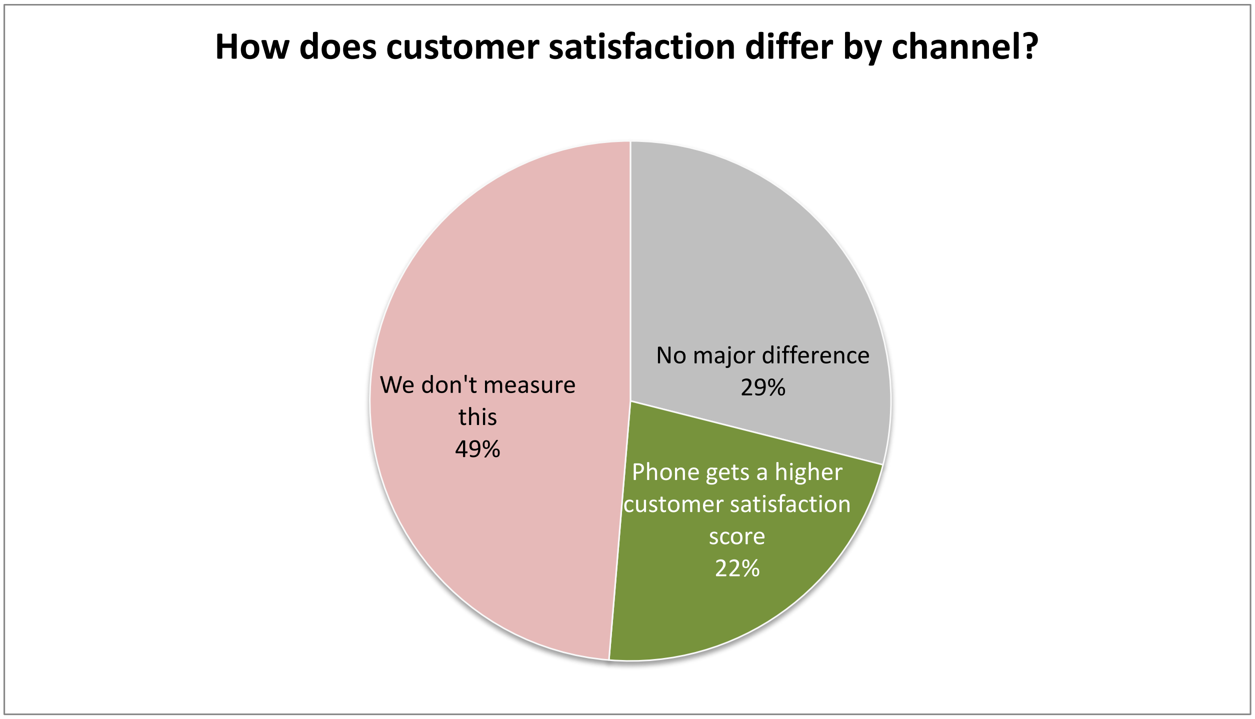
Any reluctance to deal promptly with unhappy customers does not seem to be a factor of contact center size or available resource. While 85% of large operations are geared-up to fire-fight a bad customer experience, 90% of small and 94% of medium-sized respondents say that they can do the same.

CUSTOMER SATISFACTION BY CHANNEL

Around half of respondents tried to track customer satisfaction across telephony and email channels. Interestingly, not one respondent said that email had a better customer satisfaction rating than the telephony channel, a statistic that is supported by that found in the Social Media chapter, which states that 73% of respondents believe a customer will get a better response to a complaint via telephony, compared to 14% via email.

22% state that telephony has a better customer satisfaction score than email, with 29% not seeing much difference.

Figure 31: How does customer satisfaction differ by channel?



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 organization’s control, and it is a major form of sub-optimisation.”[1]

Seddon cites the instance of the 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 organization, putting the contact center 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 center.

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

Information on failure demand can be gleaned from the contact center, 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 centers 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.

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

Figure 32: Proportion of calls received that are complaints / target of complaints, by vertical market (sorted by largest proportion of complaints about the contact center - high-to-low) - median

Vertical market	Proportion of calls that are complaints	% complaints about the contact center	% complaints about the wider business
Outsourcing	6%	36%	64%
Manufacturing	8%	20%	80%
Insurance	4%	25%	75%
TMT	5%	17%	83%
Entertainment & Leisure	4%	20%	80%
Services	5%	13%	87%
Finance	2%	25%	75%
Retail & Distribution	9%	3%	97%
Medical	3%	10%	90%
Public Sector	3%	6%	95%
Average (median)	**4.3%**	**20%**	**80%**
NB: 2013 "proportion of calls that are complaints" figure has changed from mean average to median average to provide a more 'typical' view.			

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 center itself. In this case, the outsourcing sector has 2.16% of its overall calls being complaints about the service received in the contact center itself (calculated by multiplying the % of complaints 6% - by the % that refer to the contact center - 36%). On the other hand, the public sector has a miniscule 0.18% of calls being about the failings of its contact center operations.

The majority of complaints received by a contact center are not about the contact center itself (or its staff), but rather 'failure demand', caused by a breakdown of process elsewhere in the organization. However, the contact center 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 center again and again, becoming more irate each time, despite the real problem lying outside the contact center. There is also the case that there is a blurring of responsibility between the contact center 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 organization 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 center / back-office complaints should be treated with caution.

There is also a real risk, especially within large contact centers, 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 centers are missing a great opportunity to utilize customer feedback to drive real service improvement. Many contact centers do not know the specific characteristics and behaviors most liked or disliked by customers, and these operations are investing time and money without reaping the benefits of meaningful and actionable information.

As the frontline of the organization, the contact center has insight into what customers think about the company, its products and services. Ensuring exchanges between customers and agents can be captured and analyzed makes it possible to translate this information into actionable insight; insight into not only the customer experience and organization performance, but also why things have happened and what needs to be done about them. Being able to process, analyze and understand vast amounts of customer interaction data is a challenge for most organizations: solutions such as Avaya Speech Analytics and Contact Flow Analytics can automate or streamline the process, making it easy to analyze large volumes of data, allowing managers to understand problem areas and respond quickly and effectively.

THE LIFETIME VALUE OF CUSTOMER EXPERIENCE MANAGEMENT

By: Brett Shockley, Senior Vice President and General Manager, Applications and Emerging Technologies, Avaya

Excellent Customer Experience Pays

It's a fact; customers that have a good customer experience are prepared to spend more with an organization and the rewards can be significant. Recent research shows that 82% of consumers will buy more from companies that make it easier to do business with them. (Source: The Autonomous Customer 2013, BT and Avaya, March 2013). In contrast, if an organization doesn't understand its customers, or delivers an unsatisfactory experience, why would customers buy more?

Avaya defines Customer Experience Management as *"The discipline of managing and treating customer relationships as assets with the goal of moving satisfied customers to loyal customers, and loyal customers to advocates of your brand."*

Customer Experience Management Drives Customer Lifetime Value

One of the tenets of customer experience management is treating customer relationships as assets, and assets have value. In fact, each customer has a lifetime value that can be measured and improved upon. Customer lifetime value is about optimizing each interaction and conversation throughout the customer journey in order to create an engaged customer relationship which drives repeat purchases, retained customers, customer referrals, price premiums, and reduced support costs. Customer lifetime value can be measured as:

Customer Lifetime Value =

(Customer Revenue - Acquisition Costs - Support Costs) x Average Length of Relationship

The key elements of Customer Lifetime Value are efficiency, growth and revenue. Improving growth and revenue requires a focus on customers and is influenced through customer retention, loyalty and advocacy. Improving efficiency requires a focus on internal processes, systems and resources and is influenced through customer acquisition and support costs.

Balancing Costs with Revenue – Transitioning from a Cost Center to a Profit Center

To be successful, organizations have to measure all elements of CLV. However, contact centers have traditionally focused more on improving internal efficiencies related to acquiring and supporting the customer and not necessarily on the customer experience. Meanwhile, customers want service, not business efficiency. Remember: Customers don't care about the business; they care about themselves.

To deliver an excellent customer experience, it's essential to align the company's strategy, objectives, processes, people and technology with its customers' dynamically changing needs and expectations. To that end, the metrics used to measure the contact center must change. For example, while call handling times are a reliable indicator of efficiency they aren't effective measures when handling complex customer queries, up-selling new products or delivering personalized, end-to-end service across all interaction channels with a customer. Instead, measures such as customer effort, net promoter score, customer spend and cost per resolution become critical in managing an excellent customer experience.

Improving the lifetime value of a customer is essential for the long-term financial performance of organizations today. Customer experience management and CLV work together to nurture customers throughout their journey by reducing acquisition and support costs and fostering growth and revenue thorough improvements in retention, loyalty, and advocacy. Ensuring the appropriate strategy, operations and measures are in place to support this is essential to maximizing the lifetime value.

For more information about Avaya please visit **www.avaya.com**.

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

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

Organizations able to help with Improving Quality and Performance:

Avaya is a global provider of business collaboration and communications solutions, providing unified communications, contact centers, networking and related services to companies of all sizes around the world.

There's no end to better.

Calabrio powerfully redefines workforce management with software that is intuitive, flexible and hassle free.

CallCopy's innovative call recording and contact center solutions empower organizations to gather business intelligence, which can be leveraged to maximize operational performance, reduce liability, achieve regulatory compliance and increase customer satisfaction.

COMMUNITECH SERVICES, INC.

CommuniTech Services can help you with a game-changing SAP Contact Center solution to deliver a great customer experience.

Quick to deploy, full featured and fault tolerant, the Connect First platform is suited for inbound, outbound and blended contact centers: whether for single or distributed operations, it offers advanced features found in million-dollar on-premises systems, while at the same time delivering the flexible deployment options that only a SaaS offering can deliver.

Enghouse Interactive delivers flexible and scalable solutions that will meet a company's communications needs across their organization, including: multi-channel contact centers, IVRs, operator consoles, call recording and quality management, and integration & optimization solutions.

With more than 2,000 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.

inContact®

Gain understanding and create a programmatic approach to building a branded customer service experience with inContact's call center quality assurance software.

INTERACTIVE INTELLIGENCE

Deliberately Innovative

At Interactive Intelligence, it's what we do.

Intradiem™

business reflexes

Intradiem is the leader in intraday management technology and provides contact centers with business reflexes to improve productivity, performance and profitability.

NICE®

Getting you closer to your customers through improved quality and performance.

OpenSpan provides technology and services that improves, accelerates and measures software - and data-driven work on the desktop, driving performance in front-office and back-office environments.

Oracle RightNow Cloud Service helps The Boston Globe to manage approximately 60,000 calls each month and respond to 5,000 monthly e-mail and they can now track e-mail response times and meet the 24-hour service level agreement: learn more.

SHL, the CEB Talent Measurement Solution, helps you find the right candidates to fill call center roles, from entry level positions through identifying managers and leaders.

UTOPY, which was recently acquired by Genesys, delivers Contact Center Performance Optimization solutions driven by Interaction Analytics, and the only completely analytics-driven Coaching and Quality Management applications available today.

MAXIMISING EFFICIENCY AND AGENT OPTIMIZATION

Improving call throughput and decreasing costs has been a focus of most contact centers 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 centers 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 center performance metrics
- Alternative ways of working - virtualization and homeworking
- The enterprise-wide contact center
- IP and convergence
- Voice biometrics
- Call routing and queue management
- Workforce management
- Headsets.

CONTACT CENTER PERFORMANCE METRICS

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

Figure 33: Contact center metrics

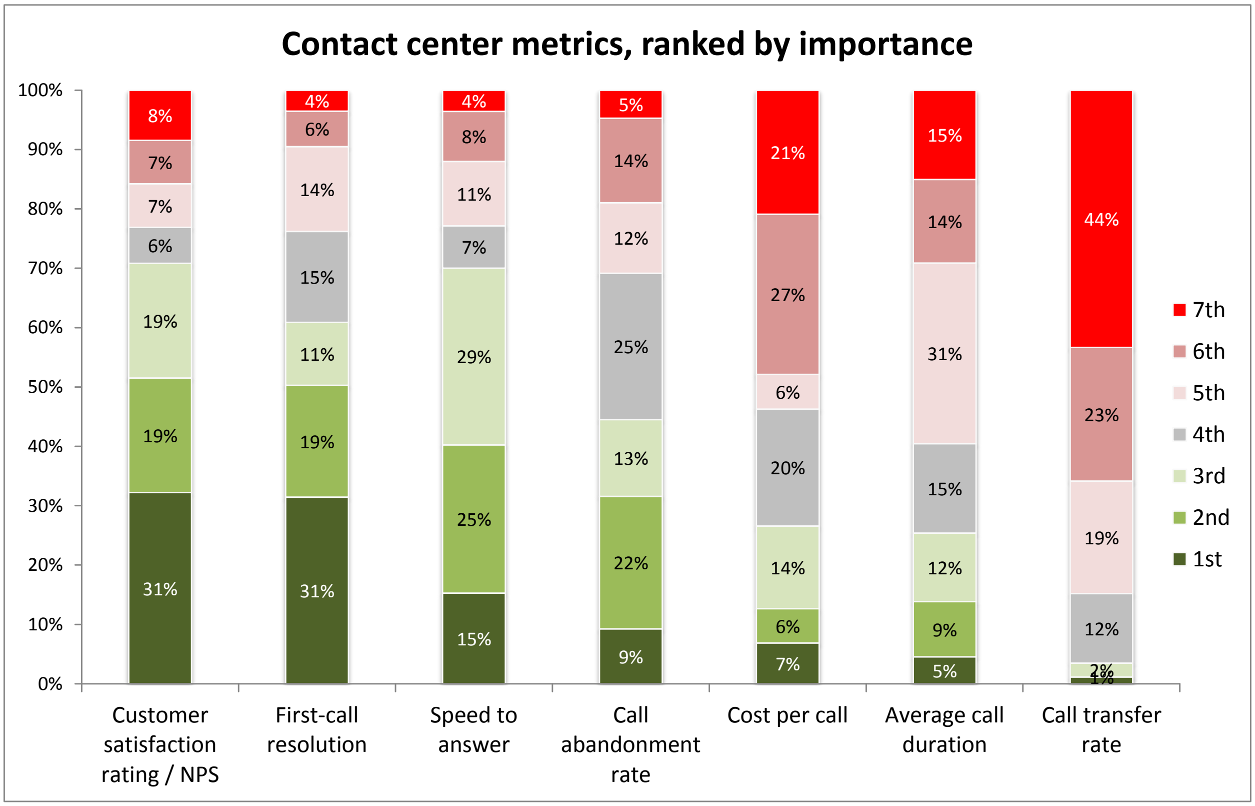
Metric	Comments
Call duration / Average Handle Time	A typical 'old-fashioned' metric, which seems to be going out of favor, based on the idea that each call is different and should take as long as it takes. However, it is one of the easiest statistics to measure, and work out cost against.
Cost per call	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 center 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 center is doing well, when the opposite may be the case. The same logic applies to first-call resolution rates. Cost per call is a very complicated metric that is difficult to get correct. However, senior non-contact center 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 center by the number of calls, although this does not take into account although this does not take into account abandoned calls or where the customer has had to call multiple times to get a resolution (a situation which in fact brings cost per call down, although being negative to both business and customer). Neither does it take into account the effect of failure demand - where the contact center cleans up after processes elsewhere in the business go wrong, leaving the contact center to sort them out. As such, it should be viewed with caution.
Schedule adherence	Schedule adherence is a metric that looks to help with the fine-tuning of a contact center's labor force, so that calls are answered swiftly, but that agents are not sitting idly waiting for calls. It is a metric that is of more importance to schedulers than to customers, although the impact of getting schedules wrong can be catastrophic for efficiency, cost and performance.

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

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

Respondents place customer satisfaction ratings and first-call resolution rates at the top of the list of most important metrics. Call abandonment and speed to answer – which are both directly connected to the customer experience are seen as important secondary metrics, with cost per call, call transfer and call duration being seen as less important.

Figure 34: Contact center metrics, ranked by importance



Trigger a 20% business impact

Business Reflexes	if	then
Intraday task management	Call volume drops	Dynamically deliver off-phone tasks during idle time
Intraday staffing	Overstaffed or understaffed	Approve voluntary time off or overtime
Alerts and notifications	A call exceeds handle time threshold	Alert a supervisor
Queue management	Agent completes skills training	Prioritize agent in queue

Automatically respond to unpredictable events and fluctuating business conditions with business reflexes. These dynamic reflexes are improving business performance by 20% for contact centers.

Visit www.intradiem.com/dynamic to watch a two-minute video on how intraday management allows your contact center to improve operational efficiencies and increase performance.

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AGENT ACTIVITY

Agent activity per hour is a key structural metric aimed at helping contact center management understand how the agent's time is being spent. We have segmented it into seven 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
- **Email / web chat:** text-based communication with customers
- **Training:** whether desk-based or lecture-type
- **Administration**: general administration and keyboard- or paper-driven work which may be for internal purposes only (e.g. timesheets) or for external work as well (e.g. sending faxes).
- **Idle**: time spent not taking calls or doing other work
- **Other**: anything not covered by the previous activities.

Figure 35: Agent activity by vertical market

Vertical market	Talk time	Wrap-up	Email / web chat	Training	Admin	Idle	Other
Retail & Distribution	62%	7%	17%	4%	2%	6%	1%
Outsourcing	62%	9%	5%	4%	4%	14%	2%
Entertainment & Leisure	60%	13%	5%	8%	2%	13%	0%
Insurance	59%	7%	6%	4%	5%	10%	10%
TMT	56%	10%	12%	5%	4%	7%	4%
Finance	54%	9%	9%	6%	13%	8%	2%
Medical	53%	13%	6%	4%	7%	15%	2%
Manufacturing	53%	10%	4%	8%	10%	15%	0%
Services	51%	10%	12%	3%	8%	8%	8%
Public Sector	46%	11%	8%	2%	17%	11%	6%
Average	**56.2%**	**9.7%**	**9.3%**	**4.7%**	**5.9%**	**10.2%**	**4.1%**

Talk time has declined again on last years' result of 58%, in line with the gradual but general move away from 'traditional' call handling duties. Added together, the figure of around 65% for telephony and multichannel work is still close to historical findings (which did not include multichannel). Around 10% of time is spent on wrap-up, like last year, and idle time stays much the same at around 10%.

Looking by contact center size, the general gains due to economies of scale are shown again: the sub-50 seat sector achieves talk time of 52.6%, the mid-sized (50-200) segment is 60.3% and the large (over 200 seat) sector manages 58.9% talk time. Smaller operations (where telephony agents are more likely to handle multichannel work, perhaps in an ad-hoc fashion) spend proportionally more time handling such types of work.

Figure 36: Agent activity by contact center size

Contact center size	Call time	Wrap-up	Email / text chat	Training	Admin	Idle	Other
Small (<50 seats)	52.6%	9.0%	13.4%	4.1%	7.5%	9.0%	4.3%
Medium (50-200 seats)	60.3%	10.1%	5.5%	6.3%	4.2%	11.8%	1.8%
Large (>200 seats)	58.9%	10.3%	5.7%	5.0%	3.9%	10.7%	5.6%
Average	**56.2%**	**9.7%**	**9.3%**	**4.7%**	**5.9%**	**10.2%**	**4.1%**

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

Post-call wrap-up time is also an area which could further be reduced in many contact centers. 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 optimizers 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.

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While idle time is significant, it's typically fragmented into small increments of 2-3 minutes between calls. Intraday management technology can aggregate idle time into larger chunks of available time for agents to complete off-phone tasks like administrative, back-office, must-reads or training.

CALL DURATION

Average inbound call length has traditionally been a metric which most contact centers have measured, as it is directly related to cost (and is also easy to quantify).

Enlightened operations regard this metric with wariness, as a call which is cut short too quickly can often mean a worse experience for the customer (with lower revenues over time), lower first-call resolution rates (which increase costs in the long-term) and fewer cross-selling or upselling attempts being made. Low call duration can also mask a lack of agent capability, as knowledgeable and confident agents may go out of their way to deliver the best service possible, which leads to longer call times. The use of call recording and monitoring - coupled with speech analytics - as well as close supervision by team leaders can assess whether this is the case.

Helpdesks and sales contact centers now pay much less regard to managing call lengths (especially in premium rate environments), but most operations will still be aware of it, especially it is obvious that a high-quality agent will spend less time on certain types of call than a low-quality agent. Additionally, although the contact center's own management is aware of the questionable value of average call duration as a useful metric, the senior management (who are used to measuring this) may be less willing to replace such a definite and cost-related metric with something else.

As self-service (whether via telephony or website) has soaked up a great deal of simple queries, the types of call that contact centers take has changed - there is a far higher proportion of complex and difficult queries to handle, which can be seen in the historical increase in call duration.

Figure 37: Average call duration (service & sales), by contact center size

Contact center size	Service calls	Sales calls
Small (<50 seats)	5m 4s	7m 48s
Medium (50-200 seats)	6m 43s	7m 51s
Large (>200 seats)	6m 22s	7m 13s
Average	**5m 47s**	**7m 36s**

Average call duration varies between vertical markets, as we would expect. For example, a medical sales call will often involve a complex explanation of products, along with legislative explanations and disclaimers. Regardless of vertical market, there is a definite upward trend in call lengths, driven by most of the simpler work now being handled by self-service.

As the role of an agent becomes more complex, call lengths will continue to increase if no additional investment in technology or training is made. Contact centers need to alleviate the effect of the increasing complexity of the work by managing agent occupancy rates and reducing the amount of the call which is wasted, such as silences when the agent is waiting for the system to deliver what is needed, and the caller ID process at the beginning, which can be securely automated and authenticated through voice biometrics.

Figure 38: Average call duration (service & sales), by vertical market

Vertical market	Service calls	Sales calls
Medical	7m 53s	14m 40s
Entertainment & Leisure	6m 38s	9m 30s
TMT	6m 15s	7m 25s
Outsourcing	5m 40s	7m 15s
Retail & Distribution	5m 24s	5m 13s
Insurance	5m 17s	7m 2s
Finance	5m 6s	5m 0s
Manufacturing	5m 0s	6m 0s
Services	4m 53s	5m 11s
Public Sector	4m 48s	n/a
Average	**5m 47s**	**7m 36s**

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Every contact center experiences fluctuating conditions throughout the day, such as longer than expected calls. Intraday management allows contact centers to respond immediately and consistently to anomalies using business rules to trigger the best action in response to an unexpected event.

Advertorial

Convergys Uses Automation to Plan for the Unplanned

How BPO Leverages Intraday Management Technology to Optimize Efficiencies

Background

Convergys, a large outsourcer with more than 60 contact centers around the world, is all too familiar with the intraday scramble. With so many centers located across the globe, any unforeseen weather or political event can quickly turn an otherwise well planned day upside down.

Challenges

It's their business to plan for the unplanned. The challenge for Convergys was to find a way to improve the efficiency in which they responded to whatever unexpected occurrence came their way. Convergys also had other matters to address - key metrics such as AHT, FCR or CSAT scores are just as important for the outsourcer as they are for the client, both for the end user experience and program commitments.

Solution

Convergys partnered with Intradiem to help them address their intraday scramble. Intradiem provided them with the means to automate the intraday scheduling of agent activities during idle time. Convergys applied this technology to several programs within their organization and recognized significant results:

> "Automated intraday scheduling of agent activities is an innovation. We define innovation as getting better results by using technology and less manual effort - that's what we do with Intradiem, driving greater value by changing processes making our agents and programs more efficient and effective. Our number one goal is customer satisfaction. Increased agent satisfaction, productivity and performance will increase revenue and profitability for us."
>
> **Michael Bathon**
> **VP, GTS Solutions Management**
> **Convergys**

Increased agent training from 25 percent to 46 percent - Convergys conducted side by side comparisons in sites that used Intradiem with sites that didn't when evaluating the effectiveness of employing intraday management technology to improve compliance. In addition, they reduced the workload of the team lead at the same time.

Deployed 11,000 hours of training in one month - Convergys reduced time between calls by a few seconds and pooled that time into 5, 10 and 15 minute sessions automatically identified by Intradiem. This time was used productively for learning activities, helping agents become better at their jobs, and likewise, improving customer service. As a bonus, busy agents contribute to the bottom line. If agents aren't busy, revenue isn't being generated in many programs.

Improved important metrics – In addition to improving AHT (up 7 percent), FCR (up 7 percent), CSAT "Very Satisfied" Score (up 13 percent), Convergys recognized the soft benefits associated with automating intraday management. Adding efficiencies to how they responded to changing conditions in the contact center improved agent satisfaction and freed up supervisor time so they can spend quality time coaching agents, as opposed to manually checking to see if a course was completed or not.

Convergys continues to look for new ways to add efficiencies to their intraday time and how they can proactively react to changing conditions in their global workforce. Intradiem allows the company to drive improvements to their operations without adding extra labor to the workforce.

To hear Michael Bathon of Convergys describe how they utilize intraday management to plan for the unplanned, go to www.intradiem.com/bathon .

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CALL ABANDONMENT

Call abandonment rates link directly to customer satisfaction, cost, average speed to answer and revenue as well, and is seen as the fourth most-important key performance indicators that a contact center has at its disposal. The public sector, perhaps as a result of long service call times and peaky nature of the calls, experiences high levels of call abandonment, especially on a mean average basis. It is important to note the median rate of call abandonment is only 4.0% (although up again from 3.8% in 2011 which was up from 3.0% in 2010), and that looking at median averages reduces the impact of very high call abandonment rates (which might be seen as freakish to most of the industry).

Figure 39: Call abandonment rates by vertical market

Vertical market	Call abandonment rate (median)	Call abandonment rate (mean)
Public Sector	7.0%	9.4%
Manufacturing	6.5%	8.6%
Entertainment & Leisure	5.5%	5.5%
TMT	4.9%	7.0%
Services	4.0%	6.7%
Outsourcing	4.0%	6.3%
Retail & Distribution	3.9%	7.4%
Medical	3.8%	5.3%
Finance	3.7%	4.0%
Insurance	3.3%	3.8%
Average	**4.0%**	**6.3%**

The historic link between contact center size and lower abandonment rates (as analyzed in the table below) has been weakened, probably as a result of large operations having been more likely to have cut spending on recruitment, training and technology, thus reducing the benefits previously seen through their economies of scale.

Figure 40: Call abandonment rates, by contact center size

Contact center size	Call abandonment rate (median)	Call abandonment rate (mean)
Small (<50 seats)	3.7%	6.4%
Medium (50-200 seats)	4.6%	6.9%
Large (>200 seats)	4.4%	5.6%
Average	**4.0%**	**6.3%**

SPEED TO ANSWER

Speed to answer is another of those traditional statistics which has always been measured, and there is a strong case for keeping it at the forefront of how contact centers measure their success – it is rated this year as third most-important. Speed to answer plays a vital part in improving the customer experience, and also feeds into other performance measures such as call abandonment rate. However, contact centers should also keep a close eye on "longest call waiting" statistics to get a fuller picture of the pre-call experience that customers are having. Some contact centers reduce their speed to answer figures by not counting the time taken for the caller to deal with IVR or listen to announcements before speaking with an agent: it is our opinion that the call should be measured from the moment the caller dials the last digit to the moment the agent answers the phone. Of course, not everyone sees it that way, but your customers certainly do.

As an aside, ContactBabel research[2] indicates that the public believe that they wait for an average of 11½ minutes to speak with an agent. As average speed to answer is consistently around 20-30 seconds, and has been for many years, this statistic does not make sense, particularly in the light of the average time to call abandonment being well under 2 minutes (i.e. this makes the 11½ minute statistic is very unlikely to be true, as the vast majority of callers would actually have hung up long before this time). Our certain conclusion is that the "11½ minute" figure is collected from people's subjective view, rather than anyone waiting by the phone with a stopwatch. Also, people tend to remember the times they had to wait a long time, rather than the times they were answered straightaway. Regardless of the reality, speed to answer does affect customers' perceptions of the contact center's quality.

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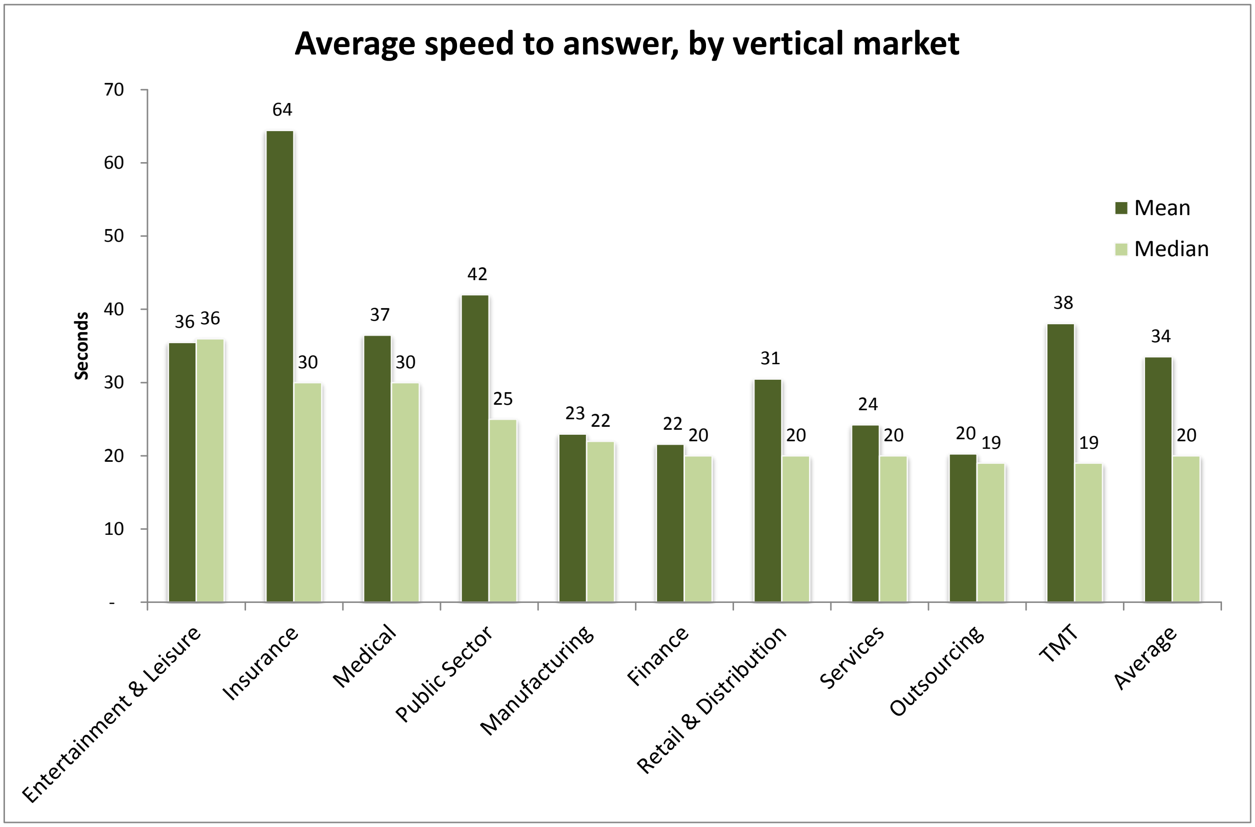
[2] Source: ContactBabel analysis of ICM Research data interviewing 1,004 UK adults on behalf of Vicorp.

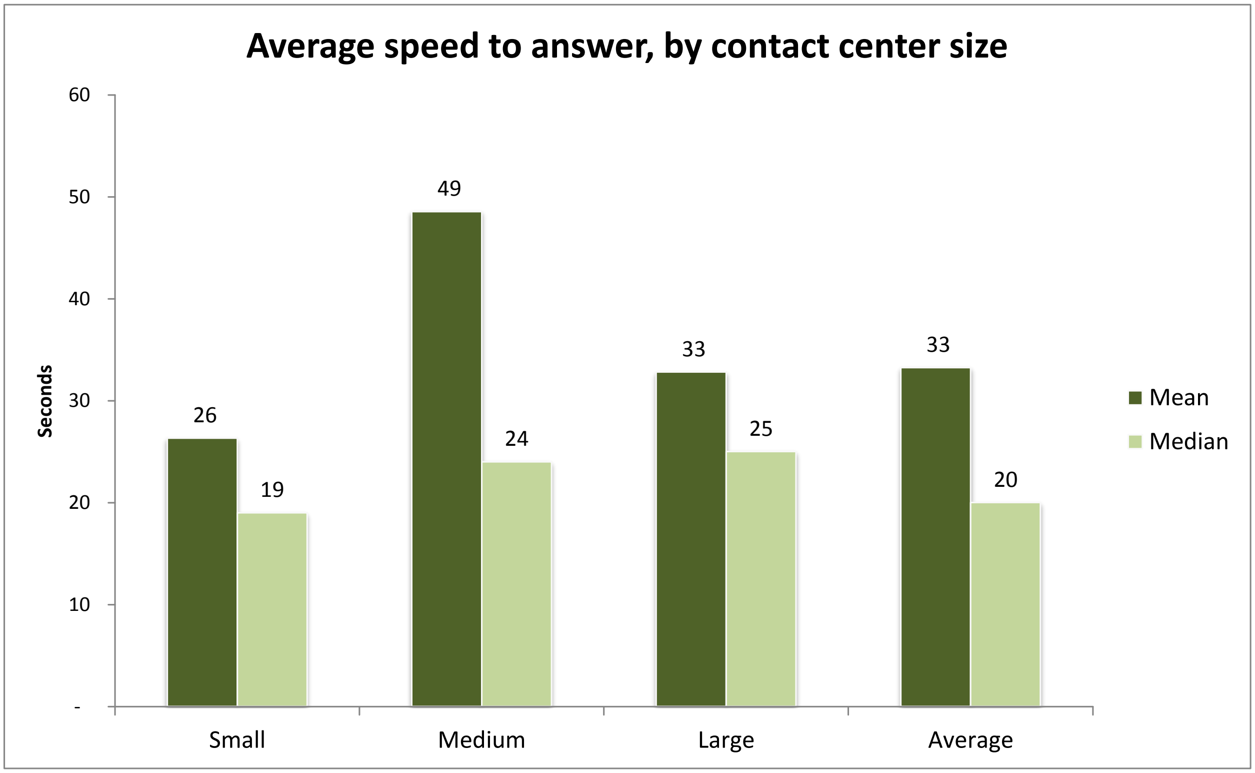
Figure 41: Average speed to answer, by vertical market



Most sectors have greatly improved their speed to answer over the years, with many of the high-volume yet simple interactions, such as password reset and account balance, now being carried out via self-service. The overall industry ASA mean average has stayed steady, at 34 seconds this year, a very slight increase. Of more interest to readers using this report as a benchmarking tool, the median average (steady at 20 seconds) is included, so as to dilute the negative upward effect of a very few respondents that have ASA figures of several minutes, which skew the whole industry upward, and which is especially dramatic within a sector.

Comparing mean and median side-by-side, we can see that insurance, public sector and TMT have a few poor performers which drag the mean upward, away from a generally respectable median ASA.

Figure 42: Average speed to answer, by contact center size



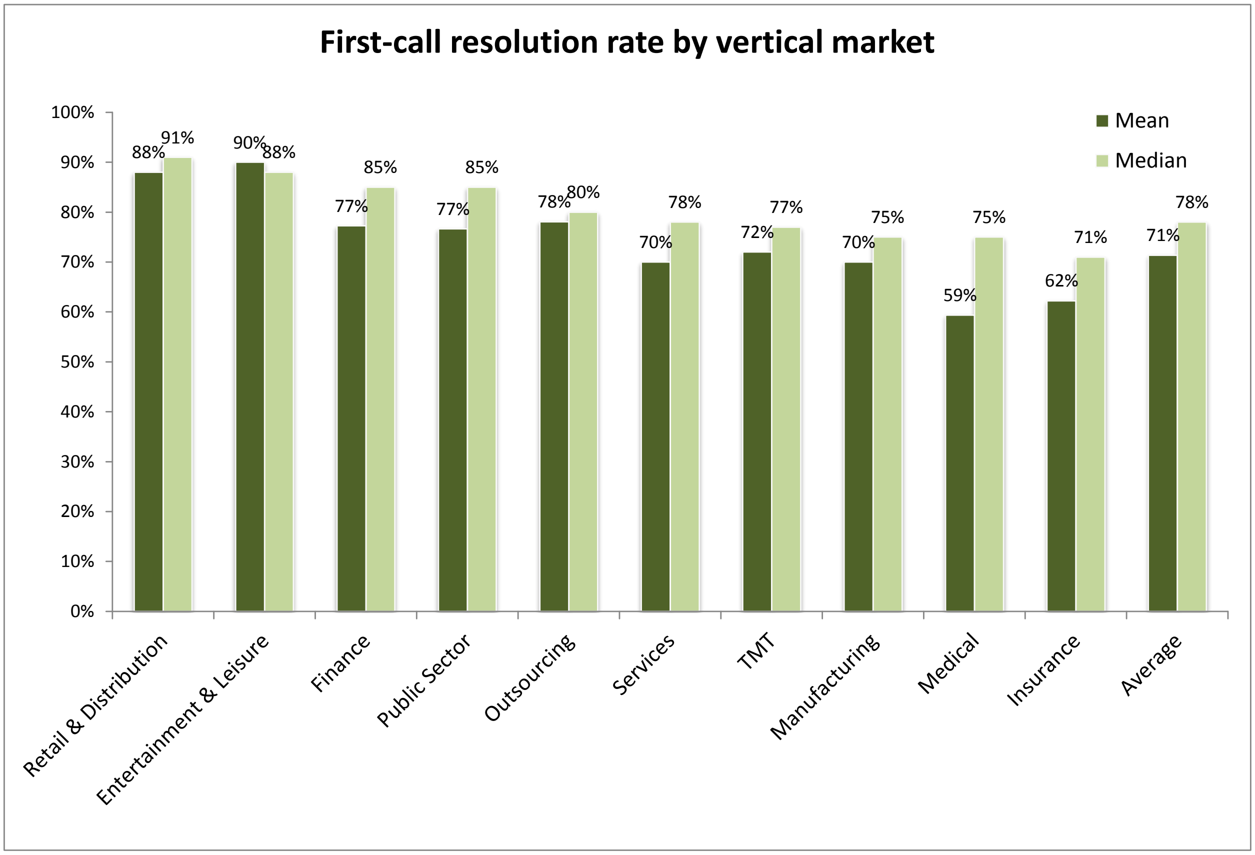
The mathematics of contact center performance has tended to indicate that larger operations should have an advantage over smaller contact centers where ASA and queue management is concerned. This hypothesis is not borne out this year once again with very little difference in medians across size bands..

FIRST-CALL RESOLUTION

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

Average FCR has steadied at 71% (mean) & 78% (median), very similar to last year's result.

Figure 43: First-call resolution rate by vertical market



METHODS OF MEASURING FIRST-CALL RESOLUTION

It's easy to see how dealing with more calls straightaway can benefit everyone concerned. So why is it that first-call resolution rates haven't really improved over the past few years?

No-one can suggest that this decline in FCR measurement can be caused by first-call resolution becoming less important. Businesses' focus upon customer satisfaction and operational efficiency - which both directly benefit from an improvement in FCR - has actually increased in recent years. The answer perhaps lies in the inability of contact centers to measure their first-call resolution rate effectively and thus to do much that is commercially meaningful with it.

There are various ways to measure, or at least estimate, first-call resolution rates:

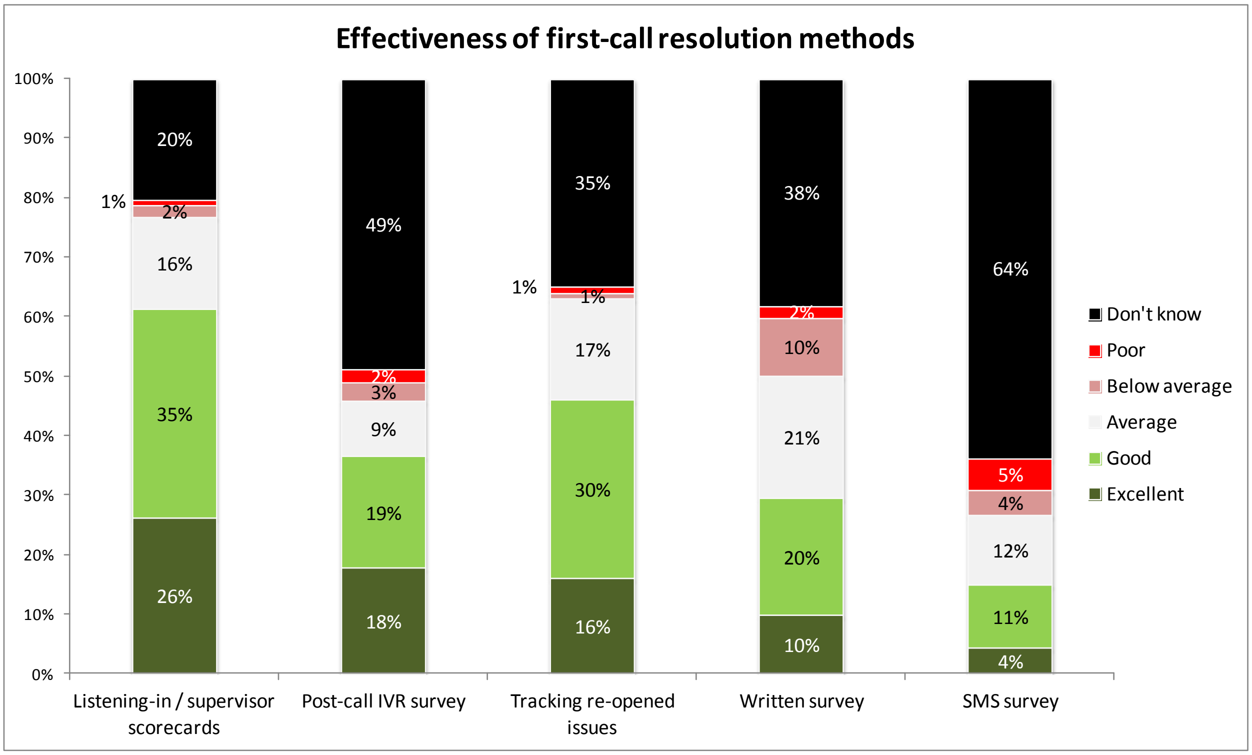
- Agents provide opinions on whether the call was resolved completely
- Tracking of issues shows if they are re-opened
- Supervisors monitor calls and score based on their opinion
- The company or a third-party can contact customers later to ask their views
- Customers provide feedback in end-of-call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

Whether or not a call has been managed completely is really a matter for the customer to decide, rather than the business, so involving and agent or supervisor - both of whom will be rewarded or otherwise for these results - leaves the FCR measurement open to creativity, with results often following a gently-improving path upwards over time. 80% of respondents rely on supervisor input. Tracking re-opened issues - often used within the helpdesk environment - is the 'purest' way to measure FCR, but can be difficult to measure if there is not helpdesk software already in place. 65% of respondents use this method.

End-of-call IVR sessions - used by 51% of respondents - provide real-time opinion, but does not give the company any information on whether the entire transaction (i.e. the actions that came directly from the call, such as sending out a brochure or solving a technical issue) was actually completed satisfactorily: in such cases, calls could be marked as completed first-time that actually require more work after the back-office processes eventually fail to deliver on the contact center's promise.

The SMS option to identifying true first-call resolution rates - used by 36% of respondents - although simple and relatively cheap, is very flexible. Based on business rules such as who the customer is and what they have called about, SMS messages can be sent either immediately (for real-time results), or after a few days, allowing the customer and business to judge whether the back office processes kicked off by the call have succeeded or failed. SMS responses can be tracked by agent, group, customer, product or any other data tag that a contact center captures on each call, and these data can then be reported upon, offering an opportunity to identify underperforming agents and repetitive problems. However, with only 160 characters to play with in an SMS message, the business has less opportunity to explore customer views in depth and cannot continue a conversation with the customer in that medium, although some businesses use solutions which routes very negative feedback via email to a virtual outbound team that can call the customer immediately to work through any problems with them.

Figure 44: Use and effectiveness of FCR measurement method



It is worth noting that 51% of the respondents who track first-call resolution do so only based on the telephone call itself: that is, they do not check whether the action or business process initiated by the call has been followed through successfully. As has been previously demonstrated, the vast majority of the complaints received by a contact center are about the failings of the wider business, so focusing entirely upon the work done within the contact center is missing the point of measuring first-call resolution. The traditional insularity of the contact center operation fails the needs of the wider business, but without an explicit remit to investigate and report on processes outside the contact center, it can hardly be blamed for the failure to hunt down and fix the wider problems.

Why it may be good for first-call resolution rate to decline (at first...)

First-call resolution rates have to be viewed in context: an improving business may well see its FCR rate actually decline after it implements process improvements, which is counter-intuitive.

Some businesses are currently handling live calls that are more suited to self-service or better marketing communications. Many of these calls are about the same issue, and are answered quickly and accurately, which improves FCR rates, but of course, piles up cost and impacts negatively upon other performance metrics, such as queue length and call abandonment rate.

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

- The contact center 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 center to emerge, which can then be addressed more fully.

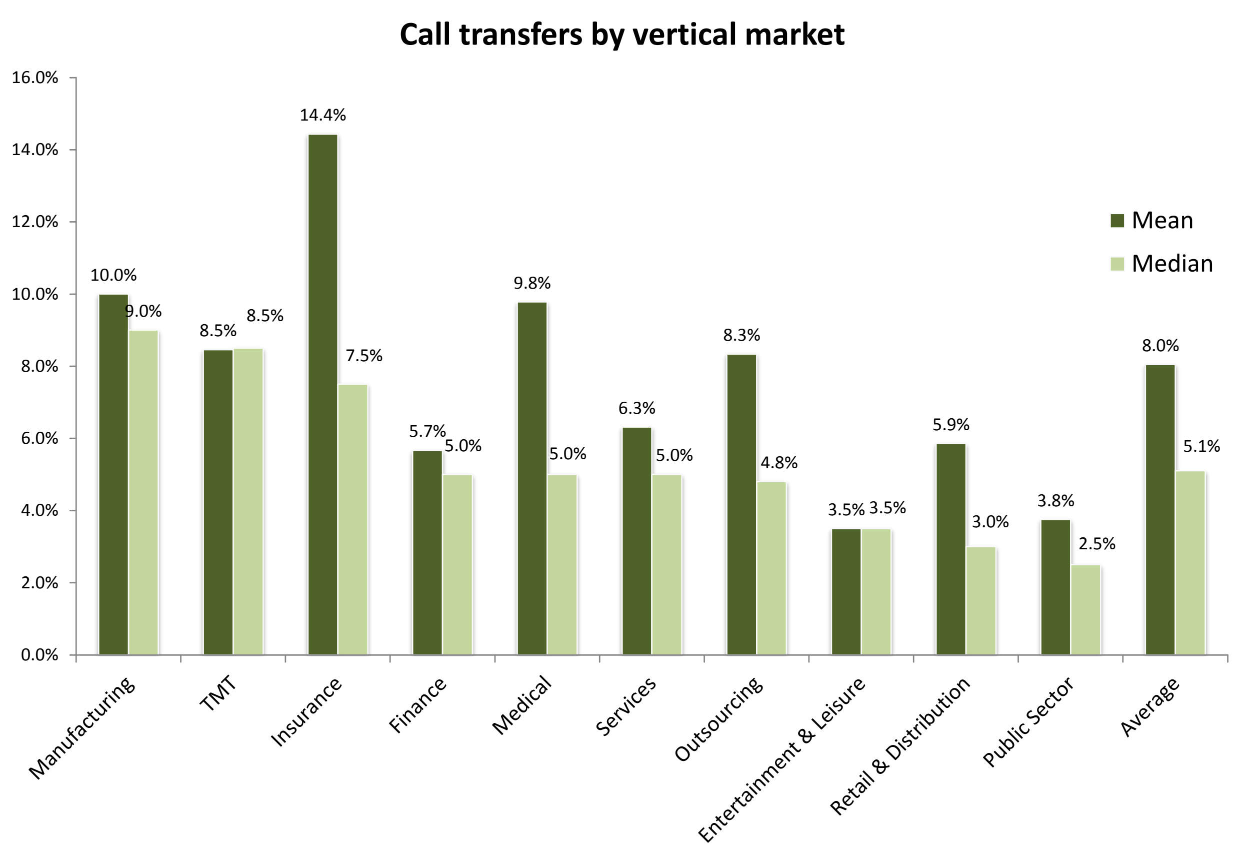
Intradiem™
business reflexes

Improve the overall customer experience and *real* first issue resolution rates by using intraday management technology to deliver back office tasks to call center agents during idle time, to alleviate backlog and take advantage of agent expertise.

CALL TRANSFERS

This metric indicates 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.

Figure 45: Call transfers by vertical market



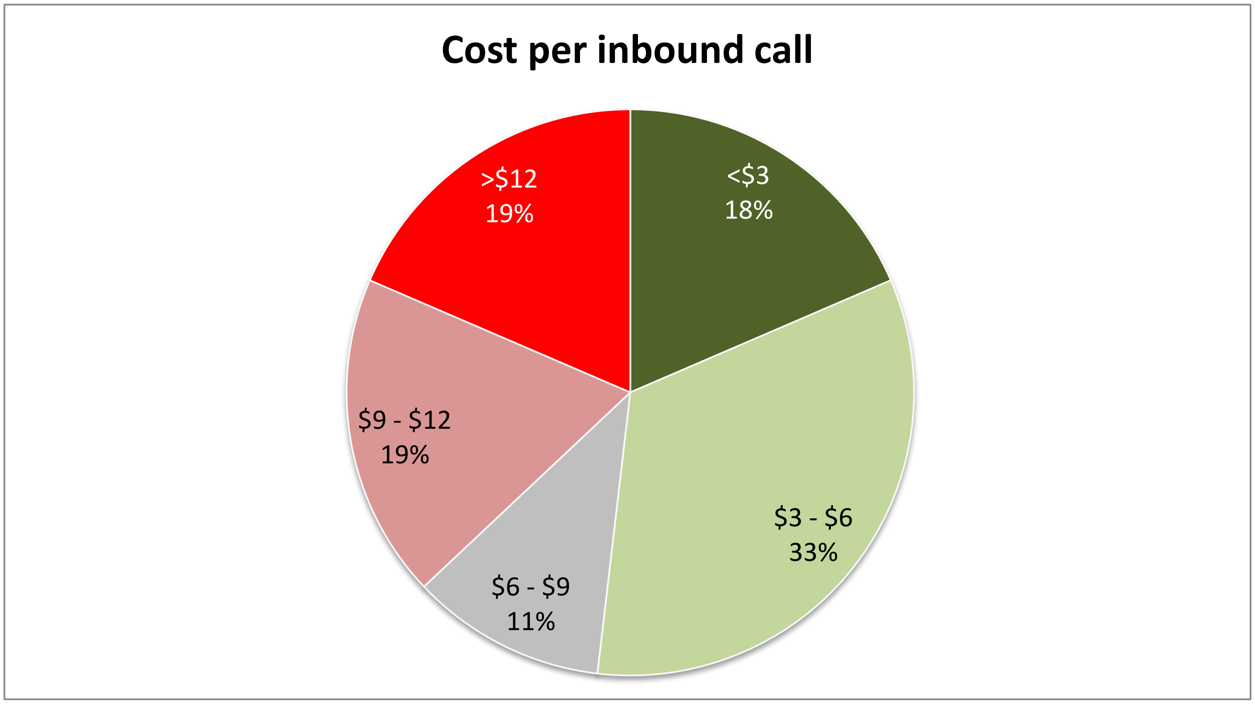
Care must be taken when analyzing these figures, as a switchboard-type operation is likely to have very high call transfer rates - as that may be what the agent is supposed to do, and a technical helpdesk may require significant amounts of 2nd-line support to be provided. As such, this year's average figure includes both mean and median, to emphasize that a few very high anomalies can occur in the respondent data and skew results accordingly.

COST PER CALL

Cost per call is a very difficult metric to work out, and even more difficult to benchmark in any meaningful way, as calls can vary massively in cost even within the same contact center. Whereas with most data analysis, there can be conclusions drawn from vertical market comparisons, the differing nature of each company makes this impossible. For example, respondents within the IT sector can post vastly different cost figures, as some deal mainly with high-level technical queries (for which costs considerably in excess of $30 per call are not unusual) as well as some handling simple interactions.

As such, the best way to display the information is by showing the frequency of each call cost. The majority of inbound call costs are under $6, with the mean average being $7.76. The median average is $4.50, the 1st quartile is $10.10 and the 3rd quartile is $3.50.

Figure 46: Cost per inbound call



For outbound sales calls (only including instances where the agent got through successfully to the intended recipient), the mean average was $6.20, the median $5.25, the 1st quartile was $12.00 and the 3rd quartile $2.50.

Detailed analysis of all of the above performance metrics, including historical changes and segmentations by vertical market, contact center size and type of activity are available in the "US Contact Center HR and Operational Benchmarking (2013)" report. There is also analysis of budget expenditure, including past and planned changes in Opex and Capex budgets.

ALTERNATIVE CONTACT CENTER MODELS

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

The causes for this include:

- the presence of multiple contact centers – 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 centers for better-qualified staff, rather than just "warm bodies" to answer phones
- the need to keep the contact center 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 center, which may not be possible in that location.

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

VIRTUAL CONTACT CENTERS

The application of technological abilities to commercial issues has created a new breed of contact center - the virtual contact center – which, although located in multiple sites, can still be run as a single entity. The virtual contact center 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 center model has been driven by several factors. These include:

- For businesses involved in acquisitions or mergers, the number of contact centers they run have increased, particularly in the finance and insurance sectors, but also in telecoms and utilities sectors more recently
- Rapid contact center 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 center. This is increasingly the case in 2nd- and 3rd line technical support, where skilled agents can be extremely scarce and expensive to replace
- Some companies prefer to offer a local touch to customers by basing operations in the area or country which they serve, or in which the company already has a non-contact center 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 center is now much more easy to realize at an affordable cost
- Companies have increasing needs to serve global customers, necessitating either contact centers 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 centers
- Smaller contact centers tend to have lower staff attrition rates than large operations.

Treating multiple contact centers as a virtual contact center 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.

What's Your Strategy for a Satisfied Customer?

Let Enghouse Interactive help review and build your contact center strategy and satisfied customers will follow!

When was the last time you reviewed your contact center strategy? Just as chess and other games of strategy require that you think multiple steps ahead, your ability to develop a proactive contact center strategy can be the difference between securing a life-long customer or helping your competition grow.

Design your custom strategy using Enghouse Interactive's Contact Center Solutions:

- Comprehensive view and unified queue of all customer interactions
- Intelligent Routing
- Complete, searchable customer interaction history
- Agents work on-premise, remote or at home
- Accessible via all major browsers
- Cloud-based deployment options

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Figure 47: Virtual contact center commercial and operational benefits

Effect of virtual contact center	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 centers, but only 1 person in each contact center speaks a specific language, then it only becomes feasible to offer this as a routable skill once the contact centers are linked together to create a virtual language team)
More balanced work across contact center locations	In a stand-alone multiple contact center environment, there is a very real risk that agents in one contact center 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 centers, which can improve both customer and agent experience
Skills may be widely deployed and managed	Virtual contact centers can look at agent skills and competencies with a view to scheduling staff and routing calls accordingly. This allows specialized virtual teams to emerge
Forecast and schedule only once	Where many contact centers are treated as a single entity, work can be shared across sites as the contact centers 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 centers spanning distant time-zones, the opportunity exists to create a follow-the-sun contact center, 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	Virtualization 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 center operation open. Virtual contact center technology also allows businesses to reach out to new labor 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

Enghouse
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University of Maryland Medical Center

Managing the Customer Experience from the First Interaction

AN ENGHOUSE INTERACTIVE CASE STUDY

Challenges

The University of Maryland Medical Center (UMMC) wanted to provide their customers with an easy way to reach their physicians and services while increasing customer satisfaction with the contact center.

"Our contact center was unable to report the number of calls that were in the queue and the length of time each caller had to wait," says Linda Ellis, UMMC's customer relations manager. "We also could not prioritize calls, offer self-service menus, and obtain accurate reports on contact center activities."

UMMC could not add or update delay messages and the medical center was unable to keep the staff levels adequate to meet the demand. "Another problem the medical center had was determining an accurate call abandonment rate," says Ellis. "We also wanted to route calls to the appropriate agent using caller identification technology, a disaster recovery plan and the ability to record calls for training purposes."

Solution

UMMC evaluated numerous products in the marketplace before choosing Syntellect's Customer Interaction Management (CIM) solution to meet the needs of their contact center. Syntellect CIM manages UMMC's customer experience from the initial arrival of an interaction through self-service options, multiple queues, and agents, as needed, to the final interaction resolution.

"UMMC wanted a state-of-the-art contact center so our staff could provide a high level of service to our callers without hiring additional agents," states Ellis. "We chose Syntellect CIM because it had all the features to fill in the gaps in our operation and the solution was flexible enough to grow with our contact center."

With Syntellect CIM, UMMC can better utilize staff and support other departments at the university with their own phone needs. UMMC can now expand their contact center in the future by using CIM's scalable approach to interaction management.

Results

Since the Syntellect CIM solution was implemented at UMMC, agents are experiencing a higher satisfaction rate from customers. UMMC agents also like Syntellect CIM since they can now view call information prior to taking the call to ensure they are prepared before beginning the conversation.

"When a customer has an assigned agent, the call may be directed to this agent prior to presenting the call to the entire team of agents," says Ellis. "Speaking with the same agent each time provides the customer with a higher comfort level."

Syntellect CIM provides a detailed view across the contact center to ensure that staffing decisions are based on the most accurate business metrics available. Accessible via the Web, CIM provides anywhere/anytime access to critical business data to assist UMMC with planning and staffing the contact center.

Ellis explains, "Syntellect CIM's reporting system provides a detailed analysis of information on all interactions and agents throughout the various stages of the interaction and may be displayed daily, weekly or monthly. This is critical in managing contact centers and forecasting our future operational requirements."

Learn more at enghouseinteractive.com/strategize.

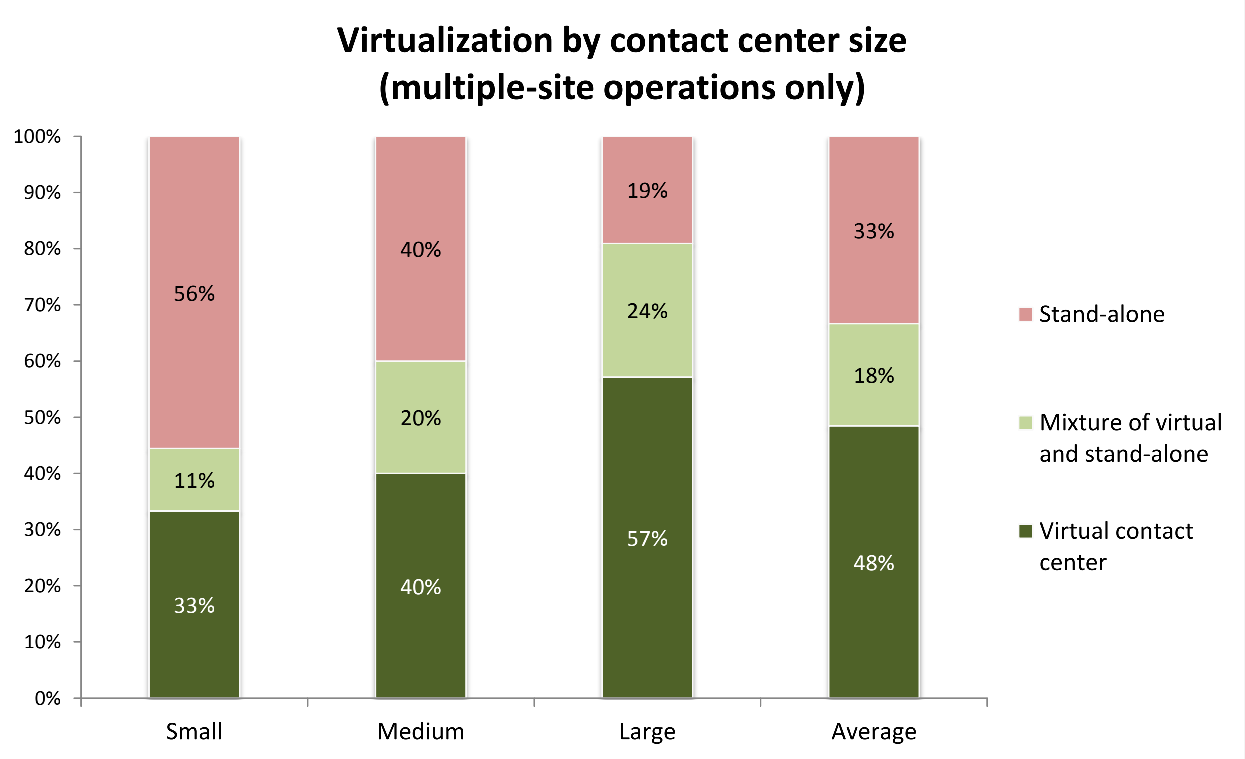
Linking contact centers together has been a complex task, especially in circumstances where the business has multiple types of switch and other infrastructure, perhaps as a result of merger and acquisition history. Recent years, and the widespread take-up of IP-based infrastructure and cloud-based solutions 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.

When evaluating virtual contact center technology, it is important to understand the differences between virtualized instances of premise based technology vs. a multi-tenant platform where multiple business units can securely co-exist on a single shared platform. While the former can provide some benefits like reducing hardware overhead and expense, each instance still has to be administered and maintained as if it were its own platform. On the other hand, multi-tenancy provides the same hardware savings, but also enables consolidation of administration, reporting and many other facets of maintaining virtual contact centers.

Around 40% of US contact centers are part of a multiple-site operation, and as such, are potentially part of a larger virtual contact center structure. 48% of respondents in multi-site contact centers act as part of a full virtual contact center operation, 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 US operations are linked together). These figures are very similar to previous years.

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

Figure 48: Virtualization by contact center size (multiple-site operations only)



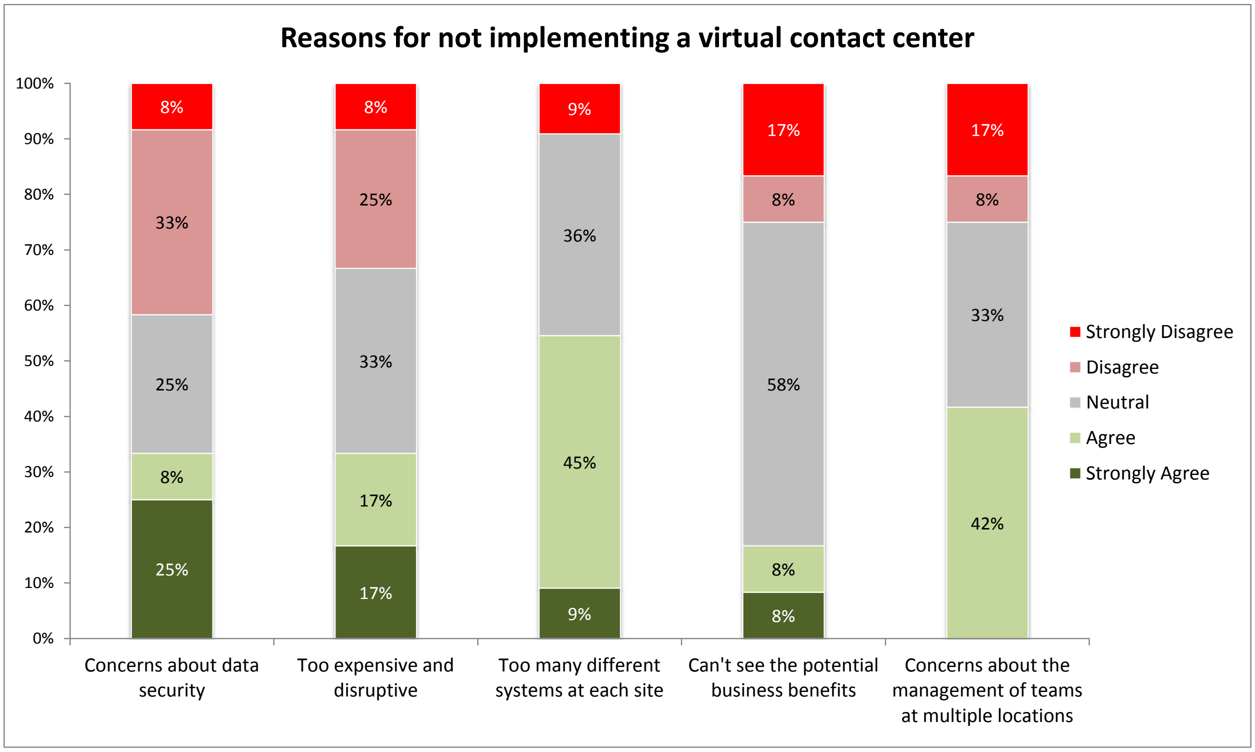
Respondents with virtual contact centers have generally been very pleased with the gains in efficiency and service level that they have experienced. The ability to smooth out call spikes by moving them between contact centers, and the reduced wait times were particularly mentioned, although all of the potential virtual contact center benefits mentioned were rated positively, showing a maturity and bedding-down of the technologies.

Figure 49: Benefits of virtualizing a contact center

Benefit from virtualization	Mean average (from 10)	Proportion of respondents rating this as 9 or 10 / 10
Fairer agent utilization / reduced queues	7.6	37%
Improved ability to deal with call spikes	7.5	44%
Wider range of agent skills available to callers	6.9	23%
Savings on call costs between sites	6.3	22%
Lower costs (attrition, buildings, hardware, software implementation etc.)	5.9	17%
Longer opening hours	5.7	23%
NB: The question asked was: "What benefits have you seen from implementing a virtual contact center (1 to 10, where 10 is 'very much improved')		

The issue of coping with call spikes is one which is growing year upon year, and has been particularly noticeable in the past few surveys. Virtual contact centers 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 utilization, as the situation of a set of agents sitting idle while others are under great pressure is less likely to happen.

Figure 50: Reasons for not implementing a virtual contact center



Of the multiple-site respondents who had not virtualized their operations, the expense, concerns about data security and worries about inter-site integration were the biggest problems, unlike the years up to 2007, when the biggest issue was failing to see the commercial benefits of virtualization. It seems as though some of the industry has become more convinced about the benefits, but is being held back through needing to persuade the senior management to make the necessary investment, or through technical issues that they believe to be insurmountable (or at least, not worth solving compared to the potential gain). Only 16% of respondents agreed or strongly agreed that they could not see the business benefits of virtualization, but as it is a fact that there is not one single overwhelming inhibitor, it seems that suppliers of virtual contact center solutions will have to make their pitch against many objections, rather than being able to focus on one.

Respondents' concerns about complexity of multiple systems are valid, but unified virtual contact center solutions can actually simplify integration, administration, and maintenance – thus reducing associated costs and complexity. As for remote management of agents, while there is no silver bullet, global reporting and supervisor capabilities can provide the same visibility and management of remote workers as if they were on the same premises.

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.

HOMEWORKING AND TELECOTTAGES

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

- the environmental benefits of working at home, reducing carbon emissions and decreasing congestion on the roads
- offshored contact centers 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 center 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 labor pool should not be ignored. The contact center 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 center 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.

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The ability to deploy remote agents can also be beneficial when natural or man-made emergencies strike. For example, in early 2011 when sudden and unexpected snow storms in southern US closed down roads and rails, some of our customers' agents were able to log into their virtual call centers from home and conduct business as normal, thus keeping the business operating as usual. This potential business continuity benefits of virtual contact center technology is certainly something businesses should consider.

The proportion of contact centers using homeworkers has doubled since the end of 2007, and the overall numbers of homeworking agents has more than trebled.

These results should be considered in the context that most contact centers still do not allow any homeworking (making the median 0%), and that a relatively few very large homeworking operations can skew figures upwards considerably. However, the conclusion that homeworking is growing industry-wide is indisputable.

Figure 51: Changes in use of homeworkers, 2007-Q1 2013

Year (end)	% respondents using homeworkers	Mean % of agents that are homeworkers
2007	22%	3%
2008	21%	4%
2009	36%	6%
2010	37%	11%
2011	42%	10%
Q1 2013	45%	10%

There is a continuing and growing trend that larger operations are more likely to use homeworkers than small operations, with 68% of large operations, 53% of medium and 30% of small contact centers doing so. Outbound operations are far less likely to use homeworkers, with only 33% of these respondents doing so. These figures are rising year on year.

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

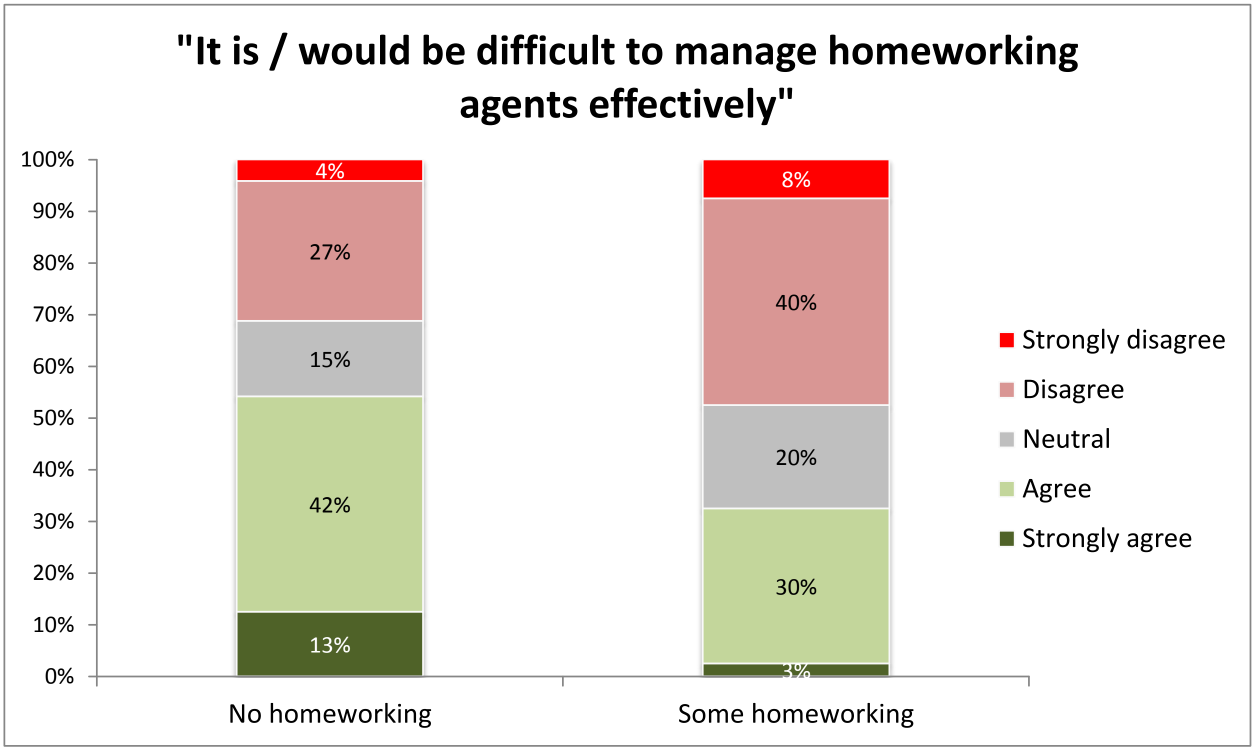
Respondents' view on the future of homeworking are more positive than they have been in the past, perhaps as a result of there being some definite successes experienced from businesses which have started using homeworking. In the following charts, respondents were asked to give their views on homeworking,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

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

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

With real-time adherence and call management systems in place, there is no real reason that a virtual contact center 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 52: Opinion: "It is / would be difficult to manage homeworking agents effectively"



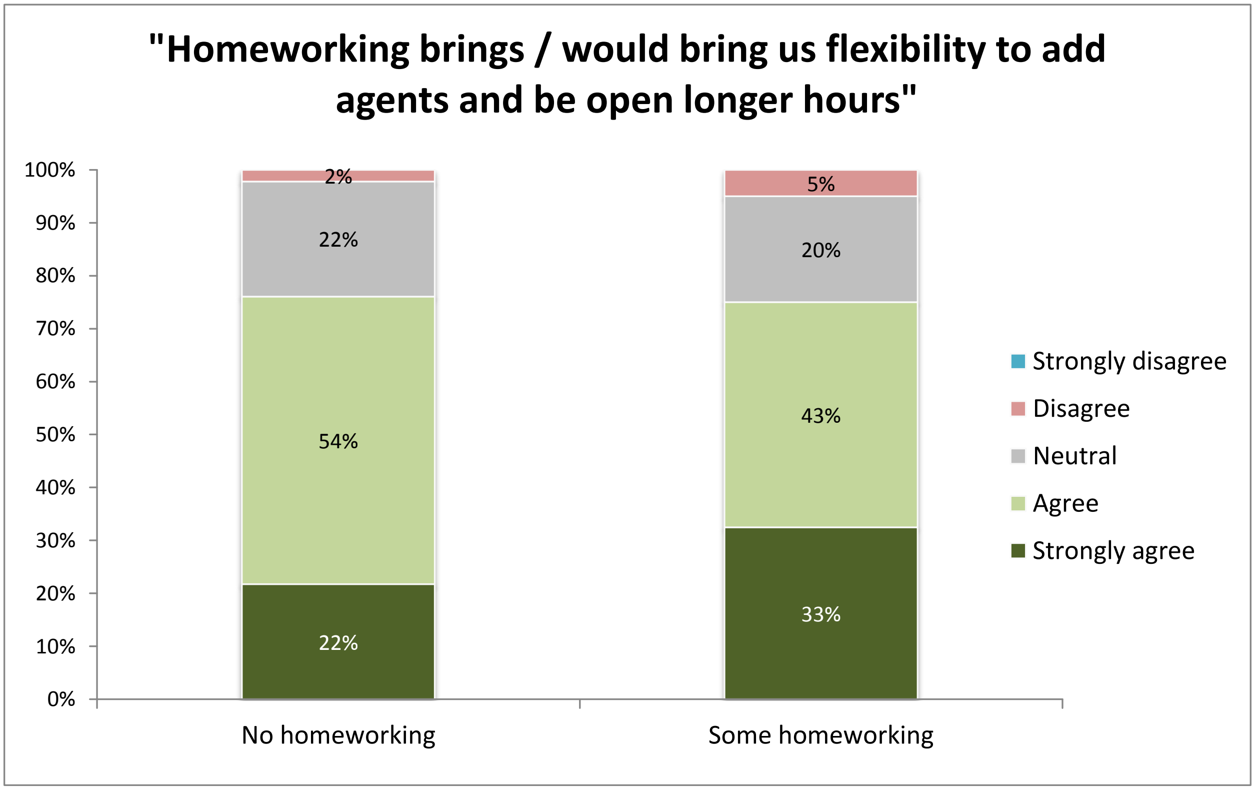
Mirroring last year's results, those contact centers with some experience of using homeworking are far more likely to be positive about management of staff than those without this experience. 55% of non-homeworking contact center respondents are concerned about this, although 33% which have implemented some homeworking agreeing that remote management was difficult to some degree. 48% actively disagreed that it was any harder than managing someone in a traditional contact center environment.

Non-homeworking respondents are more likely to expect homeworkers to be less productive than centralized 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 center, the operation just had to deal with it, or overflow calls to an outsourcer, which can be expensive). Many contact center 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 center - as the industry does not have a good reputation as a whole - but who would happily work in their own home taking calls.

Figure 53: Opinion: "Homeworking brings / would bring us flexibility to add agents and be open longer hours"



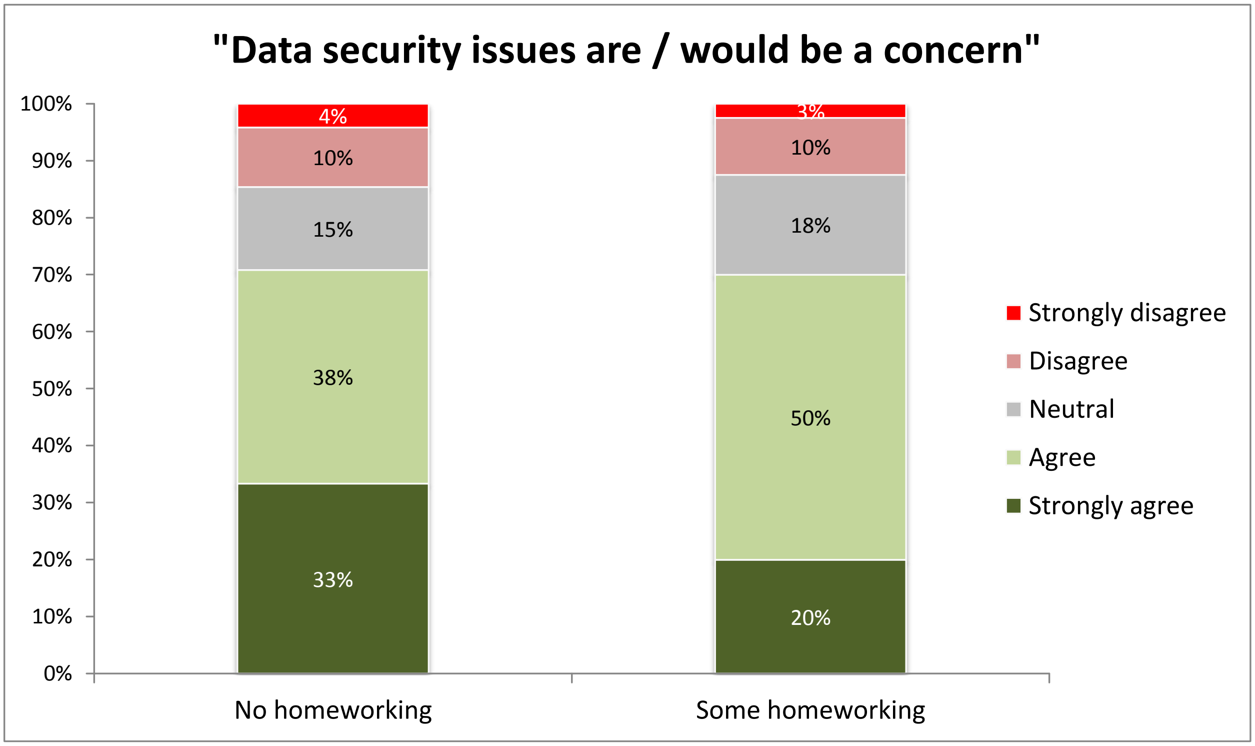
There is a general opinion that flexibility of staffing is both a potential and real major advantage of homeworking. 76% of contact centers using homeworking agreed that flexibility was a benefit to them as a result, and non-homeworking respondents seemed convinced of this potential too.

"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 center, 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 mid-call or end-call 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 54: Opinion: "Data security issues are / would be a concern"

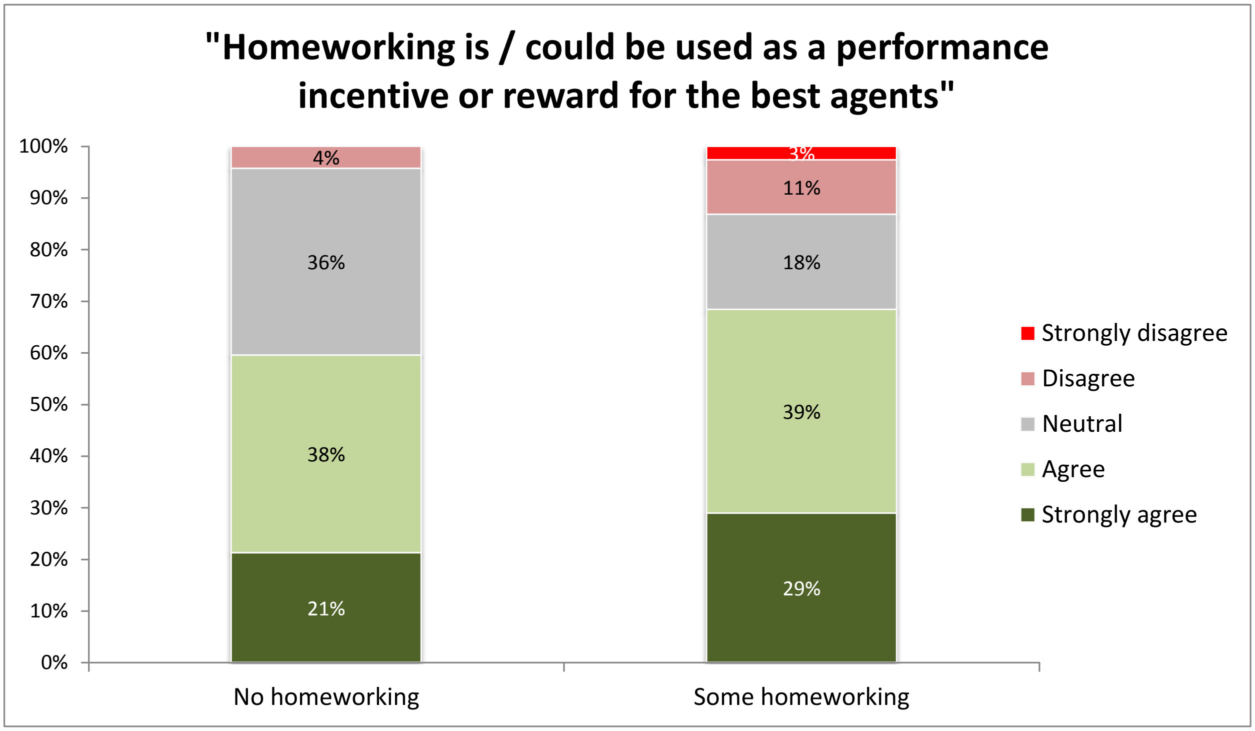


70% of those who use homeworking and 71% of those who do not, agree or strongly agree that data security is a concern to them, so it appears that this issue is key in reality, with penalties for non-compliance and the effort of getting various security certifications clearly being an issue for many.

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

Interestingly, this possible advantage to homeworking is one which most respondents now think is feasible, although homeworking contact centers used to be much less likely to see homeworking as a potential carrot to dangle in front of staff. It may be that the work required to get an agent into a successful homeworking environment (health & safety checks, IT and telecoms infrastructure, training, etc.) is less onerous than it has been in the past as experience and technology smoothes the way.

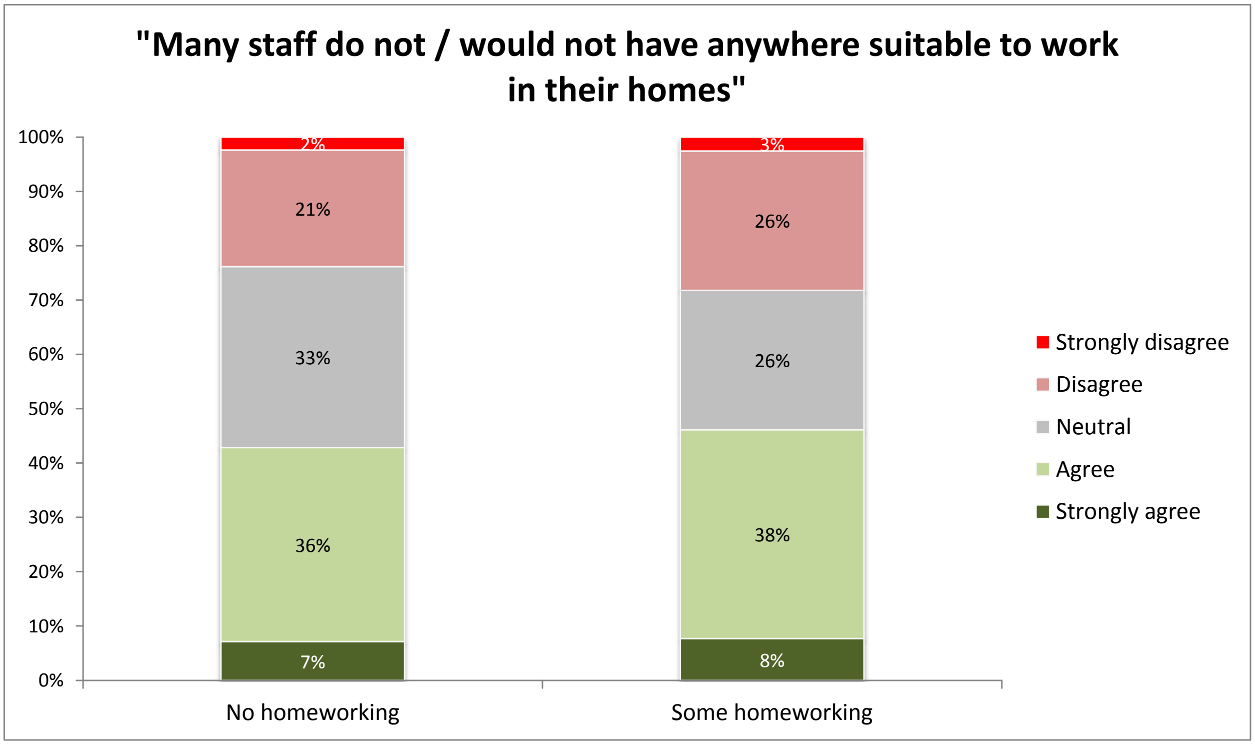
Figure 55: Opinion: "Homeworking is / could be used as a performance incentive or reward for the best agents"



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

For some contact center workers, it would be difficult to have a room away from the noise of the household, and this is a concern for both types of operation, with 40-45% agreeing that this would be a problem. Obviously, it's important to consider working location on a case-by-case basis to assess the suitability of the agent for homeworking.

Figure 56: Opinion: "Many staff do not / would not have anywhere suitable to work in their homes"

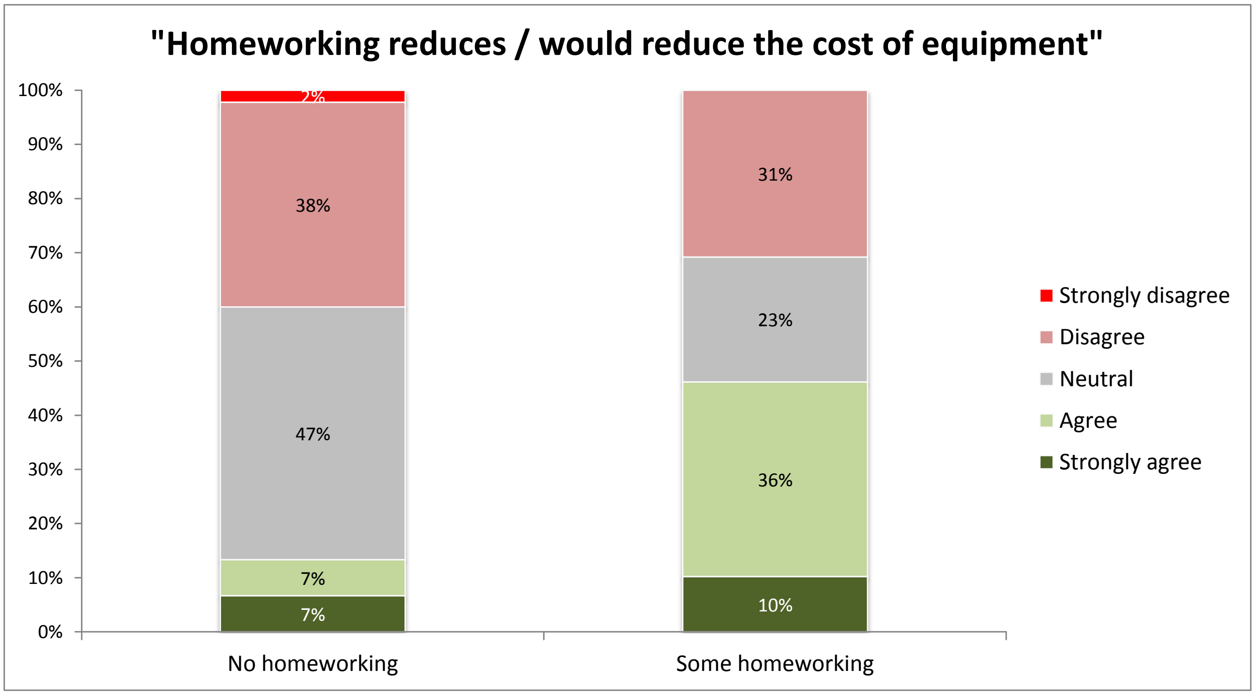


"Homeworking reduces / would reduce the cost of equipment"

A contact center 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 centers could be considerably physically smaller a large proportion of the time, and waste money in rent and equipment.

46% of respondents that use homeworkers state that it has made a positive impact on their equipment and running costs, compared to the expectation of only 14% of non-homeworking respondents.

Figure 57: Opinion: "Homeworking reduces / would reduce the cost of equipment"

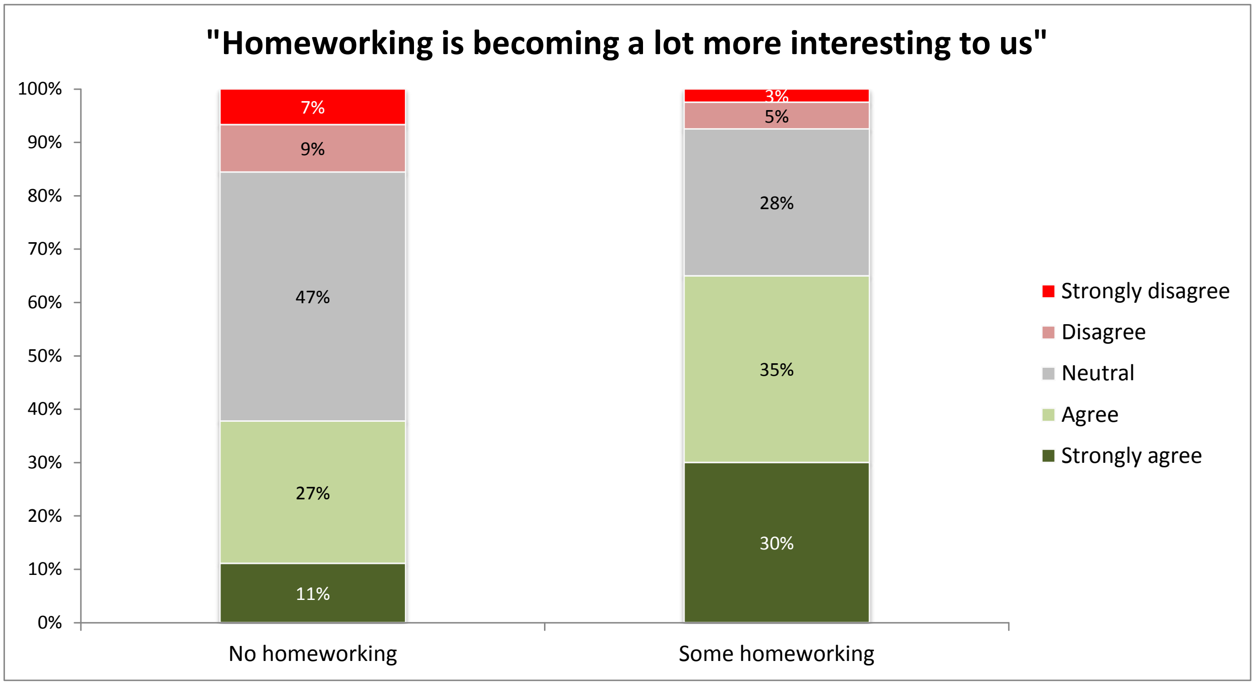


“Homeworking is becoming a lot more interesting to us”

Finally, a general question was asked to gauge how interest in homeworking is changing, to see whether those who have introduced homeworking are planning to carry out more (the proportion of agents in this survey who are homeworkers has stayed around the 10-11% mark since end-2010, so there may be stagnation), as well as to gauge the feelings of those who have not yet dipped a toe in the water.

65% of homeworking contact center respondents agree or strongly agree that homeworking is becoming more interesting, suggesting increased growth in future. Amongst non-homeworking respondents, opinions are a little less positive, with 16% disagreeing and 38% agreeing that homeworking was becoming more interesting.

Figure 58: Opinion: "Homeworking is becoming a lot more interesting to us"



THE ENTERPRISE AS THE CONTACT CENTER

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

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

From a contact center perspective, there are potentially massive advantages to having non-contact center 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.

Knowledge workers / experts form part of the overall customer handling resource pool in 25% of respondents' operations (especially in the IT helpdesk environment and public sector), with field staff and branch staff handling customer calls in 22% and 17% of organizations respectively, these figures growing year on year. This suggests that the wider enterprise is not yet quite integrated into the contact center, but the demand for these services is certainly taking it that way.

Figure 59: Non-contact center staff handling substantial numbers of calls

Type of staff	% respondents using non-contact center staff to handle calls
Branch- or store-based staff	17%
Field-based employees	22%
Knowledge workers / experts based elsewhere in the organization	25%

Knowledge workers can be incorporated into the contact center on a part-time basis, without actually becoming a customer service agent. 'Presence management' links workers from diverse back office departments into the contact center 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 center.

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 center, thus ensuring the privacy of the others in that virtual team.

IP AND CONVERGENCE

Traditional contact centers 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 centers differ from traditional PBX-centric operations in that voice traffic is converted into packets of data and carried around the contact center (or between contact centers) on a data network, rather than a voice network. There are two types of IP contact centers: 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 centers 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 center, including:

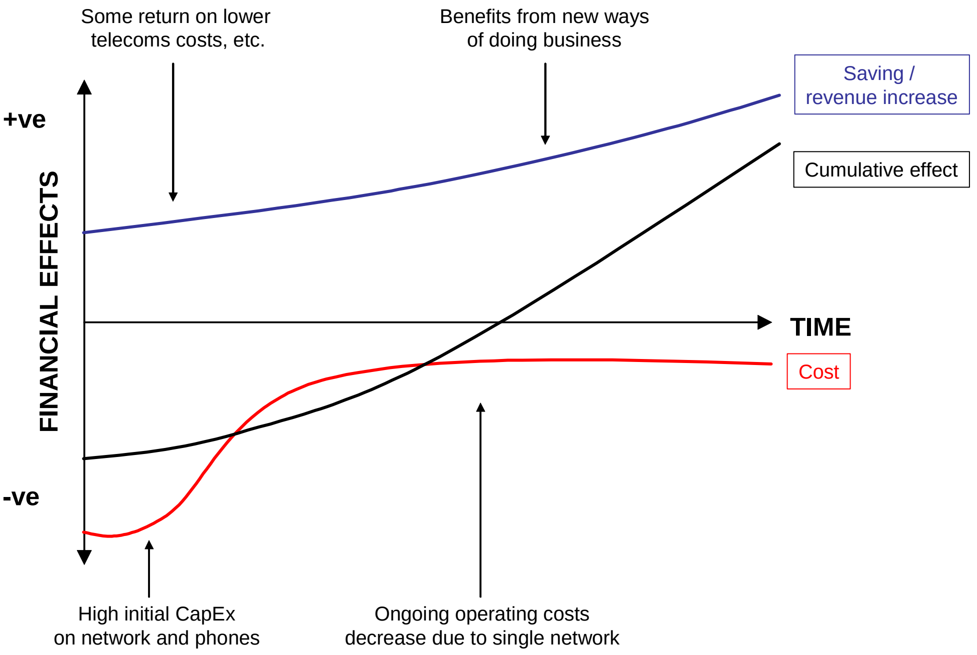
- The use of common protocol (IP) and the growth of key standards such as SIP allow rapid development of new application functionality
- IP enables virtual contact centers, homeworking and the remote office model
- IP promotes the successful take-up and management of multimedia customer interactions
- More affordable functionality is made available to smaller contact centers
- 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 center 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 center 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 center industry.

Moving contact center 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 centers 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 centers.

In the following diagram which represents a likely return on investment scenario for an IP contact center, 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.


Some return on lower telecoms costs, etc.
Benefits from new ways of doing business
Saving / revenue increase
Cumulative effect
+ve
FINANCIAL EFFECTS
TIME
Cost
-ve
High initial CapEx on network and phones
Ongoing operating costs decrease due to single network

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IP technology brings immediate savings in telecommunication costs but the most significant cost benefits are realized over time, through flexibility and improved ways of doing business. In today's contact centers the ability to react quickly in rapidly changing situations is critical, so flexible IP technology is a key enabler for needed flexibility.

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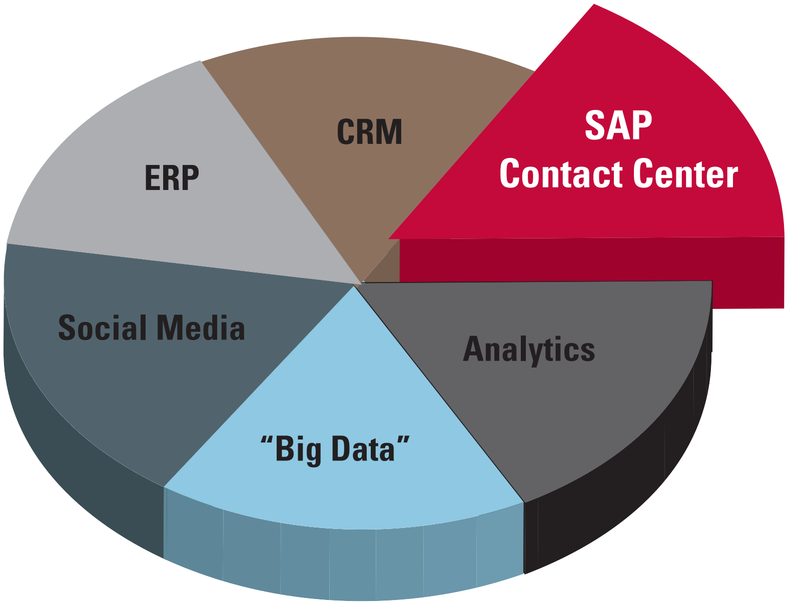

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SIP – Session Initiation Protocol

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 center solution
- The emerging standard for session control for a variety of media - greater flexibility and more scalability than many alternative multimedia communication protocols in use today
- Software-based, open and lightweight, allowing organizations of all types to support the new breed of SIP phones along with soft phones, analogue phones, desktop PCs, and even mobile devices and PDAs
- SIP also provides strong support for real-time voice communications, text-based messaging and application sharing – SIP can initiate real-time, multimedia sessions that seamlessly integrate voice, data and video

Open systems allow customers to select non-proprietary hardware and software for queuing, routing and applying treatments to interactions. This means that future contact centers 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 center 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 center solutions to operate on standard servers with no specialized 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.

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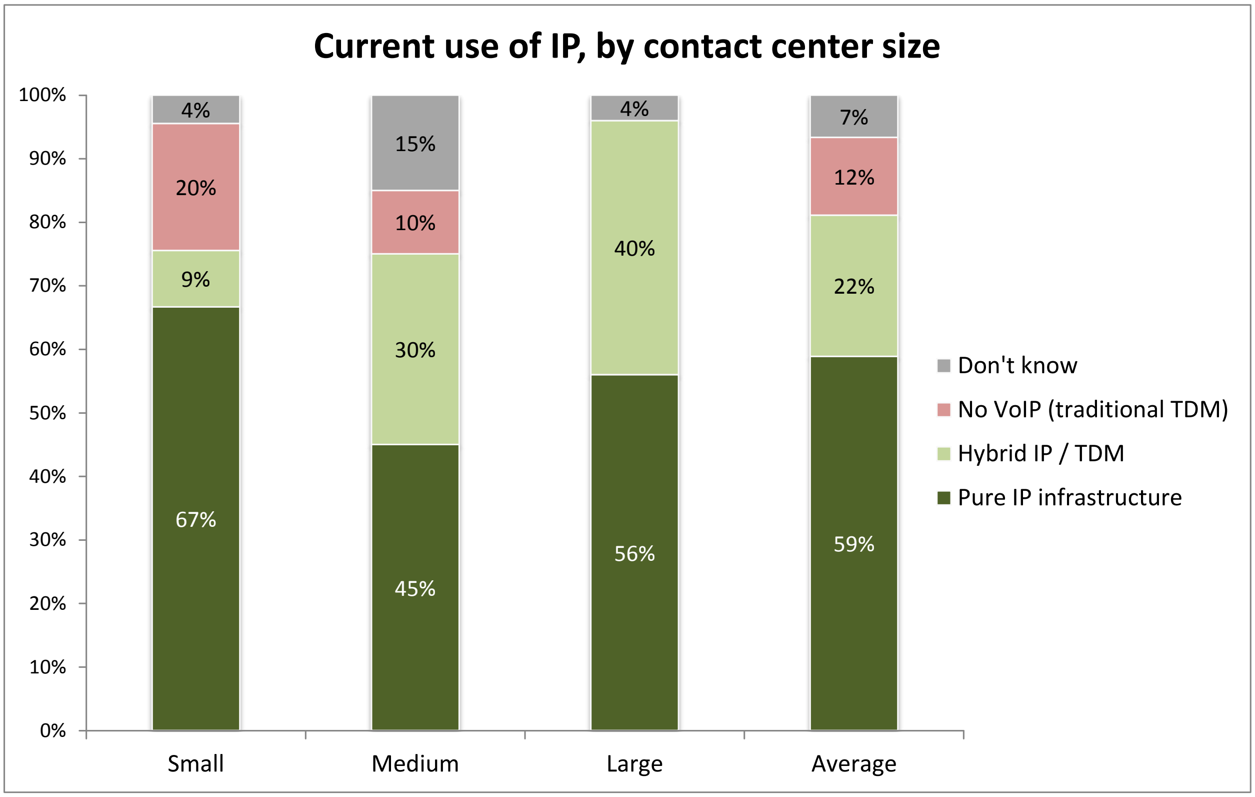
As the report states, some vendors have developed platforms that allow contact center solutions operating on standard servers with no specialized hardware components – allowing the infrastructure to be supported and maintained by existing IT staff. As we have seen, contact centers can achieve major cost savings by switching to an industry standard, easy-to-maintain platform. Not only can they avoid the costs of third party consultants but also they benefit from the ability to make changes rapidly when needed.

The mantra "evolution, not revolution" is often applied to the IP contact center environment, with vendors encouraging contact centers to consider the option of moving at their own pace towards IP, and this is what has happened in recent years. The movement from TDM to hybrid, and then to pure IP can certainly be seen over the years, with TDM penetration rate down from last year (which was 19%), to 12%.

Figure 60: Current use of IP, by contact center size

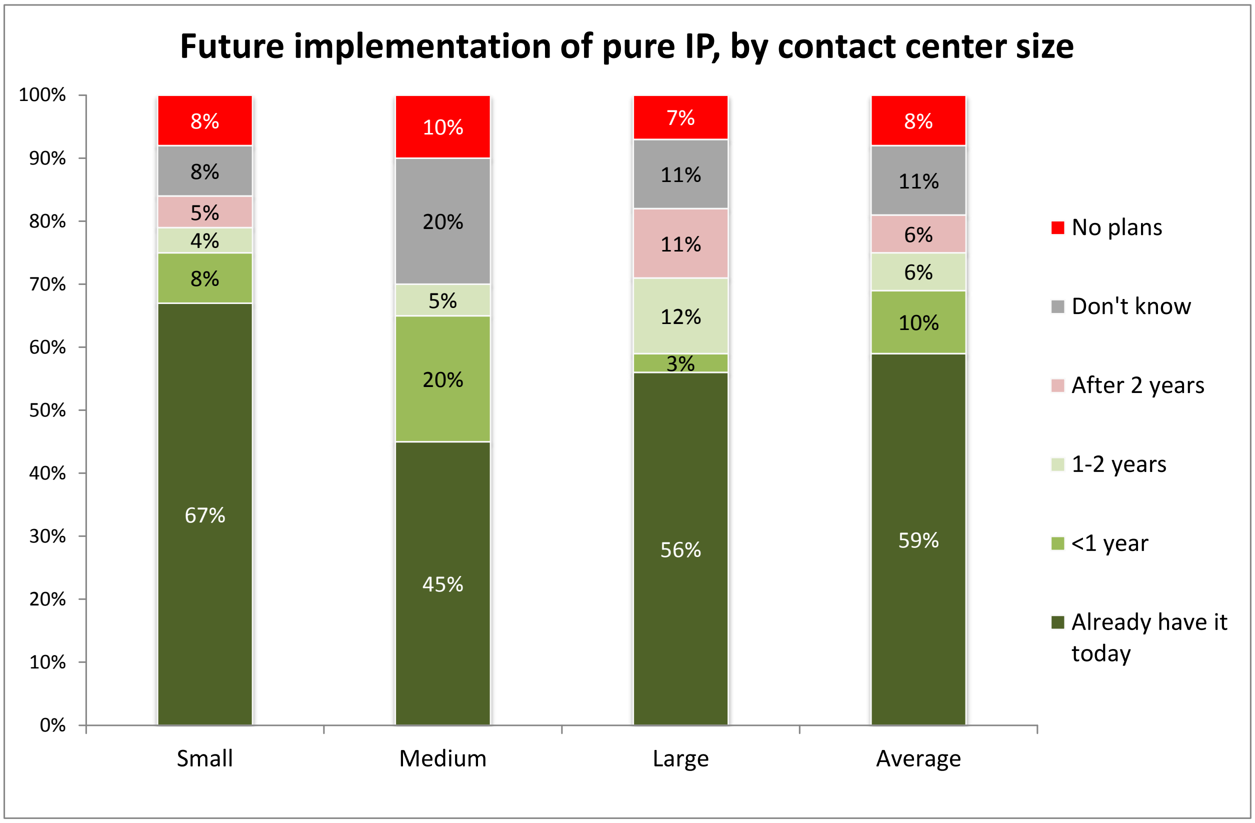


In the past, it was usually left to smaller contact centers to use a pure IP solution, as to upgrade or replace equipment and networks is much cheaper for them. The past five years have seen a big jump in the proportion of larger contact centers indicating that they are using pure IP, up from 14% in 2008 to 56% in 2013. The movement towards pure IP has been guided by smaller contact centers in past years, with the mid-sized operations joining the party in the past four years, and larger operations getting into pure IP in the past three years.

The following chart shows the past enthusiasm that large contact centers had for pure IP has to some extent been translated into action, with large numbers of implementations in the past three years. It is the mid-size sector that now shows the greatest level of expected implementation in the short-term, with 20% of mid-sized respondents expecting to move to IP in the next 12 months.

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

Figure 61: Future implementation of pure IP, by contact center size



In many cases, the decision on whether to make most contact center 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 center solutions do not easily fit into this simple model. There are some contact centers (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 centers, they must look beyond the present day. IP contact center 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 center 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 center solutions must be aware that they will be enabling their contact center to change and improve the way it operates. IP is a critical strategic decision which will support what you want to use your contact center for in 1, 2, 5 or 10 years' time.

Figure 62: Main drivers for moving to IP, by contact center size

Why do it?	Small	Medium	Large	Average	% of respondents rating as 'very important'
Reduce telecoms and network costs	1.1	1.3	1.4	1.2	50%
It was / is / will be a corporate-wide telecoms decision	1.2	1.2	1.1	1.2	42%
Replacement of PBX	0.9	1.1	0.5	0.8	41%
Support the use of open standards and wide range of applications	0.8	0.7	1.0	0.8	23%
IP will help us support a multichannel environment	0.7	0.5	1.2	0.8	29%
Deploy a virtual contact center or homeworking environment	0.4	0.1	0.7	0.4	25%
NB: scores relate to the 5-point scale of 'Very unimportant = -2, Unimportant = - 1, Neutral = 0, Important = 1, Very important = 2'					

The main driver for IP implementation is to reduce costs through running a single network, with significant numbers of contact centers which have a forced necessity to implement IP because of the requirement to replace their PBX, as well as it being a corporate decision for many too. Surprisingly perhaps, implementing IP in order to deploy homeworkers or create virtual contact centers is less important this year, except in larger operations where flexibility and economies of scale are perhaps more achievable. It's important to note, though, that 25% of respondents scored the ability to deploy virtual agents and contact centers as high as possible.

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

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

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

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Thought Leadership

The Future of the Contact Center, by Neal Shact, CEO CommuniTech Services

Many expect that the impact of emerging technologies will be most strongly felt in the contact center. This presents exciting opportunities for innovation and some believe one day everything will be on-line and that the combination of powerful software and social media will anticipate our every need. While this may ultimately happen, it won't be in my lifetime. What will happen is an increased awareness that customers appreciate and will reward companies that provide superior service. 80% of companies rate the customer experience as a top strategic objective. The future of the contact center is clear; it is providing the "face" of the organization to their customers and be the focal point in providing a world class experience with intimacy and personalized service.

So, what can Contact Centers do to offer world class experience? Contact Centers can go beyond just processing calls as quickly as possible and optimizing staffing levels, they can focus on providing the best services and taking care of customers needs, not just getting customers off the phone. The problem is that by focusing on narrow ROI measurements aimed at measuring the efficiency of how well a group of multimodal technologies are expediting an inquiry they may overlook customer satisfaction. The true measurement of the customer experience should be based on how well the customers are being taken care of and how well their needs are met. The net result is happy customers recommend the company to others and generate additional revenue. Unhappy customers by contrast, damage a company's reputation and diminish future business.

One of the most annoying things to a customer is how long it takes for them to accomplish what they called in for. The usual culprit, stand-alone contact center equipment not integrated to the rest of the organization's processes. No matter how good the contact center itself is, what does it take for the agent to handle an order or answer an inquiry? It takes time to toggle into other systems to address needs. Typically, employees need to access one or more databases to get the information needed to solve problems, check status, or make better decisions. The answers may lie in an accounting, CRM, ERP, client support, or inventory systems. The greater the number of applications, the more time consuming it is all of which hurt the chance for first call resolution.

It is clear that in the future, the process of answering calls and inquiries in multiple mediums will be combined with true, end-to-end integrated solutions. The contact center will be deeply integrated with CRM, ERP, and other personal productivity software (like MS Lync) to truly deliver Communications Enabled Business Processes (CEBP).

Big Data and analytics are major initiatives in most industries. When Big Data is applied to CRM and ERP, massive amounts of data can be sifted through. This includes the history of all interactions, business transactions, and social media (Linked In, Facebook, Twitter and the like). Big Data combines information from multiple software and data programs so that a user can leverage the power of having all of the information available with better access so that they can improve decision making.

Big Data and analytics combines the diverse inputs from multiple communications mediums and virtually all enterprise data real-time so that contact center agents are empowered to provide their customers the best service possible. In fact, these capabilities are so powerful managers will have the tools and information to proactively address problems before they escalate. This echoes Steve Jobs lesson of solving problems that people didn't even know they had.

Today the raging new technology is social media, who knows what it will be tomorrow? To incorporate other capabilities, contact center technology must to be software based and follow industry standards, otherwise projects that accommodate new capabilities become a terrifying science fair projects.

For most of the existing contact center industry, all of these trends are threatening and will cause massive upheaval. Their products are simply not designed to embrace these changes. The good news though is that all of these capabilities are available today from SAP BCM and CommuniTech Services is ready to deliver tomorrow's contact center solutions today.

Figure 63: How has implementing IP improved your contact center? (by contact center size)

What were the results?	Small	Medium	Large	Average	% of respondents rating as 'very important
Reduced telecoms costs between sites	1.4	0.7	1.2	1.2	33%
Greater flexibility in adding and changing agents	1.2	0.8	1.1	1.1	29%
Supported our move to cloud-based solutions	0.9	1.4	0.6	0.9	27%
Reduced cost of single network	0.8	0.5	0.9	0.8	24%
It supports multichannel contact more effectively	0.5	0.5	1.2	0.8	17%
Easier integration of applications	0.6	0.5	0.8	0.7	17%
Greater choice in vendors and applications	0.4	0.4	0.7	0.5	10%
NB: scores relate to the 5-point scale of 'Very unimportant = -2, Unimportant = - 1, Neutral = 0, Important = 1, Very important = 2'					

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Less than 20% of contact centers interviewed score multichannel contact center or application integration as a "very important" result from IP technology. It indicates that there are still major benefits to be gained, as integration with other business applications helps reach contact center goals related to service quality and costs. Flexible VoIP platforms bring immediate benefits and in addition they also enable long-term improvements/development.

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, the flexibility to add and change agents quickly and the general movement towards cloud-based solutions as a whole.

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

INCREASING EFFICIENCY AND EFFECTIVENESS WITHIN THE CALL

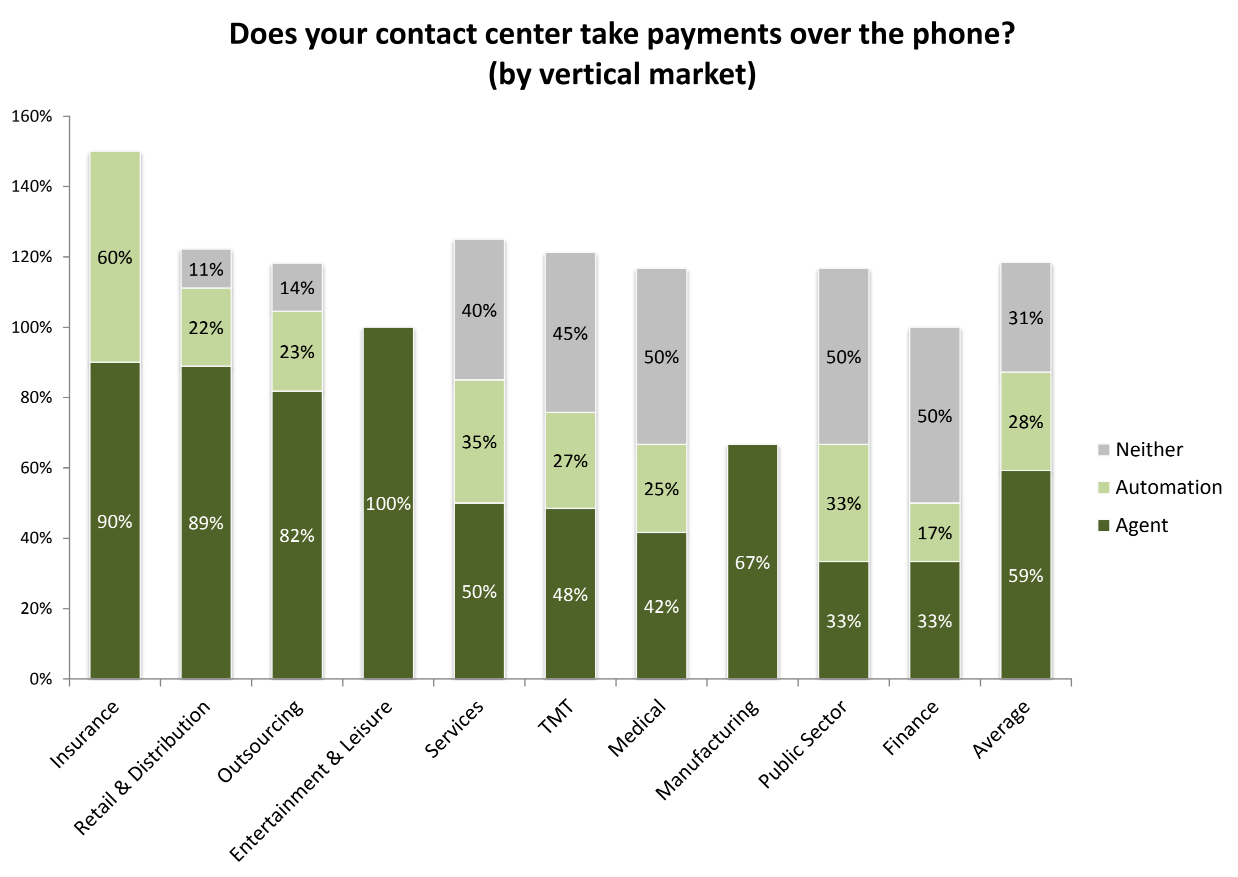
There is a balance between dealing with calls efficiently (i.e. without spending too long on them) and effectively (making sure that the customer is served well, and that the business gains what it can from the interaction as well). This section looks at ways in which the 'dead time' that occurs in an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

PAYMENT CARDS AND SECURITY

69% of respondents' operations take card payments from customers over the phone, although the public sector and finance vertical market are less likely to do so.

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

Figure 64: Does your contact center take payments over the phone? (by vertical market)



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

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

CUSTOMER IDENTITY VERIFICATION

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 26 seconds to verify a customer's identity manually, and this mounts up considerably: the US contact center industry spends around $20bn each year, just to verify the caller is who they claim to be.

In fact, the cost of identity verification in the contact center has increased from under $12bn in 2007, with around 30% more calls requiring identity checks, which now themselves take an average of 30% longer due to more stringent testing and the overall number of all inbound calls has increased as well. Although in-call efficiency has improved, identify verification is slower than ever before, all factors which drive up the cost of initial identification.

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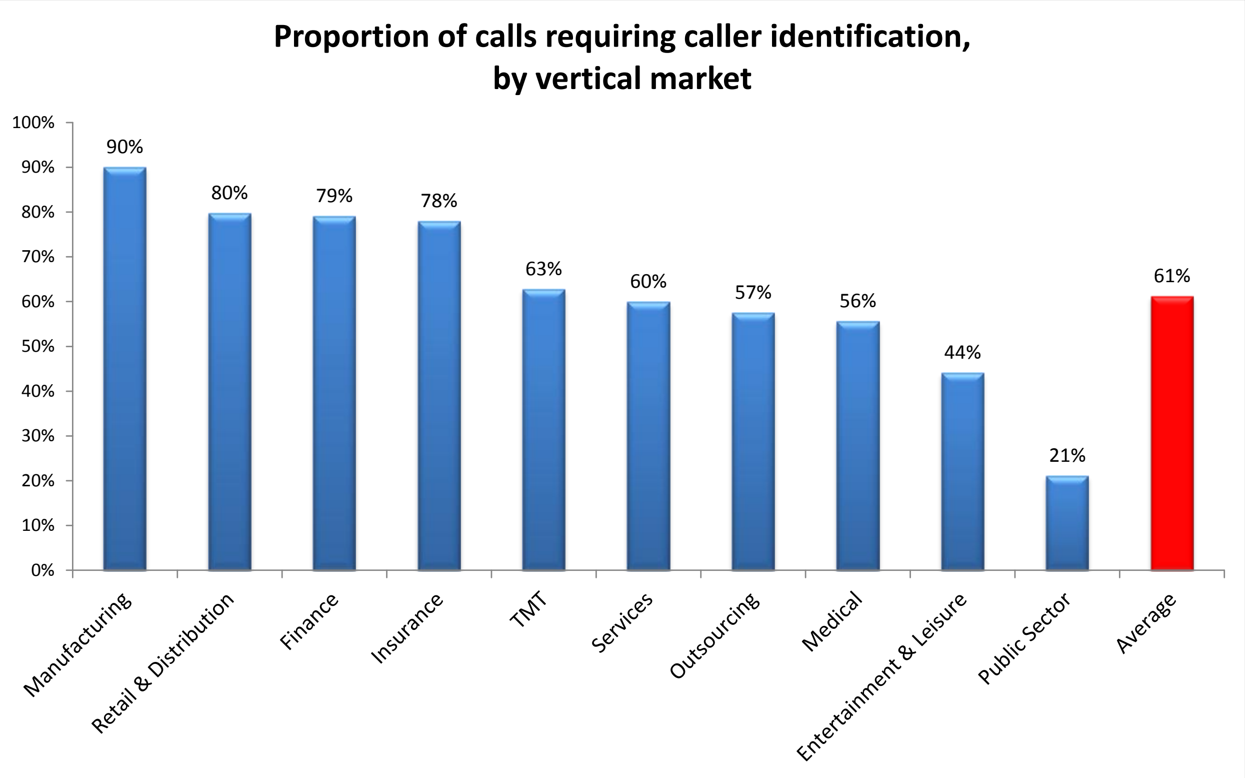
Identity verification processes are typically based on one or more authentication factors that fall into the following generally-accepted categories

- 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 centers and IVR systems.

Figure 65: 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 61% of calls having identify verification in Q1 2013, compared to 53% in 2007. As might be expected, the finance and insurance sectors are amongst those most often authenticating callers' identity.

Figure 66: Caller identity authentication methods (only those contact centers which authenticate some or all calls)

Identification method	Proportion of contact centers using this method
Touchtone IVR	24%
Speech recognition	9%
Using only an agent	73%
Using only automation	*3%*

73% of respondents who authenticate identity do so through **purely** human means, taking an average of 26 seconds to do so. 34% use touchtone IVR or speech recognition (or both) to identify the caller, which itself takes around 20 seconds. However, in the majority of these cases, businesses 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 center'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 manufacturing sector taking the longest this year.

Figure 67: Time taken to authenticate caller identity, by vertical market

Vertical market	Time taken to authenticate caller's identity (seconds)
Manufacturing	45
TMT	34
Services	28
Insurance	24
Outsourcing	22
Entertainment & Leisure	20
Finance	20
Medical	19
Public Sector	18
Retail & Distribution	15
Average	**26**

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While the authentication process can take up to two minutes, most leading enterprises looking to protect their contact centers and their customers will typically report authentication times of 45 to 60 seconds, especially across Financial Services, Telecommunications and Insurance verticals. However, the increasing threat of fraud targeting the contact center is driving these numbers up and this is likely to continue going forward.

The unnecessary cost of caller authentication

61% of all calls require a security and identification process to be completed first. 97% of these will require some agent input even if IVR or speech recognition is also used. On average, it takes 26 seconds to go through security. Using these statistics, it is possible to estimate how much US contact centers spend each year on screening customers by using agents.

Inbound calls per year (handled by agents): 48.2bn[3]

Proportion of inbound calls that require security and identification checks: 61%

Proportion of security and identification checks carried out using an agent: 97%

Average length of agent-handled security and identification check: 26 seconds

Average call duration: 6m 25s (therefore 6.75% of the call is ID&V)

Mean average cost per inbound call: $7.76

Cost of time spent on agent-handled security and identification check: 52.4c per call

Overall cost of agent-handled security and identification checking: **$14.9bn per year**

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[3] ContactBabel, "US Contact Centers in 2013: The State of the Industry"

Are you still putting your customers through a lengthy authentication process?

Today's customer authentication methods are still stuck in last century: end-customers' first experience on every call is still a barrage of questions. This "interrogation" process creates a range of pain points for both enterprises and consumers.

Customer authentication isn't going away

There are approximately two trillion calls to agents in the last year and while the number is expected to decline slightly (less than 2% annually), calls to agents are going to be with us for a very long time. Furthermore, the vast majority of calls require customer authentication and that proportion continues to rise – up from 53% five years ago to 61% this year. While in the financial services industry, over 85% of all calls require authentication.

Weak authentication is a security risk

Current authentication techniques are not sufficient to protect against fraud, with fraudsters using plethora of information available on the internet and social networks, as well as social engineering of agents to successfully navigate knowledge-based authentication questions. Caller ID is also easily circumvented by a range of readily available "spoofing" tools.

Customers don't like the authentication process

The authentication process drives significant negative customer experience, with a recent survey of 1,000 Americans revealing 85% of consumers are dissatisfied with current authentication methods. Authenticating through automated channels revealed even further customer dissatisfaction, with over 75% consumers finding the process impersonal, frustrating and slow in comparison to live agent authentication.

Additionally, the increasingly stringent process is creating customer service hurdles for legitimate customers, with more and more customers are failing authentication on their own accounts.

Authentication is time-consuming and costly

The authentication process typically takes between 45 to 60 seconds, costing more than 50 cents per call. When multiplied across the billions of calls that come into contact centers each year, it amounts to over $15 billion dollars.

So is there a way to protect your customers and avoid all the pain of the customer authentication process?

Protect your customers with NICE Real-Time Authentication to strengthen and streamlines your authentication process, while identifying suspicious interactions and keeping fraudsters out with NICE Contact Center Fraud Prevention

Percent of calls that require authentication:

53% 2007

61% 2013

Failure rate of authentication on own account:

10%-15%

Dissatisfaction with current authentication process:

85%

Average cost to authenticate one call:

50 cents

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www.nice.com

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 centers 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 behavioral characteristics to verify a person's claimed identity. Physiological biometrics includes fingerprints, iris, or retina recognition, and voice verification. Behavioral 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 centers. Voice verification systems use spoken words to generate a voiceprint. 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 or using different types of phones, or aging. Voice verification systems are now delivering levels of accuracy and security that have proven robust enough for use by banks and insurers.

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 centers 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 zero 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.

When evaluating voice biometrics technology, it is important to understand the differences between text-dependent authentication and text-independent authentication. As the success of a voice biometric authentication program is highly dependent on the enrollment of end-customers, significant value should be ascribed to the ability to leverage existing infrastructure to passively enroll end-customers without any effort on their behalf. Broad-based enrollment in the authentication program also provides enterprises with better fraud protection and a more compelling return on investment.

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.

The business benefits

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

A contact center 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 52.4c per call ($5.24m 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.

The contact center is increasingly being targeted as a part of more complex cross-channel fraud schemes. This rise in the threat of fraud makes multi-layered, secure authentication more necessary than ever. Furthermore, employing mechanisms to prevent fraud in the contact center are vital as part of a holistic approach to protecting enterprises and end-customers.

CALL-BACK, QUEUE MANAGEMENT AND ROUTING

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

CTI and SIP

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

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

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

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

Those contact centers 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'.

Our clients deliver exceptional customer service. Do you?

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Holding for You
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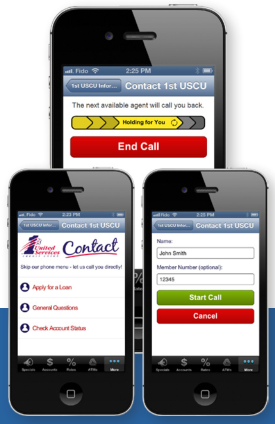
En
better forever.
What is this?
fonolo



Contact 1st USCU
The next available agent will call you back.
Holding for You
End Call
Contact
Apply for a Loan
General Questions
Check Account Status
John Smith
12345
Start Call
Cancel

Call-Back Software for the Call Center

Your customers will never wait on hold again, regardless of where the conversation begins – web, mobile or inbound call. Respect their time and loyalty will follow.

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- Happier customers
- Lower handle times
- Nothing to install

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Real businesses use Fonolo:

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It is worth setting some definitions here. While some IVRs are ALSO used to front a contact center, they are typically designed to filter out and resolve the majority of calls, rather than route them. The real benefit of an IVR is that it has the ability to provide ALL the assistance that a customer needs, such as company or event information or when integrated with customer recognition technology, account balances and other information sourced from internal databases. A solution used solely to route callers would simply be the (cheaper and less sophisticated) auto-attendant functionality within the CTI solution.

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

Figure 68: Does your contact center use touchtone IVR or speech recognition to route calls? (by vertical market)

Vertical market	Use of IVR or ASR for routing
Entertainment & Leisure	100%
Public Sector	80%
Medical	75%
TMT	58%
Outsourcing	56%
Manufacturing	50%
Services	50%
Insurance	43%
Retail & Distribution	43%
Finance	40%
Average	**57%**

In the past, less-automated or volume-based contact centers, such as public sector, and sales-focused operations, such as retail, have shown less of a demand for IVR call routing solutions. However, over the past few years, a substantial proportion of respondents from every sector have reported that they use touchtone IVR for call routing purposes. A further 1 in 8 use speech recognition for the same purpose, with entertainment & leisure standing out this year as being ahead of the others.

Automated speech recognition is in use in 29% of respondents, with the finance and TMT sectors being the greatest users of this. The vast majority in all sectors that use IVR/ASR for routing use touchtone IVR, possibly in addition to ASR.

Figure 69: 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
Entertainment & Leisure	100%	40%
Finance	100%	50%
Insurance	100%	33%
Manufacturing	100%	0%
TMT	93%	50%
Outsourcing	90%	20%
Services	88%	25%
Medical	83%	17%
Public Sector	80%	25%
Retail & Distribution	77%	30%
Average	**88%**	**29%**
NB: totals may add up to more than 100% if both touchtone IVR and ASR are used		

As auto-attendant is a solution which provides major cost savings in volume-based environments, we would expect to find more of the larger contact centers using it, and this year's figures once again support this idea. However, 42% of respondents in sub-50 seat contact centers 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 70: Does your contact center use touchtone IVR or speech recognition to route calls? (by contact center size)

Contact center size	Use of IVR or ASR for routing
Small	42%
Medium	71%
Large	73%
Average	**57%**

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

Figure 71: Use of touchtone IVR and speech recognition to route calls, by contact center size (only respondents where calls are routed using these solutions)

Contact center size	Touchtone IVR	Speech recognition
Small	85%	15%
Medium	87%	20%
Large	89%	53%
Average	**88%**	**29%**

Skills-based routing is a call-assignment strategy used in contact centers 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 dialed (DNIS - dialed number identification service), the calling number or caller's identity (ANI – automated number identification), 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.

Figure 72: Use of ANI (automated number identification) and DNIS (dialed number identification service) by vertical market

Vertical market	ANI	DNIS
Entertainment & Leisure	0%	33%
Finance	17%	17%
Insurance	10%	30%
Manufacturing	0%	0%
Medical	8%	33%
Outsourcing	14%	23%
Public Sector	0%	17%
Retail & Distribution	11%	22%
Services	19%	19%
TMT	30%	30%
Average	**17%**	**25%**

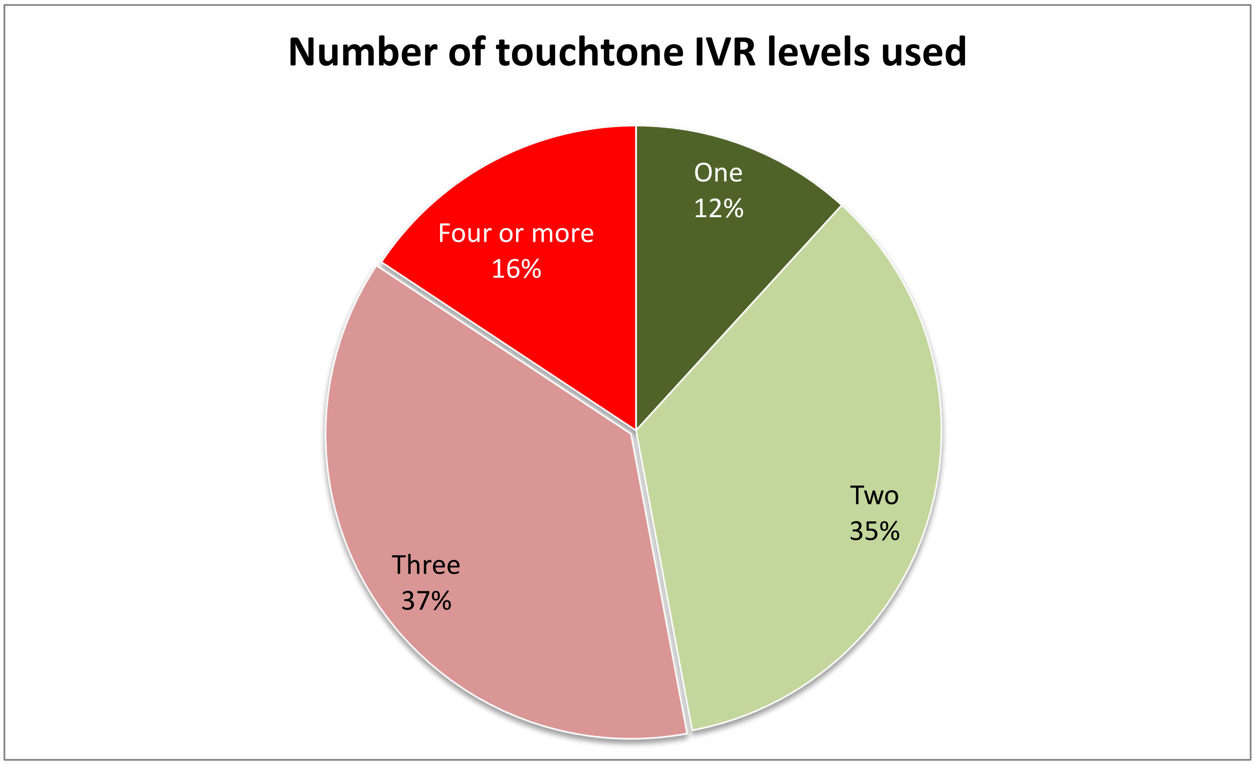
Figure 73: Use of ANI (automated number identification) and DNIS (dialed number identification service) by contact center size

Contact center size	ANI	DNIS
Small	10%	20%
Medium	17%	21%
Large	26%	34%
Average	**17%**	**25%**

This report now investigates how touchtone-based auto-attendant is actually used for routing, as for many years, overly-long and confusing IVR options have been a common customer complaint.

Looking at the number of levels used on an IVR (i.e. how many key-presses a caller must make to reach their destination), only 12% of this year's respondents keep it simple with a single-level of options, e.g. "Press 1 for sales, 2 for Service, 3 for Accounts", although almost 1 in 6 have four or more levels.

Figure 74: Touchtone IVR levels



88% of respondents use a multi-layer touchtone solution, 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.

37% 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.

16% 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 a 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.

If you want to appreciate the frustration felt towards IVR menus, simply look at a site like Gethuman.com which shows a list of "cheat codes" to bypass the menus and get to an agent (e.g. "press zero three times"): the root of the problem is that the telephone keypad (0 through 9, plus # and *) was never designed to be a navigation or data input system, being designed for dialing numbers, and for the last 50 years we've been trying to bang this round peg into a square hole.

As smartphones continue to take over (they are now the majority of all mobile phones in the US), we finally have a way out of this technology lock-in: the nature of the smartphone allows it to be backwards compatible with traditional IVR as well as support rich, interactive, visual interfaces. Fonolo makes it easy for companies to take advantage of the smartphone's capabilities and offer visual IVR, pre-call questions and post-call surveys.

Most respondents claim to restrict themselves to a median of less than 6 options (e.g. 2 levels with 3 options on each, or vice versa), with the TMT sector - often home to multiple product sets, as well as service and sales in the same location - offering the greatest number once again.

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

Figure 75: Touchtone IVR routing options, by vertical market

Vertical market	Mean average	Median average
TMT	10	10
Public Sector	9	6
Manufacturing	7	7
Insurance	6	6
Entertainment & Leisure	6	6
Finance	6	6
Services	6	5
Outsourcing	5	5
Retail & Distribution	5	4
Medical	4	4
TOTAL	**6.7**	**5.7**
NB: 1st quartile = 3.5; 3rd quartile = 9; High = 20; Low = 2		

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

Figure 76: Capability of routing calls automatically depending on the customer history

Can you route calls automatically depending on...	Proportion of respondents	Difference by size band
Unpaid account	23%	Half of large operations do so
High-value customer	43%	Medium twice as likely as small; large 3x more likely than small
Risk of defection / end of contract	21%	47% of large; no small respondents do so
Specific language requirements	56%	84% large operations, 39% small operations

Relatively few of this year's respondents in smaller operations 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 type of business which offers accounts in arrears to its customers (finance, retail, telecoms, utilities, for example). Large contact centers were far more likely than smaller operations to do this, with half of large respondents stating that they did so. An even larger 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, although once again, the usage of this strategy is closely linked to contact center size. 56% of this year’s respondents route calls automatically based upon a caller's language requirements. Overall, the use of all four types of strategic routing has increased this year, particularly unpaid accounts and potentially-defecting customers.

Screen-popping

Information about the specific caller is collected and popped to the agent’s screen by 64% of respondents. This ability seems to be a factor of contact center 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, 95% of respondents from large operations route calls to an agent complete with screen-pop, compared to only 32% of small and 67% of medium contact centers.

One of the top complaints from consumers about the call center experience is having to repeat to the agent information that was already requested by the automated system. We have found, through our work with larger companies, that the most common reason for this type of failure is that the company has multiple call centers (either their own or outsourced) and the equipment in those call centers comes from different vendors. Because there are no industry standards for doing CTI across vendors (unless all the call centers are SIP-enabled), it becomes difficult or impossible to get unified CTI across all calls: to solve this we added an "agent whisper" approach to our product which is slightly less efficient than proper CTI but can make sure that consumers never have to repeat information, *regardless* of the technology underlying the call center.

VIRTUAL QUEUE MANAGEMENT

Some years ago, a telephone questionnaire was asked which aimed to explore why the public hated queuing to speak to a contact center agent, yet seemed happy to queue for almost everything else.

Figure 77: Reasons given for dislike of contact center 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 center queue**.

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

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

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

Despite the obvious improvements to customer experience, adoption of virtual queuing been slow due to fears about integration effort and high cost. Fonolo addresses the first barrier by offering a cloud-based approach (so there is no integration needed) and the second barrier through SaaS-style pricing that scales with call volume, with easier deployment through providing ready-to-use visual UI components for your website or mobile app.

In a recent project with a credit union, Fonolo added virtual queuing across three channels: customers who dialed-in could "press 1 to get a callback"; those who started on the website could use a web interface to request a callback; and those using the credit union's mobile app could tap a button to do the same, with the whole project delivered in under 60 days due to the ready-to-use components and cloud-based approach.

CASE STUDY

How a Credit Union Improved the Call Center Experience and Generated $1.2M in New Loans

fonolo

Introduction

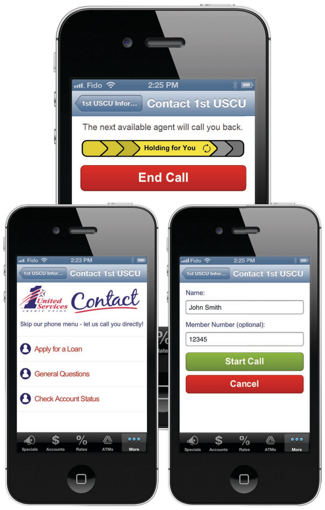
In 2012, 1st United Services Credit Union (1st USCU) engaged Fonolo to improve the call center experience for their callers. Fonolo provides call-back software for the call center. This cloud-based service directly eliminates these top three complaints:

1. Waiting on hold
2. Navigating phone menus
3. Repeating information to agents

> *"It was remarkable how easy it was to get Fonolo up and running. We're thrilled to be offering this improved experience to our members."*
>
> United Services CREDIT UNION
>
> *Mark Edelman*
> *VP Member Services*
> *1st United Services Credit Union*

Three Channels - One Solution

With minimal effort, the California-based credit union added Fonolo's call-back functionality to their **mobile** app, **website** and **phone** system (for inbound calls).


Fido
2:25 PM
1st USCU Infor...
Contact 1st USCU
Holding for You
End Call
Fido
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1st USCU Infor...
Contact 1st USCU
United Services CREDIT UNION
Contact
Apply for a Loan
General Questions
Check Account Status
Specials
Accounts
Rates
ATMs
More
Fido
2:25 PM
1st USCU Infor...
Contact 1st USCU
Start Call
Cancel
Specials
Accounts
Rates
ATMs
More

The next available agent will call you back.

Skip our phone menu - let us call you directly!

Name: John Smith

Member Number (optional): 12345

Mobile: Apps have become must-haves for many companies, especially those in financial services, healthcare, retail, ecommerce and travel. Sadly, the "Contact Us" page on many of these apps does nothing more than offer a phone number, forcing customers to start over with an agent. With the 1st USCU app, the "Contact Us" section (powered by Fonolo), empowers customers to reach an agent with one tap — no phone menus, no waiting on hold.

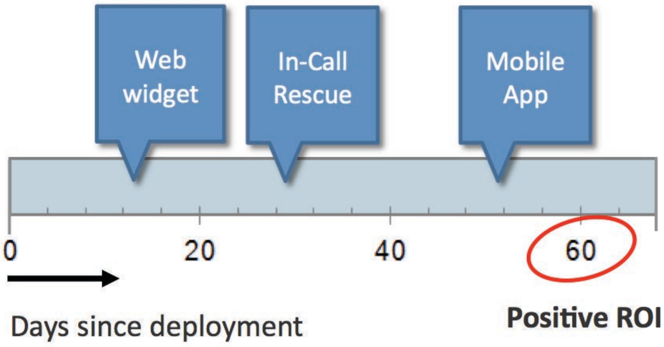
Web: Unlike most sites that list a phone number and email address, 1st USCU's website allows the customer to receive a call-back instead of waiting on hold. Additionally, they can collect and "whisper" important pre-call information to their agents.

Phone: For customers who dial in to the company's phone system, Fonolo's "In-Call Rescue" feature lets callers "press 1" to hold their spot in the queue and receive a call-back from the next agent.

60 Days to ROI

Since Fonolo is a cloud-based service, there was nothing to install in the call center – deployment for all three channels was quick and painless. As a result, callers are happier and the credit union is seeing increased revenue. This incremental revenue more than covered their investment in Fonolo.

With Fonolo, 1st USCU booked over $1.2M in new loans within 60 days!


Web widget
In-Call Rescue
Mobile App
0
20
40
60
Days since deployment
Positive ROI

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 flavors 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 center 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 center'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 center runs the risk that their scheduling may be inaccurate.

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

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

The following table shows the prevalence of call-back options, with the proportion of those contact centers offering call-back once again increasing this year, especially the ‘in-call’ variety. The proportion of sales-focused respondents offering in-queue call-back has increased hugely, which we would certainly expect as these operations would be expected not to miss sales opportunities. Services operations are also slightly more likely to offer an in-queue announcement of position, so as to keep callers holding on, in theory.

The use of a website 'call-me' button (which initiates an outbound call at a time specified by the recipient) is weighted similarly towards operations that carry out significant sales, and is present in the case of 15% of all respondents.

Figure 78: Use of website and queue call-back options and queue position announcements, by contact center activity type

Contact center activity type	Website call-me button	Queue call-back option	Position in queue announced
Service	6%	19%	23%
Mixed	20%	20%	18%
Sales	36%	55%	18%
Average	**15%**	**27%**	**21%**

Looking at how the use of these solutions differ by size, it can be seen that the website call-back option is still a preserve of large operations, whereas in-queue announcements are used by more of the smaller operations. Queue-based call-back is used in somewhat more of the larger operations, but more than 1 in 5 small/medium respondents also offer this to customers .

Figure 79: Use of website and queue call-back options and queue position announcements, by contact center size

Contact center size	Website call-me button	Queue call-back option	Position in queue announced
Small	3%	21%	32%
Medium	13%	20%	13%
Large	32%	37%	16%
Average	**15%**	**27%**	**21%**

Queue management and call abandonment rates

Offering an in-queue call-back option seems to have a positive effect on call abandonment rates, with those doing so having a mean of 4.9% of calls abandoned, compared with 7.3% amongst those who do not offer this option.

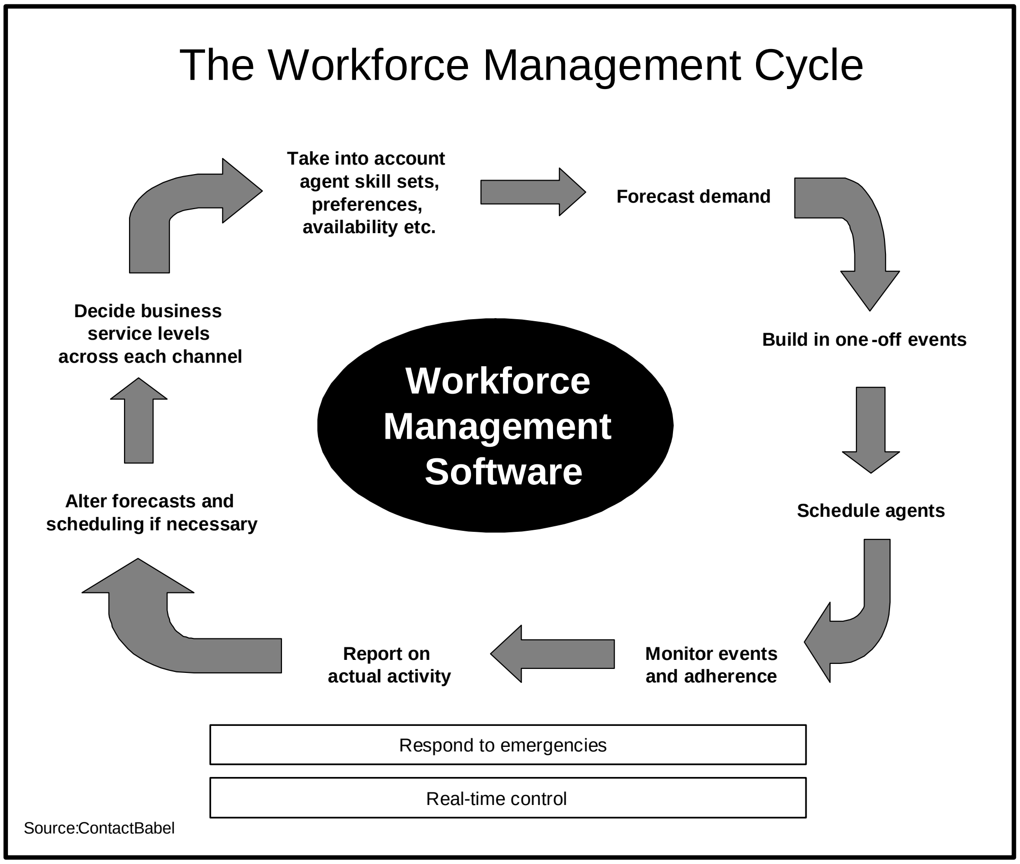
However, announcing the position of the caller in the queue does not seem to have such a positive outcome, with a call abandonment rate of 6.8% against 5.6% in operations where no such announcement is made.

A conclusion can be drawn that call abandonment rates can be reduced through actual actions benefiting customers, rather than simply providing them with more information about their situation which may well not be positive and which serve to help customers make up their minds to call back later. Such circumstances may make the customer think more positively about the company – in that they haven't had to waste any great amount of time – but without a call-back option the customer will not have managed to do what they set out to.

MULTICHANNEL WORKFORCE MANAGEMENT

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

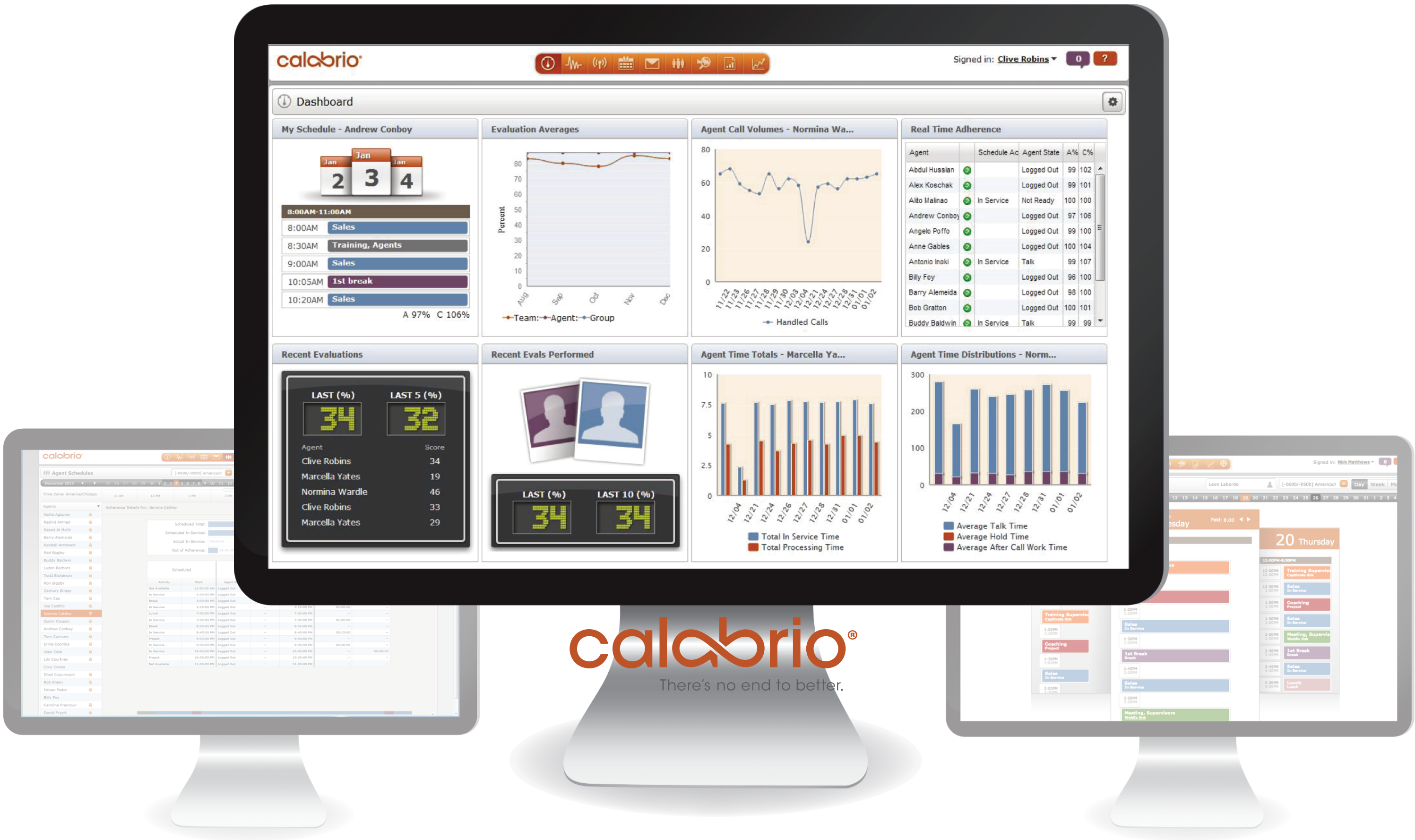
- Familiarity with either specific customers (e.g. account management) or customer sub-sets (e.g. commercial vs domestic products)
- Specific product or technical knowledge
- Right level of experience and empowerment for the customer (e.g. “gold-card” customers may demand single-call resolution, meaning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


The Workforce Management Cycle

Take into account agent skill sets, preferences, availability etc.
Forecast demand
Build in one-off events
Schedule agents
Monitor events and adherence
Report on actual activity
Alter forecasts and scheduling if necessary
Decide business service levels across each channel
Workforce Management Software
Respond to emergencies
Real-time control

Source:ContactBabel

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.


calabrio
Dashboard
Signed in: Clive Robins
0
?
My Schedule - Andrew Conboy
Jan 2
Jan 3
Jan 4
Evaluation Averages
Percent
Aug
Sep
Oct
Nov
Dec
Team: Agent: Group
Agent Call Volumes - Normina Wa...
Handled Calls
Real Time Adherence
Recent Evaluations
LAST (%) 34
LAST 5 (%) 32
Recent Evals Performed
LAST (%) 34
LAST 10 (%) 34
Agent Time Totals - Marcella Ya...
Total In Service Time
Total Processing Time
Agent Time Distributions - Norm...
Average Talk Time
Average Hold Time
Average After Call Work Time
calabrio®
There's no end to better.

8:00AM-11:00AM	
8:00AM	Sales
8:30AM	Training, Agents
9:00AM	Sales
10:05AM	1st break
10:20AM	Sales

A 97% C 106%

Agent		Schedule Ac	Agent State	A%	C%
Abdul Hussian	✓		Logged Out	99	102
Alex Koschak	✓		Logged Out	99	101
Alito Malinao	✓	In Service	Not Ready	100	100
Andrew Conboy	✓		Logged Out	97	106
Angelo Poffo	✓		Logged Out	99	100
Anne Gables	✓		Logged Out	100	104
Antonio Inoki	✓	In Service	Talk	99	107
Billy Foy	✓		Logged Out	96	100
Barry Alemeida	✓		Logged Out	98	100
Bob Gratton	✓		Logged Out	100	101
Buddy Baldwin	✓	In Service	Talk	99	99

Agent	Score
Clive Robins	34
Marcella Yates	19
Normina Wardle	46
Clive Robins	33
Marcella Yates	29

Simple Is Better

What others do in 100s of steps, Calabrio Workforce Management does in a few.

- Calabrio is everyone’s Workforce Management tool.
  Agents, Supervisors, Analysts, & Management all have direct access to data & functions they need to do their jobs.

- Empower more people to make an impact.
  By enabling users to access data based on their role, what requires large dedicated staff with other solutions requires a significantly lower overall head count with Calabrio.

- Quick navigation & razor-sharp focus.
  The root cause of an issue is not more than a few clicks away, allowing corrective actions to be easily implemented.

Want to see Calabrio ONE in action? Contact us today at info@calabrio.com!

www.calabrio.com

calabrio®
There's no end to better.

Calabrio believes that full potential of WFM is realized when the tools are not restricted to a select group of analysts within the organization. This has been a challenge, since many tools have required highly specialized skills and training to use, which limits use and drives up complexity and cost. However by simplification of the user experience, a focus on minimizing steps and functions to complete a task, and aligning specific WFM functionality with the appropriate role in the call center, such as agents and supervisors, the operation can more easily, efficiently and cost-effectively reach their goals.

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 center. Running regular hypothetical 'what-if' scenarios can show a scheduler how alterations to shift-patterns would impact performance, as well as assisting in business continuity by seeing what would happen in a flu epidemic, for example.

A great deal of unnecessary agent work can be removed by identifying the types of call that are being received, and determining whether these could be reduced further up the line, in the departments whose activities actively affect the volume and type of calls received, e.g. marketing or IT (for the website). As such, workforce management is increasingly being used as part of an overall quality or performance optimization 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 center 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 centers use as many as 50.

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

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

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 center activity. Put simply, the more you use it, the more accurate your forecasts and schedules become.

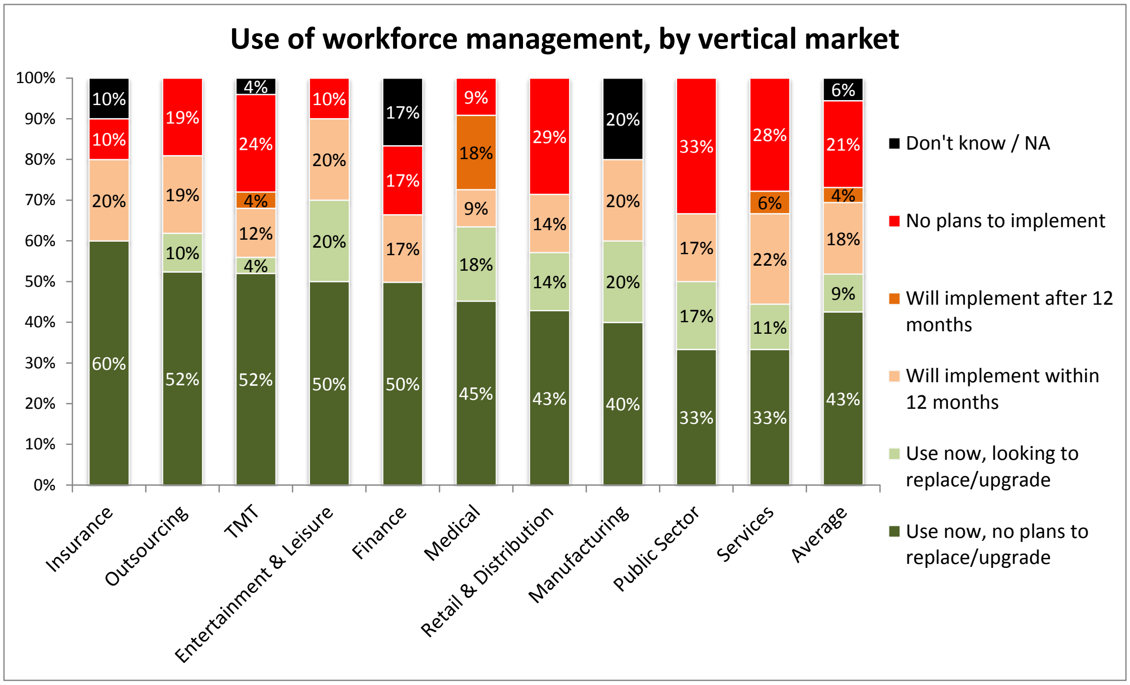
This is another area where the cerebral activity of traditional workforce management has become more dynamic. Real-time reporting on schedule adherence, and the ability to access this information through a web browser or mobile phone means that dynamic changes can be made to the system. In the more sophisticated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

For example, adherence does not have to refer to the contact center as a whole, as WFM solutions enable contact center 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 center manager understand what has happened and to make changes quickly if necessary.

Workforce management systems are very well-used in contact centers, with a penetration rate for third-party systems of 52% industry-wide (in-house workforce management, such as scheduling using an Excel spreadsheet, are not counted here as true workforce management solutions). Interestingly, 9% of respondents are actively looking to replace their WFM solution, and a further 18% indicate they are likely to implement a system in 2013.

Figure 80: Use of workforce management, by vertical market



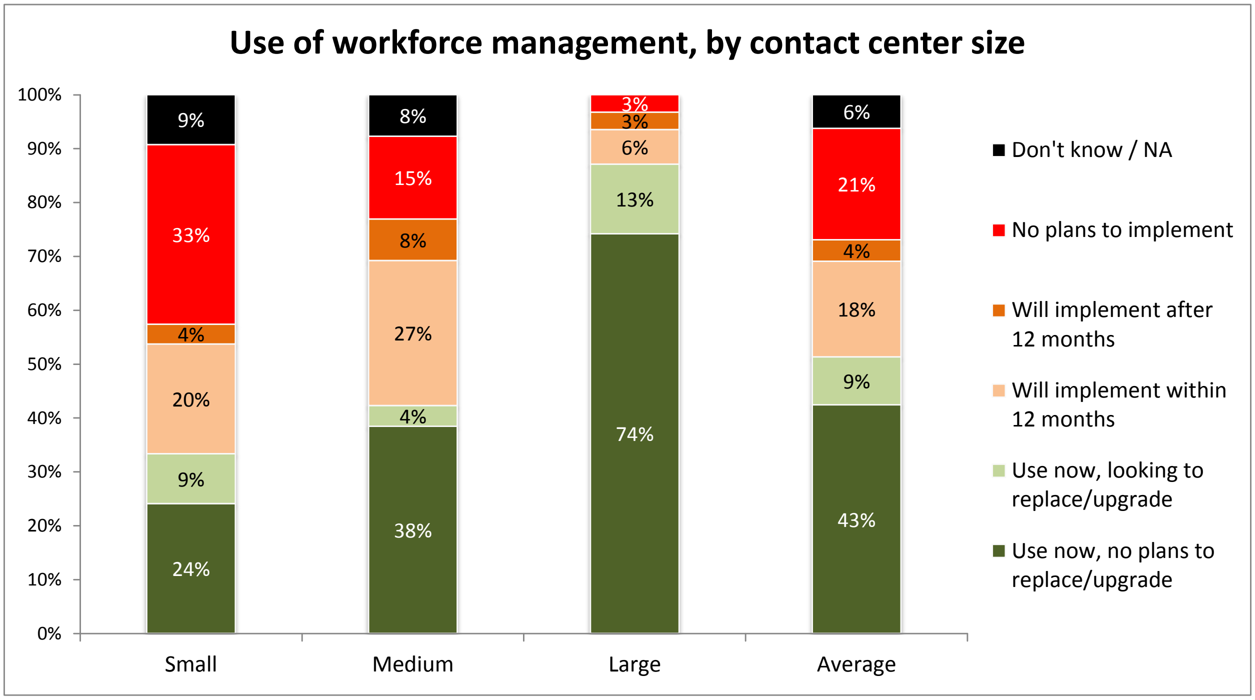
Small contact centers are still very heavily involved in manual workforce management, which offers extremely limited opportunities for doing anything other than a static schedule that cannot easily be changed. Historically, forecasting and scheduling in this scenario is more of an art than a science.

The low take-up of third-party workforce management tools in smaller operations is almost certainly down to cost and complexity.

This is beginning to change. Calabrio's Workforce Management interface for example, has been acclaimed by industry experts for proving that Workforce Management does not have to be difficult to be powerful. With a focus on simplification of the user interface, dramatically minimizing the number of steps required to forecast and schedule, and thereby reducing reliance on expert WFM analysts to perform every function, Calabrio has helped contact centers ranging from 25 seats to hundreds of seats alike to simplify the WFM process while driving a strong ROI.

Cloud or SaaS (software-as-a-service) models, as well as subscription-based pricing alternatives, also enable accurate forecasting and scheduling options for smaller contact centers.

Figure 81: Use of workforce management, by contact center size

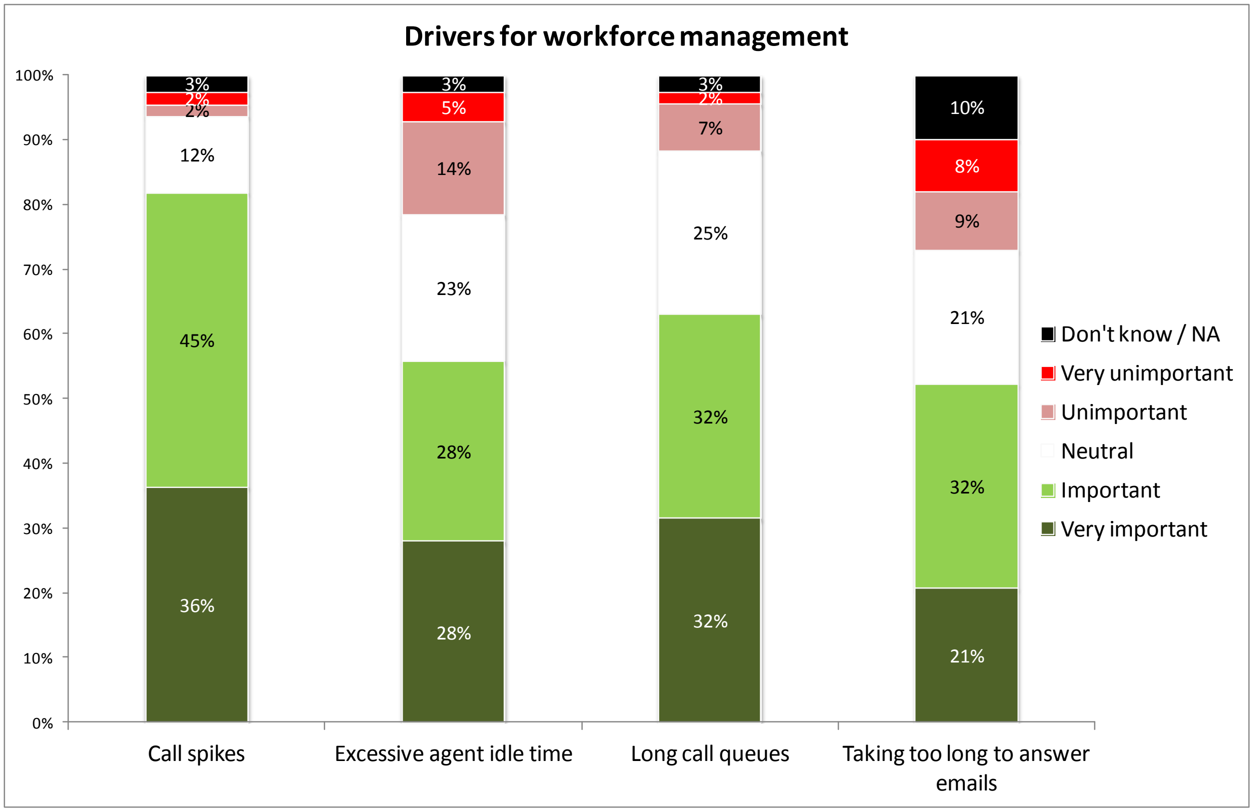


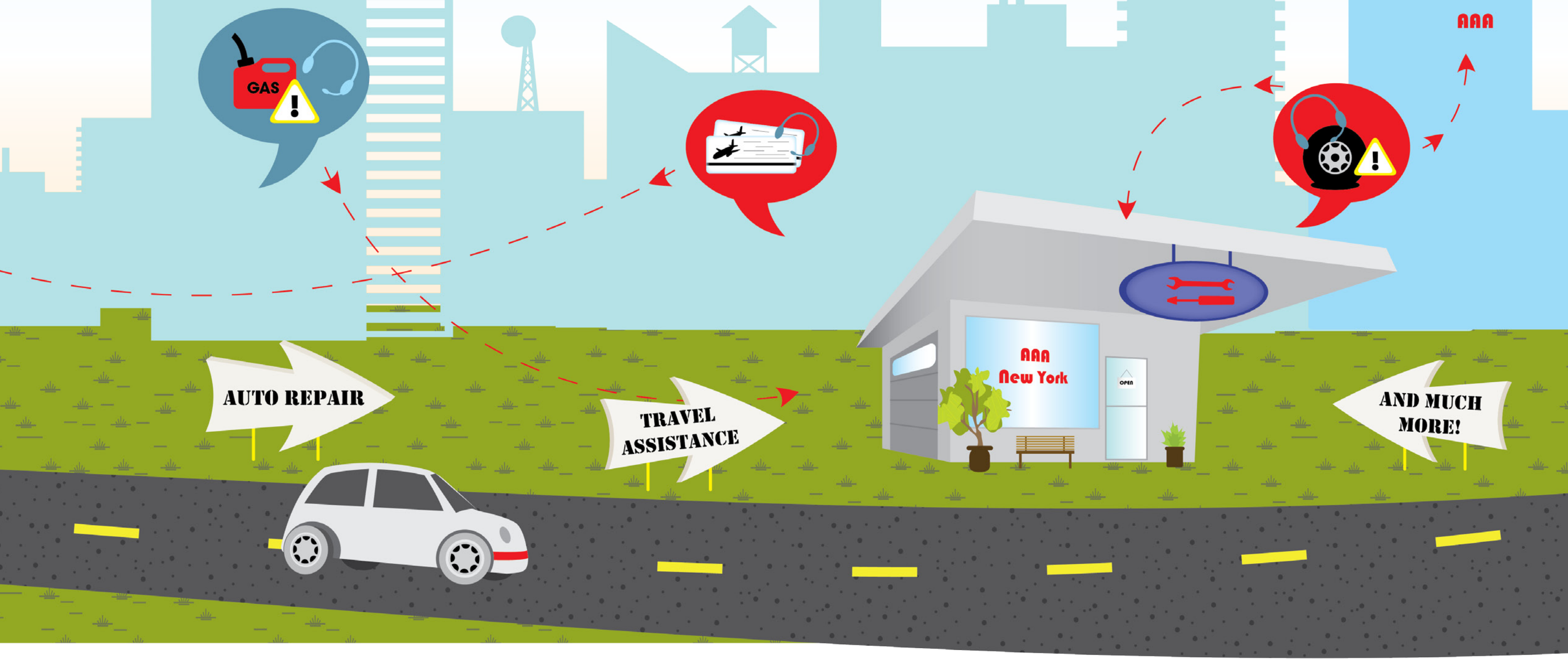
As with previous years, call spikes are seen as a major problem by many operations, destroying the service level and ruining the customer experience. The ability to predict call spikes, and bring in agents to handle these (switching them from other types of work, or through homeworking or from other sites) goes a long way to alleviating these problems.

Excessive agent idle time (overstaffing) is less of a problem than understaffing, which small contact centers in particular found to be a serious concern.

The secondary nature of email vs voice is less evident this year than it has been in the past with more than half of respondents stating that taking too long to answer emails was an important issue for their business to improve. The ability to forecast and schedule agents to handle non-voice work to an acceptable service level, while retaining their services for voice work as and when needed is a benefit that leading workforce management solutions can provide.

Figure 82: Drivers for workforce management





Background

AAA, a national auto club, arose out of the need for turn-of-the-century motoring services. The (then) unpopular "horseless carriages" were up against an array of newly formed challenges, such as dirt roads, intentionally man-made pot-holes, hefty towing fees, shortages in service facilities, and absurdly low (and sometimes even secret) speed limits. As disdain for the "modern" motor vehicle subsided and America's love affair with the automobile took hold, a group of Chicago-based residents formed the American Automobile Association (AAA) in 1902. Presently, over 40 AAA clubs exist nationally, with five located in New York state.

AAA Western and Central New York (AAA WCNY) resulted from the merger of seven smaller clubs. The club currently encompasses 25 counties and has more than 6.5 million annual interactions with their 850,000 members. Known as the number one service provider among the national association of clubs, AAA WCNY strives to keep their best-in-class status while offering unmatched service and support to their customers.

The Challenge

During AAA WCNY's goal-setting sessions in 2008 and 2009, members were struggling to envision the roadmap to 2015. What they saw was a huge gap in technology, business processes and organizational demands from the resources they currently had to meet these requirements. The auto club knew it was time to seek a modern way to interact with their members' growing list of needs and sought the help of a new workforce optimization tool to accomplish this goal. Maintaining their top-of-the-line call center reputation was imperative. Upgrading their quality management solution to integrate screen capture and enhancing their workforce management product to automate queuing for agents with multiple skills were equally important. And the perfect solution required a reasonable TCO (Total Cost of Ownership), with little to no increase in annual operating costs.

The Vision

Meeting the needs of the customer 100% of the time while preserving a cost effective business model is a challenge any industry can relate to, but AAA WCNY intends to meet and exceed the expectations of their members as part of their "Multi-channel 2015 Vision." During their 5-year goal setting summit, the company envisioned an 80% growth spurt in service professionals. By incorporating multi-skilled agents into modern auto repair facilities, premier real estate locations which might otherwise have been unaffordable, are now fiscally attainable. These repair facilities will be staffed to handle not only everyday automotive needs, but also to assist callers or patrons with an array of services such as travel, insurance and roadside assistance inquiries. Incidents that may cause a spike in call traffic, such as weather conditions, flight cancelations, or peak travel timeframes, would be redirected between these branch locations and existing contact centers. By ensuring their members will always be routed to the most qualified associate, AAA WCNY can be confident they'll meet and exceed the customer's expectations with every interaction.

The Solution

AAA WCNY based their search for the perfect solution on the need for tight integration with their Cisco Unified Contact Center Enterprise system. The upstate auto club took Calabrio for a test drive, and liked what they experienced. Calabrio's unique workforce optimization software not only presented AAA WCNY the opportunity to meet their immediate goals, it also offered peace of mind for the future. "Because Calabrio works so well with Cisco, we believe we are always going to be a half step ahead of generic vendors in this space," says Bob Leach, CIO. The solution will adapt and grow with the company, no matter which direction they choose travel. A flexible and reliable call recording architecture translates to freedom from location constraints, which supports the vision for the ambitious company. Service resources can be leveraged from any location, regardless of subject matter. In fact, since implementing both Calabrio Quality Management and Calabrio Workforce Management, AAA WCNY is saving and average of 42 seconds a call. That's like saving 42 cents per gallon of gas. Or something just as efficiently elating.

CASE STUDY: AAA Western and Central New York

Upstate New York Auto Club Aspires to Anticipate and Meet the Needs of More Than the Average Motorer

Industry: Automotive, Insurance, Travel
ACD: Cisco Unified Contact Center Enterprise
Contact Center Locations: Six, including two large and four mobile locations

Members: Over 850,000
Number of Seats: 360
Applications: Calabrio Workforce Management, Calabrio Quality Management

Today's workforce management and performance management systems offer far more than simply making sure there is a warm body at a desk to answer calls in a reasonable amount of time. The next question looks at where the gaps are in knowledge or performance, which multichannel workforce management solutions can go some way to assisting with.

The identification of areas for improvement at an agent level was the most popular area for improvement, with tools such as performance management, speech analytics and quality monitoring identifying each agent's training needs, matched with an understanding of the types of call that come into the contact center.

Larger operations were also more likely to be aware that there can be a disconnect between how an agent behaves and how the company wishes to be seen. For example, an agent can be encouraged to and rewarded for finishing a call quickly, which is good for the contact center's metrics, but which may make the customer feel less valued, which goes against what's best for the company. Understanding where the potential gaps are will allow scheduling and forecasting to take place that looks beyond simple efficiency, and which measures the quality of the call in the context of the company's goals.

Multichannel, and under/overstaffing have been looked at in the previous chart, with larger operations being more likely to have identified weaknesses in their current approach to multichannel. Interestingly, the reasons that customers are calling is not seen as being an opportunity for improvement amongst most respondents. In our view, this is an area which is ripe for further investigation, with tools such as interaction analytics offering the chance for businesses to understand their customers better, as well as being able to identify the purpose of the contact center, and where the costs of running an operation are actually being spent.

Figure 83: Workforce and performance management-related issues and improvements

Issue / Contact center size	Small	Medium	Large	Average
Identifying an agent's specific areas for improvement	5.6	6.1	5.9	5.8
Aligning the enterprise's goals with agents' behavior	5.4	5.4	5.9	5.6
Under- or overstaffing	5.5	6.1	5.1	5.5
Handling multichannel interactions more effectively and efficiently	5.1	5.3	6.5	5.5
Intraday staffing changes	4.5	4.5	5.2	4.7
Understanding why customers call the contact center	4.0	4.4	5.0	4.4

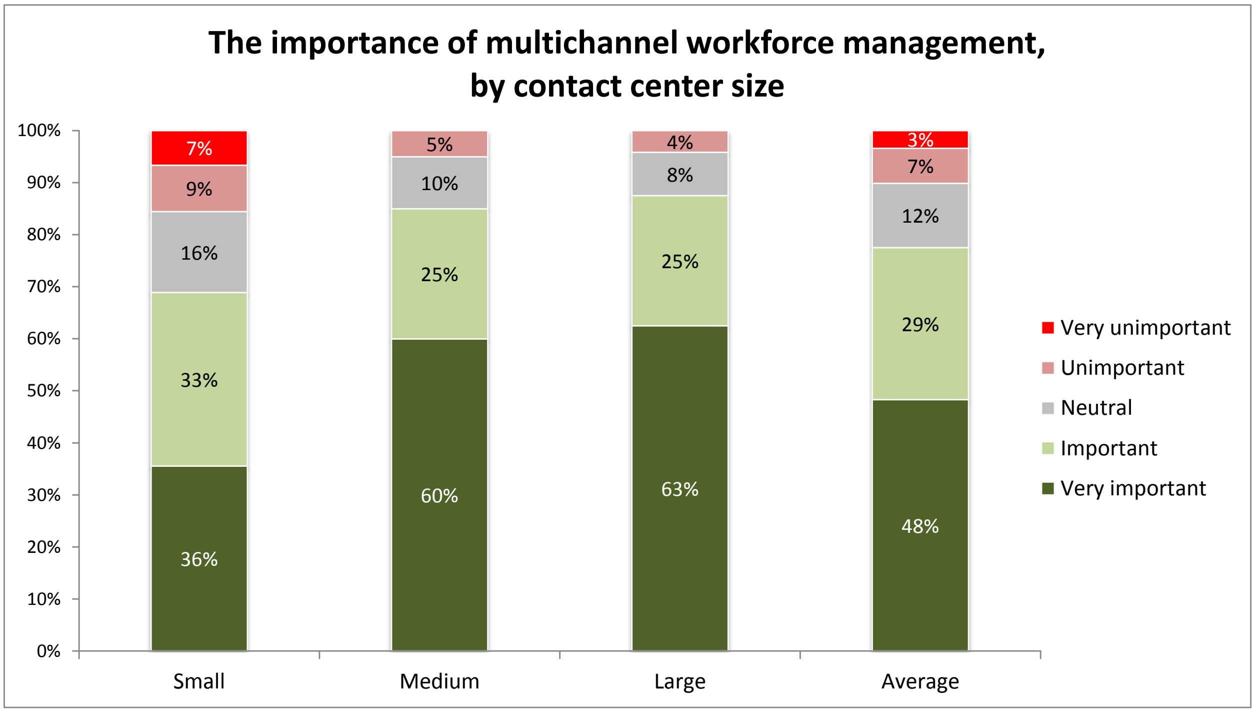
NB: this question is scored from 1 to 10, where 1 is 'no improvement needed' and 10 is 'major and urgent improvement needed'

This year's workforce management chapter focuses on how systems can be improved, and the functionality that contact centers believe that they will need to manage non-traditional interactions, such as new channels or staff who are not based in the contact center, but who may speak with customers (e.g. branch or field staff). With 10-15% of inbound interactions being email for many organizations, and 25% of respondents stating that customer speak with knowledge-workers elsewhere in the business, it is no longer enough for a workforce management system to forecast and schedule based only on voice calls taken by the contact center. We describe this new approach as 'multichannel workforce management'.

48% of respondents state that being able to forecast and schedule multichannel and non-contact center interactions were 'very important' (up on last year's figure of 37%), with a further 29% saying that it was 'important'.

It might be thought that as workforce management is most useful for businesses with hundreds of agents, where relatively small efficiencies in forecasting and scheduling can make a huge difference to performance and cost, that it would be these larger operations which most want multichannel capabilities. This year's results bear out this hypothesis, with the advent of social media contact, the rise in web chat and the jump in email volumes meaning that medium and large operations suddenly have significant amounts of multichannel interactions to handle, as well as their voice traffic, although smaller operations still acknowledge the importance of multichannel as well, as they tend to have a higher proportion of interactions through these channels.

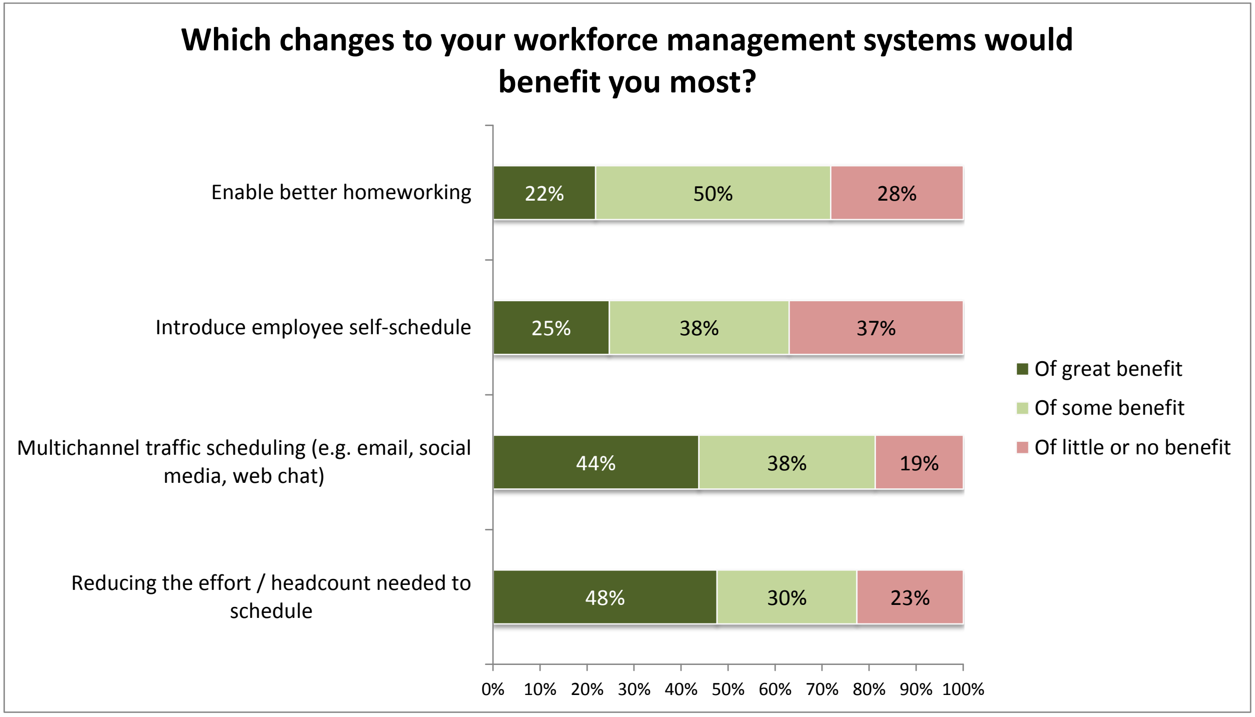
Figure 84: The importance of multichannel workforce management, by contact center size



Almost half of respondents would find easier scheduling of great value to them, and 44% place the same importance on improved multichannel workforce management solution capabilities.

Of secondary importance is the ability to allow agents to self-schedule (although this can be very good for morale), with homeworking being important to some respondents, but not others.

Figure 85: Which changes to your workforce management systems would benefit you most?



There's no end to better.

WFM scheduling has been considered one of the most complicated activities in contact center management due to the vast amount of data, complex resource considerations and the significant impacts driven by inevitable change. As such, tools have been isolated for use by trained specialists—a practice that can easily cause an unintentional bottleneck of information that impedes quick decisions. Calabrio's approach relieves the stress put on the WFM specialists by providing a platform that is simpler to use and understand. Supervisors are able to utilize the critical WFM applications to handle intraday workload information, allowing WFM specialists to concentrate on long-term, high-value analysis.

HEADSETS

There are various factors to consider when deciding which headset to purchase for your contact center 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 center telephony infrastructure
- Sound quality.

Contact center 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 center agents like having the freedom to move around while on calls, especially in a high-pressure sales environment. Some contact centers 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 center'

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

The majority of contact centers 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.

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 center performance. A Spanish contact center 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 center 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 center managers are aware of the level of ambient noise within their contact centers, and only 9% regularly measure it[4].

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

- Measure contact center 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 center career.

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

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[4] 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 centers in the past few years, and may be temporary. However, it may also be the case that the overall quality and durability of headsets is improving, meaning there are fewer requirements for replacement.

Figure 86: Headset manufacturers used by respondents

Manufacturer	Proportion of respondents using this manufacturer
Plantronics	61%
Jabra / GN Netcom	14%
VXI	5%
Cisco	4%
Other	16%

WIRELESS AND IP HEADSETS

Wireless headsets

52% of contact center respondents used some wireless headsets within the contact center, with an average of 50% of headsets in these contact centers 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 more than 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.

58% of respondents in smaller contact centers use wireless headsets, with a penetration rate of 61% in operations that use them. In medium/large contact centers, 54% of operations have some wireless headsets, although the penetration rate is only 36% in these contact centers. The medical, services, finance and public sectors are the most likely to be using wireless headsets.

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

IP headsets

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

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

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

- Echo - how the earpiece fits to the ear and the positioning of the microphone relative to user’s mouth helps prevent echo, and digital signal processing (DSP) alleviates echo management when it is unavoidable. DSP can help with unequal call levels, and manage sudden increases in amplitude and/or volume, and prevent acoustic shock

- Distortion - clipping the voice signal by taking away the highest and lowest voice registers can mean that the voice sounds distorted, an unpleasant sound for both agent and caller

- Latency - often viewed as one of the major bugbears of IP, latency is experienced as a lag, due to information being sent and received across the network in a sub-optimal manner. This can cause broken conversations, and can be extremely frustrating for both customer and agent, particularly when experienced as poor sound quality, such as missing pieces of sound, as well as the lag itself.

Currently, 69% of respondents have some headsets that are able to cope in an IP environment. Of these respondents, 84% of their headsets can handle IP, with 65% of these respondents saying that all of their headsets are IP-capable.

Large operations have implemented IP headsets in 81% of cases, against 78% of medium and 58% of small operations. 70% of headsets in these large operations are IP-capable, against 98% in medium contact centers and 86% in small contact centers.

The public sector, insurance and medical respondents were most likely to have IP-capable headsets (80%+ of operations), with retailing respondents least likely.

IP headsets and homeworkers

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

An IP-based contact center 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 87: What sort of IP phone device are you using?

IP phone device	Proportion of respondents
IP hardphone	36%
PC-based softphone	23%
Both hardphone and softphone	36%
Don't know	5%

Single- / dual-earpiece headsets

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

Figure 88: Use of single and dual earpiece headsets

Type of headset	Proportion of respondents
Single-earpiece	34%
Dual-earpiece	25%
Mixture of both	41%

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

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

Contact centers 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 recognize such incidents and how to report them. Organizations that operate call centers 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.

Organizations able to help with Maximizing Efficiency and Agent Optimization:

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Avaya is a global provider of business collaboration and communications solutions, providing unified communications, contact centers, networking and related services to companies of all sizes around the world.

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CS

COMMUNITECH SERVICES, INC.

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ORACLE
RIGHTNOW
CLOUD SERVICE

Oracle RightNow Cloud Service helps Telecom New Zealand improve agent productivity reducing costs and customer wait time: watch the video.

SHL, the CEB Talent Measurement Solution, helps you find the right candidates to fill call center roles, from entry level positions through identifying managers and leaders.

UTOPY, which was recently acquired by Genesys, delivers Agent Performance Optimization solutions driven by Interaction Analytics, and the only completely analytics-driven Coaching and Quality Management applications available today.

VoltDelta OnDemand provides virtual contact center and voice self service solutions.

NEW MEDIA AND THE CUSTOMER OF THE FUTURE

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

Figure 89: 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 center 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.	5-10% of inbound contact center interactions are dealt with by self-service, higher in banking 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, 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. Cost associated with receiving SMS in the US.	Around 1/3 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 in US especially as specific applications for its use emerge.	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.	Around 2-3% of interactions into US contact centers, with huge potential to grow.
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 center 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.	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.	Usually <1% in the US.

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 'anthropomorphous software' to be able to decipher unformatted text and natural language, read and write text and display some level of behavior 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 traveler, but only 14c each with a kiosk (source: Forrester Research).	Possible mechanical breakdown. Non-private. Limited functionality.	Not known, although growing.
Mobile app	33% of respondents have a mobile application (including mobile websites and smartphone apps) for customers to contact them.	See 'Mobile Customer' chapter	See 'Mobile Customer' chapter	Around 1%
Social media	53% of US businesses offer social media as a customer service channel, predominantly through Facebook and Twitter.	See 'Social Media' chapter	See 'Social Media' chapter	1.4% in 2013

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MULTIMEDIA MANAGEMENT AND THE UNIVERSAL QUEUE

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

Today, multichannel contact centers have been mainstream for years, with 94% of respondent contact centers 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 and mobile communication throwing other elements into the mix.

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

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

The Universal Queue

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

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

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

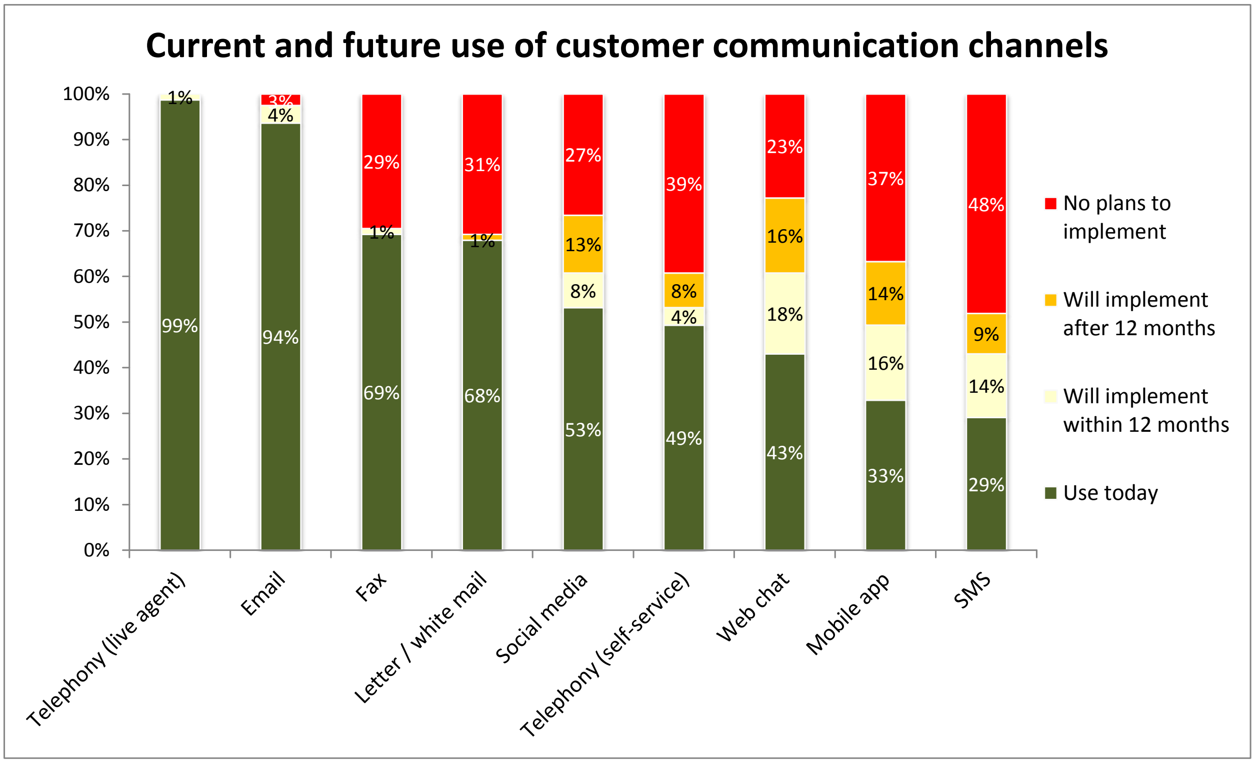
Genesys

Although multichannel is the current buzz, the reality is that most "multichannel" contact centers are a series of siloed interactions where customer information is not shared across channels, making for a disjointed rather than a single conversation. Today a customer web chatting must start all over and repeat information when calling into the company for additional assistance and work started on the web is lost. A true "One to One" conversation requires that all channels operate seamlessly as one conversation.

The US contact center industry has embraced multichannel customer communication, with 94% of respondents offering an email channel as well as 29% SMS, 43% web chat and 53% social media. Traditional channels such as letter and fax are still present in most cases, and 33% offer some form of mobile-specific channel.

The chart's real message is that channels aren't being replaced - even letters will continue to be supported - but rather augmented. This means that the pressure to unify the view of the customer across channels is a challenge that isn't going to go away.

Figure 90: Current and future use of customer communication channels



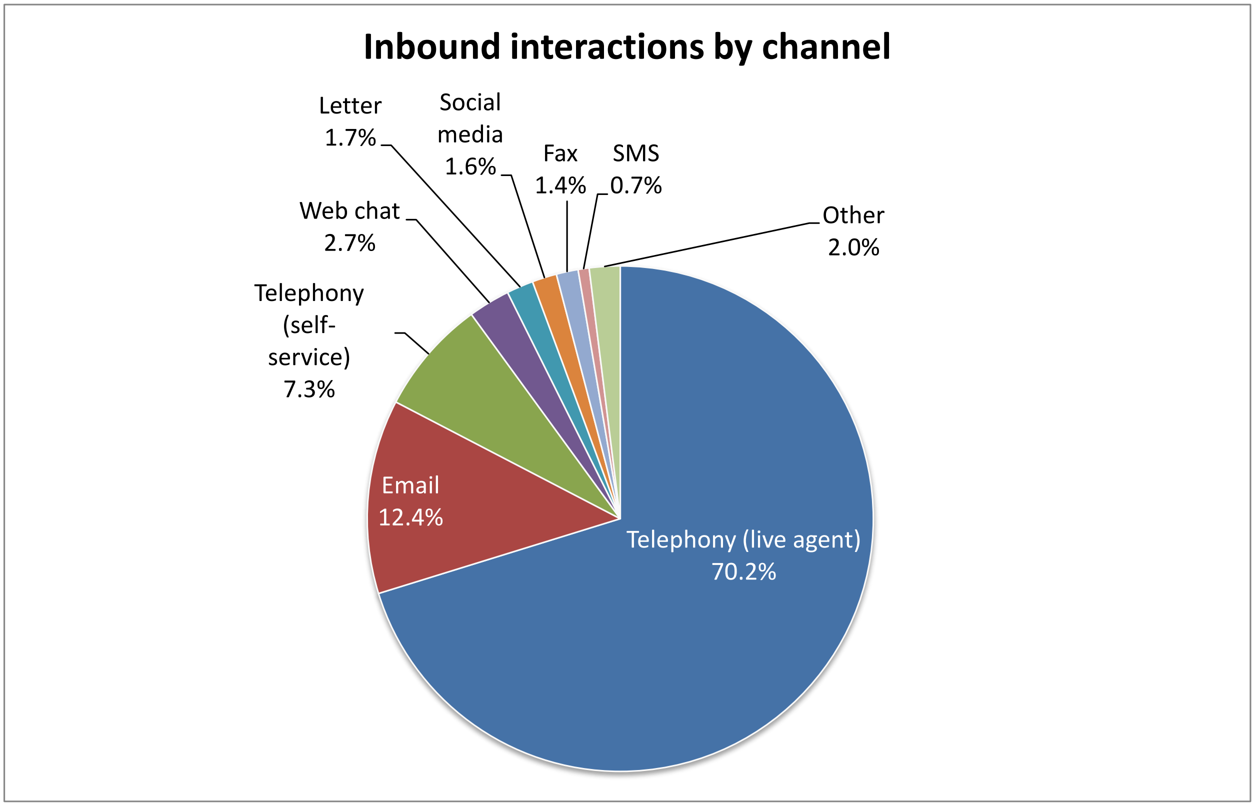
Genesys

Although 33% of businesses have apps that allow you to contact them for customer service, any work performed in the app is typically lost as the customer must leave the app, call into an IVR and start the whole process over. Customer care integrated with the contact center does not exist within virtually every app out there today. Apps were originally created for marketing purposes and have not yet evolved to be true vehicles of customer service.

The proportion of inbound interactions by telephone has not changed greatly since last year – a continuation of the gentle decrease in proportion from 71.6% to 70.2% - but the proportion of self-service interactions has dropped significantly again from 8.9% to 7.3% (it had been over 12% in 2010): this may well be a movement from telephone self-service to the more flexible web self-service.

Email continues to grow steadily (from 11.5% to 12.4%), as does web chat, which is up from 2.1% to 2.7%.

Figure 91: Inbound interactions by channel



Agent-handled calls are most important to respondents in the manufacturing, entertainment & leisure and outsourcing sectors.

Figure 92: Inbound interactions that are telephone (agent), by vertical market

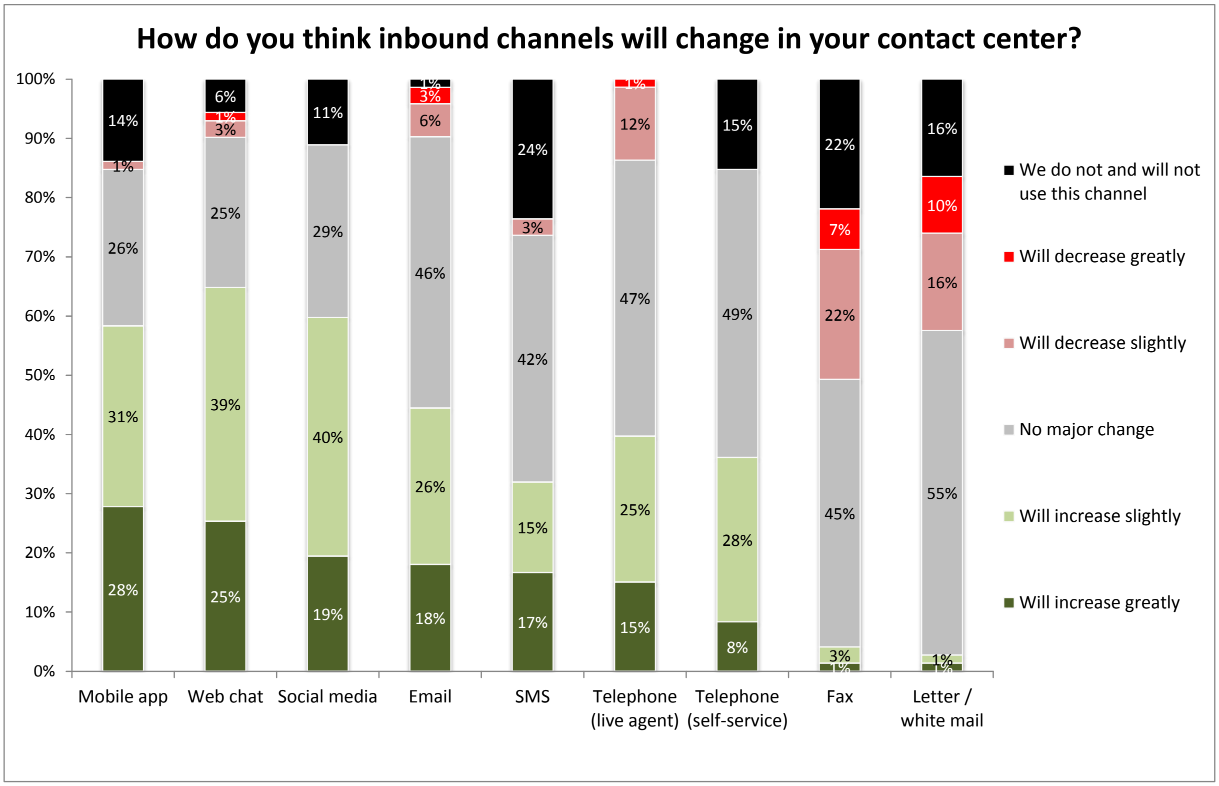
Vertical market	EL	FS	INS	MAN	MED	OS	PS	RD	SVCS	TMT	Average
Telephone (agent)	80%	60%	70%	90%	77%	78%	69%	70%	63%	67%	**70.2%**

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. As such, 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 center-level, or was more of a statistical blip.

Only the traditional media of letters and fax will have a net decline in our respondents' eyes, although still have their place in the likes of the insurance, medical and manufacturing industries.

Putting these opinions into context along with the reality of the previous chart, it seems that even those channels in relative 'decline' (such as live and self-service telephony) are in reality at least seen to be holding their own in absolute terms, suggesting a net increase in total interactions, which is supported by the continuing increase in agent numbers and the growth in salaries that comes with increased demand for contact center services.

Figure 93: How do you think inbound channels will change in your contact center?



Thought Leadership

Multichannel Customer Service – Huge Need, Huge Payoff

Ted Hunting, Genesys

There has been a lot of chatter recently on multichannel customer service and never has multichannel service been so important nor the payoff to business more obvious. Consider:

- 73% of consumers would pay more for a better customer service
- Companies that rate higher than the peers as measured by the American Customer Satisfaction Index have market caps up to double their industry peers
- Nearly 70% of companies don't monitor interactions (and think of all the people now on Twitter!)
- One in four of displeased customers will share bad experiences socially
- 77% of consumers use more than one channel when seeking customer service
- But only 3% of companies manage customers across channels
- Tri-channels shoppers spend up to 70% more

The facts are clear: people want much better customer service across all the channels they use, while most companies are still handling service interactions through a separate silo for each channel. Customers are on all channels and are hungry for one conversation tailored to them. Younger consumers do more Web browsing on their smart phones than they do on computers. Mobile app downloads will explode to nearly 77 billion by 2014 from 11 billion in 2010, yet most apps don't integrate true customer service capability – typically customers are asked to leave the app to call the company and end up in a standard IVR that has no insight into anything they've been doing, leaving the customer starting the whole process all over. Web, Web chat, mobile, social, phone…all channels are separate, making it a bad, disjointed customer experience. The siloed solutions on the market haven't, don't, and won't cut it.

Yet even with the explosion in multichannel communication, most companies have not evolved and are stuck in old, inflexible infrastructures that contrast with the great multichannel experience consumers are clamoring for. How did even smart companies get stuck here? While consumers jump into new technologies at warp speed, companies often move slowly. They don't adapt until they have a problem and need to catch up. And often, they are dealing with each channel reactively on a one-by-one basis instead of seeing each as another channel to be integrated into a great customer experience. They are also often limited by outdated and inflexible hardware contact center solutions or siloed point solutions.

Until companies lay a flexible foundation with a universal queue that integrates these new channels and enables them to approach service from a holistic, customer-first manner, they will be losing out on the opportunity to be a truly service-focused company. In today's marketplace, with a sophisticated consumer increasingly in control, failing to adapt to this new reality can swiftly undercut your business growth.

As they demand more, today's customers are turning to businesses who can deliver multichannel service as one customer-focused conversation. These businesses will partner with customer service innovators like Genesys that has taken a customer-centric approach focused around customer conversations across all channels to finally make the Holy Grail of a great multichannel experience a reality. A new conversation has come to your customers. Will your business be part of it?

EMAIL MANAGEMENT

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

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

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

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

Figure 94: Inbound interactions that are email, by vertical market

Vertical market	EL	FS	INS	MAN	MED	OS	PS	RD	SVCS	TMT	Average
Email	10%	9%	7%	5%	11%	6%	18%	25%	20%	14%	**12.4%**

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

As with previous years, emails are proportionally less important for large contact centers, although there has been a big jump in large contact centers this year, from 4.6% to 7.9%.

Figure 95: Inbound interactions that are email, by contact center size

Contact center size	% of inbound interactions that are email
Small	17.9%
Medium	8.3%
Large	6.9%
Average	**12.4%**

The cost of alternative channels – email and web chat – seems quite reasonable, being generally on a par or even less than live telephony, but more expensive than a self-service session.

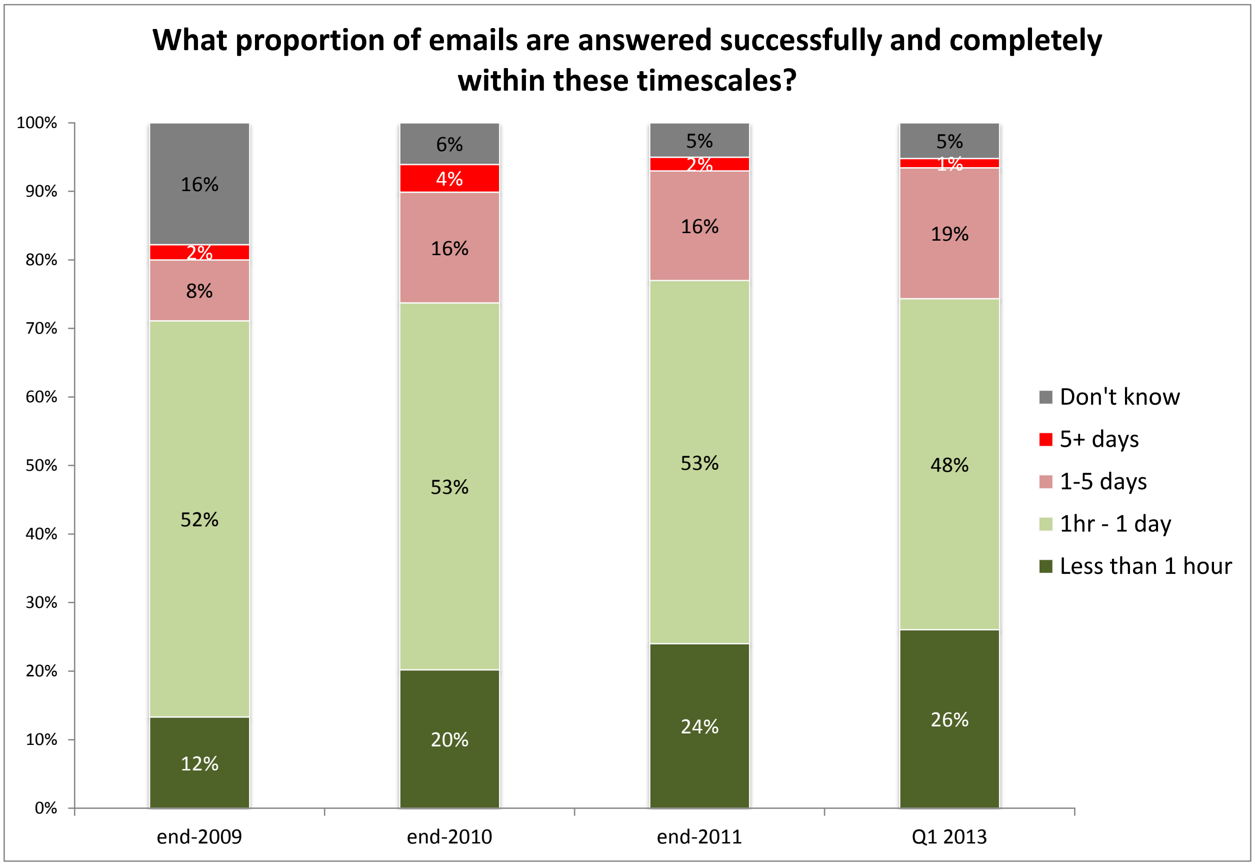
Figure 96: Estimated cost per email and web chat session

	Email	Web chat session
Mean	$3.37	$3.52
1st quartile	$5.00	$3.75
Median	$3.20	$1.85
3rd quartile	$1.65	$1.20

Email response handling times are very similar to last year, with the proportion answered within one hour going from 24% to 26%, although there was a slight decrease in the proportion answering between 1 hour and 1 day.

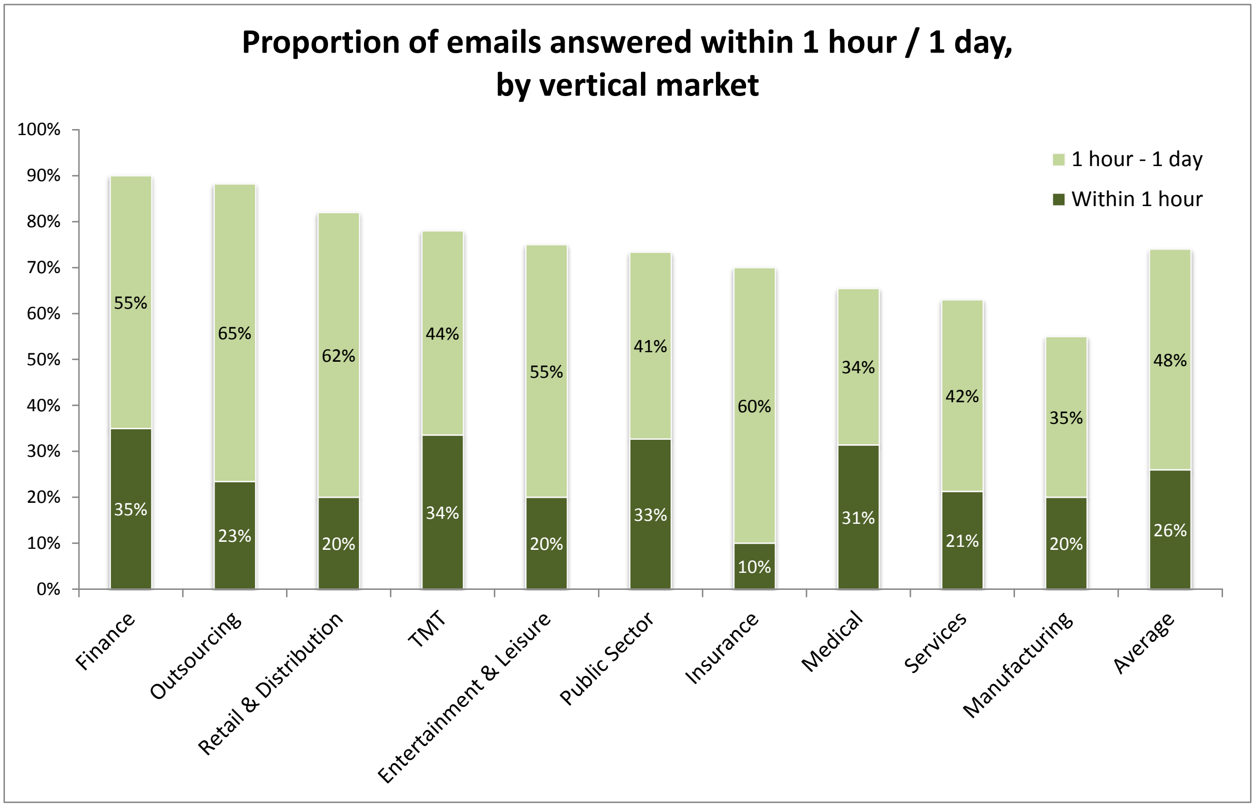
Taking longer than one day to answer an email runs the risk of the customer losing patience, and going elsewhere or phoning the contact center, placing a greater cost burden on the business than if they had just called in the first place. This figure has increased slightly from 18% to 20%.

Figure 97: What proportion of emails are answered successfully and completely within these timescales?



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

Figure 98: Proportion of emails answered within 1 hour / 1 day, by vertical market



The TMT sector (which includes IT) seems well-placed to handle its high volumes of email, and the finance and outsourcing sectors also handles their lower volumes of email well too, driven by service level agreements and sales targets. Customers of insurance companies will have learned not to expect quick answers from them, as many are complicated enquiries which may take some time to solve.

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 centers 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 great majority of respondents in every sector allow at least some of their agents to carry out both email and telephony. However, email requires certain skills, including grammar and punctuation, which not every agent has, even with assistance from an email management system's response template.

On average, 62% of agents in a blended multimedia environment are allowed to do both email and voice work, a figure growing year-on-year.

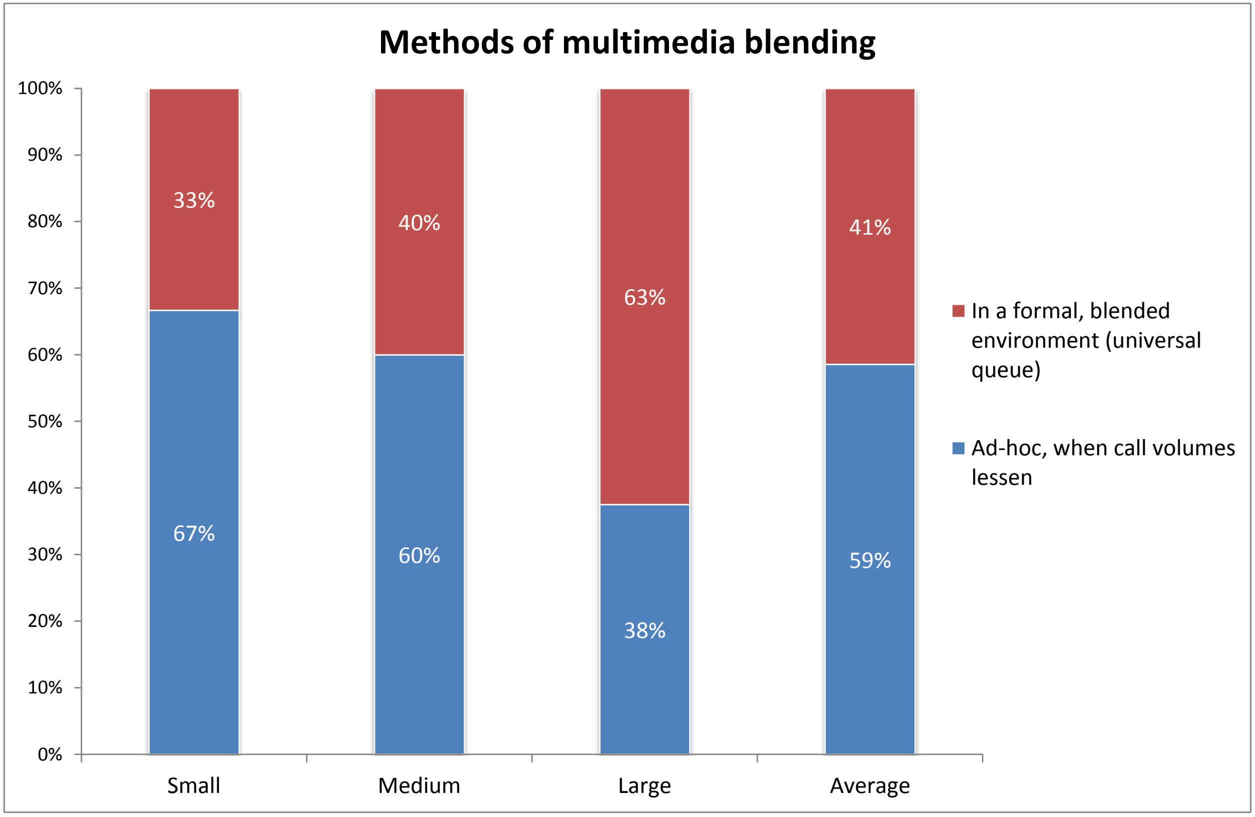
Figure 99: Use of multimedia blended agents by vertical market

Vertical market	Respondent contact centers allowing multimedia blending	Proportion of agents answering both voice and email (only where applicable)
Finance	100%	72%
Retail & Distribution	100%	67%
Insurance	100%	66%
TMT	100%	62%
Manufacturing	100%	10%
Services	93%	74%
Medical	86%	58%
Entertainment & Leisure	85%	60%
Public Sector	75%	73%
Outsourcing	75%	42%
Average	**90%**	**62%**

Simply because a contact center 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.

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 – are much more likely to deal with emails on an ad-hoc basis, whereas there is a positive correlation between contact center size and the use of a formal blended environment or universal queue.

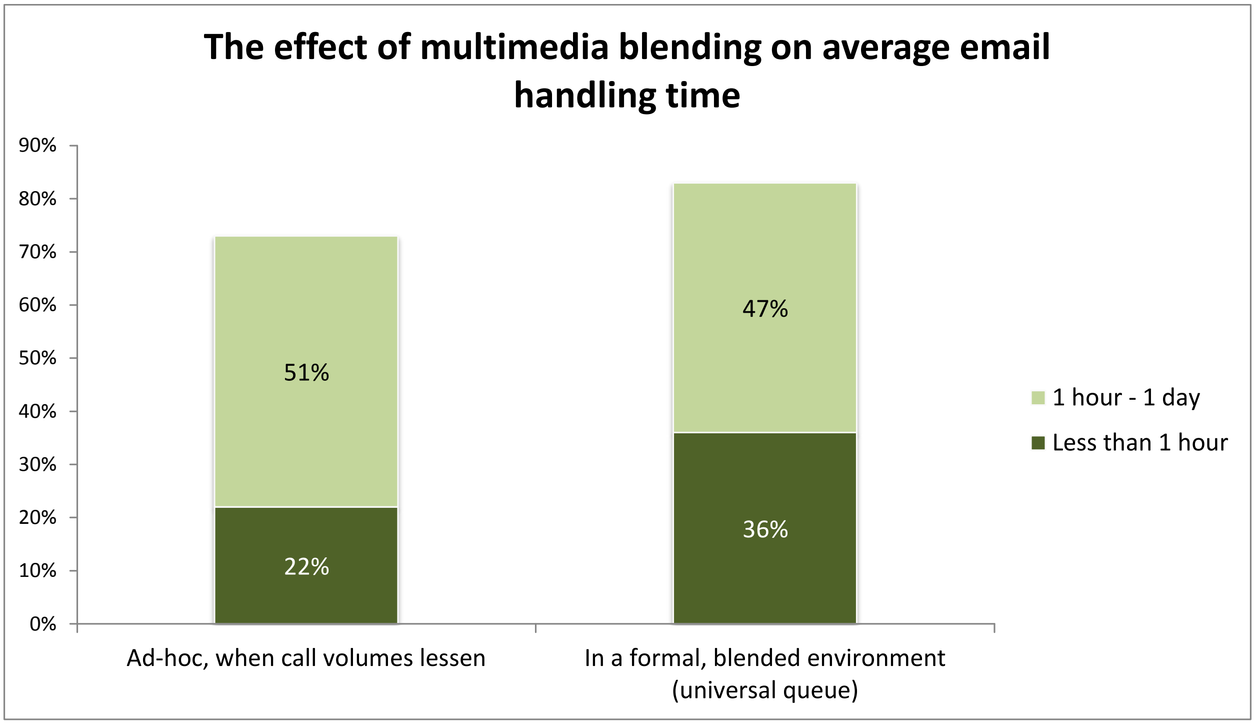
Figure 100: Methods of multimedia blending



The following chart seems to indicate that a formalized blending environment, such as a universal queue, has a beneficial effect on email response times. Respondents using a formal blended environment report that 36% of emails are handled within 1 hour, with a further 47% being dealt with inside a day.

The ad-hoc approach is less successful at rapid response, with only 22% of emails having an average handle time within 1 hour, although a further 51% are handled in a day.

Figure 101: The effect of multimedia blending on average email handling time



WEB CHAT AND WEB COLLABORATION

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

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

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

The customer of the future - especially the younger generation - are often accomplished Instant Messengers, and will be keen to use this option with the businesses they work with. However, IM is currently only really useful for generic information and sales purposes, as users usually aren't taken through security processes, so the agent can't help with specific account queries; the same usually applying to email. Putting some form of trusted biometric device on a PC or mobile device (such as a thumbprint reader) which then assures the businesses' system of the user's identity could possibly overcome this issue. Alternatively and more simply, there doesn't seem to be any reason why the IM agent can't ask the standard security questions to the customer via IM, but this is rarely done today, perhaps for cultural reasons.

A case can be made 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 web chat than email.

Web chat is often 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 web 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 will often end with a phone call being made, but web chat can avoid a number of these calls being made, which is a cost saving for the business, and better for the customer as they do not have to switch device as well as channel.

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

SELF-SERVICE

THE USE OF IVR AND SPEECH RECOGNITION

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

- Customers like to talk and find voice the most convenient, flexible and quickest communication channel in many instances, especially in older demographics and for complex enquiries

- Customers' expectations continue to rise. Not only do they seek out competitively-priced goods and services, but they require quick, efficient services as well

- Customers' general level of awareness of identity theft as a real issue has also grown, and they expect to see that their private and personal information is protected by those organizations with which it is shared.

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

Telephone self-service as we know it has been around since the 1970's, when the first IVR (interactive voice response) units became widely-used. 'Touchtone IVR' allows customers with a touchtone phone (also known as "DTMF" – dual-tone, multiple frequency) to access and provide information in a numerical format.

Recently, there has been strong growth in the use of automated speech recognition (ASR), which allows customers to speak their requirements to the system, allowing greater flexibility and functionality.

IVR – whether through touchtone or speech recognition - has four main functions:

1. to route calls to the right person or department (e.g. "Press 1 for sales, or 2 for service…") in auto-attendant mode
2. to identify who's calling via either caller-line identity (where the caller's number is recognized, 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 - historically, it has been calculated that 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, Queue Management & Routing' in the 'Maximizing Efficiency and Agent Optimization' chapter. This section considers IVR and speech recognition only as part of a full self-service solution, i.e. one that takes the place of an agent.

Figure 102: Advantages and disadvantages of telephony self-service

Advantages	Disadvantages
Fantastic cost-cutter: 7 IVR calls cost less than a single person-to-person call	Can be inflexible to change IVR options, due to proprietary nature of many existing IVR solutions
Captured customer data from an IVR enables key CTI (computer-telephony integration) solutions, such as screen popping and skills-based routing to take place	IVR menus difficult to visualize for customers, leading to stress and dissatisfaction. Users may feel "there is no end in sight" and become frustrated.
Frees agents from boring and repetitive work, reducing staff attrition and improving morale	Long-winded menus annoy customers, where shorter ones can reduce the options available, and thus, the functionality
Allows agents to spend more time doing high value-add work, like cross- and up-selling, and complex customer care and loyalty work	General negative perception of self-service: it is seen as a low-cost option aimed at helping the business, not the customer. Overuse of IVR makes customers feel as though the company does not value them
Reduces queue times and call abandonment rates, improving customer satisfaction for those needing live agent help	Expensive, proprietary hardware has kept businesses locked into existing suppliers in the past

Customers need to be persuaded to use IVR self-service, and you can measure success in two ways: through the "play" rate (what proportion of your customers try to use IVR), and the "completion" rate (how many can successfully interact with your company without having to involve a human agent by "zeroing-out"). Your customers need to be motivated to use IVR (i.e. there's something in it for them), and you need to design, maintain and promote the self-service application to get them to keep using it.

Simply making IVR self-service available without too much thought or effort will result in perhaps fewer than 20% of possible calls being completed without human interaction. Designing the IVR self-service experience with customers' needs in mind, marketing it as an aid for customers, rewarding the customer for using it and tuning the application to make it even better can mean up to 90% of relevant calls are dealt with automatically: a massive cost saving, an improvement in the customer service experience and a boost for the company's reputation with its customers.

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It is important to plan upfront how customers should interact with the automated system, including considering how to implement error recovery. Prompts and dialog shortcuts tuned for the target audience will promote an aura of automated "Intelligence", encouraging callers to remain engaged or to easily transition to other channels. It is important to partner with a vendor that employs experienced Voice User Interface (VUI) designers to familiar with IVR design and multi-channel communications.

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THE USE OF SELF-SERVICE

This section looks in depth at how contact centers 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 'Maximizing Efficiency and Agent Optimization' 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 allow web browsing on the move (see the ‘Mobile Customer’ section for more information).

Figure 103: Some functions for self-service, by vertical market

Self-service activity	Typical sector offering this form of self-service
Problem reporting and resolution	IT helpdesk
Account access	Banking
Product information	Retail
Online registration	Any
Order entry	Retail, travel
Balance enquiry	Banking, credit cards
Dealer or store location enquiries	Car sales, retail
Ticket booking	Cinemas, other entertainment
Real-time punctuality checks	Airlines, trains
Status checks	Retail (esp. online), IT helpdesk
Address changes	Subscription services, utilities
Form filling	Any
Brochure request	Travel, retail
Password reset	Finance, IT

However, there is wariness about telephony self-service. Many businesses wish to be seen as strongly focused upon customers’ needs, and putting what can be seen as a barrier between customer and business is anathema to them.

Although self-service is in widespread use, there are specific sector and business types where it can excel in reducing cost and increasing service levels. At a basic level, self-service can be seen as a function of the complexity and volume of interactions.

Self-service usage

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

Interaction complexity

Put simply, the greater the number of simple interactions a company deals with, the more likely it is that it can benefit from implementing self-service. Currently, this paradigm puts self-service in direct competition with inbound offshore contact centers, many of which deal in more routine tasks.

Put simply, the greater the number of simple interactions a company deals with, the more likely it is that it can benefit from implementing self-service.

- **Large** volumes of **simple** requests from customers (and who use agents simply as a means of reading the information from a screen) should have implemented self-service by now. There are estimates that 70% of calls to helpdesks are password/passnumber reset requests, which could be handled via self-service.
- Where businesses only deal in a relatively **small** number of **complex** interactions, the cost of implementing a sophisticated, probably speech-enabled self-service application – and keeping the knowledge base up-to-date – may be greater than any associated salary cost reduction.
- Businesses having a **small** number of **simple** interactions now have the option to have their voice self-service functionality hosted off-site, paying perhaps only for the number of times that it is used. This model allows self-service functionality at a fraction of the cost of owning and maintaining a premises-based system.
- Businesses which deal with **large** numbers of **complex** interactions are building and using some of the most interesting and potentially beneficial self-service applications. Examples include filling in insurance forms to get a quote – a lengthy and time-consuming business, which can last for tens of minutes, costing the business a great deal of money. Moving this to self-service can save huge amounts of money, as an agent may only

need to be brought in to close the sale or clarify finer points of the policy. Stock purchase is another classic example of this: sophisticated users can buy and sell stocks as quickly as they could by talking to a human agent by communicating via speech recognition directly with a business's applications and databases.

IVR has been a notable success for many businesses, but many businesses have moved away from the limits of touchtone service. It can now leverage both the added flexibility and power of speech recognition as well as being able to share the functionality that businesses have recently developed with their web self-service applications. Of course, this is likely to come at an additional cost, and the thought of trying to find capital budget to invest in these solutions may put contact centers off right-away. In such cases, businesses should consider alternative application delivery methods, such as a cloud-based solution.

Speech Technology and Cloud-based Solutions

One of the most consistently strong inhibitors against the uptake of speech recognition is the initial cost involved, as well as the expected ongoing support costs.

Given the recent economic climate, the hosted or cloud proposition has a particular appeal to organizations 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 cloud-based solutions means that businesses don't need continual ongoing investment to upgrade their own systems.

Like other self-service applications, automated speech has of course been more attractive for organizations 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.

VoltDelta agrees that hosted automated speech applications is a cost effective solution for businesses that tend to experience call volume spikes such as 511 traffic management systems during commuting hours. Some vendors do fall short on their claims of handling call volume spikes once deployed. To verify that a hosted solution vendor has a robust infrastructure, be sure to ask if their testing facilities can also generate calls at exceptionally high volumes to enable stress-testing that proves recognition responsiveness as well as performance under real world load conditions.

Although not featured in this year's report, 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. 43% of this year's respondents do offer a telephony self-service channel, but many have made significant investments in web-based self-service as well, and the relatively low proportion of self-service calls handled shows that many customers are choosing online servicing ahead of telephony self-service.

Overall, 43% of respondents offer a full self-service option through a voice channel, down from 48% last year, although of course many more offer IVR for routing and CTI purposes, as well as a widespread and growing use of web and mobile self-service.

Figure 104: Overall proportion of calls handled entire through self-service (only in respondents which offer telephony self-service)

Vertical market	Overall proportion of calls handled entirely through self-service if offered	Proportion of contact center respondents offering a full self-service option
Finance	34%	83%
Services	30%	21%
Insurance	20%	50%
TMT	19%	56%
Medical	15%	27%
Outsourcing	11%	52%
Public Sector	8%	50%
Retail & Distribution	5%	14%
Entertainment & Leisure	4%	25%
Manufacturing	3%	8%
Average	**17%**	**43%**

NB: proportion of calls handled through self-service refers only to the 43% of respondents offering a full self-service option. A full-industry view of self-service, including non-users can be seen in the Multimedia chapter.

On average, 19% of voice self-service is handled through automated speech recognition, rather than touchtone IVR, up on last year's figure of 11%. 90% of self-service interactions in small contact centers are through touchtone IVR, with automated speech recognition becoming increasingly widely-used in larger operations, with 25% of self-service interactions in medium-sized contact centers and 22% in large operations being through ASR. This is a clear example of how the more expensive and complex ASR applications are more likely to be used by those with the resources to implement and support them, but also are operations that can really benefit from the power and flexibility that automated speech recognition can bring.

Figure 105: 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
Public Sector	100%	0%
Retail & Distribution	100%	0%
Insurance	96%	4%
Medical	90%	10%
Outsourcing	89%	11%
Finance	85%	15%
Entertainment & Leisure	80%	20%
TMT	68%	32%
Services	57%	43%
Average	**81%**	**19%**

CLOUD-BASED SELF SERVICE TECHNOLOGY THAT SCORES BIG WITH CONTACT CENTERS

IMPROVES CUSTOMER SATISFACTION & EFFICIENCY

Putting players in a position where they will best succeed is the hallmark of a good coach and a successful team. This analogy is especially true for voice self service. Hosted IVR technology can be a key contributor to an overall winning customer care strategy that improves both efficiencies and satisfaction when applied appropriately. How is this being done today?

Dialog Design

Voice User Interface designers have become laser focused on delivering caller success as fast as possible. To get the best results, leverage the design expertise of your chosen voice automation vendor. Cloud contact center vendors typically employ Voice User Interface designer expertise which can help optimize an automated interaction.

Personalization

Tailoring voice automation to every caller does not mean you need a complex system. Data derived from the ANI (Automatic Number Identifier) can be used to personalize customer voice self-service interactions. For example, VoltDelta's 511 phone-based travel and weather information platform remembers the stretch of road motorists called about, and then asks if they want to hear traffic conditions for that route which reduces call handling time.

Speech Recognition Accuracy

Beyond improvements in speech recognition engines, grammar design and associated techniques are now working to better understand what callers are saying. And they don't require the volume of expensive tuning previously needed to maintain accuracy. For example, VoltDelta's patent-pending CrystalWAVE technology uses multiple simultaneous grammars to increase comprehension, while eliminating out of context responses.

Answer Every Call

Most vendors claim scalability. However, some organizations are discovering their hosted vendor is only scalable until calls spike. VoltDelta's infrastructure processes over 2.4 billion calls per year and is especially tuned for high volume service.

Encourage Voice Self-Service Use and Reuse

One way to encourage use, and reuse, is to be proactive by contacting customers at key moments using an outbound IVR application. Examples include:

- Auto insurance companies use automated outbound calling to gather more information about a claim via a voice survey.
- Transportation companies make use of outbound calling to notify customers that their meter is about to expire.
- Banks notify customers of bill payments, low balances, or strategic opportunities, such as switching from a savings to money market account for higher yields.

Automation to Agent Integration

Efficiencies and satisfaction can be gained from automating part of the interaction, as long as the platform provides the integration necessary for a comfortable transition from automation to agent. Many hosted solutions support both channels, but lack a truly converged approach. Efficiencies and cost savings are realized when:

- Agents hear a recorded keyword or phrase that occurred in the voice automated channel prior to receiving the customer's call, so she is not asked to repeat information.
- The automated system sets a caller's expectation by informing her that an agent will need additional details, such as an account number, to complete a transaction.
- Calls are recorded as a unified experience through any transfer, along with capturing a video of the agent's screen.

To learn more, download the complete whitepaper at
www.voltdelta.com/agent-to-automation

CASE STUDY:

AccountNow

Challenge

AccountNow, Inc., a leading provider of financial solutions for consumers who choose not to have traditional banking relationships wanted to upgrade their customer care platform to more quickly and effectively engage with their customers. Their goal was to:

- Ensure every call is answered during peak calling spikes which is typical of this business.
- Increase self service rate so that agents only need to resolve more complex issues.
- Integrate self service with the ACD channel which must have intelligent call routing features to support several remote agent locations as well as provide agents with information on what transpired in the IVR.

Solution

VoltDelta was selected to provide a cloud-based voice self service and contact center solution over many other vendors because of its infrastructure stability and massive scalability needed to support their customers. The automation and agent integration inherent within the VoltDelta platform enhances their agent support with hosted intelligent call routing and queue management features.

Results

- Answers every call which quadruples during peak calling times.
- Over 90 percent of calls are successfully resolved in the automated system without requiring live agent interaction, allowing the agents to focus on customers in need of more specialized assistance.
- Centralized management with tight integration of the voice self service and ACD channels improves customer satisfaction while delivering operational efficiencies.

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.

It's no use trying to shift every customer service interaction onto IVR self-service, as if customers don't want to use IVR, they will "zero-out" (press 0 for a live agent) straightaway. And if you don't offer a live agent option to an irate and frustrated caller, you won't need to worry about providing customer service to them in the future. It is worth reiterating that if callers agree to try a company's self-service system rather than insisting upon talking to an agent, there is an implied understanding that if the self-service session is unsuitable, the caller should be allowed to speak with an agent. Few things can frustrate callers more than being hectored into using an unhelpful and irrelevant self-service system.

Overall, a mean average of 22% 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 a deterioration on last year (13%).More worrying is the distribution of these statistics: 1st quartile performance for 'zeroing-out' is 5%, the median is 18% and the 3rd quartile is 35%, which indicates that there is a general dissatisfaction with self-service this year, and that many operations have play rates much lower than in past years. This statistic will be tracked to see if it is structural to the industry: at the moment, it is too early to say.

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, which is the case to a small extent:

- In contact centers where the majority of self-service is offered through speech recognition, the mean zero-out rate is 19%.
- In contact centers where the majority of self-service is offered through touchtone, the mean zero-out rate is 23%.

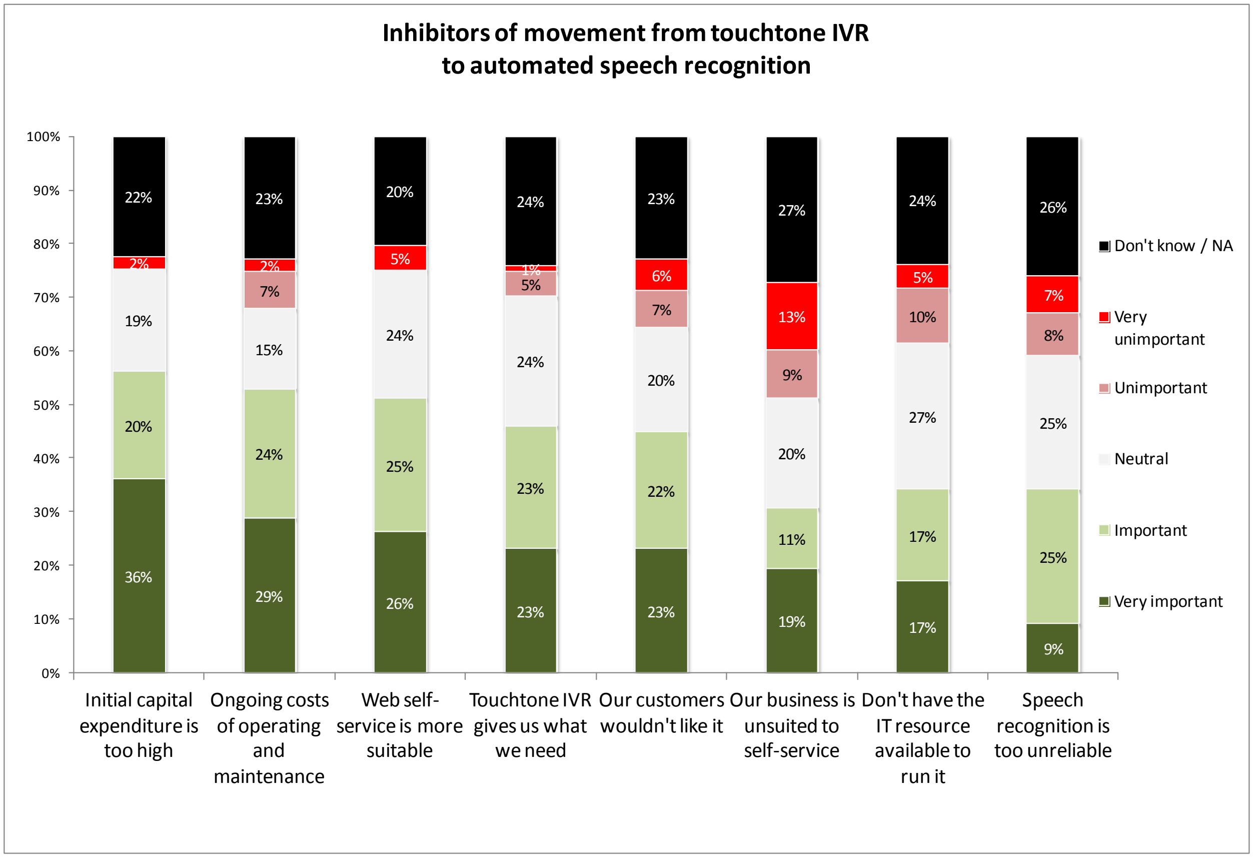
Cost differentials in self-service and live voice support

- The average cost of a live telephone call varies considerably, but has a mean average of $7.76.
- Respondents state that the average cost of a telephony self-service session is 98c (2011 figure)

FROM TOUCHTONE IVR TO AUTOMATED SPEECH RECOGNITION

Respondents were asked to give their views on some of the issues that impact the future uptake of automated interactions.

Figure 106: Inhibitors of movement from touchtone IVR to automated speech recognition



In previous years, the main issue that held back speech-enabled self-service was that their business wasn't really suited to automation. However, previous research has shown that more than half of the contact centers that offer no full self-service options today could see some benefit in automating at least a small part of their processes.

As such, there are likely to be issues around expenditure, operational costs and customer reaction to address for these potential users of self-service. Respondents are more concerned than in past years that they do not have the in-house IT resource to run automated speech self-service, and many thought that the ongoing costs and effort would not be worth it. However, the biggest inhibitor was the initial investment, which could be alleviated through a hosted model. 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. After many successful implementations, respondents still thinking that ASR was not yet up to the job technically were fewer than usual.

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Advances in speech recognition and associated techniques have made it possible for more effective dialog handling without the ongoing expense and complexity associated with Natural Language Understanding (NLU) applications. These techniques help recognize caller intent with higher accuracy (especially large grammars) disambiguate between like sounding words with greater confidence and reduce tuning requirements. Use of multiple simultaneous grammars with context sensitivity, such those employed by VoltDelta's CrystalWAVE technology, means understanding what callers say more often the first time, especially for complex dialogs.

SOCIAL MEDIA

The 'customer of the future', for many businesses, is also the customer of today. Rightly or wrongly, the phrase 'customer of the future' itself creates a thought of technologically-capable, media-aware *wunderkind*, who are constantly in touch with each other and the world around them, perhaps through devices rather than face-to-face contact. A group for whom data is more important than voice, although the mobile phone or smart device has a totemic aspect and is never away from its owner. A demographic that businesses may feel will have to be addressed sometime, but not necessarily today.

This latter statement is, for many businesses, wrong. With around 30% of respondents' customers being from 'Generation Y' (roughly, those under 30 years of age), it would be the case that social media should be high on everyone's immediate agenda. Yet even more importantly, the past few years have 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 exclusively a young person's game: as Pingdom reported in 2012, around 55% of Twitter users and 65% of Facebook users are over 35 years of age.[5]

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 organizations 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.

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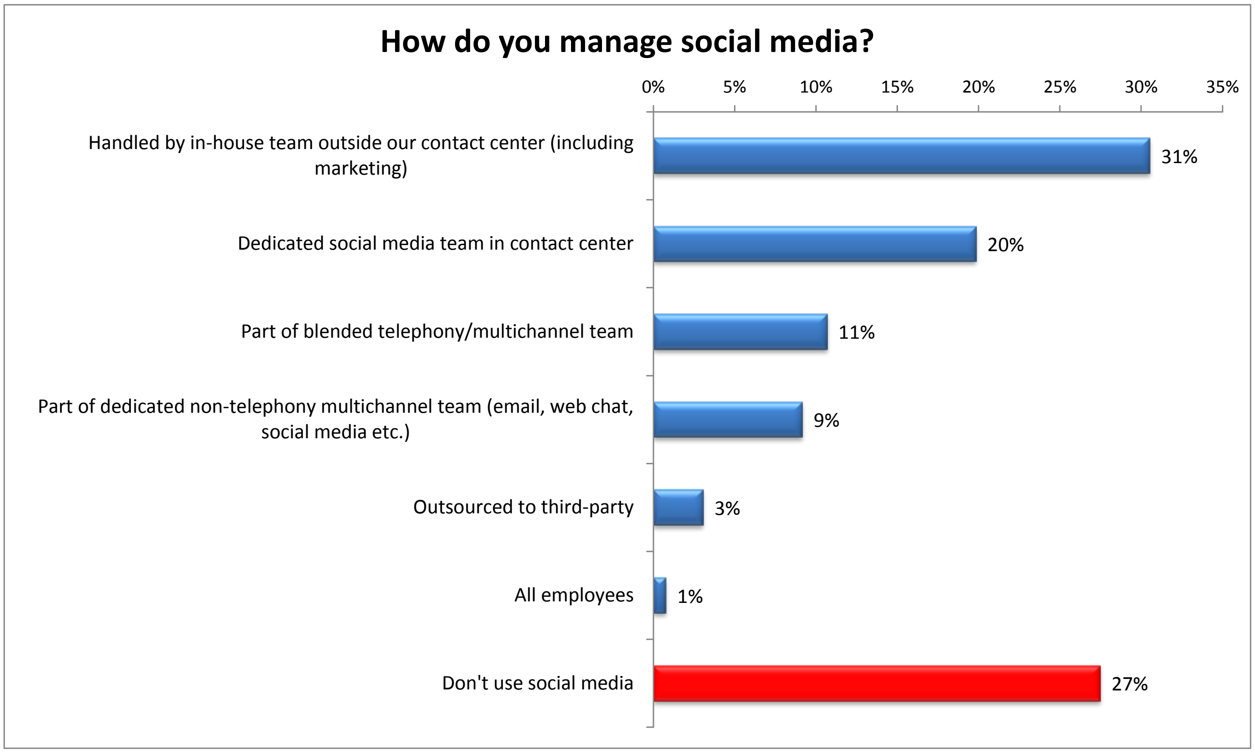
[5] http://royal.pingdom.com/2012/08/21/report-social-network-demographics-in-2012/

73% of this year’s respondents have some social media to handle (this includes those that monitor, or use it for outbound purposes only, as well as those using it as an inbound customer service channel).

Of these, 42% of businesses handle the work outside the contact center, with the second most-popular method being to have a dedicated social media team within the contact center. Very few use third-parties.

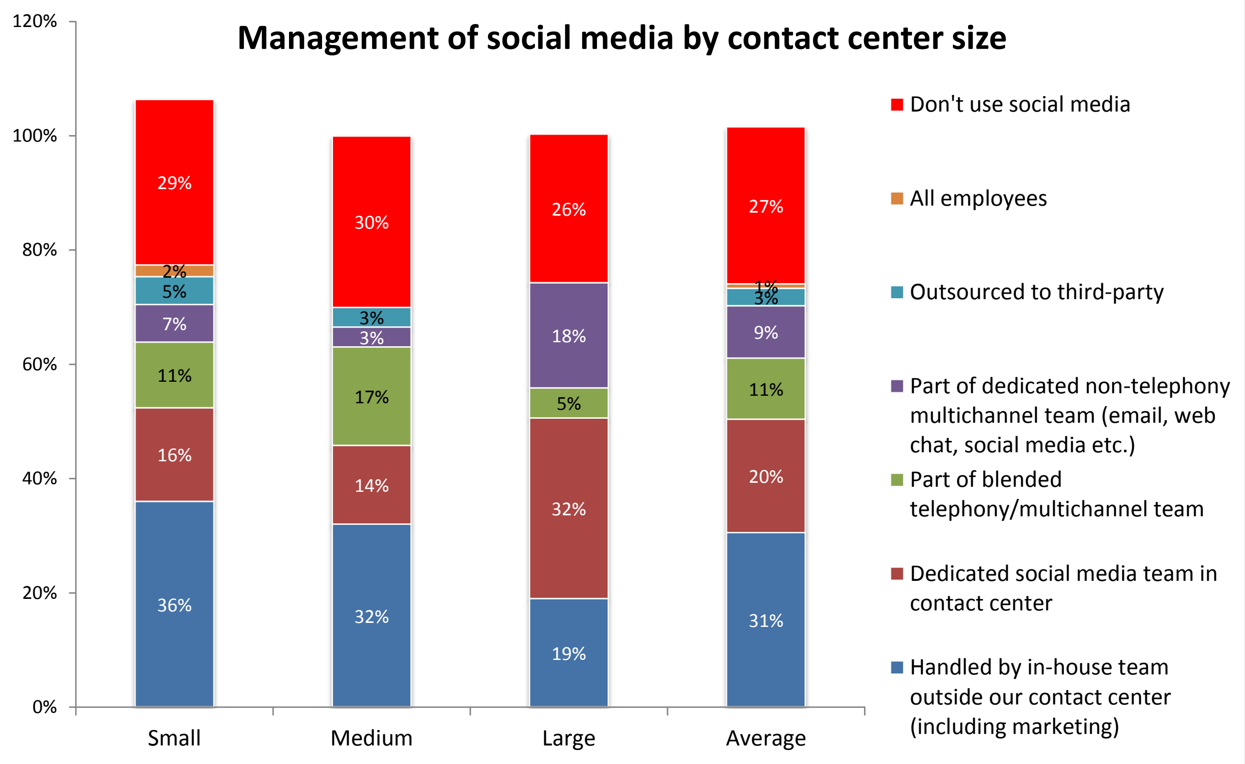
Figure 107: Management of social media



Looking at social media handling patterns by size of contact center (NB stats may add up to more than 100% as some respondents use more than one method), large operations are much more likely to handle this through a dedicated in-house team based within the contact center (either exclusively social media-focused, or handling other non-voice contacts too), whereas small and medium operations are more likely to let another in-house department (e.g. marketing or corporate communications) handle this. Small-medium respondents are also more likely than those in large operations to have a voice/multichannel blended team helping out too.

Interestingly, it should be noted that use of social media does not differ widely by size of contact center.

Figure 108: Management of social media, by contact center size



As might be expected from the previous chart, smaller operations are much more likely to have their social media owned by non-contact center departments, usually marketing. In the case of larger operations - even though 74% of such businesses actually handle social media within the contact center - only 33% of businesses give its ownership and budget to the contact center.

Figure 109: Ownership and budget for social media, by contact center size

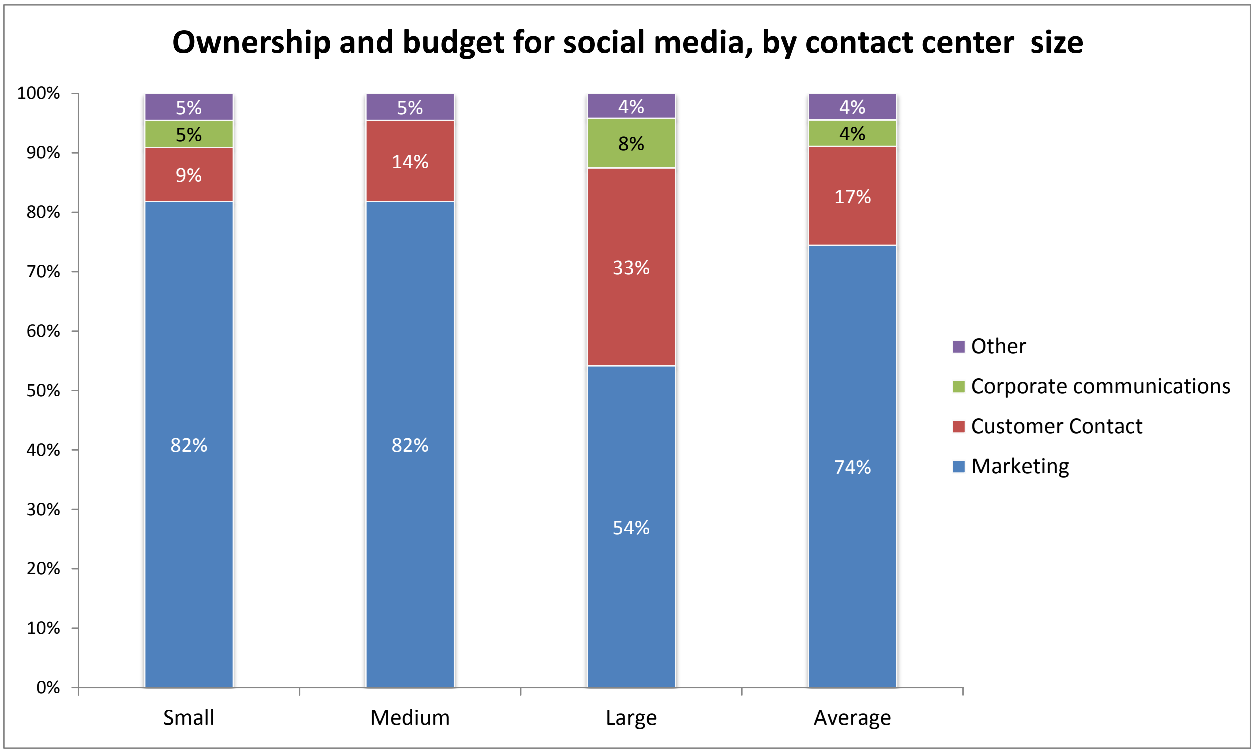


Figure 110: Usefulness of social media for business activities

Vertical market	Average score / 10	% scoring 1 or 2/10	% scoring 9 or 10/10
Monitoring what is being said about the company, products and marketing campaigns	7.4	4%	34%
Acting directly on negative comments and complaints	7.2	7%	32%
Delivering product and marketing information to the customer	6.9	9%	34%
Offering customers a fully-supported customer service channel	5.9	25%	25%
Learning more about our competition	5.1	23%	15%

The preceding table shows how useful social media is for specific business tasks and insights. The most important use is the monitoring of what customers are saying about the business and its products, with 34% of respondents that use social media for this scoring it at 9/10 or 10/10. As this is a relatively easy use of social media, this is perhaps unsurprising. However, few find monitoring competitive information to be a valuable use of social media.

However, the ability to act directly upon negative comments and complaints is seen as almost as useful, despite this requiring somewhat greater resources as the need for a rapid response is far greater than for monitoring comments which aren't directed at the company itself.

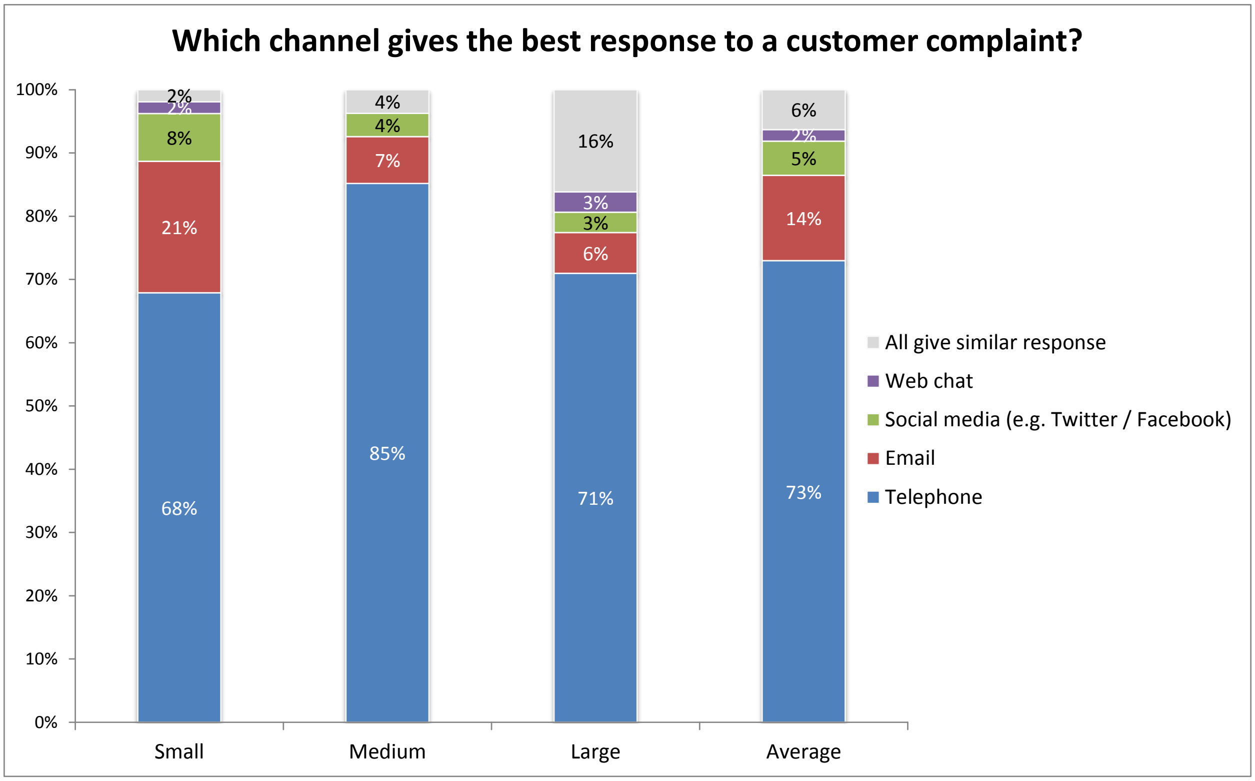
Social media as an outbound channel – providing product and marketing information – is also widely used, and includes tailored delivery of information specific to a customer, as well as generic advertising.

Interestingly, the ability of social media to act as a fully-supported customer channel seems to have dropped this year, with 1 in 4 respondents stating it was virtually useless (against 14% in 2012), with the same proportion believing it very useful (down from 33% last year). This may indicate what many customers have experienced already - that most companies are not fully geared-up to providing customer service via social media with anywhere near the same quality as via telephony, or perhaps even email. This is not surprising - for some companies, taking sufficient people out of the frontline to deal with social media can weaken their bread-and-butter voice operation. As responses to social media queries are by their nature public, the quality of agent dealing with these tends to be very high, exacerbating the potential problem. There are even anecdotal tales told of savvy customers who, knowing that their public complaint or issue will be dealt with quickly, prefer to go straight to a social media channel rather than wait in a telephone queue, the reality of which the next chart addresses.

Despite the public nature of social media, most respondents do not believe that this channel does in fact produce a knee-jerk reaction to complaints, with only 5% saying that a customer complaining on social media would get a better response than elsewhere.

We might expect respondents to answer diplomatically that all channels give a similar response, but the reality is – as most customers already know – the telephone channel is still most likely to give the best service.

Figure 111: Which channel gives the best (i.e. quickest and most thorough) response to a customer complaint? (by contact center size)



THE MOBILE CUSTOMER

According to Pew Research Center, 45% of Americans have a smartphone[6], with the figure for 18-29 year-olds being 66%. This means that a large proportion of customers want to contact businesses through these devices, whether via the telephony element of the device, or possibly more likely at first, via the company's website. Taking into account the use of tablet computers and handheld games consoles to access the Internet, and the 'mobile channel' may actually be the first port-of-call for many customers, especially those in the younger demographics.

Research from Limelight Networks[7] shows that 80% of customers who have a poor experience with shopping on a mobile site will abandon it: some intend to return via a PC, 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."

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Businesses serving the mobile customer also recognize there is room for improvement in providing mobile customer service. A recent study conducted by an independent market research firm on behalf of Oracle Corporation[8] found that businesses are falling short on delivering the mobile experiences that customers want after they become customers. Only 39% of global business executives said that providing service and support through mobile and tablet devices is an area of success for them.

Those same global executives identified improving the online customer support experience and improving the online customer purchase experience as their second and third priorities for customer experience technology investments over the next two years. The top priority is improving the cross-channel experience. Planned investments in mobile apps topped the list for technology spending in both pre- and post-sales phases of the customer lifecycle.

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

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[6] http://pewinternet.org/Infographics/2012/Our-Smartphone-Habits.aspx (September 2012)
[7] http://blog.limelight.com/2011/11/new-stats-show-how-critical-the-mobile-experience-is-for-e-commerce/
[8] Oracle Corporation, "Global Insights on Succeeding in the Customer Experience Era," February 2013.

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*RightNow (acquired by Oracle in March 2012) and Harris Interactive, Customer Experience Impact Report, Dec 2011

Mobile websites:

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

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 minimizing 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.

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 consider offering a seamless route from self-service into supported service, via email, web chat or telephony.

It is very beneficial to understand why customers are using 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 high-volume interaction types.

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Oracle sees this need for anytime, anywhere service in its customer base. Bank customers applying for loans will use PCs when they are researching and selecting loan offers. But when they need simple answers, such as the due date for their loan payment, they want that information at their fingertips on their smartphone.

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. Currently, 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 product only two flavors of app, which would actually support over 85% of the smartphone user market.

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[9] 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.

Industry estimates for building an app vary considerably depending on what they are trying to do, but many sources indicate that a cost of $30,000 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.

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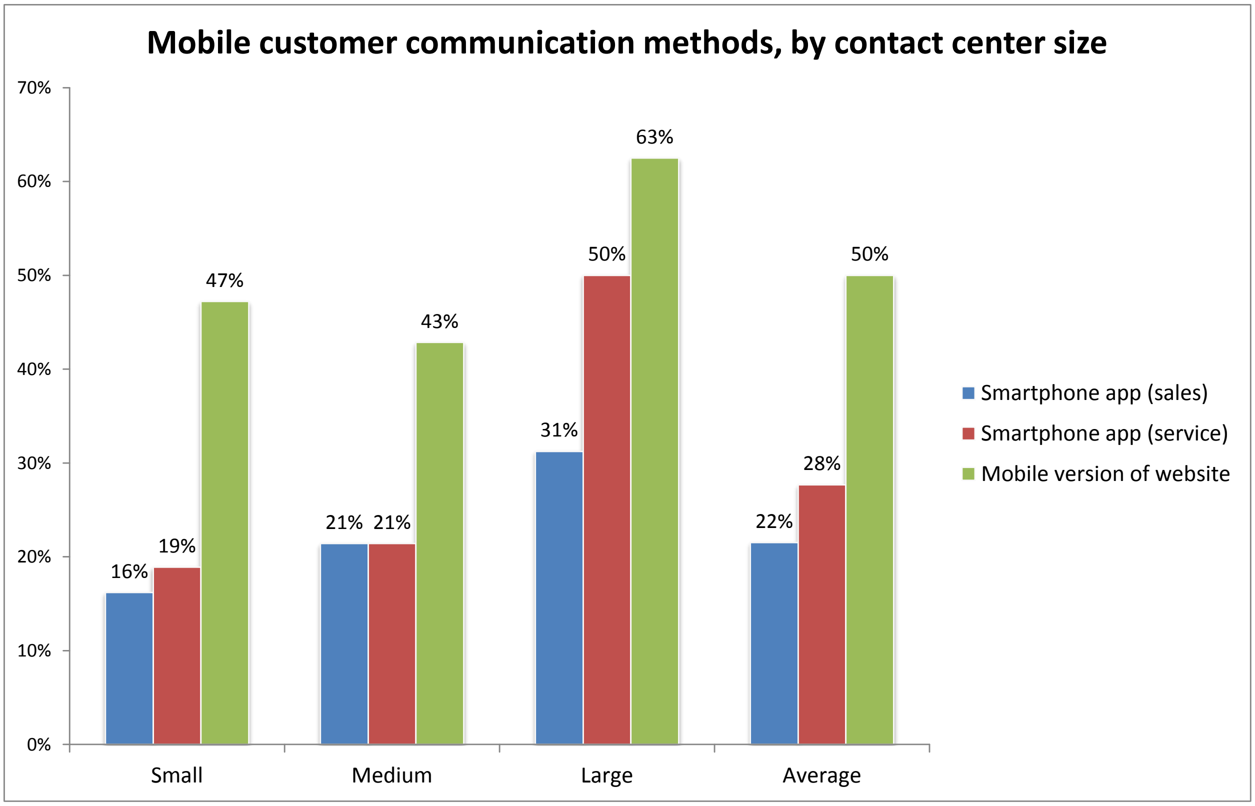
[9] http://www.naic.org/Releases/2012_docs/wreckcheck_mobile_app_auto_accidents.htm

As the following chart shows, half 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.

Figure 112: Mobile customer communication methods (by contact center size)

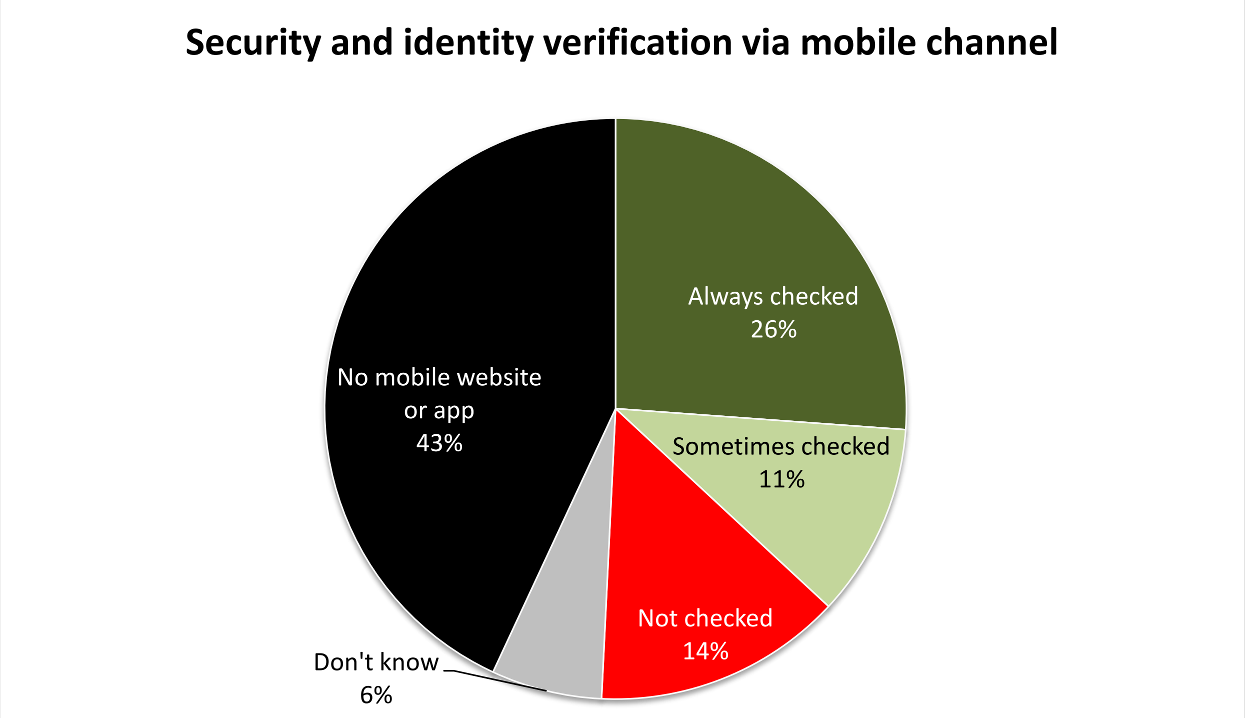


However, fewer than 1 in 4 respondents have a dedicated smartphone app, either for sales or for service, although larger businesses were far more likely to have both, especially for service. This is likely to go a function of cost and budget, and also because smaller companies are less likely to get the numbers of downloads necessary to make this an economic success for them.

Earlier in this report, it was found that 61% 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 less, with 26% of respondents stating that users always have to identify themselves, with 11% requiring this only for some interaction types and 14% never doing so.

Further evidence for this difference is found when looking at the proportion of respondents that require at least some level of identification. Only 18% of respondents never use identification checking via the phone channel, compared to 27% of those that use mobile channels and that can answer the question fully. This suggests that identity verification via the mobile channel is not as widespread as via the phone channel, and that consequently, there will be some types of interaction that require security measures which the mobile channel simply cannot handle today.

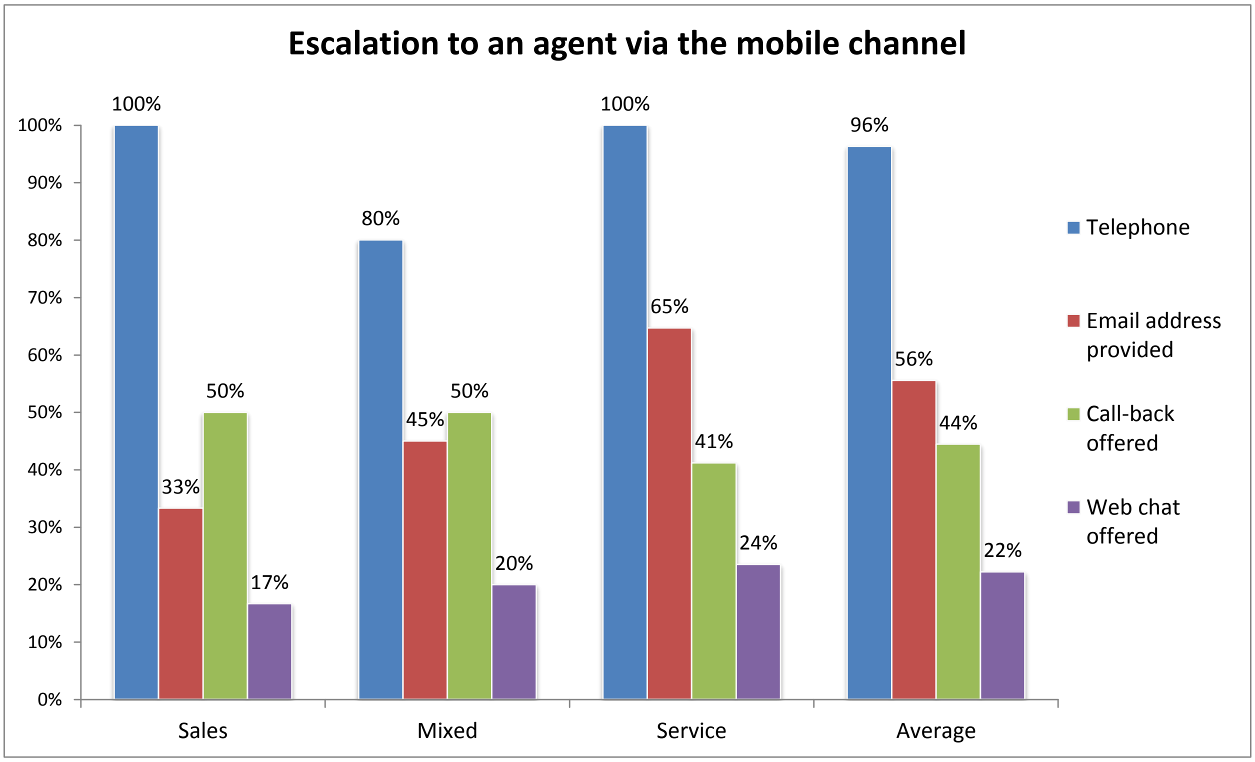
Figure 113: Security and identity verification via mobile channel



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.

Figure 114: 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, and 96% of respondents do so. In the vast majority of cases however, the user/ customer must start again from the beginning, as respondents will not credit the security and identification process that the customer has already been through, 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.

Providing an email address is the second most popular escalation method, which 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.

44% of respondents using the mobile channel state that they offer scheduled call-backs to customers. While this is a positive and pro-active 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.

Only 22% 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, using typing rather than speech). 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.

A small minority of respondents state that on escalation, an agent is provided with some information about the customer, most often the customer's name and account information, rather than anything more closely linked and relevant to what the customer was trying to do, and where they are currently located. In reality, this information will rarely be 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 115: What information is passed to an agent after escalation from the mobile channel?

Is this information passed to the agent from the mobile channel?	Proportion of respondents
Customer name	23%
Account information	21%
Customer location	18%
Browsing history	13%

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The company's legacy contact-center system lacked the efficiency and agility to allow instant reactions to customer needs, making it difficult to deliver superior care across multiple channels and brands. In addition, Travelocity needed a system that would provide the reliability and scalability to grow its business globally.

THE SOLUTION

The company implemented Oracle RightNow Cloud Service to provide a global contact-center solution to support more than 2,000 agents worldwide, working in nine languages. The agent desktop solution changes dynamically to provide accurate, contextual information when and where it's needed. E-mail management triages more than 100,000 e-mails each month to ensure all customer issues are dealt with quickly.

Web self-service gives Travelocity's customers round-the-clock access to up-to-date information from a comprehensive knowledge foundation, with updates applied across all the company's sites instantaneously.

THE RESULTS

- **Faster information:** providing up-to-date information to customers with a global knowledgebase of more than 4,000 answers, as well as instant access for agents to accurate, relevant data for every customer.
- **Greater customer satisfaction:** first-contact resolution for e-mails is 90%, and a new Travel Alerts service allows Travelocity to update its customers within minutes of a travel-related event occurring— cutting contact-center call volumes and hold times.
- **Improved reliability and scalability:** a unique cloud-delivery model removes the costs of software ownership and development, while providing the dependability and support to allow Travelocity to focus on growing its business rather than on IT systems.

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VIDEO AND IVVR

Away from the mobile self-service options that are opening up, some solution providers see video agents as a step towards more personalized, high-quality customer contact. The customer will be able to see to whom they are talking, through a multimedia PC, interactive digital television or mobile device, assuming the broadband requirements are met.

There are a number of cultural and business issues to consider:

- Customers may prefer the impersonality of non-visual contact, and may be uncomfortable with the agent seeing them in a domestic environment, which would suggest one-way video may be more popular
- Eye contact is critical for establishing trust and 60% of the communication process is actually visual. For sensitive purchases such as financial services, being able to see the financial advisor can help to establish trust and put the customer at ease. The entire contact may be captured and distributed electronically for further reference
- Verbal abuse, a major problem for some agents, may decrease in a virtual face-to-face setting, however, agents may feel their privacy is decreased if they are on camera, especially one-way, and the incidence of disturbing crank calls may increase
- The contact center environment will need to be altered to impress the customer, and voice agents will need to be trained in visual communication.

This application has potential, especially in a sales environment, and with technical support, where the agent show the customer what they mean. Various businesses – usually banks – are already using video kiosks to offer virtual branch banking services in areas where physical branches have closed. Currently, customers are more likely to find that video is not being used to show a company’s agents in a live environment, but as part of a supported multimedia service experience, with the agent sending relevant recorded video clips either via chat or email.

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 center, or as part of a full video contact center where callers and agents can see each other.

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 personalized 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.

On moving from self-service to assisted service, mobile service applications must 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 even better customer experiences where possible and desirable.

SMS and outbound calling also offer opportunities for businesses to deliver proactive customer service through the mobile channel, creating a positive attitude towards this new channel. 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.

Organizations able to help with New Media and the Customer of the Future:

Avaya is a global provider of business collaboration and communications solutions, providing unified communications, contact centers, networking and related services to companies of all sizes around the world.

Calabrio powerfully redefines workforce management with software that is intuitive, flexible and hassle free.

CallCopy's innovative call recording and contact center solutions empower organizations to gather business intelligence, which can be leveraged to maximize operational performance, reduce liability, achieve regulatory compliance and increase customer satisfaction.

CommuniTech Services can help you with a game-changing SAP Contact Center solution to deliver a great customer experience.

Quick to deploy, full featured and fault tolerant, the Connect First platform is suited for inbound, outbound and blended contact centers: whether for single or distributed operations, it offers advanced features found in million-dollar on-premises systems, while at the same time delivering the flexible deployment options that only a SaaS offering can deliver.

Enghouse Interactive delivers flexible and scalable solutions that will meet a company's communications needs across their organization, including: multi-channel contact centers, IVRs, operator consoles, call recording and quality management, and integration & optimization solutions.

Eliminate major call center complaints and protect your reputation by allowing your customers to navigate your phone menu with one click.

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SHL, the CEB Talent Measurement Solution, helps you find the right candidates to fill call center roles, from entry level positions through identifying managers and leaders.

UTOPY, which was recently acquired by Genesys, unifies the voice of the customer and analyzes agent performance across all channels of contact (including new media channels such as social media, web chat and email as well as phone) using the only completely integrated multi-channel Interaction Analytics platform.

VoltDelta OnDemand delivers exceptional customer care with cloud-based multi-channel contact center solutions.

INCREASING PROFITABILITY

Not only are contact centers 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 maximize profitability has made many businesses look at whether their contact centers can add more to the bottom-line. Although much responsibility for revenue generation lies with senior management, production and sales divisions, the contact center also has an important part to play in maximizing 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 centers new financial and operational options which can make a very significant difference to the bottom-line.

CRM & PROFIT MAXIMIZATION

CRM is not a technology, or even a group of technologies. It is a continually evolving process which requires a shift in attitude away from the traditional business model of focusing internally. CRM is an approach a company takes towards its customers, backed up by thoughtful investment in people, technology and business processes. Focused upon the idea of keeping and growing the existing customer base, the concept of CRM contains everything that all businesses need to succeed.

Customer:

> All businesses, when they first start, strive to focus upon the needs of their customers. As businesses get larger and more complex, they become more inward-looking as they try to cope with their internal issues. Often, the customer gets treated as an afterthought. With CRM, one goal is to make the individual customer become important once again, at an acceptable cost to the company.

Relationship:

> Until relatively recently, it was impossible for large companies to form relationships with customers – with a customer base of millions, how can a company know their preferences or dislikes? This is an area where technology can help businesses build lasting relationships with customers, to keep them loyal and increase their value to the company.

Management:

> Realistically, businesses are not implementing CRM because they have had a change of heart and decided to be nice to the long-suffering customer. Loyalty equals profit: both customer and business gain from it. The “management” part of CRM demonstrates that it is the business which ultimately controls the relationship with the customer: it provides the right information at the right time; it offers the right price to keep the customer happy enough to stay; it anticipates what else the customer would like to buy, and understands why.

The business objective of CRM is to maximize profit from customers, as a result of knowing them, treating them well and fulfilling their needs. As such, increasing ongoing sales from the existing customer base is one of the most important results of a CRM strategy.

Sales force automation, customer contact solutions, multimedia routing and data management tools have all been claimed as being the key to a business’s CRM solution. While these are all useful and reliable aids to a business, none of them on their own are CRM solutions. As before, this is for a very simple reason: CRM is not just about technology.

Instead, try to think of CRM as a holistic approach to refocusing your business on customers, rather than on the internal structure of your organization. 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 fulfill 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 center 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 center at the heart of any improvements they make to their operations and their CRM strategy. CRM is about increasing revenues and growing the business aggressively, through influencing and matching the needs of the customer in a timely manner.

While CRM is not a technology, few companies can re-engineer themselves to be truly customer-facing without providing their business and staff with the tools they need, such as real-time information about customer history and preferences, routing technology which puts the right call through to the right agent at the right time, and the ability to be able to help the customer immediately, even with complicated matters.

Cross-selling and up-selling have been major sales strategies since commerce began, but it took the advent of CRM to get businesses firmly focused on them.

One definition of up-selling is that it is the process of offering a customer who just placed an order, either a bigger or better deal on a more expensive item than that which they have just bought. This also includes the process of "accessorizing", 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 centers away from a being a service-based cost center to becoming a sales-focused profit center: cross-selling and up-selling have become crucial to the business.

Figures for successful cross-selling and upselling conversion rates are difficult to come by. The question was asked in this year's report, but so few respondents are able to give an exact, meaningful figure that any detailed segmentation would be misleading. Of those industries that provided enough answers, the outsourcing sector claims a 26% conversion rate (median 18%), services 18% (median 12%) and TMT 19% (median 20%).

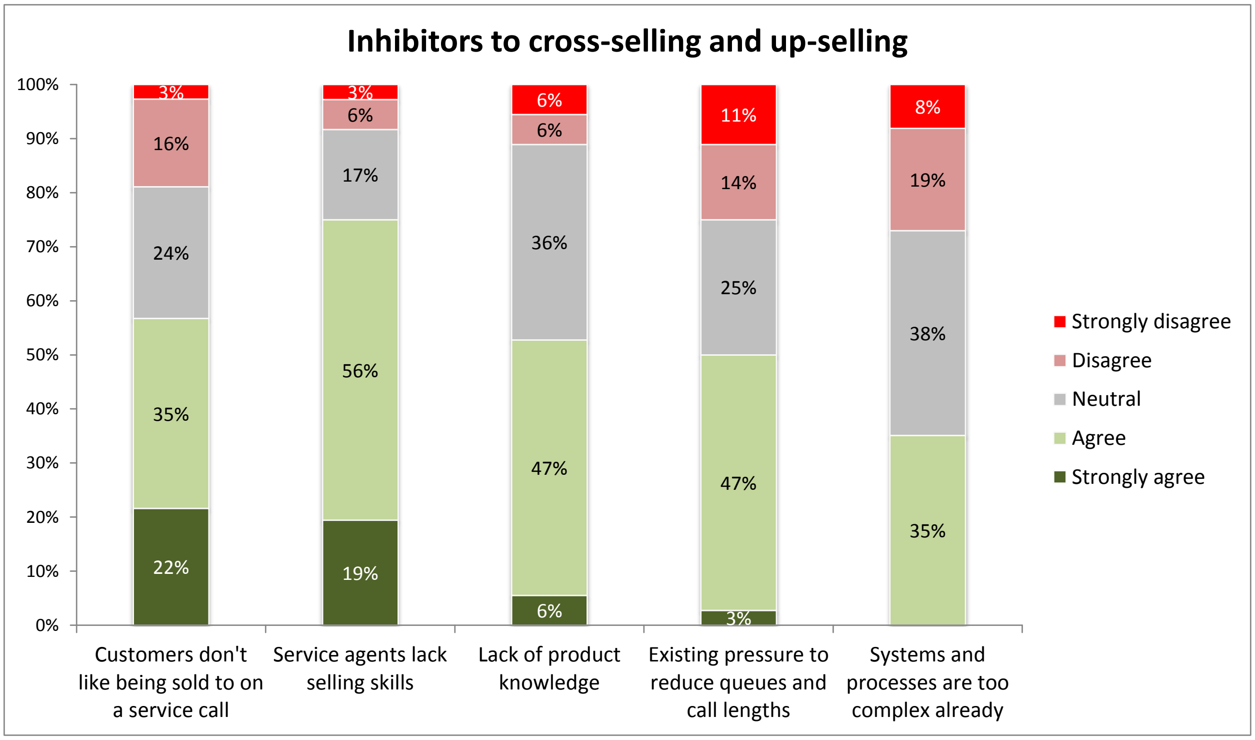
The industry mean average was 20%, the median 17%, with 1st quartile 24% and 3rd quartile 5%.

Finance respondents have the greatest proportion of service agents able to sell opportunistically, with the outsourcing, services and retail sectors also geared-up to achieve extra sales. From very low levels, the insurance and TMT sectors are most likely to feel that their cross-selling and upselling activity could be increased further.

Figure 116: 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
Finance	75%	85%	13%
Retail & Distribution	65%	75%	15%
Services	54%	60%	11%
Outsourcing	48%	50%	5%
Medical	44%	49%	11%
Entertainment & Leisure	35%	50%	43%
Manufacturing	30%	35%	17%
TMT	30%	45%	50%
Insurance	16%	24%	52%
Average	**43%**	**52%**	**21%**

Figure 117: Inhibitors to cross-selling and up-selling



With 75% of respondents agreeing (whether strongly or not), the greatest inhibitor to increasing the amount of cross-selling and up-selling was once again the concern that service agents do not have the necessary skills of sales agents. It is a debatable point whether this is a matter that can be rectified with training, or whether it is a deep-rooted truth that a service mentality excludes sales. While the latter point is certainly true for some agents, for most a successful transition into sales mode depends upon having the confidence that the system and their own knowledge will support them in this uncharted territory, and that they are in fact, servicing the customer at the same time, by offering products and services that are relevant and helpful. It is up to the contact center 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.

57% of contact centers – an increase on last year - say that customers dislike talking off-topic, and here is a clear case of one size not fitting all. Cross-selling and up-selling is far better left to the end of a conversation which has gone well, rather than any where the customer is clearly disgruntled or even in a hurry. Agents have to be trusted to use their experience and intuition to judge whether to start a sales conversation, although of course supervisors have to make sure agents push themselves as well. There is also the fact that some customers are very aware that they are paying for a call, and trying to sell them something and make them pay for the privilege of the time spent doing so is seen by many to be negative. Of course, offering a toll-free number takes this element away.

53% of respondents cite a lack of product knowledge as being something of an inhibitor (similar to last year), a matter that can be addressed through training, but also through offering support systems such as dynamic scripting within the conversation, and also being more realistic with the number of products on offer through cross-selling and up-selling.

50% of contact centers 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).

Only 35% of contact centers believe that their environment is so complicated already that they can't carry out additional sales work (similar to last year). While this is a minority, it is still a missed opportunity for businesses - which should certainly be addressing the underlying systems as well as the presentation layer - as effectively their systems and procedures are stopping them from moving their business forward.

CLOUD-BASED CONTACT CENTER SOLUTIONS

Building an effective contact center 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. Recent years have seen 'cloud' as a technology deployment become more than credible, driven in large part by the success and wide uptake of CRM solutions such as Salesforce.com. The contact center 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 via hosted or network-based means 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 business, organizations 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, and Software as a Service (SaaS) - the functionality of software available on demand without the need to own or maintain it. The Cloud is characterized 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 organization, whether managed internally or by a third-party and hosted internally or externally. They require management by the organization 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 organizations 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 utilizing "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 the hosted solutions is generally provided by fixed access links installed specifically for the purpose, but can also be via connecting to existing private WAN networks.

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While cloud-based solutions do indeed share common equipment to deliver value to subscribers, many have been misinformed that multi-tenancy is their only option, or the best option.

In fact, customers tell us one of the primary reasons they initially hesitated to move their contact center to the cloud was because of their lack of faith in these multi-tenant architectures — there was no way they were going to share an application with others when it came to running their mission critical business, nor were they willing to accept the practical limitations associated with doing so.

Security concerns are an issue that multi-tenancy can amplify, but the good news is that the word is getting out that companies like Interactive Intelligence are offering an alternative "multi-instance" approach, leveraging virtual server technology from the likes of VMware and Microsoft to enable customers to run each of their individual contact centers on separate virtual instances of the application.

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

CLOUD-BASED
COMMUNICATIONS

There are a lot of good reasons to consider the cloud. Increased flexibility. Faster deployment time. Minimal upfront capital expenses. Reduced IT requirements. But selection of the best contact center cloud vendor is the make or break decision. The Communications as a Service offering from Interactive Intelligence is used by some of the most well-respected companies around the world. Our cloud solution provides you the high levels of security you require, with the level of control you determine, and the ability to move to on-premise if your business needs ever change. Moreover, you have access to the broadest set of applications available, with the ability to move as rapidly as you'd like. Good reasons to trust the Interactive Intelligence cloud.

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CONTACT CENTER • UNIFIED COMMUNICATIONS • BUSINESS PROCESS AUTOMATION

Cloud-based or On-premise

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 center - 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 center functionality and are interested in acquiring a complete solution as a service
- Businesses needing contact center 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 centers need to get the most value from each customer interaction and maximize the potential of every call.

Many contact center systems can route calls by agent group or individual skills generally. However, there is also a need to route by the customer value involved: some customers are worth more to the organization than others. Collecting information about the dialed number (e.g. a number only available to Gold customers) or by information collected within the IVR session means that businesses can then route the calls to low cost offices or countries.

This adds value to the business by ensuring appropriate agent gets right level of call, that customers get right level of service they need for first call resolution and cost per contact falls and makes the contact center 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.

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We couldn't agree more — customers are demanding choice and flexibility and the ability to optimize financials based on their specific requirements, constraints and choices. Customers will choose premise or cloud — one may be more optimal than the other given their business model, environment, and preferences — and if the cloud is selected, one of the three deployment options outlined later in the paper will then be selected. What makes it really interesting is that customers are now also choosing to *migrate between* cloud and premise environments to respond to changing business needs, presenting a whole new level of financial flexibility and investment protection not previously recognizable.

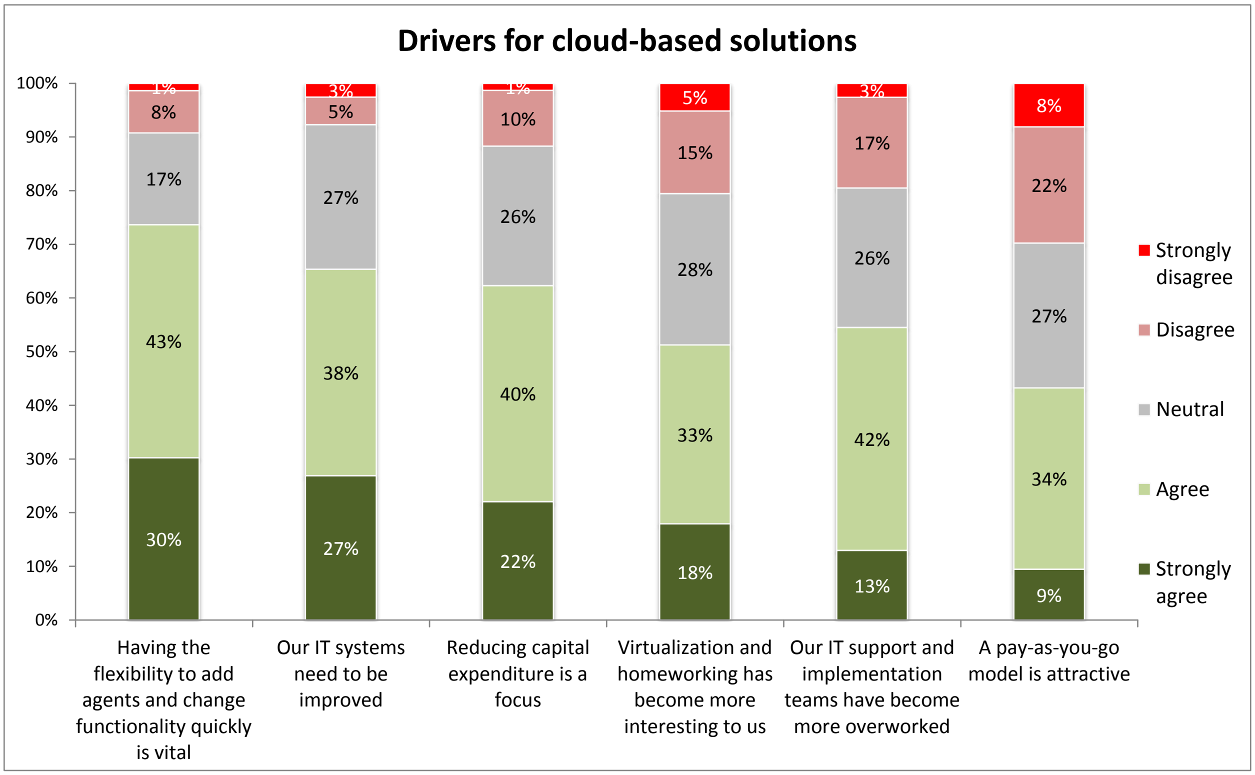
The bottom line is that a successful cloud solution should offer everything a business could achieve with CPE, but yet be available on a pay-per-use or pay-as you-talk basis (per minute or second / call / month, etc.), be scalable and reliable, and offer easily-added functionality if required. Offering functions on ad-hoc basis - rather than customer having to pay for them up-front and then maybe never using – is an ability offered with many cloud solutions. Customers can choose to 'turn on' functions when campaigns require, and then 'turn off' if needed. In comparison, on-site systems need all the functions installed to begin with.

While these solutions already offer some inherent benefits provided by their design - such as simpler disaster recovery planning - their providers should also have the ability to offer functionality and managed services that would not be possible with CPE: the very nature of providing a service on equipment based external to the contact center means that the real time activity of that operation can be monitored. For example, a good provider of outbound dialer solutions will be able to monitor and advise on the use, management, configuration and results achieved while using their dialer services, all in real time. As the supplier / manufacturer, they should be best-placed to supply answers, support and advice on the best configurations of the dialing platforms.

DRIVERS FOR CLOUD-BASED SOLUTIONS

In order to make a change in the way things work, there needs to be pressure exerted to make change worthwhile. After considering several potential financial and operational drivers for cloud solutions, respondents were asked how strongly they felt about a number of issues related to the choice to deploy cloud-based solutions.

Figure 118: Drivers for cloud-based solutions



The ability to improve flexibility comes out on top this year, with the opportunity that cloud solutions offer to optimize user licenses 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 after years of widespread underinvestment, which offers contact centers 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.

Opex expenditure may be easier to find than Capex for many respondents, and the emergence of SaaS in the CRM space has fueled interest in non-traditional infrastructure and financial models. Surprisingly, though, interest in the pay-as-you-go model is not particularly strong for more than half of respondents, except for those in outsourcing. 55% of respondents say that their IT staff are overworked, despite a general cut in new IT projects in the economic downturn.

A cloud-based solution can offer a significant reduction in the level of on-site support required. As more virtualization and homeworking solutions become available and more businesses actually go ahead with this, the non-centralized model is something that is being revisited on a wide scale. The flexibility of adding agents and licenses is also important to a significant number of respondents in most sectors, especially the public sector which, along with outsourcing, seems to be under most commercial pressure to improve without having the capital expenditure means to do so.

THE VALUE PROPOSITION OF CLOUD SOLUTIONS

There are several factors driving the adoption of these solutions. The first is the ‘pay-as-you-go’ financial model that allows business of all sizes to move away from high front-end expenditures in favor of a more manageable operational expenditure approach. Small and mid-size companies typically do not have the ready access to cash to make the necessary capital expenditures for expensive CPE. As a result, making the shift from capital expenditure (Capex) to operational expenditure (Opex) is especially relevant for these firms. Additionally, the pay-as-you-go model also simplifies overall cost management and business planning, making it more favorable than the Capex model. Recently, poor market conditions have affected companies and finances and some organizations that would not have previously considered Opex investments (e.g. public sector, utilities companies) are now doing so, as large Capex projects have been shelved indefinitely.

From a customer perspective, the low upfront investment, instant access to cutting-edge technology and rapid results should make the model difficult to ignore. The real enabler of the low cost model is, surprisingly, a technical one; leveraging common architecture. End-users, referred to as tenants, share server capacity in a partitioned environment. This allows the hosted provider to pass on some of the cost savings from the economies of scale realized through the use of shared resources, which is of particular interest to smaller contact centers.

For larger operations, leading suppliers of cloud-based solutions allow various types of deployment, depending on the level of control and on-premise architecture that client wish to have. For example:

- Local Control VoIP - voice infrastructure components such as gateways, media servers and IP phones — together with call recordings and sensitive customer information — remain on-premise
- Remote Control VoIP - a centralized option where all components — voice infrastructure and application server — reside in a virtual data center. Calls are routed to the data center and, once a routing decision is made, are delivered to agents, requiring minimal amounts of equipment
- Remote Control TDM - a centralized option that lets you continue to leverage your existing PBX infrastructure for delivering calls to agents, with no new on-premise equipment is required. This option is very quick to deploy and requires little to no change to the network and protects existing PBX investments.

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We are seeing a fairly even split in terms of the number of customers deploying each of the three deployment options described above, and what's really interesting is that a substantially larger proportion of the seats deployed are associated with Local Control VoIP. This is due to the fact that larger contact centers, those with hundreds or thousands of agents, require an added level of security, reliability and control that only this hybrid model can offer. One such contact center accounts for one of the larger deals in Interactive Intelligence history — a $10 million, 5-year cloud contract with a peak of 4,200 agent seats and additional opportunities for expansion.

If You Don’t Trust the Cloud, Don’t Go

Thought Leadership, by Interactive Intelligence

Security. Reliability. Functionality. Flexibility.
Most of the questions about the cloud have been answered to the point that contact centers are turning to cloud solutions en masse. Yet among certain decision makers in the business, IT, and the contact center, there are those who are still reluctant to move operations to the cloud.

“We just don’t trust it.”

Perhaps some decision makers don’t trust that sensitive customer data will stay secure. They don’t believe the cloud to be as reliable as providers promise. They don’t think companies providing cloud services are experienced or stable enough to partner with. The concerns are legitimate, and cloud service providers must be prepared to address them.

Issues such as security and reliability are vital to the cloud’s mission and a business’s success, and are always central to the discussion. This speaks to the level of trust one can expect in the service and the technology behind it. However, customers say there is more to evaluating trust. They need to know that the provider of the service has the level of contact center experience and corporate stability they expect in a partner.

> *“…customers need to know that both the service and the provider of the service can be trusted…”*

In essence, customers need to know that both the service and the provider of the service can be trusted before putting the lifeline of their business — their customer interactions and revenue stream — in the hands of a third-party organization.

Secure and reliable services
To address global regulatory and compliance issues, a cloud solution should be operated with consistent operational guidelines across multiple jurisdictions, with common security and privacy requirements in mind. It should also meet the specific security, privacy and compliance needs of the contact center and business that uses it. Additional trust stems from providers offering a single-customer, multi-instance platform that leverages virtualization technology to deliver a superior level of isolation and protection. Following security measures such as SSAE 16 best practices promotes trust, as well.

Cloud providers should base their solutions on proven technology. Offerings should come with applications built solidly on five 9s uptimes, for example, along with tiered service levels and the ability to keep the voice path local. Other trust-driving measures include geo-redundant data centers, full-time intelligent and proactive monitoring, and quick and seamless failover.

Experienced and stable providers
Cloud providers should make you smarter by bringing both a deep and broad level of experience to your team, gained through thousands of previous contact center deployments across the globe. When the provider also develops the code that powers the service, there is a major jump in the level of expertise available to customers. Some providers leverage third-party technology they have little or no control over.

The cloud space is highly fragmented. Some providers will survive and some will not, some will be acquired, and a handful will emerge as preferred providers. Thus, companies are looking for a stable partner — a public company whose sustained financial stability and growth is well documented, and who is recognized as a worldwide leader with a proven record of innovating and executing in the contact center.

Someone once said, “If you don’t trust the pilot, don’t go.” The same holds true for moving your contact center to the cloud. The good news is there are cloud providers that are proven and trustworthy. It’s just a matter of doing your due diligence to find them.

Jason Alley, Interactive Intelligence

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For more information on the cloud-based contact center solutions from Interactive Intelligence, visit us at **www.inin.com** and **trust.inin.com.**

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 specialized 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 business far greater overall capacity that would normally be provisioned with onsite CPE equipment. There are invariably transient periods where dialer equipment will calculate that it should be making more calls than there are phone lines provisioned, however the shared services approach means that providers may permit these higher demand periods to be serviced. This feature can save critical agent time and improve the consistency and overall performance achieved by the dialing solution
    - Business are able to reduce associated infrastructure Capex and Opex costs, such as telecoms requirements, as only one PSTN line per agent is needed for outbound & inbound campaigns. The overcall is carried out in the network and only live calls are placed to the agent, therefore the telephony line and terminating equipment costs are reduced
    - 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 center 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 center

  - 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 have continually to enhance and develop their services which bestows a competitive advantage to business users who can deploy the latest technology and the often inherent advantages of improved functionality, service and reduced costs, through their contact centers. In effect, a cloud solution removes the technology stranglehold experienced by many contact centers with CPE and allows them to concentrate on their core business.

- Maximize existing resources:

  - Cloud solutions enable a business to make the most of their existing call routing infrastructure. By holding the calls in the network and allowing unlimited database lookups, the solution maximizes CPE resource usage and improves routing accuracy: the call is transferred only when the correctly-skilled agent becomes available

  - Cloud solutions permit a substantially reduced telephony and switch infrastructure. ACD functionality is controlled via the network and inbound calls are routed through a variety of selected rules and then using a script application ‘pops’ the agents screen with all information collected from the call.

- Disaster recovery (DR):

  - Ensuring business continuity during outages, facility emergencies and inclement weather is a critical requirement. The cloud contact center models ensure business continuity by enabling agents to be connected to the technology platform and necessary applications from anywhere with Internet access. Even in an outage, companies maintain the ability to service and sell to the client base, undermining what could otherwise be a disastrous situation resulting in lost revenue, dropped calls and negative customer experiences

  - 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
  - Cloud solutions can provide back-up disaster recovery protection to centers with on-site CPE, as reserve protection - although indeed, a good solution provides a high level of disaster recovery integrally, meaning clients should not require additional disaster recovery cover.
- Improve agent morale and availability:
  - Hosted self-service options such as IVR and voice portals mean businesses can save money through not having to employ line receptionists to route calls. Self-service also frees up time which would otherwise be taken up with answering repetitive questions, improving the happiness of your agents, which goes some way to reducing staff attrition
  - Real-time monitoring across multi-sites (and home-workers) allows identification of contact center 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 center.
- Expand/move/increase or try out new functionality without the high initial set-up costs:
  - Using a pay-per-use model allows businesses to start a contact center or move at low risk or increase for a temporary campaign or try out new functionality without having to spend excessive amounts of time and money first. This is especially the case with speech recognition which can be a very expensive solution to implement
  - Pay-per-use or pay-as-you–talk tariffs also allow cost-effective coverage of peak loads and overflow based upon seasonality.
- Take steps towards a virtual contact center:
  - Cloud solutions support virtual contact center functionality, including real-time monitoring across sites, sometimes even at an agent level, critical to promote 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 centers want to be able to gear up and down to suit business demands and cope with peaks and troughs without unnecessary expenditure, and with cloud-based solutions they can do this on a daily basis, instead of spending on capacity that they may not use for months
  - Network access to real-time reporting allows the ability to see performance across multiple sites down to campaign-, sale- and even agent-level.
- Keep a consistent feel to the business:

- Self-service and call routing scripts are held centrally, managed from a single interface, so that any changes can happen quickly and consistently
- Network systems can have the dialer 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 center. The network provider is incentivized to ensure that the center is working at optimum productivity levels, unlike on-site providers.

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 center 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 center.

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, and there is no reason a good provider does not offer remote web-based access to authorized 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 in between the contact center and the dialer solution provider to ensure the system is efficient, and is configured to operate at the optimum level, as this benefits both parties. This support offered by cloud providers is an essential factor in the decision-making process for businesses, and is vital to driving the non-CPE industry forward.

CHECKLIST WHEN CHOOSING A CLOUD SOLUTION

Vendor background and experience

- What is the company's history and experience in contact center operations?
- Can the company provide references and implementation examples?
- How many contact center seats are currently in production?

IT considerations

- Is there additional hardware or software to install on-site?
- What bandwidth and reliability issues should we address with our ISP?
- Are there additional costs required to integrate existing back office applications?
- What kind of resources & skill sets will I need to commit to the project, and when?

Network/hosting environment

- What reliability parameters are included in the Service Level Agreements?
- How can you maintain control, minimize business risk, & maximize service quality?
- How does the company address security and privacy concerns?
- How is your data separated from other clients' data?
- Do you provide 24x7 monitoring and support?
- What backup/disaster recovery procedures are in place?

Implementation expectations

- How long is the training cycle and is it administered on-line?
- Are there additional support and service expenses?
- How long and complicated is a typical implementation?

Data Access

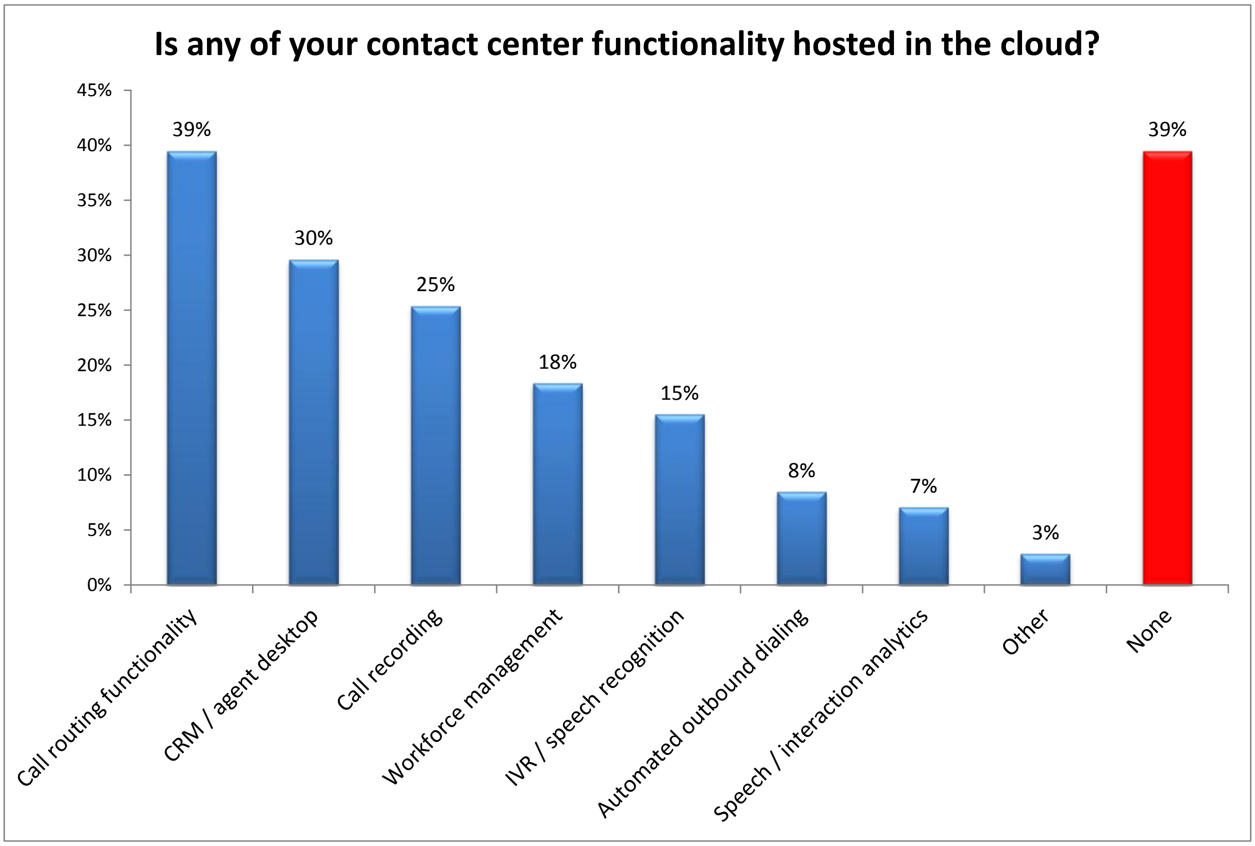
- Can I access my data outside of the provided contact center application (e.g. sales or marketing queries and reports)?
- How does the vendor return data to you at the end of the hosting agreement?
- How do I integrate my local data and applications?

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).

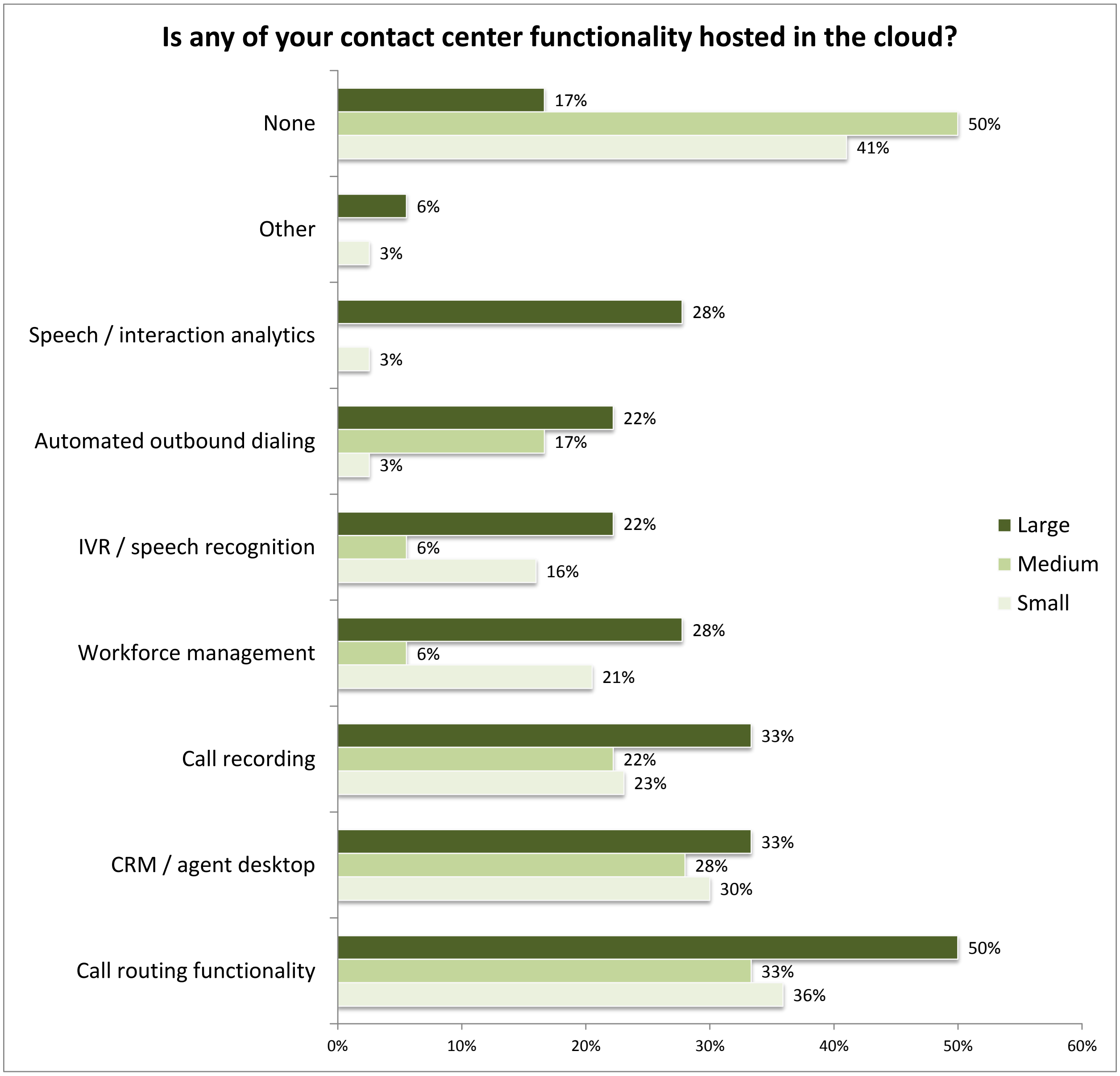
CRM and call routing functionality were the most likely to be deployed through cloud-based solutions, with call recording functionality also used in a significant minority of instances. 61% of respondents had at least some contact center functionality in the cloud.

Figure 119: Is any of your contact center functionality hosted in the cloud?



Looking at the use of cloud-based solutions by contact center size, 83% of large operations used some cloud functionality, with call routing being the most popular. Only the large respondents used cloud-based speech analytics, although cloud-based CRM and to a lesser extent, call recording were found in smaller operations.

Figure 120: Is any of your contact center functionality hosted in the cloud? (by contact center size)

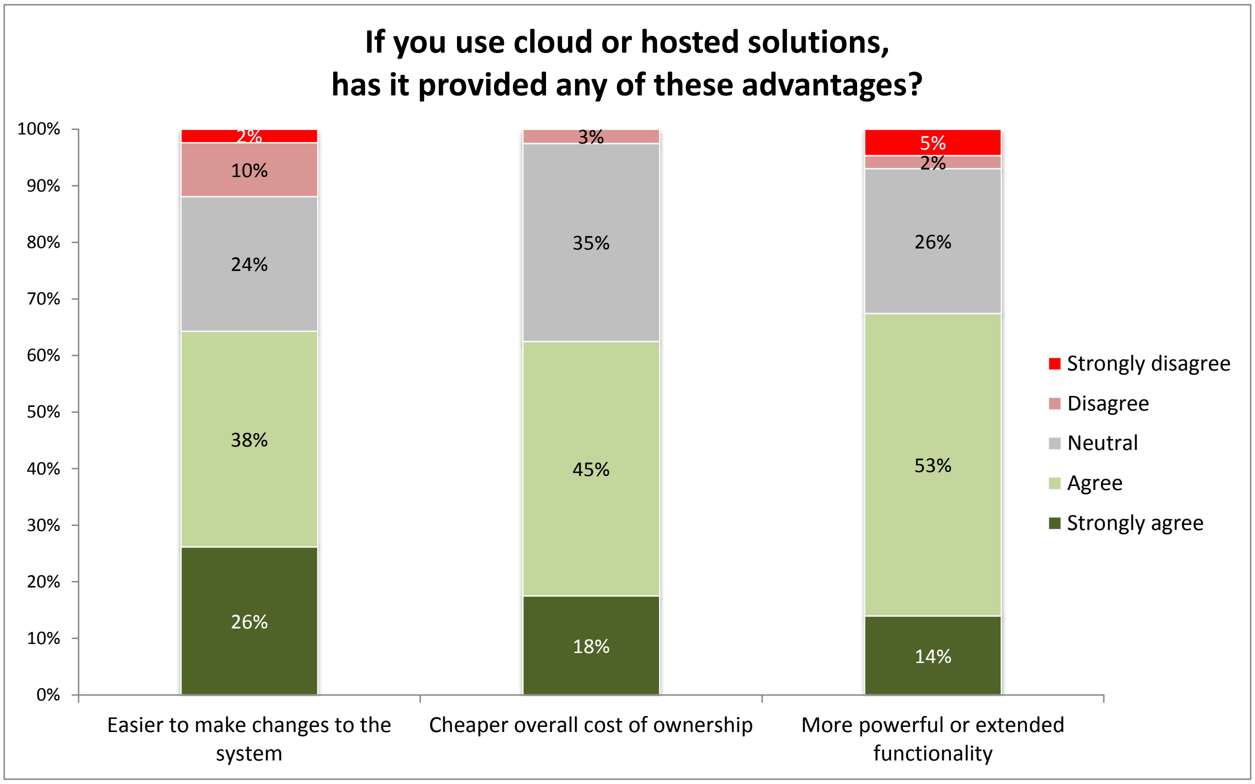


RESULTS OF USING CLOUD SOLUTIONS

Those contact center respondents who have actually implemented a cloud or hosted solution have generally found that it has delivered significant advantages in most cases.

The strongest experience was that it was easier to make changes to the system, with 64% saying this compared with 12% who felt the opposite. 63% of respondents agreed that the overall cost of ownership was cheaper against only 3% who did not. 67% experienced more powerful or extended functionality in a hosted or managed environment, with only 7% disagreeing. These research findings have been extremely consistent for some years despite different companies taking part each year, and readers can treat these findings with considerable confidence.

Figure 121: If you use cloud or hosted solutions, has it provided any of these advantages?



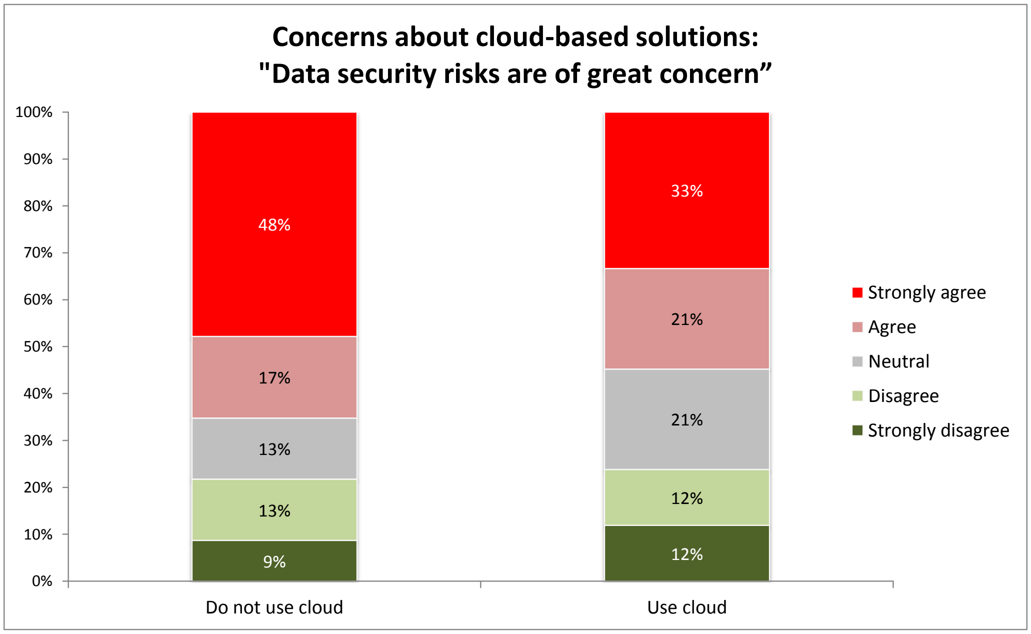
CONCERNS ABOUT CLOUD-BASED SOLUTIONS

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, connected with fears around data security, availability and functionality.

The strongest of these is the concern that data security will be compromised by allowing a third-party to control customer details. 48% of non-cloud-based respondents state that data security in the cloud is of great concern to them, with 1 in 3 amongst those who actually use cloud-based solutions still greatly concerned about this. Solution providers should redouble their efforts to provide greater education and understanding about risks and the reality of this. Some cloud-based solutions allow clients to keep call recordings and sensitive customer information on their own site, whereas most others provide externally-audited and accredited dedicated security that can surpass on-premise offerings.

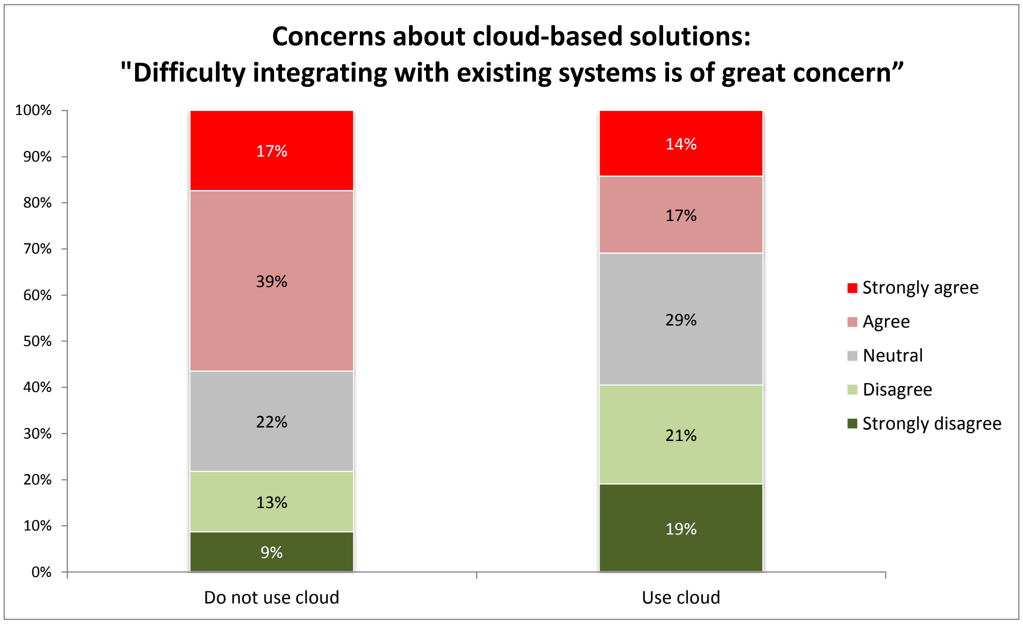
Solution providers should continue to focus their efforts on demonstrating the strength of their security measures, and reassuring potential users of cloud- and hosted solutions that the security measures in place are actually stronger than would be feasible within a fully premise-based operation.

Figure 122: Concerns about cloud-based solutions: "Data security risks are of great concern"



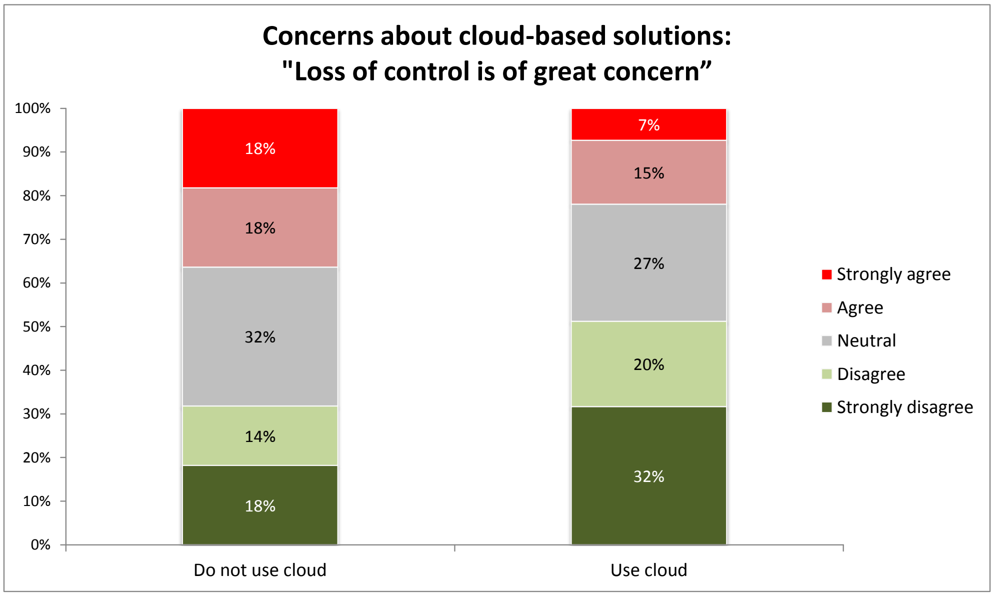
The difficulty in integrating with existing systems is also of some concern to 56% of non-users and 31% of users. 40% of cloud-users are not concerned about integration, perhaps a legacy of a successful implementation and usage.

Figure 123: Concerns about cloud-based solutions: "Difficulty integrating with existing systems is of great concern"



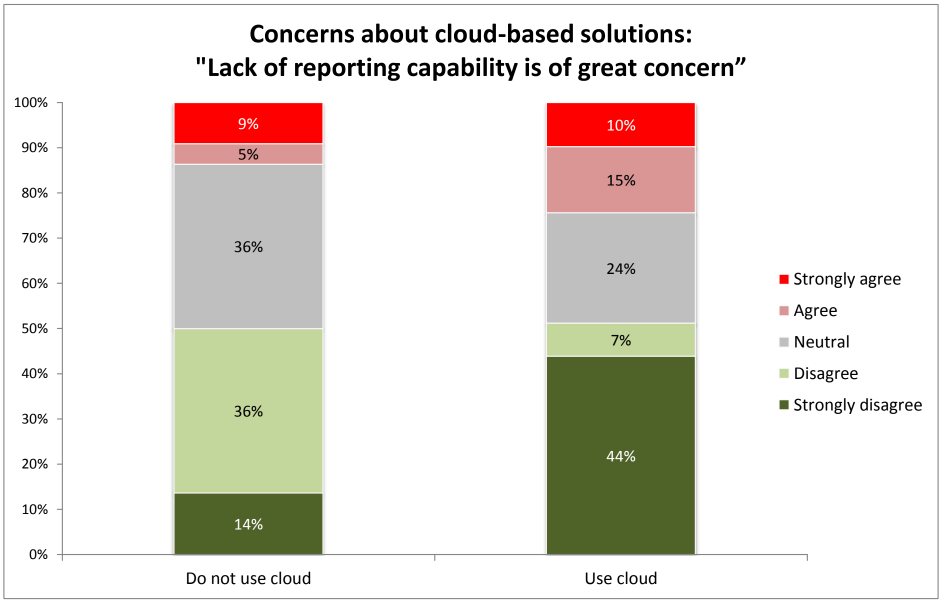
A majority of those using cloud state that a perceived loss of control has not materialized, supported by previous findings that changing the system is actually easier in a cloud-based environment. 36% of non-users are concerned though.

Figure 124: Concerns about cloud-based solutions: "Loss of control is of great concern"



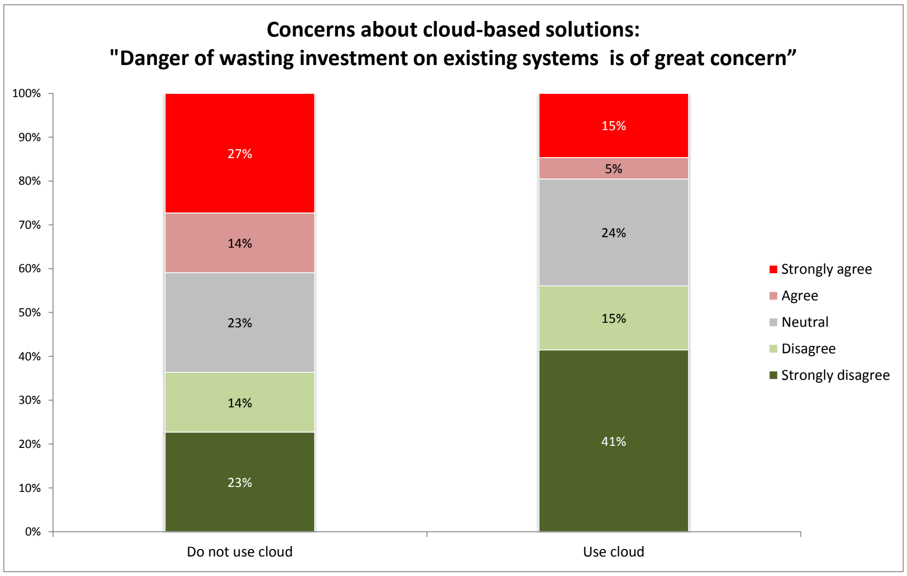
The fact that a greater proportion of users than non-users of cloud-based solutions are concerned about reporting capabilities is of interest, suggesting that this is actually a problem to some users. Most operations have built up a long list of very bespoke reports over the years, and changing to more generic reporting is clearly a problem for some. However, 44% of cloud users say this is not a problem for them at all.

Figure 125: Concerns about cloud-based solutions: "Lack of reporting capability is of great concern"



41% of non-users are held back by not wanting to waste existing investments if they were to move to cloud, although many solution providers offer a solution that can work alongside existing CPE elements. 2 in 3 cloud users do not see this as having been a problem for them.

Figure 126: Concerns about cloud-based solutions: "Danger of wasting investment on existing systems is of great concern"



OUTBOUND & 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 proactively to inform them about events and circumstances which affect them. Outbound calling is fundamentally different from inbound, and – facing significant and growing cultural and legislative issues - must be managed sensitively:

- the nature of outbound is intrusive and usually driven by the needs of the business rather than the customer (except in cases of call-back requests and for proactive outbound service)
- this means that customers are more likely to be defensive and wary of the purpose of the call. Trust needs to be built very quickly in order to overcome this negative start point: having the right information about the customer to hand will improve the experience for both agent and customer
- outbound work can be very hard on agents: few people actively welcome most outbound calls, and persistent refusal, lack of interest and rudeness can be very wearing for agents, especially if productivity-enhancing technology such as dialers 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 centers 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 dialer with an inflexible script in front of them and then wonder why their customers and prospects become negative towards their brand
- 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.

Call blending is an element of outbound calling which has perhaps not yet reached its full potential, as it stands against some of the conventional wisdom of the traditional contact center industry, which implies that the more one can segregate the contact center into a series of production lines, the better-run the operation will be.

Call blending gives the ability to deliver both inbound and outbound calls seamlessly to the agent, regulating outbound call volume based on inbound traffic. When inbound traffic is low, outbound calls are automatically generated for a specified campaign. When inbound traffic picks up, the dialer 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.

Helping SMBs easily achieve compliance with an increasingly complex and ever-evolving patchwork of Do Not Call regulations is Connect First's cloud-based predictive dialer. This sophisticated hosted software application automatically dials lists of phone numbers and connects answered calls with an IVR or live agent. Through database integration, lists are automatically scrubbed for compliance with both state and federal DNC registries, thus simplifying multi-jurisdictional campaigns.

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 Do Not Call Register. 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.

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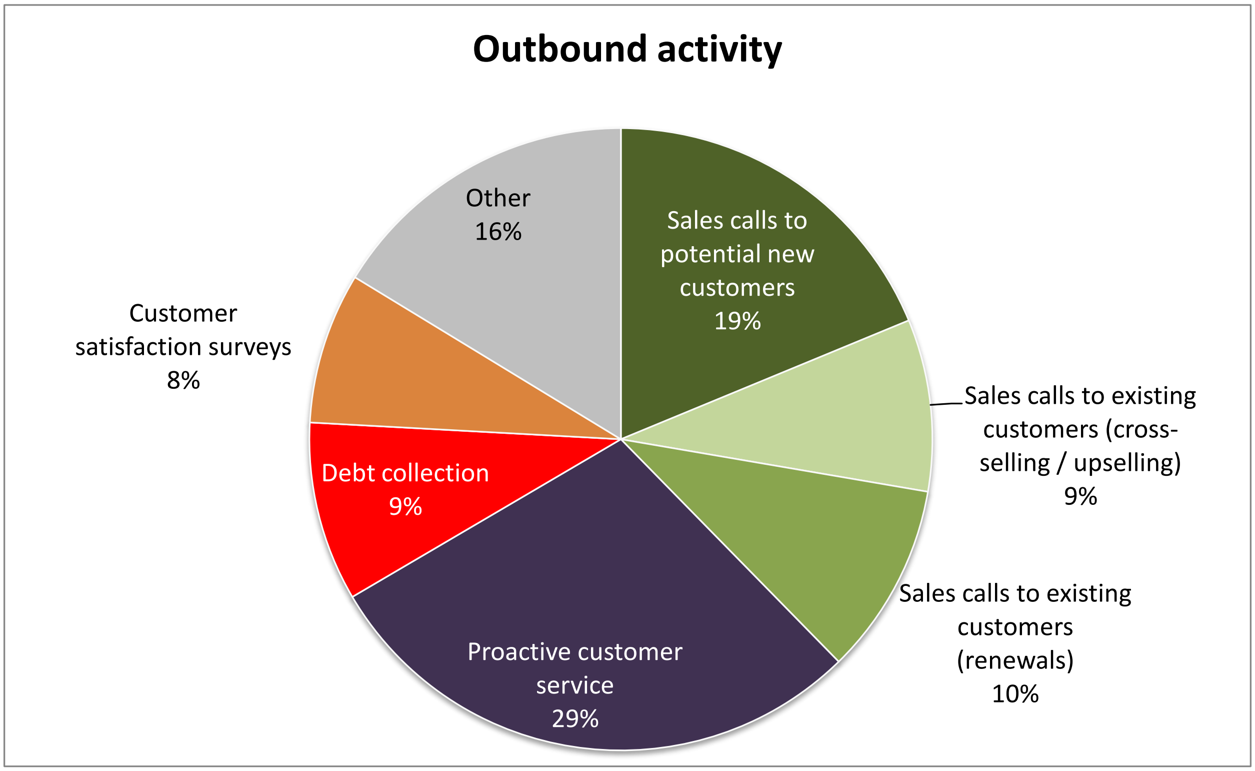
OUTBOUND ACTIVITY

The single most popular outbound activity is proactive customer service - a strong brand builder as well as an effective call avoidance tactic, which maintains its position at around 29-30% like last year. Sales calls to potential new customers maintains its position the top sales-related outbound activity once again. Debt collection hold at a sub-10% figure, which was much higher in the depths of the economic downturn.

Figure 127: Outbound activity



Vertical market patterns are very different from each other, and there is not even a great deal of homogeneity within sectors, so these figures should be treated with some caution. However, there are some interesting findings to bring out.

Over half of the retail & distribution and insurance sectors' outbound activity is proactive customer service, advising of delays and deliveries in the main for the former, and asking for and providing information from the insurers. The outsourcing sector is hungriest for new business and most likely to cold-call (within the law, of course), with over one-third of outbound calls of this type. The outsourcing sector, as might be expected, is keenest on sales with more than half of all outbound activity being sales-related.

Last year, research showed that around 92% of outbound calling was done by agents, with 8% done via automation. This year, we have investigated this 8% in greater depth.

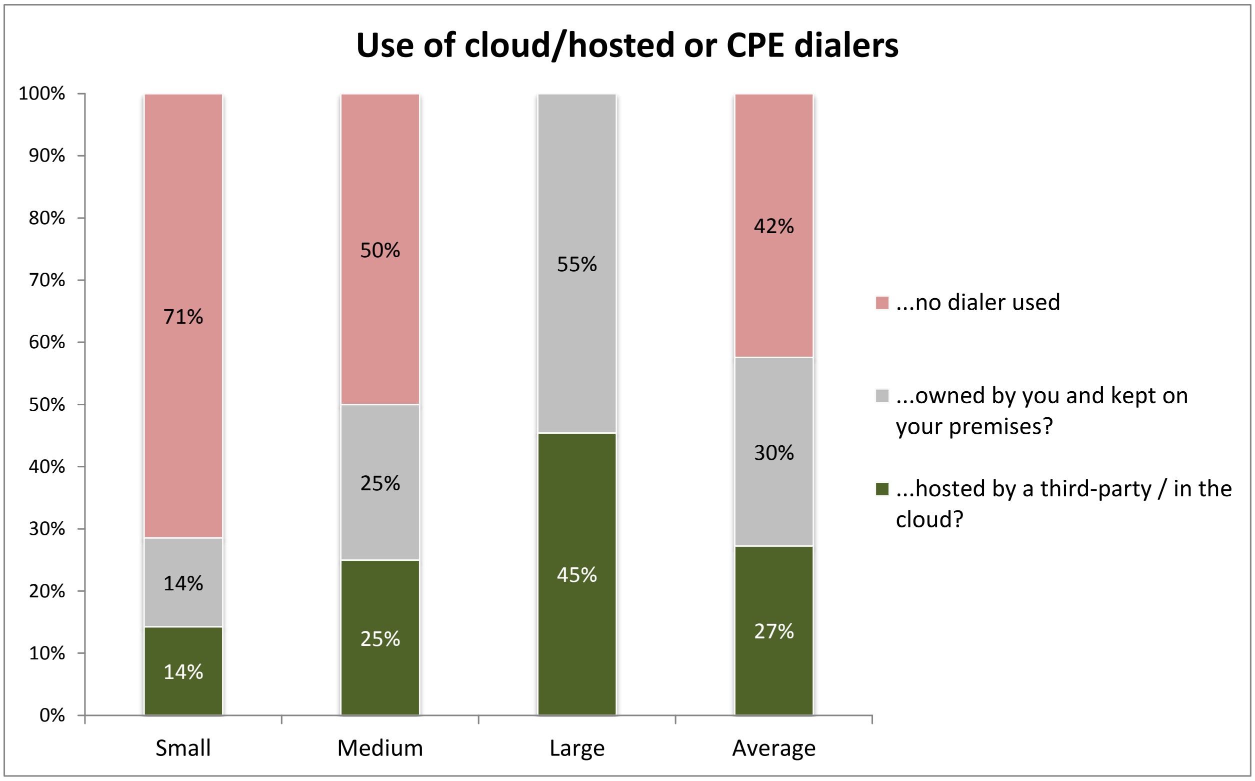
Figure 128: Do you carry out any entirely automated outbound calling? If so, why?

Purpose of automated outbound call	Proportion of respondents
Reminders (e.g. appointments, contract renewals)	30%
Notifications (e.g. deliveries)	25%
Customer satisfaction surveys	27%
None	*52%*

Almost half of respondents that carry out outbound calling will use some automation, with this split fairly evenly between reminders, notifications and customer satisfaction surveys.

42% of respondents do not use a dialer to automate their outbound calls, down from 58% last year. Of those that do, almost half use a cloud or hosted solution, with the rest using their own dialer. Larger contact centers are slightly more likely to be using an on-site dialer. This is a big jump in dialer usage compared to previous years, and may well be connected with the availability and ease of use of cloud-based solutions.

Figure 129: Use of cloud/hosted or CPE dialers



Case Study — Lee Enterprises

Davenport, Iowa-based Lee Enterprises is a growing media company with 48 daily newspapers, joint interest in four others, numerous digital products and nearly 300 specialty publications in 23 states. Its print publications reach about 4.5 million households per week, while its online assets attract more than 20 million unique visitors per month.

A result of Lee Enterprises' rapid growth was that its call center technology was no longer adequate to handle the volume of its outbound campaigns. The company was selling subscriptions as well as local advertising in large markets in multiple states. A particular pain point was the task of scrubbing lists for DNC compliance, which at the time might as well have been a manual process, based on what the company had in place. What's more, the growth in outbound volume meant company management needed reporting tools that would give them greater insight into agent performance.

“The process included a Microsoft Dynamics CRM product to manage our Do Not Call list and it was cumbersome,” said Richard Brashear, the company's director of sales and marketing. “We knew it would be a challenge at first, but we were willing to hold out for the right dialer solution. It was our primary focus to identify the right product that would support our growth and our mission.”

Lee Enterprises found the perfect solution in Connect First's cloud-based predictive dialer. The Connect First cloud-based dialer sports a myriad of advanced features and capabilities that helped Lee Enterprises realize significant operational efficiencies. In addition, the dialer offers powerful reporting tools that give managers a high level view of contact center performance, with the ability to drill down into KPIs and other stats on agent performance, either by group or by individual.

With Connect First's cloud-based predictive dialer, Lee Enterprises achieved a 100% increase in agent productivity, leading to a quadrupling of outbound call volume and a near tripling of outbound sales. With its ability automatically scrub lists for DNC compliance on a state-by-state basis, management no longer needs to spend hours manually uploading and double checking lists. With regulatory compliance now handled in an automated fashion, managers now have more time to focus on activities related to increasing customer satisfaction, such as agent training.

Perhaps most important, Connect First continued to consult with Lee Enterprises for a period of time following implementation to ensure that the new dialer was working properly and that company management was getting the most out of it. “Deployment was both fast and seamless,” Brashear said. “The process was literally one week from contract completion to implementation. Connect First has been extremely responsive, making our project a priority to ensure we had no downtime in production and could enjoy the benefits of the new dialer right away.”

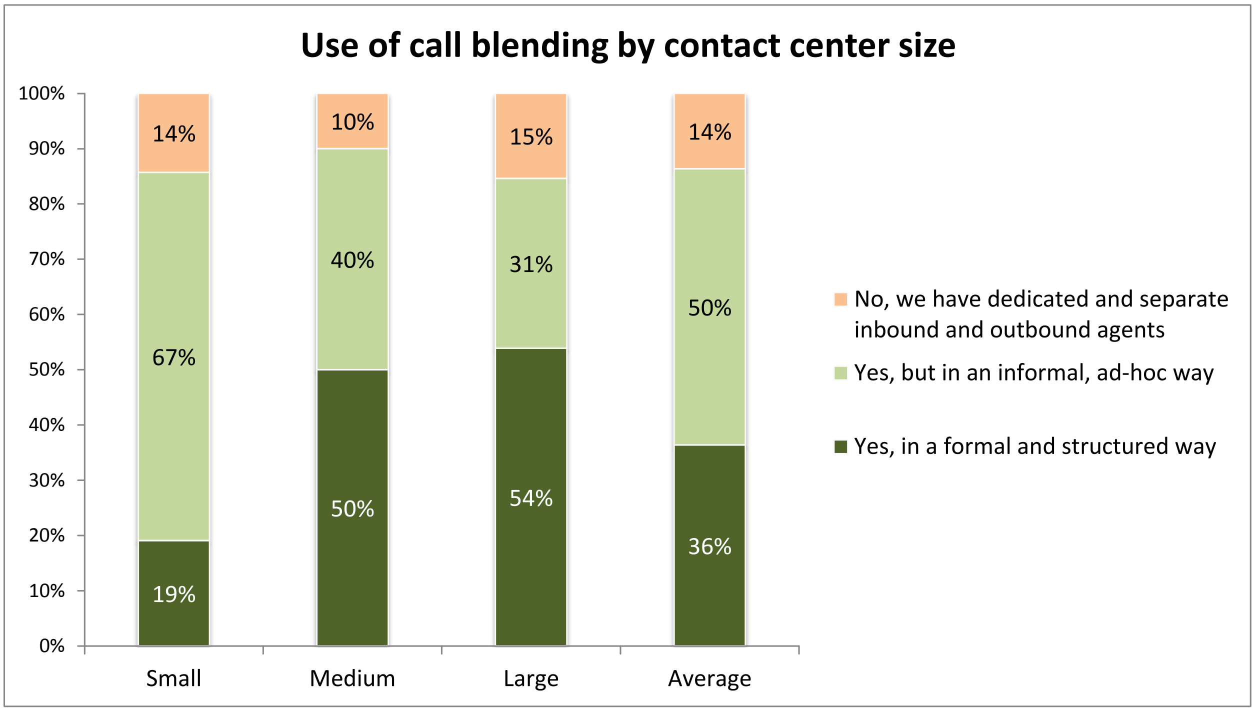
“The sales, support, and service after call with Connect First is impeccable and is unmatched in this industry," Brashear said. "The bang for the buck on this one was pretty strong, and definitely stronger than the others we had considered. We definitely made the right decision."

CALL BLENDING

A contact center 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 dialer 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-type 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 36% of respondents' operations, although medium and large contact centers are far more likely than smaller operations to use this type of structure. Small operations are more likely to operate blending on a manual, ad-hoc basis.

Figure 130: Use of call blending by contact center size



Connect First's cloud-based predictive dialer gives SMBs a low cost path to reaping the productivity benefits of call blending. This full-featured, unified system is built on a shared platform and can be quickly deployed with little to no upfront investment in equipment or network infrastructure. Through tight integration with the Connect First ACD, organizations with inbound/outbound operations have full control over how calls and chats are routed, thus giving them the freedom to pursue their own unique call blending model.

It is interesting to put the use and type of call blending against key contact center performance and operational metrics, such as average speed to answer, which is – as usual - considerably less in formal, blended environments than in dedicated and more ad-hoc environments, as agents are moved between tasks quickly and seamlessly.

Figure 131: Average speed to answer, by call blending environment type

Call blending environment	Average speed to answer (seconds)
Blending used in a formal and structured way	23
Blending used in an informal, ad-hoc way	37
Dedicated and separate inbound and outbound agents	31
Not applicable - no outbound calls made	33

With Connect First's cloud-based contact center system, organizations can deploy a virtualized environment where both inbound and outbound calls are intelligently routed to the "right" agent, based on that agent's skill sets, regardless of where they are located. What's more, the system offers simplified integration with leading CRM systems, which is important since most organizations' outbound activities are now focused on customer care and not cold calling, and thus need to more frequently leverage the customer "profile" to deliver personalized service.

THE ROLE OF MOBILE TELEPHONY ON OUTBOUND CALLING

In around 40 countries, analysts have put out seemingly counter-intuitive cellphone penetration rates of well over 100% - that is, there are more phones than people.

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 personalized and modified to reflect the user's personality.

In the US, the majority of current call plans make the recipient pay for an incoming call, which means that the caller has to be sure that the recipient actually **wants** to receive the call. Currently, respondents make 28% of their outbound calls to cellphones, a big increase on last year's figure of 16%. Respondents report paying an average per-minute rate of 2.7c to call a cellphone, against 1.7c per minute to a landline.

The same double pricing structure is also applied to SMS messages, meaning that the current low usage of business-to-customer SMS (and the lack of interest in growing this channel) is very understandable, with SMS being perhaps best suited to proactive customer service, where being sent information such as notification of travel delays or a danger of being overdrawn is actually worth a customer paying for.

Faced with a growth in the costs of calling, businesses may feel tempted to cut back on outbound communications, perhaps even going as far as not to accept mobile numbers as the primary contact method. However, this would be too much of an over-reaction, as its ubiquity and responsiveness has a great advantage over landline phones and even emails, as the business is far more likely to reach the customer by calling their mobile number. Increasing the use of SMS as a channel to the customer would reduce many of the costs associated with mobile communication (including agent time, as well as transmission costs), while keeping the advantages of contacting a customer's mobile number. See the 'New Media and the Customer of the Future' chapter for more about the role of SMS.

THE USE OF OFFSHORE AND OUTSOURCERS FOR OUTBOUND CALLING

Having looked earlier at live vs automated outbound calling, this year's report also looks at where outbound calls are being made.

87% of outbound calls are made by the company, within the US, with 5% coming from offshore outsourcers, 5% from domestic outsourcers and 3% from offshore, 'captive' contact centers owned by the parent company.

13% of respondents used offshore outsourcers / BPOs, 9% use domestic outsourcers for outbound calling and only 5% had a captive offshore contact center. 86% of respondents used only their own, US-based contact center for making outbound calls.

Figure 132: Outbound calling using offshore and outsourcers

What proportion of your outbound calls are carried out by…	Proportion of calls
...by offshore BPOs / outsourcers?	5%
...by offshore operations owned by your company?	3%
...by BPOs / outsourcers based in the US?	5%
...by your own US operations?	87%

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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 center manager's mind. This section looks at how time and money are spent on the human element to contact centers.

This chapter contains detailed information around contact center HR benchmarks such as attrition and absence.

"The US Contact Center HR and Operational Benchmarking Report" also gives detailed analysis of salaries, bonuses, training methods and costs, segmented by vertical market, contact center size and contact center activity type where relevant. Historical trends are observed with a view to predicting what future standards will look like.

The report also contains operational benchmarks such as speed to answer, call abandonment rates, call duration, call transfer rate, cost per call, agent occupancy, target service levels and first-call resolution rates.

ATTRITION

Throughout the studies that ContactBabel has carried out over the years, whether in the US or Europe, staff attrition has consistently been quoted as one of the major worries of contact center management. Along with staff absences, high levels of unexpected attrition can cripple a contact center's ability to provide even an acceptable level of service, raising costs and creating a negative customer experience, as well as pacing massive stress on those agents who remain at work.

For many years, attrition has been one of the greatest challenges facing the industry, and one which has rarely been addressed with much in the way of a truly radical approach. The recession has reduced attrition greatly over the past two years, but contact centers must understand that this is nothing more than a temporary respite: with no structural change to the industry, its recruitment and train methods, management techniques or job types, the same problems will emerge as the economy picks up.

The reduction of attrition has two main factors - that the successful candidates are suited to, and competent for the work which they will undertake, and that the work and conditions in which they find themselves will be conducive to a long-term stay.

Solution providers experienced in analyzing attrition state that that understanding the 0-to-90 day attrition data is critical to being able to reduce attrition. Most organizations believe that a substantial amount of their annualized 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 behavior and characteristics of people likely to do well in each role - preferably analyzing 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.

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Turnover costs can creep into the millions. For instance, a telecommunications client of SHL regularly evaluates the impact of implementing pre-hire assessments. She has documented a 30% reduction in turnover since 2005, which represents $5M in annual turnover cost savings.

Staff attrition in small doses can be good for a contact center, bringing in fresh blood and enthusiasm. However, high levels of staff attrition have some serious side-effects:

- Increases recruitment and training costs
- Decreases the average agent competency as there are so many ‘learners’
- Affects the quality of the customer experience, as the agent may not know how to answer the query correctly first-time
- Adverse effect on contact center 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 center in a 12-month period, divided by the average number of occupants during the same 12-month period, expressed as a percentage.*

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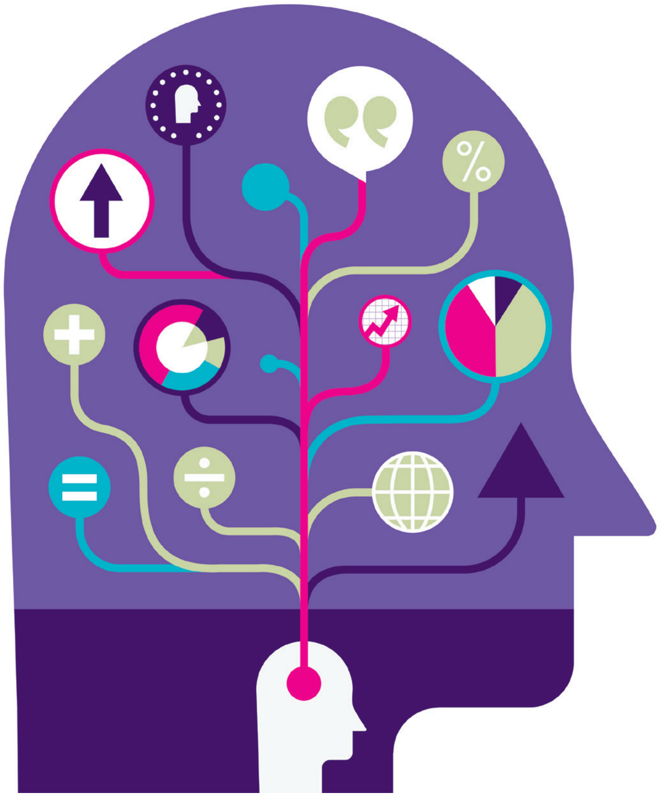

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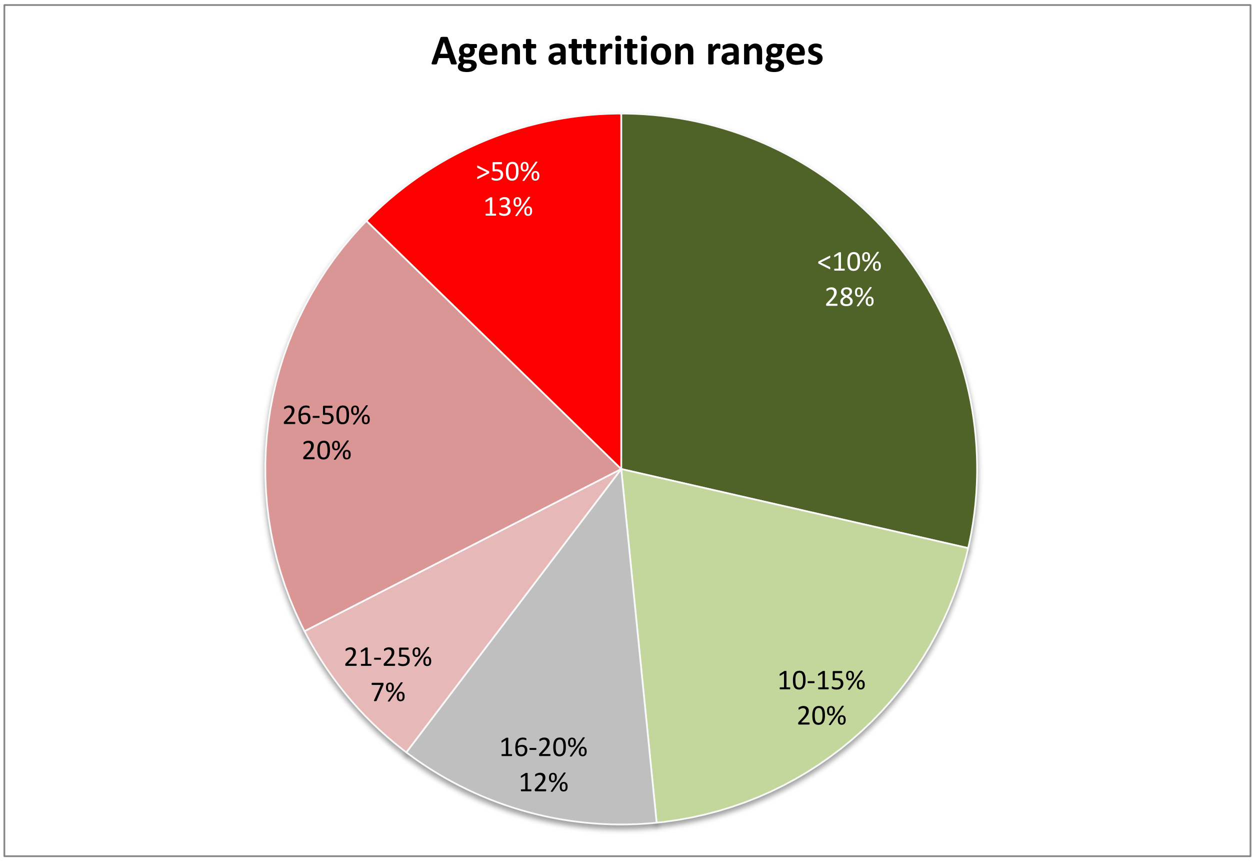
CEB

After 2008's very high mean attrition rate of 42%, rates declined significantly in 2009, down to a mean of 34% and median of 24%, showing that the economic downturn has taken some of the HR pressures off. Data at the end of 2010 showed that the economic downturn had continued to impact on staff movement, with attrition levels dropping further to a mean average of 32% and median of 20%. In end-2011, attrition continued to fall, to a mean of 27% and a median of only 16%.

2013 sees a small rise in attrition, suggesting that the industry (and possibly economy) are back on their feet to some extent, and looking to grow. While the mean stays the same at 27%, the median grows to 21%.

Figure 133: Agent attrition rate ranges



As the previous graph shows, 60% of respondents have an annual agent attrition rate of under 20%, with a smallish number of very high attrition operations pulling the mean average up to 27%.

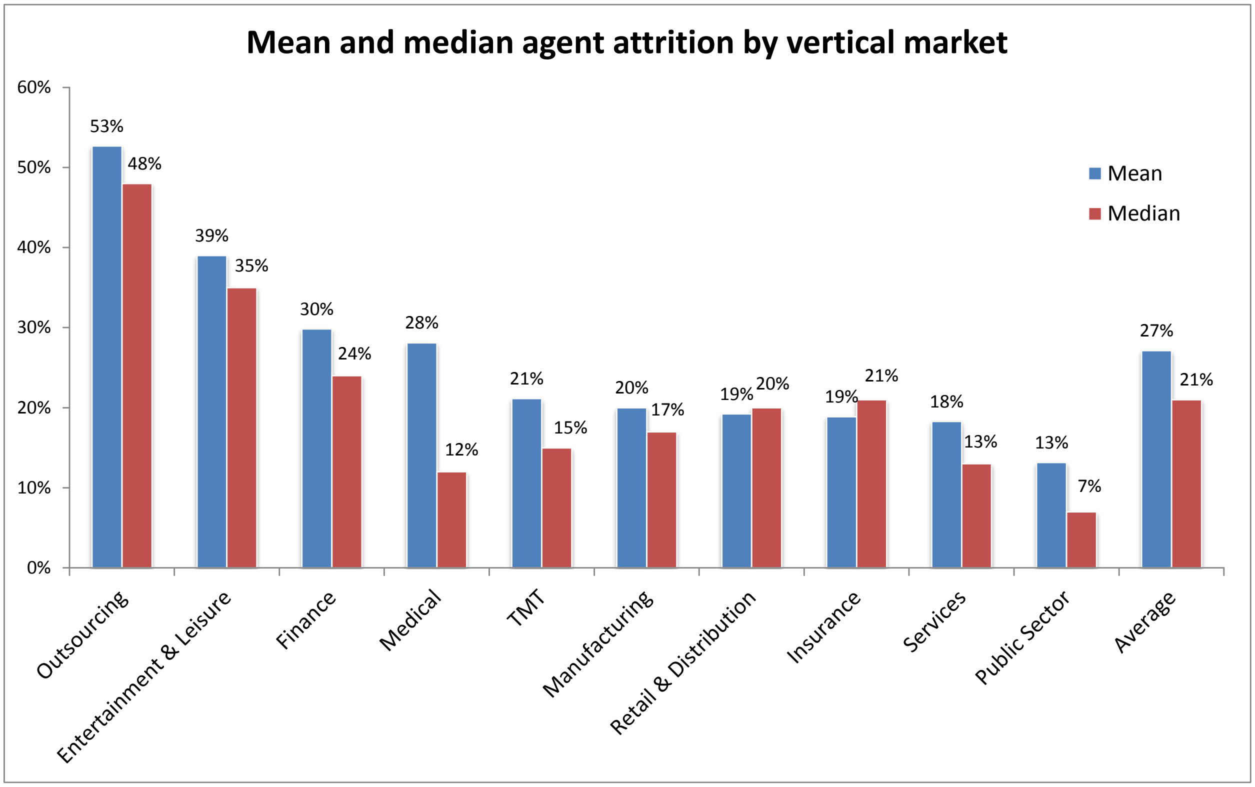
There are numerous factors that impact upon a contact center's agent attrition rate, including vertical market (or the type of business that agents are involved in); contact center size; whether the work is inbound or outbound, which will be analyzed in this section.

AGENT ATTRITION BY VERTICAL MARKET

The outsourcing sector consistently has a high attrition rate - driven mainly by low salaries and lots of outbound telemarketing work - and this year, it has a mean average of 53%, far higher than most other sectors and an increase on last year's figure of 42%. The median is also higher at 48% (from 32%), reflecting the fact that this is more of a sector-wide phenomenon.

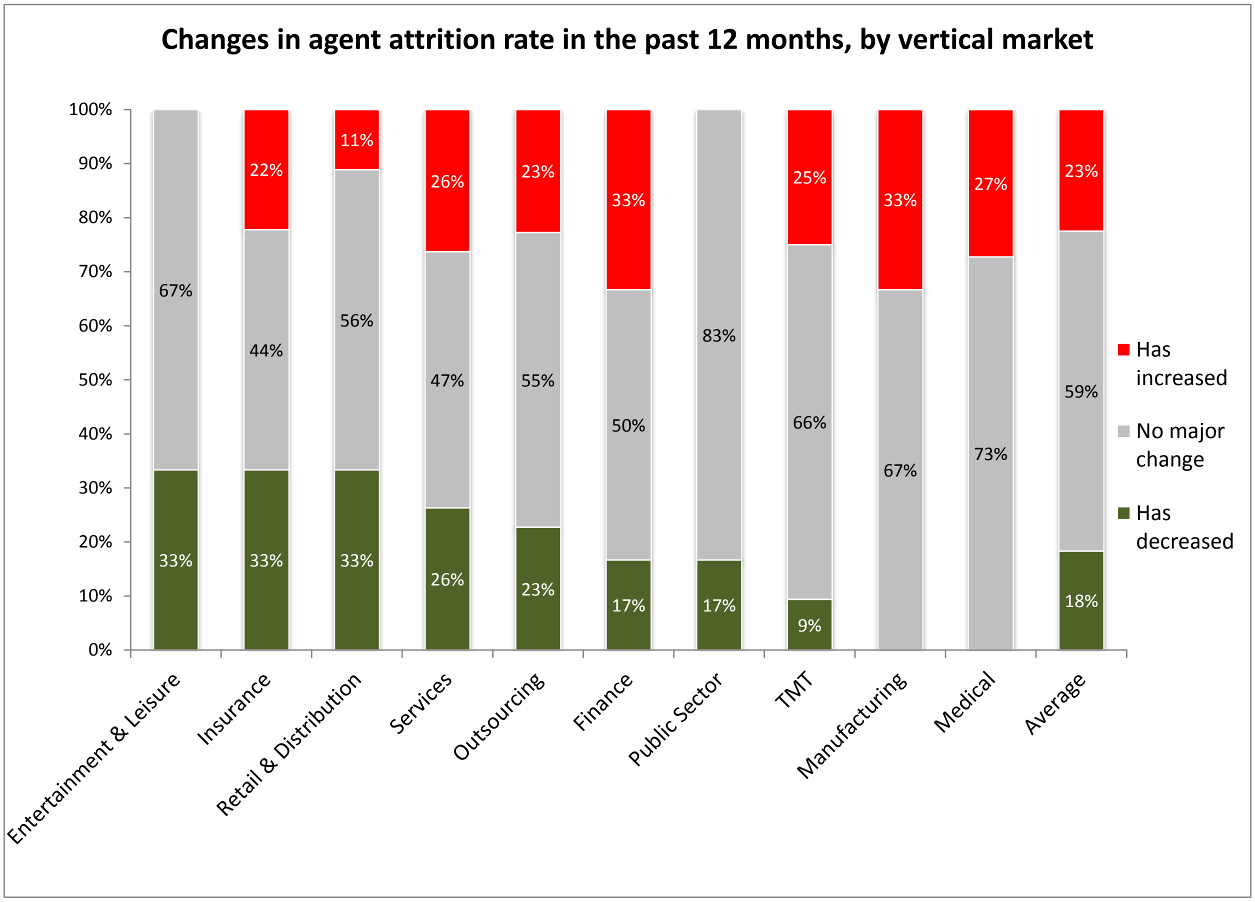
The public sector had low mean attrition rates of 13%, and the medical sector's median of 12% shows the general reality of this vertical market's attrition.

Figure 134: Mean and median agent attrition by vertical market



18% of contact centers have seen a decline in agent attrition over the past year, with a higher proportion of 2% seeing an increase. This is in line with the industry-wide gentle increase in attrition.

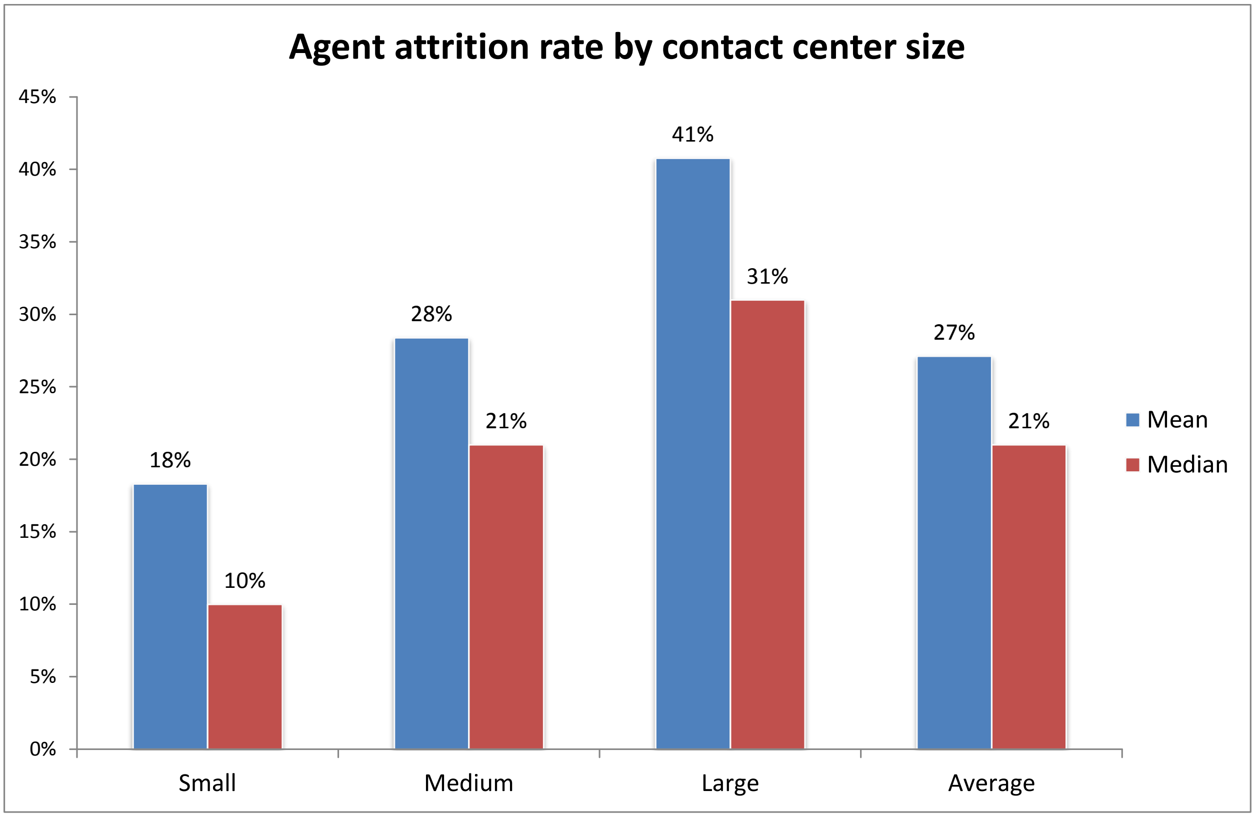
Figure 135: Changes in agent attrition rate in the past 12 months, by vertical market



AGENT ATTRITION BY CONTACT CENTER SIZE

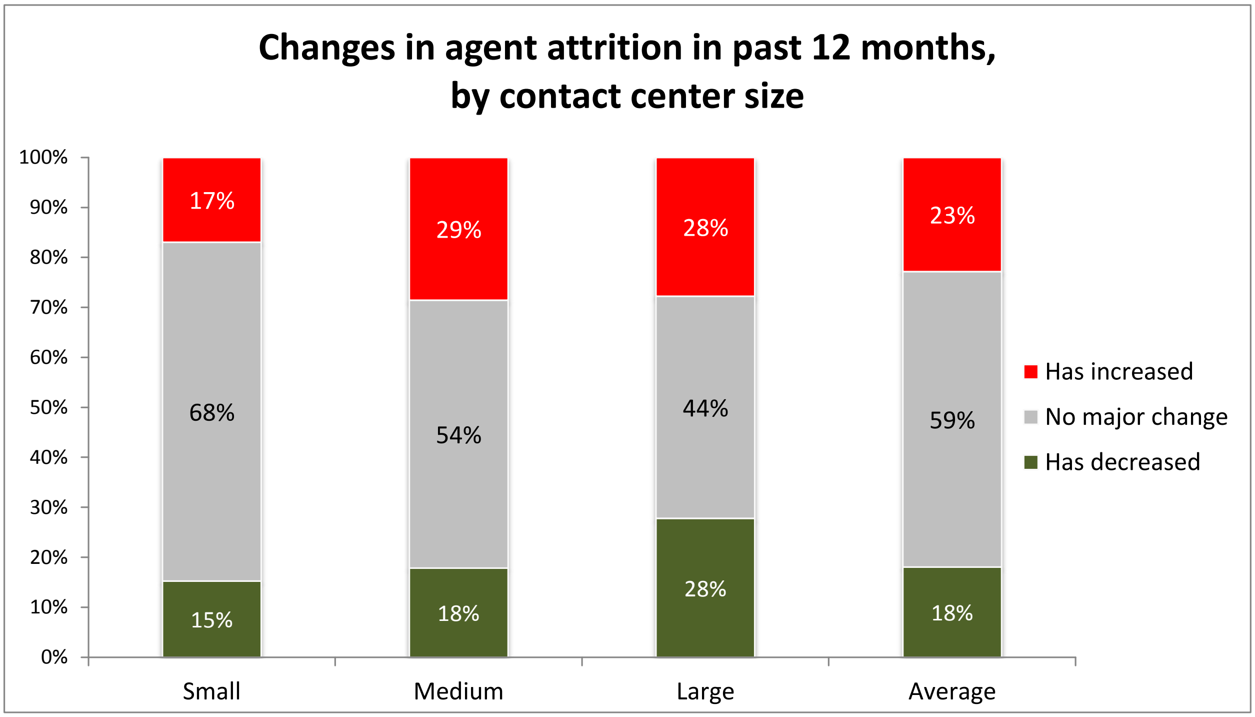
Previous ContactBabel studies carried out in the US and UK have shown that larger contact centers are more likely to have high attrition rates, and this is the case this year as well, with respondents in large operations experiencing mean staff attrition rates of 41% on average, compared with 18% for the sub-50 seat operations.

Figure 136: Agent attrition rate by contact center size



While 28% of large operations have seen a decline in staff attrition over the past 12 months, the same proportion have seen an increase. In small and especially medium operations, the picture has been that of a general increase, albeit slight for smaller contact centers.

Figure 137: Changes in agent attrition in past 12 months, by contact center size

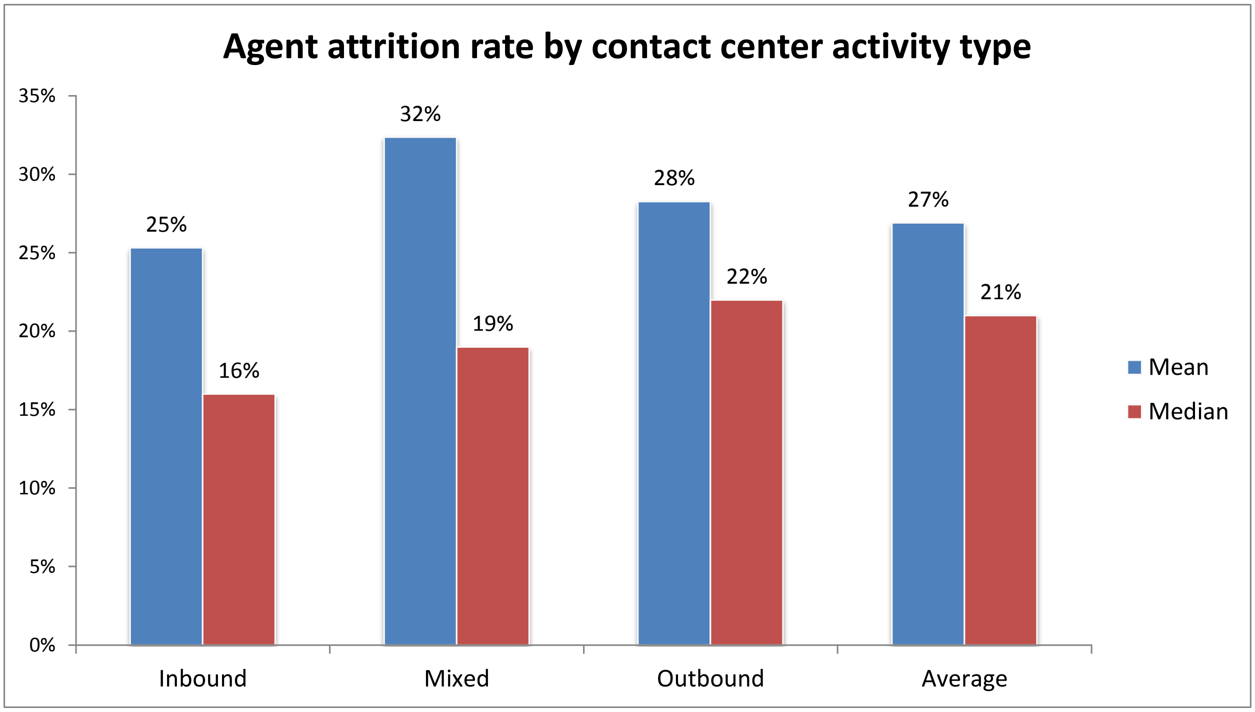


AGENT ATTRITION BY CONTACT CENTER ACTIVITY TYPE

Conventional wisdom states that outbound customer contact is a very difficult, high-pressure job, which leads to stress and burnout, and thus high levels of attrition. To some extent, attrition rates support this view, with predominantly-outbound respondents having a median staff attrition rate of 22%, but the difference is not huge.

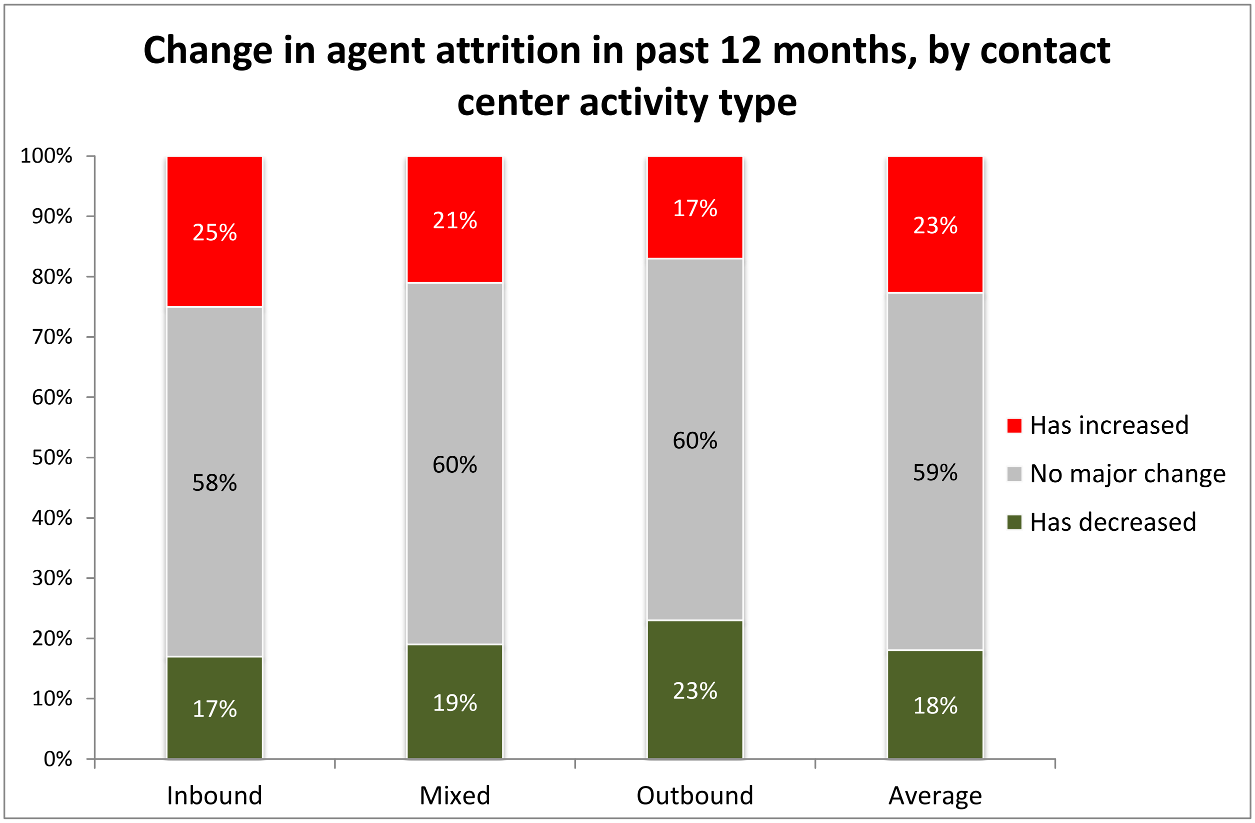
For outsourcers – which tend to pay lower salaries - there is an acceptance that large volumes of outbound calling will often come at the cost of high staff attrition, and that this is something which just has to be managed, and such respondents will tend to be more geared-up to cope with high staff turnover.

Figure 138: Agent attrition rate by contact center activity type



The inbound sector has experienced the greatest proportion of instances of growing attrition rates, although the picture here is not particularly clear-cut.

Figure 139: Change in agent attrition in past 12 months, by contact center activity type



CAUSES OF STAFF ATTRITION

In the mid-2000s, it was the stress of the work, and the repetitive nature of some contact center activity that were cited as key by a significant proportion of respondents for agent attrition, and they remain important, ranked at second and fourth. However, contact centers seem to be giving a collective shrug by putting 'just the wrong type of person for the job' into no.1 position, as if there's nothing they can do about it.

Psychometric testing and the assessment of behavior and character as well as competency will go a long way to stopping the wrong type of person for the job at source.

Figure 140: Reasons for agent attrition (ranked in order)

Rank	Reason for staff attrition
1st	Just the wrong type of person for the job
2nd	Excessive pressure or stress
3rd	Lack of promotion or development opportunity
4th	Repetitive work
5th	Competition from other contact centers
6th	Low pay
7th	High numbers of temporary / seasonal staff
8th	Abusive or unpleasant calls
9th	Poor working environment and conditions

Interestingly, in an industry which outsiders often deem as a dead-end job, the lack of opportunity to move up the career ladder is marked on average as being the third-greatest cause of staff attrition.

As for other causes, much of the repetitive work can be alleviated by using self-service (whether voice-driven or web-based), and the blending of tasks (especially email and voice) has been proven many times to counteract boredom.

Following on from the previous data, which indicates that recruiting the wrong sort of person is the main problem, this table shows that some medium and large operations seem to have an issue with agents leaving the job very early. 40% of both types of respondent report that more than 20% of their new agents leave within the first six months.

Figure 141: Proportion of new agents leaving in the first 6 months (by contact center size)

Attrition range	Small	Medium	Large	Average
0-10%	80%	43%	33%	58%
11-20%	8%	18%	28%	16%
21-30%	8%	25%	28%	18%
31-40%	0%	4%	6%	2%
Over 40%	3%	11%	6%	6%

Outbound respondents have more of a problem with new agents leaving, with 1 in 5 respondents reporting than more than 40% of their new agents left almost immediately.

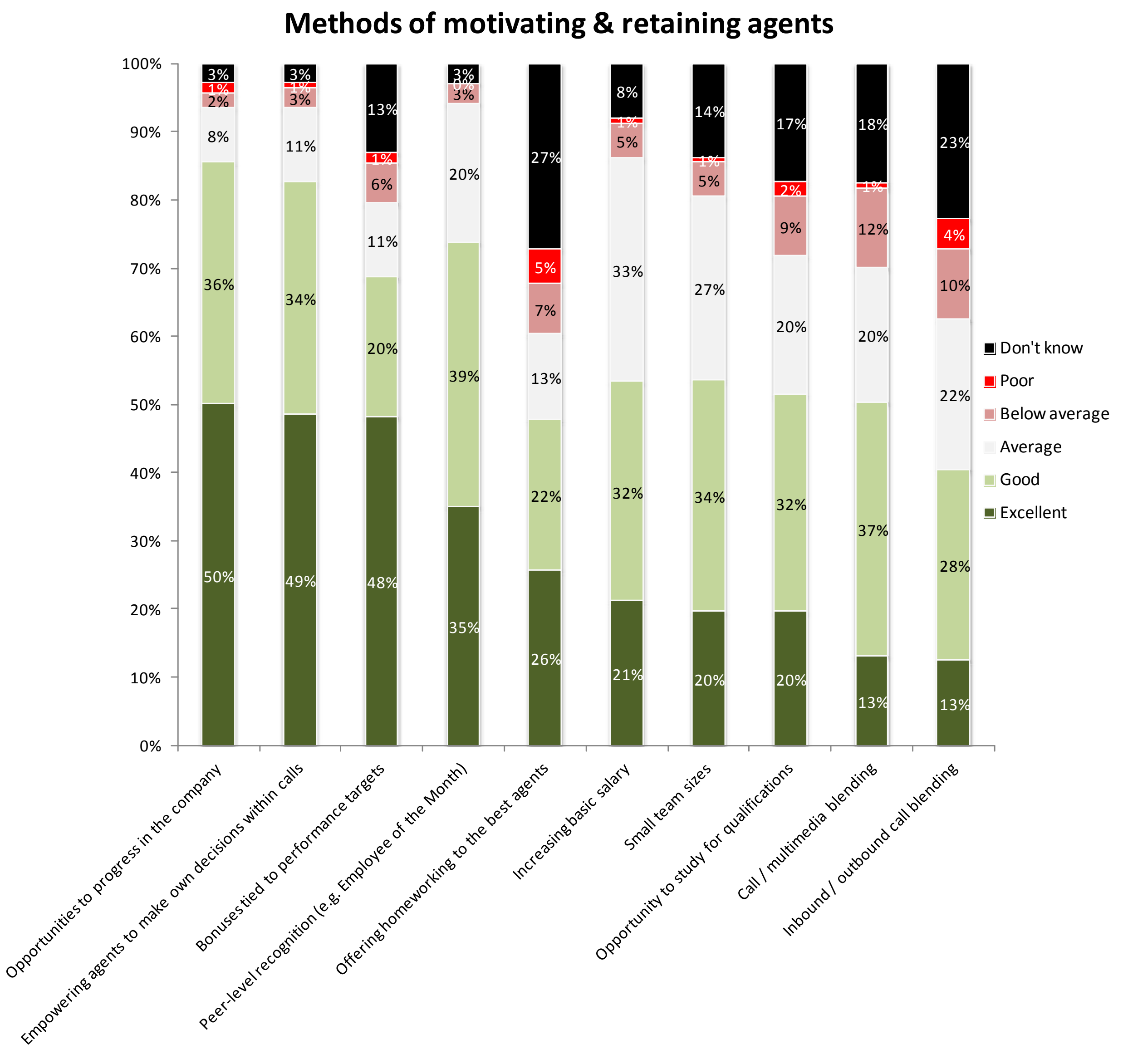
Figure 142: Proportion of new agents leaving in the first 6 months (by contact center activity type)

Attrition range	Inbound	Mixed	Outbound	Average
0-10%	61%	52%	53%	58%
11-20%	17%	14%	13%	16%
21-30%	17%	24%	13%	18%
31-40%	2%	5%	0%	2%
Over 40%	3%	5%	20%	6%

METHODS OF MOTIVATING AND RETAINING AGENTS

The most effective ways of motivating agents is felt to be to empowering agents to make their own decisions, as the agent takes on more responsibilities and challenges if they do not just feel like a tiny part of a machine, which is one of the problems of working within a large contact center. However, agents will need training and the right system support to be able to do this effectively, so it is not a cheap or quick option. Offering them a clear and achievable chance to take up roles in the wider company is also very positive. Organizations such as banks and public sector have a large selection of non-contact center roles to aim for, but this is far harder in an outsourcer, for example, where the contact center itself is most of the business.

Figure 143: Methods of motivating and retaining agents



Bonuses that are aligned with the required performance targets and behaviors is a more quickly-implemented motivational tool, although of course these have to be monitored closely, as it's often possible to hit a goal (e.g. a shorter average call duration) by failing in other areas (e.g. putting the phone down on a customer in mid-sentence to keep the average call duration down).

Many of the other motivational tools are seen to be generally effective, although it is interesting to see that multimedia and especially call blending are not rated relatively highly by management, although elsewhere in this report, both blending methods have proven their worth in terms of staff attrition and productivity.

There were two motivational tools that were rated most lukewarm by respondents: multimedia blending and inbound/outbound call blending. For call blending, a simple explanation is that, while outbound agents may appreciate taking some inbound calls as well, the opposite is less likely to be true, especially if the calls are sales-related. Multimedia blending was slightly better-received, and has been shown to improve contact center performance and decrease staff attrition.

ABSENCE

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

Absence has many reasons – a poor working environment, workplace bullying, an unoptimized schedule which makes impossible demands on staff, lack of leadership, low morale, repetitive and mundane tasks - the list goes on. Staff absence is a vicious circle, each part of which feeds into another, usually leading to higher attrition rates, greater costs and poor service.

There are many causes of absenteeism, including:

- The absence of a recruitment process that allows operations to identify unreliable applicants
- Poor front-line leadership - many team leaders are just not able to manage their teams and help prevent absenteeism, a fault of incorrect training and/or recruitment at this level
- Low morale in the contact center, meaning the workforce think that missing work is acceptable.

There are also other factors that influence absence, including:

- Mandatory overtime
- Lack of schedule flexibility and choice
- Insufficient mentoring or supervisor support, especially during the transition period after training
- Large team sizes (20+ per team)
- Cancelled team activities like 1:1 coaching due to heavy call volume.

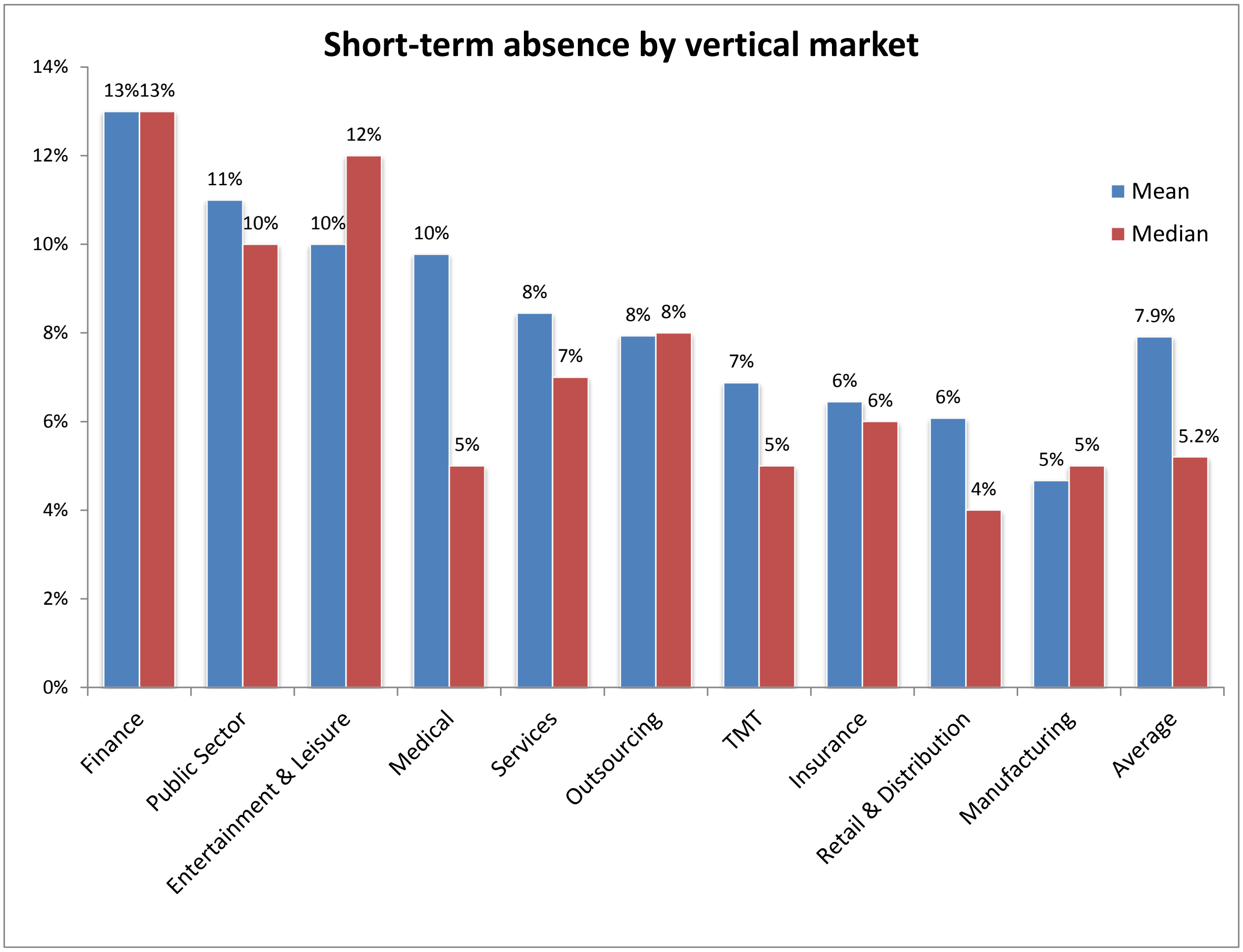
Short-term (no-show) absence *- this is the average number of agent days lost through short-term sickness and unauthorized absence as a percentage of contracted days annually. This is included in this year's report.*

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 finance sectors reports the highest levels of absence, with manufacturing and retail having the least.

The average returns to a more familiar feeling after last year's low absence rate (which was a mean of 6.4%).

Figure 144: Short-term absence by vertical market



As with previous years, smaller contact centers seem to experience far lower rates of staff absence.

Figure 145: Short-term absence by contact center size

Contact center size	Agent absence rate (mean)	Agent absence rate (median)
Small	6.8%	5.1%
Medium	10.8%	4.9%
Large	13.8%	8.2%
Average	**7.9%**	**5.2%**

Conventional wisdom would expect to find that those in high-pressure outbound jobs would have higher unauthorized absence rates, and this is the case this year. The rise in outbound absence may indicate that the lessening pressure of the economic downturn, and the formerly limited alternative opportunities no longer mean that staff are less likely to take unnecessary time off for fear of losing their job.

Figure 146: Short-term absence by contact center activity type

Contact center activity type	Agent absence rate (mean)	Agent absence rate (median)
Inbound	7.7%	5.3%
Mixed	6.5%	4.1%
Outbound	12.1%	8.2%
Average	**7.9%**	**5.2%**

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RECRUITMENT

Rather than just asking about which recruitment methods they use, contact center 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 center role is slowly changing into something requiring higher skills – a high level of IT, business and communication abilities are needed in many contact centers 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 centers as career dead-ends, not helped by the biased and erroneous media view of contact centers (and by extension, their employees) as an unpopular and unloved part of modern life. Improving the contact center "brand" is a vital part of the industry's future success, which will feed directly into the recruitment process.

While most contact centers 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 realize 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 behaviors.

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 center - 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 behaviors that are most suitable for the contact center 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.

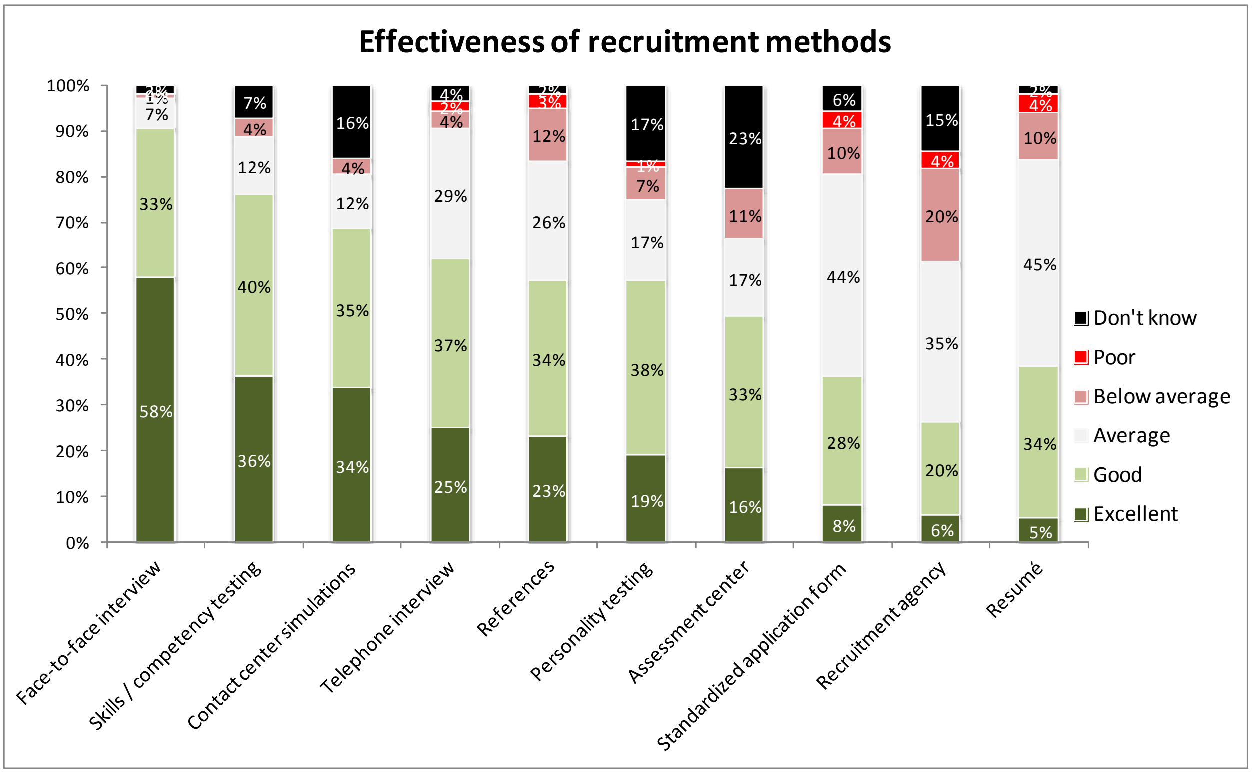
Successful agents will also require some hard skills, although many of these are more easily-learnt. Through judging competencies objectively, and using a combination of processes (for example, telephone and face-to-face interviews, with upfront psychometric analysis to determine the likelihood of the prospect being a long-term success in the contact center), 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 phone interviews, assessment centers, contact center 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 resumes – have a lower success score, with studies having shown that half of applicants admit to stretching the truth on their resumes, and 10% lie outright.

69% of respondents using personality testing did report high levels of success through this method, which is a figure that continues to grow year-on-year, reflecting the awareness that it is the type of person at least as much as what they can do, that is crucial to being a successful agent. Many contact centers employ large numbers of recent university graduates, whose biodata and work experience may not show much of the applicants' abilities (see later in this section for graduate agent information). In such cases, getting a better scientific idea of what makes the candidate tick, and being quite sure about their personality traits will reduce the high risk associated with recruiting straight from higher education.

By tracking the in-job performance of applicants who scored either well or poorly in pre-job assessments, businesses can improve their ongoing recruitment techniques. For example, agents who have high assessment test scores often have higher revenue-per-call ratios, lower average call lengths and lower attrition rates than those who scored lower in pre-job character and personality assessments. The behaviors, personality traits and characteristics that a top agent is most likely to have can then be identified, and the results fed back into the top of the recruitment process. This allows the recruitment process to seek out the types of people who have already been proven to succeed in that role.

Figure 147: The effectiveness of recruitment methods



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THE COST AND PURPOSE OF RECRUITMENT

On average, it costs $2,840 to recruit a new contact center agent, with a median cost of $2,550. The 1st quartile cost is $4,500 and the 3rd quartile is $900. This is an increase in the mean of around 10% on 2012.

It may seem an odd question to ask "what is the purpose of recruitment?", but it's important to know, as there are two types of recruitment: the replacement of staff who have left (caused by attrition), and new staff positions (caused by contact center growth). In the case of the former, much of this recruitment cost is wasted, as - with the exception of replacing an incompetent or undesirable agent - the contact center is certainly no better off than where it was previously and may now have an inexperienced agent to train up: it is running to stand still.

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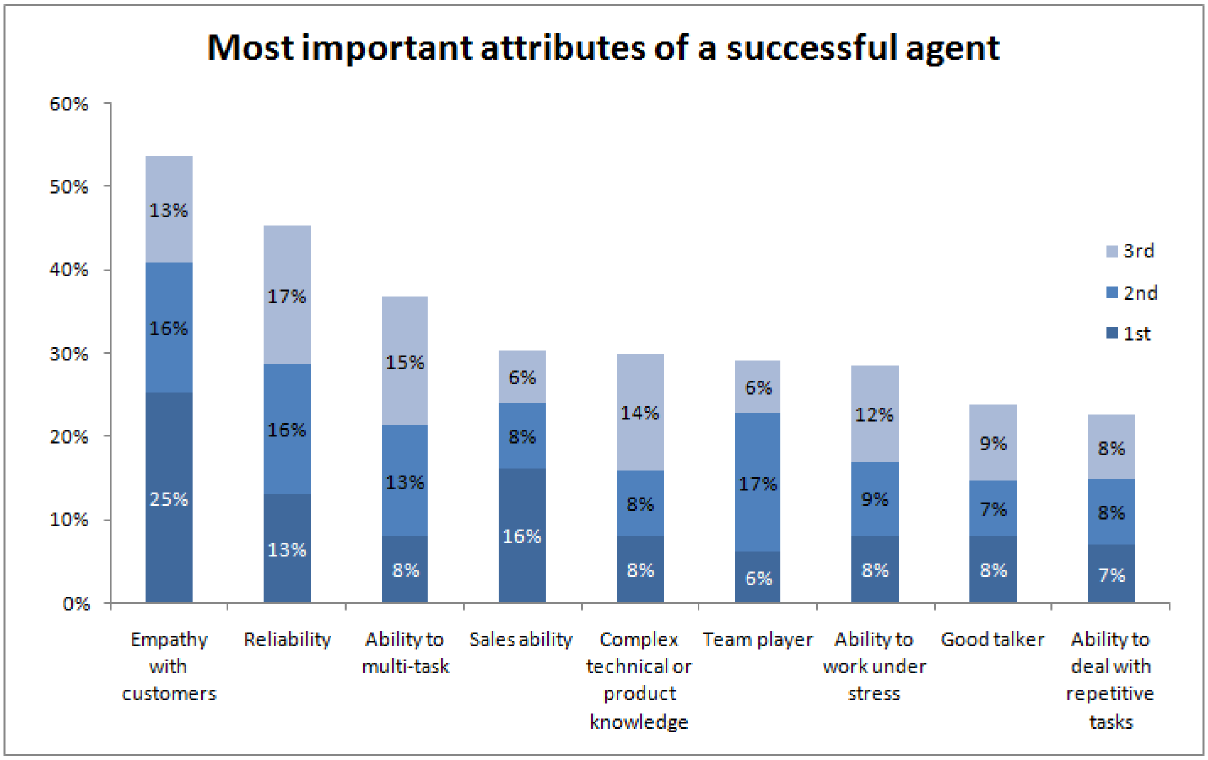
With recruitment and training costs being so high, it is important to recruit the right person the first time as to reduce turnover and not waste resources. By hiring only candidates with moderate to high scores on a variety of pre-hire assessments, a call center in the telecommunications industry saved $1.1 million annually by reducing their turnover rate 18%.

The finance and insurance sectors believe that they spend the greatest amount of effort on replacing agents who have left, with manufacturers and retailers stating that they spend the least this year. In all, 56% of recruitment effort is spent by contact centers just to stay where they are, lower than last year’s figure of 65%, which indicates a greater level of growth in the industry.

MOST IMPORTANT ATTRIBUTES OF A SUCCESSFUL CONTACT CENTER AGENT

While each contact center has different ideas about the attributes that are most important for a successful contact center agent to have, some key findings emerged.

Figure 148: The most important abilities or characteristics of a successful contact center agent



25% of respondents stated that **empathy** - the ability to see another's point of view - is the no.1 most important attribute for a contact center agent to have, with a further 29% placing it 2nd or 3rd. This is a characteristic which is hard to learn, and which is ripe for identifying in the recruitment phase through personality testing, for example. Empathy is important for an agent to display in order to make the caller feel that someone is listening to and understanding them, and that they are trying to solve their issue, rather than just seeing the caller as a nuisance. As such, empathy is vital for improving customer satisfaction and loyalty, cross-selling and up-selling.

The attribute of **reliability** appears second most-often in the top 3 agent requirements. Reliable agents have low absence rates and keep working away at their tasks, a trait which the process-focused contact center prizes highly.

Amongst other traits, **sales ability** of course was rated no.1 in most sales-focused environments, and the **ability to multi-task** was often placed no.2 or 3.

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With "sales ability" ranking no. 1 in most sales-focused environments, an agent's ability to handle a higher volume of calls is critical. An SHL client in the cable and communications industry routinely assesses applicants on their sales ability. Agents who scored high on this pre-hire assessment together handle more than 500,000 additional calls, each selling an average of $269 in additional revenue. Across the entire workforce, this translates into $1.3 million additional sales annually.

Perhaps surprisingly, 29% of respondents stated that one of their top 3 requirements was for the agent to be a **team player**. Making and answering calls is by its nature, a solitary role, albeit one usually surrounded by other people, but the impact upon morale, and thus performance that a team player can have is prized highly.

Being a **good talker**, the **ability to deal with repetitive tasks** or **stressful working environments** did not feature particularly highly with most respondents, all factors which the layman might think were vital to contact center agents.

The picture painted of key attributes of successful contact center agents is one of a versatile, reliable good listener - nothing flashy or highly-strung, nor a simple automaton which is happy to plod on doing the same thing for hours. An observer untrammeled by the requirement to be politically correct might state that many such successful contact center agents could be found in the relatively untapped labor pool of middle-aged women who are currently outside of the workforce, rather than in the younger generation which makes up a very considerable part of the contact center industry: the average age of a contact center agent is around 26.

SALARIES

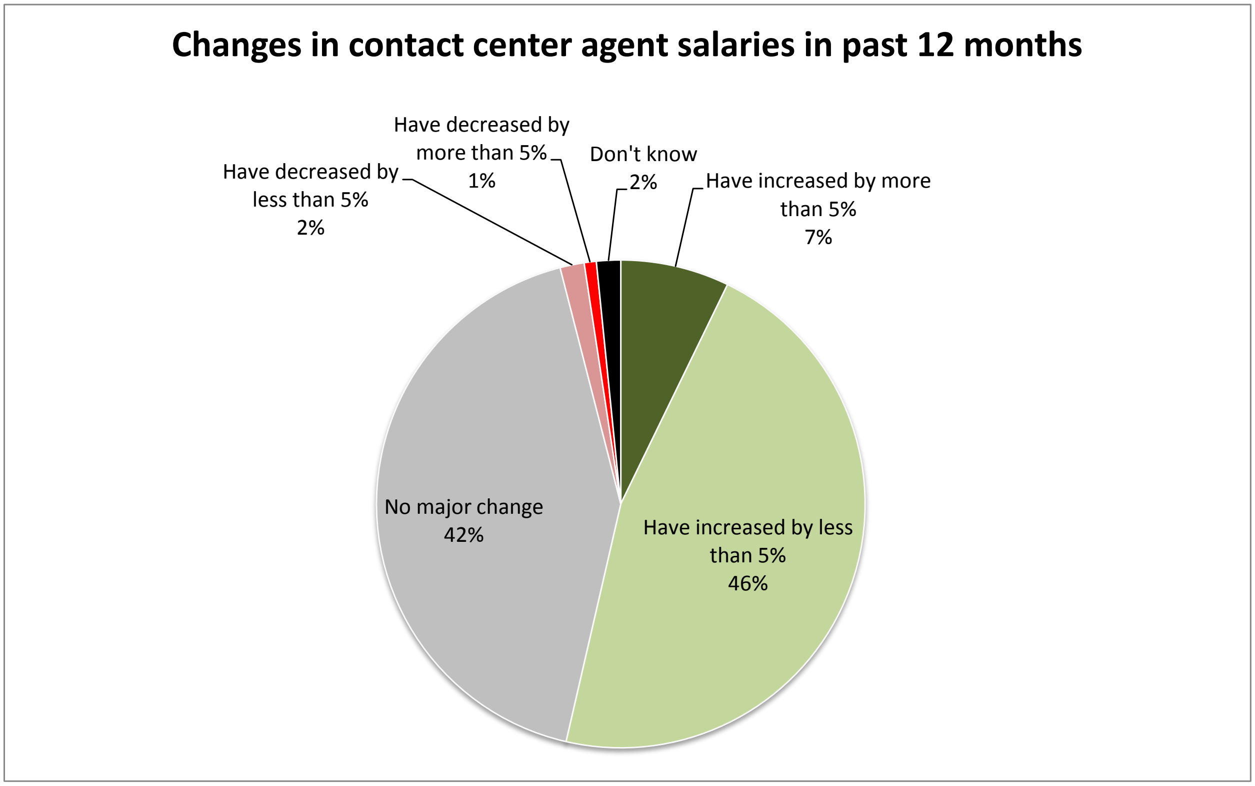
New agent salaries have increased by a mean average of 9.1% in the past twelve months, to attract new entrants to the industry, and has well above the recent rate of inflation. Contact center manager roles have increased very little on average for a number of years, but the economic recovery could be shown in the strong industry-wide salary rises.

Figure 149: Contact center salaries and changes

Role	2013 mean average salary	Change 2012-13
New agent	$28,960	+9.1%
Experienced agent	$34,710	+9.1%
Team leader / supervisor	$45,863	+14.0%
Contact center manager	$72,863	+17.6%

As different businesses respond to this research survey each year, an extra question is asked about how that particular business's salaries have changed, allowing us to state with some confidence whether the industry-wide salary changes is actually caused by a structural alteration in the industry, or whether a greater sample of top-paying companies have taken part this year. This year's big jump seems in part to be down to the latter option, as only 7% of respondents report agent salary increases over 5%, although most have posted some rise in salaries.

Figure 150: Changes in contact center agent salaries in past 12 months



More detailed analysis of salaries and bonuses, including historical patterns and segmentation by vertical market, contact center size and activity type is included in "The US Contact Center HR and Operational Benchmarking Report (2013)".

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SHL, the CEB Talent Measurement Solution, helps you find the right candidates to fill call center roles, from entry level positions through identifying managers and leaders.

STRATEGIC DIRECTIONS

Much of this report is about how contact centers are performing today, but this final chapter looks at the more strategic decisions and issues that contact centers are facing.

HR issues have often been what make contact center 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 centers are also aware that they have to modernize 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 centers still do not have much in the way of a champion at the higher levels of the business.

The need to measure and improve customer satisfaction, and its impact upon profitability, has become an obsession throughout the industry, which is positive for customers and businesses. However, much of the short-term investment coming from the wider business seems to be focused towards improving efficiency than effectiveness. As many of the issues that the contact center has to deal with come as a result of sub-optimal or even broken processes, both within and without the contact center, spending money on doing unnecessary things more quickly seems strange.

Our own view is that while the industry is growing in terms of increased volumes of interactions and agents, more needs to be done to increase the effectiveness of agents. Self-service levels are low across much of the industry, and more must be done to take low-value work away from agents, freeing them up to do more profitable and difficult work. For businesses where self-service is not an option, great opportunities still exist to trim unnecessary elements of the calls, from identity verification through system navigation to post-call wrap-up: consistently high and growing levels of wrap-up time and non-call time is worrying, as around 40% of an agent's time is spent doing something other than talking to customers. Agent desktop optimisation – putting the right things on the desktop at the right time in the conversation, without disrupting the underlying system functionality – is gaining in popularity, especially in very large contact centers with multiple, complex processes and legacy systems. Interaction analytics offers businesses a chance to understand why customers are calling, and provides the opportunity to gain real business insight that will impact at the heart of the business.

Yet the background against which the technologies and HR issues that contact center management now talks about is that of customer satisfaction and improved customer experience. This is the common ground where senior executives and contact center 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 colored by improving customer satisfaction, the almost-certain driver of where the contact center industry is headed long-term.

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TECHNOLOGY USAGE AND PLANS

Figure 151: Technology penetration and implementation plans

	Currently use, no plans to replace/upgrade	Currently use, looking to replace/upgrade	Likely to implement < 12 months	Likely to implement > 12 months	No plans to implement	Don't know
Headsets	89%	6%	3%	0%	1%	1%
Call recording	74%	10%	7%	1%	7%	2%
IP infrastructure	74%	3%	6%	1%	6%	11%
ACD/PBX functionality	65%	16%	4%	1%	9%	6%
Email management software	58%	8%	8%	4%	16%	6%
Touchtone IVR	55%	14%	8%	2%	18%	4%
Management information systems	55%	10%	9%	5%	9%	12%
Workforce management systems	42%	9%	18%	4%	21%	6%
Web chat	38%	5%	18%	16%	20%	3%
Outbound dialer	33%	4%	4%	4%	51%	4%
Customer service mobile app	25%	8%	14%	16%	30%	7%
Speech/interaction analytics	25%	2%	10%	7%	49%	6%
Automated speech recognition	20%	2%	10%	4%	55%	9%

NB: figures may not exactly match those quoted elsewhere in the report, due to some respondents not being attributed with a specific vertical market or size band. Figures in this chart show **all** respondents.

The preceding table shows respondents' current and future use of specific contact center solutions. Telephony infrastructure, IVR, call recording and management information systems are the most likely to be upgraded or replaced in the next year.

In terms of new implementations, multimedia seems to be a focus, with web-chat and mobile customer service being singled-out, with speech recognition, speech analytics and especially workforce management also receiving attention. In the longer-term too, web chat, speech analytics and mobile customer service solutions were seen as likely investments.

Recognizing that the reality of contact center 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.

Analyzing the areas that contact centers 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 152: Most important areas of IT expenditure in the next two years

Expenditure type	1st	2nd	3rd
CRM /agent desktop	23%	2%	21%
IP / telephony system	21%	20%	3%
Self-service / IVR / speech recognition	9%	5%	8%
Interaction analytics	8%	11%	3%
Multichannel management	4%	14%	11%
Workforce management	4%	11%	13%
Cloud	4%	5%	0%
Mobile channel	4%	2%	8%
Social media	4%	2%	0%
Business application	4%	0%	3%
Databases	4%	0%	0%
Web chat	4%	0%	5%
Hardware	2%	9%	5%
Outbound / dialing	2%	2%	3%
Customer satisfaction measurement	2%	2%	3%
Knowledge base	2%	0%	5%
Reporting / MIS	2%	0%	3%
Call recording / quality monitoring	0%	11%	3%
Training software	0%	2%	5%

As has been the case for many years now, moving to an IP environment has been the one of the most popular priorities amongst respondents, with 21% of respondents stating that upgrading their telephony system was the most important area of expenditure, with a further 20% putting it as their second priority.

CRM (taken to indicate an improvement to the core customer management systems as well as company-wide CRM) is in no.1 position, with 46% of respondents putting it as one of their top 3. Workforce management, especially in smaller contact centers, is strong this year, being a top 3 priority for 28% of respondents.

The movement to support multimedia - perhaps made more urgent by the enthusiasm for social media and mobile management - looks likely to attract funding, with very significant support as a level 2 or 3 priority. Although self-service maintains its importance in this year's survey, only 9% of respondents put this as their no.1 IT investment priority.

Interaction analytics has increased greatly, with 22% of respondents making this a top 3 priority, up from 10% last year.

Thought Leadership

Moving at the Speed of Business – The Agility of Cloud-Based Customer Service

Meeting the expectations of today's connected customer requires an agile and responsive approach to customer service via the cloud.

Business is moving at lightning speed. Busy, demanding customers are often the catalyst for that competitive rush. Customers today interact with companies through multiple channels, including voice, Web, email, chat, mobile & social.

For companies to keep pace with customers and the changing business environment they need a contact center infrastructure that's flexible and agile enough to respond to customer requests across all touch points. Increasingly, organizations are turning to cloud computing platforms for affordability, accessibility, agility, simplicity, and reliability to stay in stride with customers' changing behaviors.

Technologies and services integrated and accessed through the cloud better help decision-makers understand customers at a personalized level and predict their future needs, behaviors, and value.

"Smart businesses aren't just keeping pace with their customers; they're staying a step ahead of them," says Cheryl Nolan, a director at Peppers & Rogers Group. "Today it is practical, as well as possible, to engage customers with differentiated experiences and to know our customers on a one-to-one level."

The Flexibility of 'The Cloud'

Today's connected customers require companies to respond "real time" to their questions, comments, and issues. Cloud-based contact center services are proving to be a fundamental component necessary for bringing about these capabilities with speed and agility. Cloud platforms can enable companies to synthesize, analyze, and act on customer insights from across an assortment of channels. In addition, cloud-based contact center services allow companies to make changes to customer service capabilities on the fly meeting fast-changing customer needs and preferences.

An increasing number of companies are also leveraging cloud services to rapidly ramp up cost-effective self-service applications so customers quickly resolve issues themselves. For example, decision-makers may discover through predictive analysis of contact center traffic that a high percentage of customers are suddenly calling in to pay their bills because of a glitch in the online bill-pay feature. The contact center can leverage cloud-based contact center services to rapidly develop capabilities for customers to pay their bills using self-service IVR or Web self-service and avoid overloading live agents.

"The use of analytics in the contact center offers a great deal of promise because it can tell you why customers are calling and it can be tough to get that data from the reams of reports that are available," says Mariann McDonagh, Chief Marketing Officer at inContact. Such scenarios are effective because, as McDonagh notes, cloud-based contact center services offer far greater agility and flexibility for adding functionality on the fly than premise-based software systems.

Moving to cloud contact center solutions is a cost effective and efficient way to streamline contact center operations. A 10 point checklist provides a resource designed to help professionals determine which solution is best suited for their organization and make the shift to the Cloud.

Don't be left in the dust – join the other leaders who have switched to a cloud-based service and reaped the benefits.

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PRESSING MANAGERIAL ISSUES

The following tables investigate what keeps contact center managers awake at night. As usual, the focus upon customer satisfaction improvement is still out in front by some distance, with focus upon achieving metrics, 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 thus the quality of service provided as a result is strong.

> "inContact gives us the flexibility we wouldn't have had the other way. It eliminates the need for technical staff to support the system. We figure it not only saved us a half a million dollars when we set up, but also saved us a couple hundred thousand a year in technical staff support."
>
> Bill Brackin, VOAAA

While most respondents have a strong focus on decreasing costs, it is particularly noticeable in the retail sector. The outsourcing, retail and manufacturing sectors are particularly keen to increase their revenues, with the first of these marking this as its no.1 priority, even above customer satisfaction.

Finance respondents are amongst the most concerned with lowering their higher-than-average staff attrition rates, and along with medical respondents, they are also looking to grow.

Figure 153: Most pressing managerial issues, by vertical market

Vertical market	EL	FS	INS	MAN	MED	OS	PS	RD	SVCS	TMT	Average	% of respondents scoring this as a maximum
Improving customer satisfaction	7.0	8.8	9.0	9.0	9.2	6.5	6.5	9.0	8.2	8.7	**8.1**	42%
Increasing revenue	8.0	6.0	5.3	9.0	7.3	9.1	2.0	8.0	6.4	7.1	**7.3**	44%
Achieving set metrics	7.0	7.0	8.2	7.0	9.5	6.1	8.8	8.2	7.0	6.6	**7.2**	21%
Decreasing costs	7.0	6.3	7.7	5.0	8.3	7.5	4.0	8.7	5.7	7.0	**6.9**	24%
Improving first-call resolution	7.0	7.8	7.8	7.0	7.7	5.6	5.3	6.0	6.3	7.8	**6.8**	21%
Improving staff morale	6.0	8.0	6.8	8.0	8.2	6.2	7.3	6.0	5.4	6.3	**6.5**	15%
Growing or maintaining staff numbers	7.0	7.8	5.7	8.0	8.7	6.1	8.7	5.7	3.7	6.7	**6.2**	16%
Reducing staff attrition rates	6.0	7.5	5.7	6.0	6.7	5.3	5.5	5.0	4.0	4.9	**5.2**	13%

Staff attrition is more important in larger operations than smaller, as is revenue growth and cost management. Smaller operations place more emphasis on improving staff morale than do larger ones.

Figure 154: Most pressing managerial issues, by contact center size

Contact center size	Small	Medium	Large	Average	% of respondents scoring this as a maximum
Improving customer satisfaction	8.2	7.7	8.1	**8.1**	42%
Increasing revenue	6.0	8.6	8.8	**7.3**	44%
Achieving set metrics	7.1	8.1	6.9	**7.2**	21%
Decreasing costs	6.3	6.7	8.3	**6.9**	24%
Improving first-call resolution	6.7	6.5	7.3	**6.8**	21%
Improving staff morale	6.8	6.1	6.2	**6.5**	15%
Growing or maintaining staff numbers	6.4	6.1	5.9	**6.2**	16%
Reducing staff attrition rates	4.8	4.9	6.5	**5.3**	13%

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 once again. This strong showing indicates that many other issues, concerns and trends within the contact center are being viewed in the light of customer satisfaction. For example, “I’m concerned about contact center productivity” really means “I’m concerned about how contact center productivity is impacting upon our customers’ satisfaction”.

inContact®

"inContact is doing for the contact center what Salesforce did for the CRM." - Piper Jaffrey

There is a wide and growing acknowledgment that business processes have to change, and the work that the contact center 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 center, such as housing and public sector. As many of the calls that most contact centers take are about failures elsewhere in the organization to deliver what the contact center has promised, fixing broken or sub-optimized processes, and allowing the contact center 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 maintain importance, with 17% of respondents scoring this as a maximum. As we would expect, finance companies are very focused on compliance, but this year the majority of sectors are concerned about compliance and data security.

Improving the desktop to make it easier for agents to do their job was rated as important especially by insurance respondents. These agents often have to deal with multiple systems within a call, and also often have long wrap-up times as well as the excessive training requirements that dealing with labyrinthine systems cause.

The public sector is also under pressure to cut costs, and its even-greater interest in self-service (despite historically low levels of this channel) can be viewed in this context.

Figure 155: The importance of industry trends, by vertical market

Vertical market	EL	FS	INS	MAN	MED	OS	PS	RD	SVCS	TMT	Average	% of respondents scoring this as a maximum
Customer experience improvement	8.0	9.0	8.7	9.3	8.2	8.9	7.8	9.3	7.7	7.8	**8.3**	42%
Business process optimisation	7.0	7.8	7.3	8.8	8.0	8.1	5.7	9.0	7.3	6.9	**7.5**	27%
Agent desktop optimisation	7.0	7.5	8.4	8.0	6.3	6.2	6.5	7.7	5.9	6.1	**6.5**	15%
Social media	8.0	8.0	7.2	6.0	5.0	5.2	7.3	8.3	5.7	5.7	**6.1**	8%
Legislation / compliance	6.0	8.0	6.2	5.0	7.7	6.0	7.7	5.3	3.6	5.0	**5.6**	17%
Multimedia	4.0	6.8	6.0	8.0	5.7	4.4	5.5	9.3	5.9	4.8	**5.5**	16%
IP / unified communication	5.0	4.3	5.2	5.0	5.2	4.9	6.3	4.3	4.7	7.0	**5.4**	14%
Cloud	5.0	3.5	4.6	1.0	6.2	6.2	5.0	4.3	5.3	5.8	**5.4**	17%
Web / mobile self-service	9.0	7.3	6.5	10.0	4.2	4.0	6.8	4.7	4.1	5.3	**5.1**	8%
Telephony self-service	6.0	2.5	6.5	2.0	5.8	3.8	6.7	4.0	5.7	5.1	**5.0**	10%
Virtualization	4.0	3.0	4.0	1.0	5.6	4.7	5.7	2.0	3.9	4.2	**4.2**	5%
Domestic outsourcing	1.0	2.8	2.4	1.0	1.4	7.6	1.5	2.7	3.5	3.8	**3.9**	10%
Offshoring	1.0	1.3	1.6	1.0	1.0	4.8	5.0	1.0	1.5	2.9	**2.5**	2%

Looking at data segmented by contact center size, self-service is - as would be expected - more positively thought about by large operations with a potentially greater cost saving, with the same logic applying to mobile and web self-service functionality as well.

Figure 156: The importance of industry trends, by contact center size

Contact center size	Small	Medium	Large	Average	% of respondents scoring this as a maximum
Customer experience improvement	8.4	8.8	7.6	**8.3**	42%
Business process optimisation	7.9	7.6	6.9	**7.5**	27%
Agent desktop optimisation	6.4	6.7	7.2	**6.5**	15%
Social media	5.9	5.7	6.4	**6.1**	8%
Legislation / compliance	5.6	4.6	6.3	**5.6**	17%
Multimedia	5.9	4.7	5.6	**5.5**	16%
IP / unified communication	5.3	5.5	5.6	**5.4**	14%
Cloud	5.4	5.3	5.5	**5.4**	17%
Web / mobile self-service	4.6	5.9	5.8	**5.1**	8%
Telephony self-service	4.8	4.6	5.7	**5.0**	10%
Virtualization	3.9	3.4	5.4	**4.2**	5%
Domestic outsourcing	2.8	4.3	5.3	**3.9**	10%
Offshoring	1.8	2.5	3.3	**2.5**	2%

THE CONTACT CENTER AS A STRATEGIC ASSET

There is a roughly 50-50 split between whether contact centers are seen as strategic assets or operational cost centers by the organization's executives, which goes some way to explaining why so many operations do not share their insight with the wider business. Insurance and retail respondents do not feel they are seen as strategic, whereas those in the finance and outsourcing sectors are more likely to do so. The smaller contact centers were less likely to feel they were seen as strategic.

Figure 157: Does your executive board see the contact center as a strategic asset or operational cost center? (by vertical market)

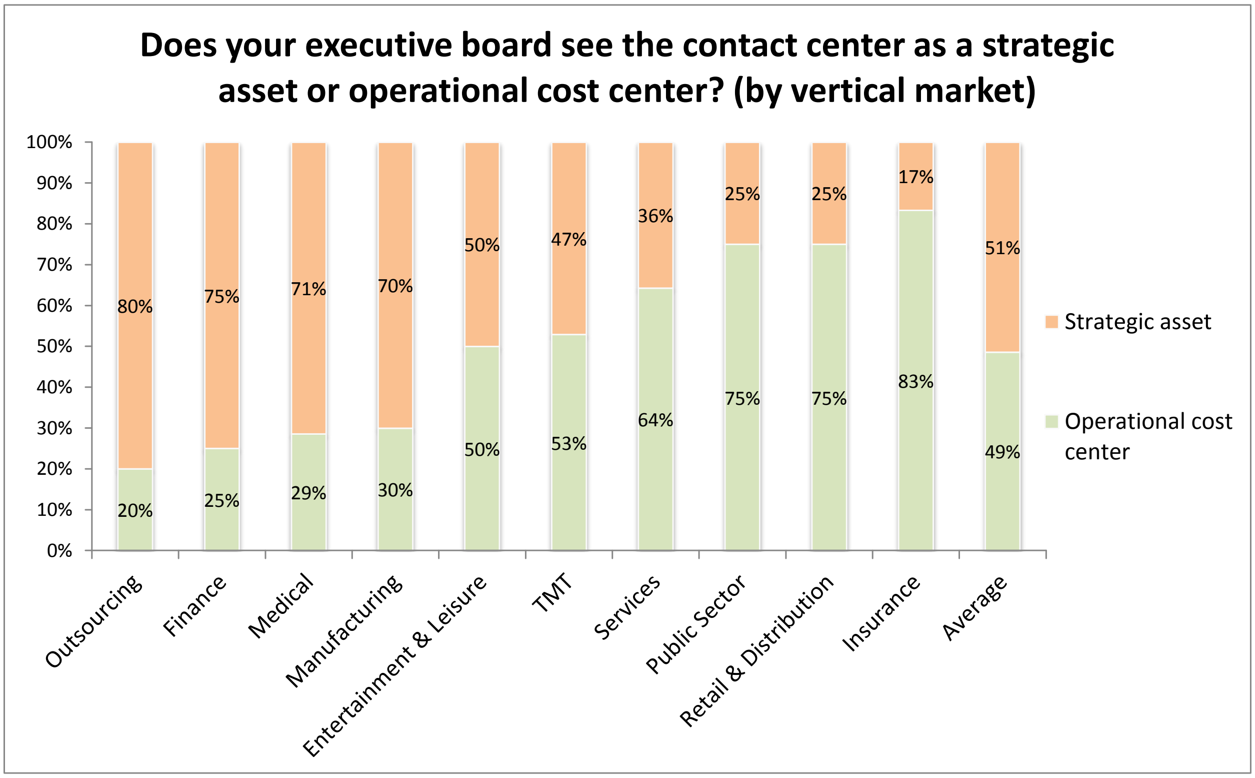
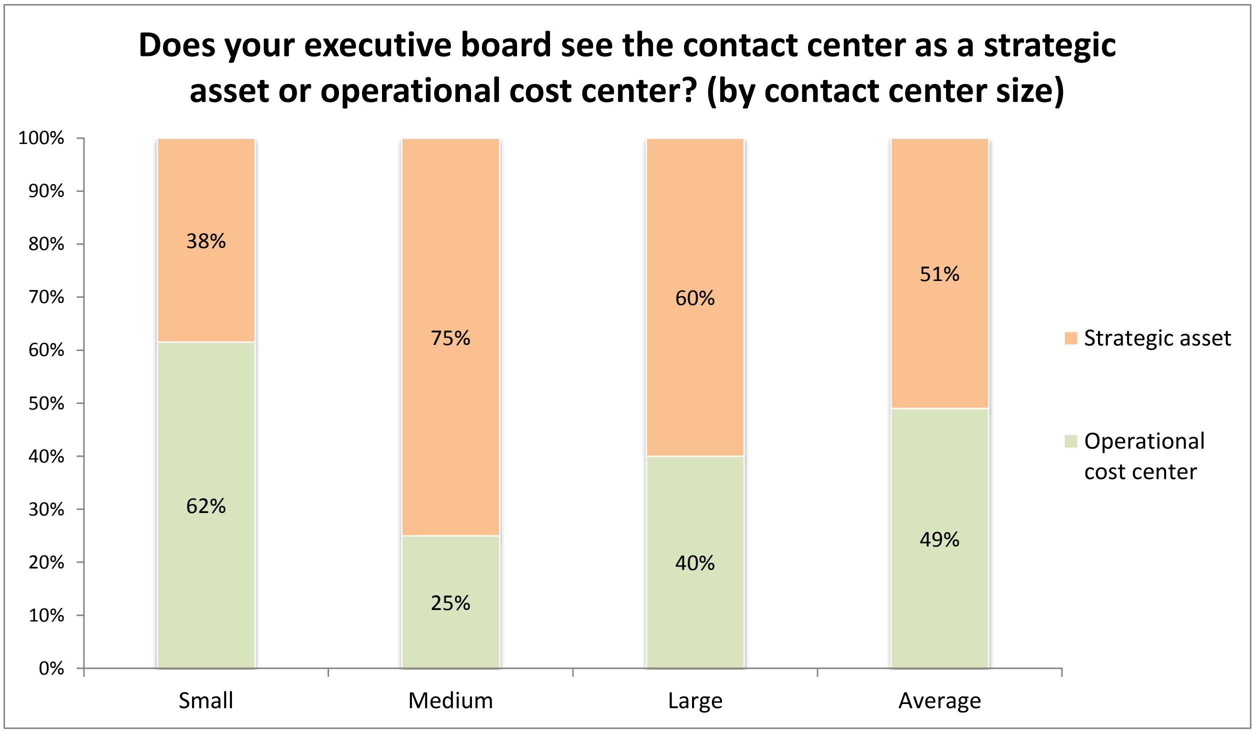
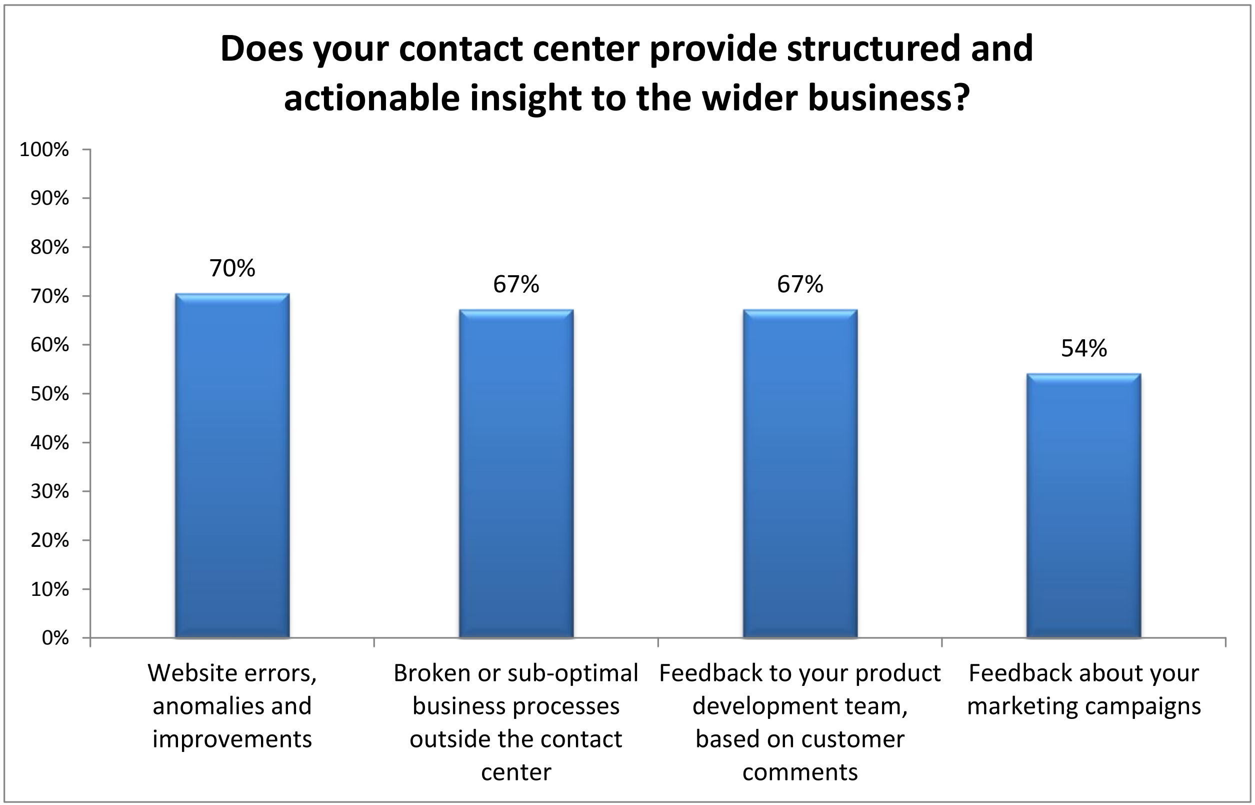


Figure 158: Does your executive board see the contact center as a strategic asset or operational cost center? (by contact center size)



Finally in this report, we look at how the contact center is encouraged and supported to provide actionable insight to departments or functions elsewhere in the organisation. The majority of respondents believe that their contact centers give insight to other areas of the business, although there are a substantial proportion of businesses which do not learn at all from the customer comments that are given directly to their front-line staff, which seems unbelievable. For many organizations, the contact center is the place where the customer meets the business and can tell them just what is really happening. Solutions such as interaction analytics are adding to the actionable value of these conversations, but it should be the case that 100% of businesses are already set-up to learn what their customers think, and how they can improve.

Figure 159: Does your contact center provide structured and actionable insight to the wider business?



Organizations able to help with Strategic Directions:

AVAYA

Avaya is a global provider of business collaboration and communications solutions, providing unified communications, contact centers, networking and related services to companies of all sizes around the world.

calabrio®

There's no end to better.

Calabrio powerfully redefines workforce management with software that is intuitive, flexible and hassle free.

CS

COMMUNITECH SERVICES, INC.

CommuniTech Services can help you with a game-changing SAP Contact Center solution to deliver a great customer experience.

ConnectFirst

Quick to deploy, full featured and fault tolerant, the Connect First platform is suited for inbound, outbound and blended contact centers: whether for single or distributed operations, it offers advanced features found in million-dollar on-premises systems, while at the same time delivering the flexible deployment options that only a SaaS offering can deliver.

Genesys®

With more than 2,000 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.

INTERACTIVE INTELLIGENCE®

Deliberately Innovative

At Interactive Intelligence, it's what we do.

openspan
where people and technology meet

OpenSpan provides technology and services that improves, accelerates and measures software - and data-driven work on the desktop, driving performance in front-office and back-office environments.

ORACLE
RIGHTNOW
CLOUD SERVICE

Oracle offers the most complete customer experience solution in the industry, enabling companies to differentiate themselves across all channels, touch points, and interactions: learn more.

shl
The CEB Talent Measurement Solution

SHL, the CEB Talent Measurement Solution, helps you find the right candidates to fill call center roles, from entry level positions through identifying managers and leaders.

VoltDelta
OnDEMAND SOLUTIONS

VoltDelta OnDemand delivers exceptional customer care with cloud-based multi-channel contact center solutions.

APPENDIX: ABOUT CONTACTBABEL

ContactBabel is the contact center 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 analyzing the contact center 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 center strategies and talk to the right prospects. We have shown the UK government how the global contact center industry will develop and change. We help contact centers 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 center industry, perhaps we can help you.

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