



# THE US CONTACT CENTER DECISION-MAKERS' GUIDE (5<sup>TH</sup> EDITION - 2012)

Platinum sponsors





## CONTENTS

<b>CONTENTS .....</b>	<b>2</b>
<b>LIST OF TABLES .....</b>	<b>5</b>
DEDICATED TO SERVING THE CONTACT CENTER INDUSTRY .....	10
ABOUT THE <b>AMERICAN TELESERVICES ASSOCIATION</b> .....	10
<b>INTRODUCTION AND METHODOLOGY .....</b>	<b>11</b>
HOW TO USE THE REPORT .....	11
SEGMENTATIONS .....	12
<i>Vertical markets</i> .....	12
<i>Size band</i> .....	13
<i>Contact center type</i> .....	13
THE STRUCTURE OF THE DATASETS .....	13
DISTRIBUTION AND USE OF THIS REPORT .....	14
<b>IMPROVING QUALITY AND PERFORMANCE .....</b>	<b>23</b>
INTERACTION RECORDING .....	24
CUSTOMER INTERACTION ANALYTICS .....	33
<i>The Commercial Applications of Customer Interaction Analytics</i> .....	39
<i>Estimating Return on Investment for Customer Interaction Analytics</i> .....	50
DYNAMIC SCRIPTING AND THE UNIFIED DESKTOP .....	53
<i>Dynamic Scripting</i> .....	53
<i>The Unified Desktop</i> .....	57
CUSTOMER SATISFACTION .....	61
<i>Customer satisfaction measurement techniques</i> .....	62
<i>Complaints</i> .....	69
TRAINING AND COACHING .....	72
<i>Induction course training methods</i> .....	73
<i>Time required to become fully-productive</i> .....	75
<i>Induction course costs</i> .....	76
<i>Ongoing training and coaching</i> .....	78
<i>Team leader coaching and development</i> .....	81
<b>MAXIMIZING EFFICIENCY AND AGENT OPTIMIZATION .....</b>	<b>86</b>
CONTACT CENTER PERFORMANCE METRICS .....	87
<i>The importance of contact center metrics</i> .....	90
<i>Agent activity</i> .....	91
<i>Call duration</i> .....	95
<i>Call abandonment</i> .....	97
<i>Speed to answer</i> .....	98
<i>First-call resolution</i> .....	101
<i>Call transfers</i> .....	106



Cost per call .....	107
<b>BUDGET.....</b>	<b>108</b>
<i>Operating expenditure, 2011.....</i>	<i>108</i>
<i>Changes in contact center size, operating and capital expenditure, 2011 &amp; 2012.....</i>	<i>110</i>
<b>NEW WAYS OF WORKING .....</b>	<b>116</b>
<i>Virtual contact centers.....</i>	<i>117</i>
<i>Homeworking and telecottages.....</i>	<i>126</i>
<i>The enterprise as the contact center .....</i>	<i>134</i>
<b>IP AND CONVERGENCE.....</b>	<b>136</b>
<b>INCREASING EFFICIENCY AND EFFECTIVENESS WITHIN THE CALL.....</b>	<b>144</b>
<i>Payment cards and security.....</i>	<i>144</i>
<i>Customer Identity Verification.....</i>	<i>145</i>
<i>Call Routing and Queue Management .....</i>	<i>154</i>
<i>Virtual Queue Management .....</i>	<i>164</i>
<b>MULTICHANNEL WORKFORCE MANAGEMENT.....</b>	<b>168</b>
<b>HEADSETS .....</b>	<b>178</b>
<i>Wireless and IP Headsets.....</i>	<i>180</i>
<i>Acoustic shock.....</i>	<i>183</i>
<b>NEW MEDIA AND THE CUSTOMER OF THE FUTURE .....</b>	<b>188</b>
<b>MULTIMEDIA MANAGEMENT AND THE UNIVERSAL QUEUE .....</b>	<b>193</b>
<i>Email management.....</i>	<i>199</i>
<i>Multimedia Blending .....</i>	<i>203</i>
<i>Text chat and web collaboration .....</i>	<i>206</i>
<b>SELF-SERVICE .....</b>	<b>208</b>
<i>The Use of IVR and Speech Recognition.....</i>	<i>208</i>
<i>The Use of Self-service .....</i>	<i>210</i>
<i>Video and IVVR .....</i>	<i>218</i>
<b>THE CUSTOMER OF THE FUTURE .....</b>	<b>219</b>
<i>Social Media .....</i>	<i>220</i>
<b>INCREASING PROFITABILITY.....</b>	<b>230</b>
<b>CRM, CROSS-SELLING AND UPSELLING.....</b>	<b>231</b>
<b>CLOUD AND HOSTED SOLUTIONS .....</b>	<b>237</b>
<i>What types of company should consider hosted/Cloud solutions? .....</i>	<i>239</i>
<i>Drivers for hosted and managed solutions.....</i>	<i>241</i>
<i>The value proposition of Cloud/hosted/network solutions.....</i>	<i>243</i>
<i>CPE or hosted/network solutions - or both? .....</i>	<i>248</i>
<i>Checklist when choosing a hosted/network solution.....</i>	<i>249</i>
<i>Results of using hosted and managed solutions.....</i>	<i>250</i>
<i>Concerns About Cloud or Hosted SOLUTIONS .....</i>	<i>252</i>
<b>OUTBOUND AND CALL BLENDING .....</b>	<b>253</b>
<i>Outbound activity.....</i>	<i>254</i>
<i>Call blending .....</i>	<i>261</i>




---

<i>The role of mobile telephony on outbound calling</i> .....	263
TACTICAL & PROJECT-BASED OUTSOURCING .....	264
<i>Drivers for tactical and project-based outsourcing</i> .....	265
<i>Choosing an outsourcer</i> .....	267
<b>HR MANAGEMENT</b> .....	<b>272</b>
ATTRITION .....	272
<i>Agent attrition by vertical market</i> .....	276
<i>Agent attrition by contact center size</i> .....	278
<i>Agent attrition by contact center activity type</i> .....	280
<i>Causes of staff attrition</i> .....	282
<i>Methods of motivating and retaining agents</i> .....	283
ABSENCE .....	285
RECRUITMENT .....	288
<i>Recruitment methods</i> .....	288
<i>The cost and purpose of recruitment</i> .....	292
<i>Most important attributes of a successful contact center agent</i> .....	293
SALARIES .....	295
<i>Salaries by vertical market</i> .....	296
<i>New agent salaries</i> .....	297
<i>Experienced agent salaries</i> .....	297
<i>Team leader salaries</i> .....	298
<i>Contact center manager salaries</i> .....	298
<i>Salaries by contact center activity type and size</i> .....	299
<i>Bonuses</i> .....	302
<b>STRATEGIC DIRECTIONS</b> .....	<b>306</b>
TECHNOLOGY USAGE AND PLANS.....	308
PRESSING MANAGERIAL ISSUES .....	313
INDUSTRY TRENDS.....	316
THE CONTACT CENTER AND THE WIDER BUSINESS .....	320
<b>APPENDIX: ABOUT CONTACTBABEL</b> .....	<b>327</b>



## LIST OF TABLES

FIGURE 1: VERTICAL MARKET DEFINITIONS.....	12
FIGURE 2: CURRENT AND FUTURE USE OF CALL RECORDING, BY VERTICAL MARKET .....	24
FIGURE 3: CURRENT AND FUTURE USE OF CALL RECORDING, BY CONTACT CENTER SIZE .....	26
FIGURE 4: PRESENCE OF INDUSTRY-WIDE REGULATIONS REQUIRING COMPLIANCE, BY VERTICAL MARKET .....	29
FIGURE 5: EFFECTIVENESS OF CALL RECORDING FOR SPECIFIC TASKS .....	31
FIGURE 6: CURRENT USE OF SPEECH ANALYTICS, BY VERTICAL MARKET.....	36
FIGURE 7: CURRENT USE OF SPEECH ANALYTICS, BY CONTACT CENTER SIZE .....	37
FIGURE 8: EFFECTIVENESS OF CUSTOMER INTERACTION MONITORING & ANALYSIS METHOD FOR VARIOUS CHANNELS .....	38
FIGURE 9: DOES YOUR CONTACT CENTER HAVE TO COMPLY WITH INDUSTRY-WIDE REGULATIONS? (BY VERTICAL MARKET).....	40
FIGURE 10: EFFECTIVENESS OF CALL RECORDING FOR VARIOUS TASKS (ALL RESPONDENTS USING CALL RECORDING).....	47
FIGURE 11: EFFECTIVENESS OF CALL RECORDING FOR VARIOUS TASKS (ONLY RESPONDENTS USING BOTH CALL RECORDING AND SPEECH ANALYTICS).....	48
FIGURE 12: DO YOU USE SCRIPTING? .....	53
FIGURE 13: USE OF SCRIPTING, BY CONTACT CENTER SIZE .....	54
FIGURE 14: THE EFFECTIVENESS OF SCRIPTING.....	55
FIGURE 15: INHIBITORS TO SCRIPTING.....	56
FIGURE 16: USE OF MULTIPLE APPLICATIONS ACROSS VERTICAL MARKETS .....	57
FIGURE 17: HOW MANY APPLICATIONS DOES AN AGENT USE WITHIN A CALL?.....	58
FIGURE 18: HOW MANY APPLICATIONS DOES AN AGENT USE AFTER A CALL?.....	59
FIGURE 19: HOW DO CONTACT CENTER STAFF GET REWARDED? .....	65
FIGURE 20: CUSTOMER SATISFACTION MEASUREMENT, IN-DEPTH .....	66
FIGURE 21: RESPONSE TO DISSATISFIED CUSTOMERS WITHIN ONE WORKING DAY, BY VERTICAL MARKET.....	67
FIGURE 22: RESPONSE TO DISSATISFIED CUSTOMERS WITHIN ONE WORKING DAY, BY CONTACT CENTER SIZE .....	68
FIGURE 23: 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 .....	70
FIGURE 24: EFFECTIVENESS OF INDUCTION COURSE TRAINING METHODS .....	73
FIGURE 25: NUMBER OF WEEKS FOR A NEW AGENT TO BECOME FULLY PRODUCTIVE, BY VERTICAL MARKET.....	75
FIGURE 26: COST OF INDUCTION COURSE BY HEAD, BY VERTICAL MARKET .....	76
FIGURE 27: COST OF INDUCTION COURSE PER HEAD, BY CONTACT CENTER ACTIVITY TYPE .....	77
FIGURE 28: COST OF INDUCTION COURSE PER HEAD, BY CONTACT CENTER SIZE .....	77
FIGURE 29: TYPE OF ONGOING TRAINING TIME, BY VERTICAL MARKET .....	78
FIGURE 30: TYPE OF ONGOING TRAINING TIME, BY CONTACT CENTER ACTIVITY TYPE.....	79
FIGURE 31: TYPES OF ONGOING TRAINING, BY VERTICAL MARKET (HOURS PER AGENT PER WEEK) .....	80
FIGURE 32: MONTHLY HOURS OF COACHING AND DEVELOPMENT FOR TEAM LEADERS, BY VERTICAL MARKET .....	81
FIGURE 33: CONTACT CENTER METRICS.....	87
FIGURE 34: HOW IMPORTANT ARE THESE CONTACT CENTER METRICS COMPARED WITH TWO YEARS AGO? .....	90
FIGURE 35: AGENT ACTIVITY BY VERTICAL MARKET .....	91
FIGURE 36: AGENT ACTIVITY BY CONTACT CENTER SIZE.....	93
FIGURE 37: AVERAGE CALL DURATION (SERVICE & SALES), BY CONTACT CENTER SIZE.....	95
FIGURE 38: AVERAGE CALL DURATION (SERVICE & SALES), BY VERTICAL MARKET .....	96
FIGURE 39: CALL ABANDONMENT RATES BY VERTICAL MARKET .....	97
FIGURE 40: CALL ABANDONMENT RATES, BY CONTACT CENTER SIZE .....	97




---

FIGURE 41: AVERAGE SPEED TO ANSWER, BY VERTICAL MARKET.....	99
FIGURE 42: AVERAGE SPEED TO ANSWER, BY CONTACT CENTER SIZE.....	100
FIGURE 43: FOCUS OF FIRST-CALL RESOLUTION RATE MEASUREMENT.....	101
FIGURE 44: FIRST-CALL RESOLUTION RATE BY VERTICAL MARKET.....	102
FIGURE 45: USE AND EFFECTIVENESS OF FCR MEASUREMENT METHOD.....	104
FIGURE 46: CALL TRANSFERS BY VERTICAL MARKET.....	106
FIGURE 47: COST PER INBOUND CALL.....	107
FIGURE 48: CONTACT CENTER OPERATING EXPENDITURE.....	108
FIGURE 49: CONTACT CENTER OPERATING EXPENDITURE BY CONTACT CENTER SIZE.....	109
FIGURE 50: CHANGES IN OPEX AND CAPEX, 2011.....	110
FIGURE 51: ACTUAL AND EXPECTED CHANGES IN AGENT POSITIONS, 2011 & 2012.....	111
FIGURE 52: CHANGES IN OPERATING EXPENDITURE 2011, BY CONTACT CENTER SIZE.....	112
FIGURE 53: EXPECTED CHANGES IN OPERATING EXPENDITURE 2012, BY CONTACT CENTER SIZE.....	113
FIGURE 54: CHANGES IN CAPITAL EXPENDITURE IN 2011, BY CONTACT CENTER SIZE.....	114
FIGURE 55: EXPECTED CHANGES IN CAPITAL EXPENDITURE 2012, BY CONTACT CENTER SIZE.....	115
FIGURE 56: VIRTUAL CONTACT CENTER COMMERCIAL AND OPERATIONAL BENEFITS.....	119
FIGURE 57: VIRTUALIZATION BY CONTACT CENTER SIZE (MULTIPLE-SITE OPERATIONS ONLY).....	121
FIGURE 58: BENEFITS OF VIRTUALIZING A CONTACT CENTER.....	122
FIGURE 59: REASONS FOR NOT IMPLEMENTING A VIRTUAL CONTACT CENTER (MULTISITE OPERATIONS ONLY).....	124
FIGURE 60: CHANGES IN USE OF HOMEWORKERS, 2007-2011.....	127
FIGURE 61: OPINION: "IT IS / WOULD BE DIFFICULT TO MANAGE HOMEWORKING AGENTS EFFECTIVELY".....	128
FIGURE 62: OPINION: "HOMEWORKING BRINGS / WOULD BRING US FLEXIBILITY TO ADD AGENTS AND BE OPEN LONGER HOURS".....	129
FIGURE 63: OPINION: "DATA SECURITY ISSUES ARE / WOULD BE A CONCERN".....	130
FIGURE 64: OPINION: "HOMEWORKING IS / COULD BE USED AS A PERFORMANCE INCENTIVE OR REWARD FOR THE BEST AGENTS".....	131
FIGURE 65: OPINION: "MANY STAFF DO NOT / WOULD NOT HAVE ANYWHERE SUITABLE TO WORK IN THEIR HOMES".....	132
FIGURE 66: OPINION: "HOMEWORKING REDUCES / WOULD REDUCE THE COST OF EQUIPMENT".....	133
FIGURE 67: NON-CONTACT CENTER STAFF HANDLING SUBSTANTIAL NUMBERS OF CALLS.....	134
FIGURE 68: CURRENT USE OF IP, BY CONTACT CENTER SIZE.....	139
FIGURE 69: FUTURE IMPLEMENTATION OF PURE IP, BY CONTACT CENTER SIZE.....	140
FIGURE 70: MAIN DRIVERS FOR MOVING TO IP, BY CONTACT CENTER SIZE.....	141
FIGURE 71: HOW HAS MOVING TO A SINGLE IP NETWORK CHANGED YOUR TELECOMS AND NETWORKING COSTS?.....	142
FIGURE 72: HOW HAS IMPLEMENTING IP IMPROVED YOUR CONTACT CENTER? (BY CONTACT CENTER SIZE).....	143
FIGURE 73: DOES YOUR CONTACT CENTER TAKE PAYMENTS OVER THE PHONE? (BY VERTICAL MARKET).....	144
FIGURE 74: PROPORTION OF CALLS REQUIRING CALLER IDENTIFICATION, BY VERTICAL MARKET.....	146
FIGURE 75: CALLER IDENTITY AUTHENTICATION METHODS.....	148
FIGURE 76: TIME TAKEN TO AUTHENTICATE CALLER IDENTITY, BY VERTICAL MARKET.....	148
FIGURE 77: USE OF TOUCHTONE IVR AND SPEECH RECOGNITION TO ROUTE CALLS, BY VERTICAL MARKET.....	155
FIGURE 78: USE OF TOUCHTONE IVR AND SPEECH RECOGNITION TO ROUTE CALLS, BY CONTACT CENTER SIZE.....	157
FIGURE 79: TOUCHTONE IVR LEVELS.....	157
FIGURE 80: TOUCHTONE IVR ROUTING OPTIONS, BY VERTICAL MARKET.....	159
FIGURE 81: CAPABILITY OF ROUTING CALLS AUTOMATICALLY DEPENDING ON THE CUSTOMER HISTORY.....	161
FIGURE 82: REASONS GIVEN FOR DISLIKE OF CONTACT CENTER QUEUING.....	164
FIGURE 83: USE OF WEBSITE 'CALL-ME' BUTTONS AND CALL-BACK OPTIONS, BY CONTACT CENTER ACTIVITY TYPE.....	166




---

FIGURE 84: USE OF WEBSITE 'CALL-ME' BUTTONS AND CALL-BACK OPTIONS, BY VERTICAL MARKET .....	167
FIGURE 85: USE OF WORKFORCE MANAGEMENT, BY VERTICAL MARKET.....	172
FIGURE 86: USE OF WORKFORCE MANAGEMENT, BY CONTACT CENTER SIZE .....	173
FIGURE 87: DRIVERS FOR WORKFORCE MANAGEMENT .....	174
FIGURE 88: THE IMPORTANCE OF MULTICHANNEL FORECASTING AND SCHEDULING.....	175
FIGURE 89: WHICH CHANGES TO YOUR WORKFORCE MANAGEMENT SYSTEMS WOULD BENEFIT YOU MOST? .....	177
FIGURE 90: HEADSET MANUFACTURERS USED BY RESPONDENTS .....	180
FIGURE 91: WHAT SORT OF IP PHONE DEVICE ARE YOU USING? .....	182
FIGURE 92: USE OF SINGLE AND DUAL EARPIECE HEADSETS .....	182
FIGURE 93: MULTIMEDIA CHANNELS.....	189
FIGURE 94: CURRENT USE AND FUTURE PLANS FOR NON-VOICE CHANNELS.....	195
FIGURE 95: INBOUND INTERACTIONS BY CHANNEL .....	196
FIGURE 96: CHANNEL USAGE .....	196
FIGURE 97: INBOUND INTERACTIONS BY CHANNEL, BY VERTICAL MARKET.....	197
FIGURE 98: HOW ARE INBOUND CHANNELS CHANGING IN YOUR CONTACT CENTER? .....	198
FIGURE 99: INBOUND INTERACTIONS THAT ARE EMAIL, BY VERTICAL MARKET.....	200
FIGURE 100: INBOUND INTERACTIONS THAT ARE EMAIL, BY CONTACT CENTER SIZE .....	200
FIGURE 101: WHAT PROPORTION OF EMAILS ARE ANSWERED SUCCESSFULLY AND COMPLETELY WITHIN THESE TIMESCALES? .....	202
FIGURE 102: USE OF MULTIMEDIA BLENDED AGENTS BY VERTICAL MARKET.....	203
FIGURE 103: METHODS OF MULTIMEDIA BLENDING .....	204
FIGURE 104: THE EFFECT OF MULTIMEDIA BLENDING ON AVERAGE EMAIL HANDLING TIME.....	205
FIGURE 105: ADVANTAGES AND DISADVANTAGES OF TOUCHTONE IVR .....	209
FIGURE 106: SOME FUNCTIONS FOR SELF-SERVICE, BY VERTICAL MARKET .....	210
FIGURE 107: OVERALL PROPORTION OF CALLS HANDLED ENTIRE THROUGH SELF-SERVICE (ONLY IN RESPONDENTS WHICH OFFER TELEPHONY SELF-SERVICE) .....	213
FIGURE 108: PROPORTION OF SELF-SERVICE CALLS HANDLED THROUGH TOUCHTONE IVR OR AUTOMATED SPEECH RECOGNITION, BY VERTICAL MARKET .....	214
FIGURE 109: INHIBITORS OF MOVEMENT FROM TOUCHTONE IVR TO AUTOMATED SPEECH RECOGNITION .....	216
FIGURE 110: WHICH OF THE FOLLOWING COMMENTS DESCRIBES HOW YOUR COMPANY VIEWS SOCIAL MEDIA? .....	221
FIGURE 111: CURRENT USAGE OF SOCIAL MEDIA .....	222
FIGURE 112: USEFULNESS OF SOCIAL MEDIA FOR BUSINESS ACTIVITIES .....	223
FIGURE 113: AGENTS CAPABLE OF CROSS-SELLING AND UP-SELLING, WITH FUTURE REQUIREMENTS, BY VERTICAL MARKET .....	233
FIGURE 114: AGENTS CAPABLE OF CROSS-SELLING AND UP-SELLING, WITH FUTURE REQUIREMENTS, BY CONTACT CENTER SIZE .....	234
FIGURE 115: INHIBITORS TO CROSS-SELLING AND UP-SELLING .....	234
FIGURE 116: COMPARED TO 12 MONTHS AGO, THIS FACTOR HAS BECOME MORE IMPORTANT WITHIN OUR CONTACT CENTER .....	241
FIGURE 117: COMPARED TO 12 MONTHS AGO, THIS FACTOR HAS BECOME MORE IMPORTANT WITHIN OUR CONTACT CENTER (BY VERTICAL MARKET).....	242
FIGURE 118: HAVE CLOUD, HOSTED OR MANAGED SERVICES MADE ANY DIFFERENCE TO YOUR CONTACT CENTER?.....	250
FIGURE 119: WHAT CONCERNS DO YOU HAVE ABOUT CLOUD OR HOSTED SOLUTIONS? .....	252
FIGURE 120: OUTBOUND ACTIVITY .....	254
FIGURE 121: AUTOMATED OR LIVE OUTBOUND CALLING, BY VERTICAL MARKET .....	256
FIGURE 122: USE OF HOSTED OR CPE DIALERS.....	257
FIGURE 123: MAXIMUM TARGET LEVEL FOR OUTBOUND ABANDONED / SILENT CALLS .....	258




---

FIGURE 124: USE OF ANSWER MACHINE DETECTION (AMD) .....	259
FIGURE 125: USE OF CALL BLENDING BY CONTACT CENTER SIZE.....	261
FIGURE 126: AVERAGE SPEED TO ANSWER, BY CALL BLENDING ENVIRONMENT TYPE.....	262
FIGURE 127: THE IMPORTANCE OF DRIVERS FOR TACTICAL AND PROJECT-BASED OUTSOURCING .....	265
FIGURE 128: AGENT ATTRITION RATE RANGES.....	275
FIGURE 129: MEAN AND MEDIAN AGENT ATTRITION BY VERTICAL MARKET .....	276
FIGURE 130: CHANGES IN AGENT ATTRITION RATE IN THE PAST 12 MONTHS, BY VERTICAL MARKET.....	277
FIGURE 131: AGENT ATTRITION RATE BY CONTACT CENTER SIZE .....	278
FIGURE 132: CHANGES IN AGENT ATTRITION IN PAST 12 MONTHS, BY CONTACT CENTER SIZE .....	279
FIGURE 133: AGENT ATTRITION RATE BY CONTACT CENTER ACTIVITY TYPE.....	280
FIGURE 134: CHANGE IN AGENT ATTRITION IN PAST 12 MONTHS, BY CONTACT CENTER ACTIVITY TYPE.....	281
FIGURE 135: REASONS FOR AGENT ATTRITION (RANKED IN ORDER) .....	282
FIGURE 136: METHODS OF MOTIVATING AND RETAINING AGENTS.....	283
FIGURE 137: SHORT-TERM ABSENCE BY VERTICAL MARKET .....	286
FIGURE 138: SHORT-TERM ABSENCE BY CONTACT CENTER SIZE .....	286
FIGURE 139: SHORT-TERM ABSENCE BY CONTACT CENTER ACTIVITY.....	287
FIGURE 140: SHORT-TERM ABSENCE BY CONTACT CENTER ACTIVITY TYPE.....	287
FIGURE 141: THE EFFECTIVENESS OF RECRUITMENT METHODS .....	291
FIGURE 142: PROPORTION OF RECRUITMENT EFFORT GIVEN TO AGENT REPLACEMENT.....	292
FIGURE 143: THE MOST IMPORTANT ABILITIES OR CHARACTERISTICS OF A SUCCESSFUL CONTACT CENTER AGENT .....	293
FIGURE 144: AGENT SALARY CHANGES IN THE PAST 12 MONTHS .....	295
FIGURE 145: SALARIES BY VERTICAL MARKET BY JOB ROLE .....	296
FIGURE 146: NEW AGENT SALARIES .....	297
FIGURE 147: EXPERIENCED AGENT SALARIES .....	297
FIGURE 148: TEAM LEADER SALARIES .....	298
FIGURE 149: CONTACT CENTER MANAGER SALARIES.....	298
FIGURE 150: SALARIES BY CONTACT CENTER TYPE .....	299
FIGURE 151: SALARIES BY CONTACT CENTER ACTIVITY TYPE.....	300
FIGURE 152: SALARIES BY CONTACT CENTER SIZE .....	301
FIGURE 153: ANNUAL BONUS FOR SERVICE AND SALES AGENTS .....	302
FIGURE 154: SERVICE-RELATED PERFORMANCE TARGETS USED FOR BONUSES.....	303
FIGURE 155: MOST IMPORTANT AREAS OF IT EXPENDITURE IN THE NEXT TWO YEARS.....	308
FIGURE 156: MOST IMPORTANT AREAS OF IT EXPENDITURE IN THE NEXT TWO YEARS.....	310
FIGURE 157: MOST PRESSING MANAGERIAL ISSUES.....	314
FIGURE 158: MOST PRESSING MANAGERIAL ISSUES, BY VERTICAL MARKET .....	314
FIGURE 159: MOST PRESSING MANAGERIAL ISSUES, BY CONTACT CENTER SIZE.....	315
FIGURE 160: THE IMPORTANCE OF INDUSTRY TRENDS.....	317
FIGURE 161: THE IMPORTANCE OF INDUSTRY TRENDS, BY VERTICAL MARKET.....	318
FIGURE 162: THE IMPORTANCE OF INDUSTRY TRENDS, BY CONTACT CENTER SIZE.....	319
FIGURE 163: DOES YOUR CONTACT CENTER PROVIDE STRUCTURED AND ACTIONABLE INSIGHT INTO THE FOLLOWING? (BY VERTICAL MARKET).....	321
FIGURE 164: DOES YOUR CONTACT CENTER PROVIDE STRUCTURED AND ACTIONABLE INSIGHT INTO THE FOLLOWING? (BY CONTACT CENTER SIZE).....	322





---

FIGURE 165: DOES YOUR EXECUTIVE BOARD SEE THE CONTACT CENTER AS A STRATEGIC ASSET OR OPERATIONAL COST CENTER? (BY VERTICAL MARKET).....	323
FIGURE 166: DOES YOUR EXECUTIVE BOARD SEE THE CONTACT CENTER AS A STRATEGIC ASSET OR OPERATIONAL COST CENTER? (BY CONTACT CENTER SIZE) .....	324



---

DEDICATED TO SERVING THE CONTACT CENTER INDUSTRY

## ABOUT THE **AMERICAN TELESERVICES ASSOCIATION**

The American Teleservices Association (ATA - [www.ataconnect.org](http://www.ataconnect.org)) is the only non-profit trade organization dedicated exclusively to the advancement of companies that utilize contact centers as an integral channel of operations. ATA members include companies with inbound or outbound contact centers, users of Teleservices, trainers, consultants, and equipment suppliers who initiate, facilitate, and generate telephone, Internet, and e-mail sales, service, and support.

Founded in 1983, the American Teleservices Association (ATA) represents more than 4,000 contact centers that account for over 1.8 million professionals worldwide. Contact centers offer traditional and interactive services that support the e-commerce revolution, provide specialized customer service for Fortune 500 companies, and generate annual sales of more than \$900 billion.

ATA provides leadership in the professional and ethical use of the telephone for conducting business and is committed to serving the needs of its members, recommending the highest standards of quality for the channel and protecting the rights of consumers. Members benefit from the ATA's strong advocacy at the national and state level; advanced and timely educational opportunities and business building events; advocacy and support in the public realm; and rich and trusted resources for Teleservices professionals.

### **Our Mission**

ATA is committed to serving the needs of its members by recommending the highest standards of quality for the channel and protecting the rights of consumers. ATA values members by providing essential business elements in the form of:

- forums for networking at international, national and regional levels;
- programs for business learning;
- advocacy of Teleservices users' and providers' interests before State and Federal government;
- research on consumer and regulatory topics of interest to Teleservices users and providers;
- consensus, voluntary guidelines for industries who utilize Teleservices in their business operations;
- information about global developments in Teleservices; and
- education of the general public and media to promote Teleservices providers' and users' business interests of their strong commitment to customer service and satisfaction.



## INTRODUCTION AND METHODOLOGY

The "*US Contact Center Decision-Makers' Guide (2012 -5<sup>th</sup> 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 210 contact center managers and directors between November 2011 and February 2012. Analysis of the results was carried out in February and March 2012. The result is the 5<sup>th</sup> 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 optimization
- 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.**

**An Interactive Supplier Matrix, which allows readers to cross-reference specific commercial issues with the solutions available can be downloaded from [www.contactbabel.com](http://www.contactbabel.com) as an Excel spreadsheet.**

## 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 eleven 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, gambling, travel companies
Finance	Banks, credit cards, loans, debt collection, credit checking, corporate
Insurance	Insurance for medical, dental, life, motor, house, corporate, reinsurance
Manufacturing	Mainly B2B sales and support, along with customer helplines
Medical	Pharmaceutical, hospitals, medical associations, non-insurance medical
Outsourcing	Large full-service outsourcers and smaller telemarketing firms
Public Sector	Government, central and local, agencies, emergency services
Retail & Distribution	Retailers, etailers, home shopping, catalog, parcel carriers, logistics
Services	Non-physical service offerings to public and business
Technology, Media and Telecoms (TMT)	Technology sales and service B2B & B2C; Cell and fixed line operators, TV and cable providers; Broadband

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

### *Vertical markets*

- Entertainment & Leisure - 8
- Finance - 29
- Insurance - 16
- Manufacturing - 12
- Medical - 18
- Outsourcing - 40
- Public Sector - 10
- Retail & Distribution - 11
- Services - 26
- Technology, Media and Telecoms (TMT) - 31
- Others (not included in vertical analysis): 10



---

### *Size bands*

- Small (10 to 50 agent positions) - 68
- Medium (51 to 200 agent positions) - 76
- Large (200+ agent positions) – 66.

### *Inbound / outbound*

- Mostly inbound (75%+ inbound) - 101
- Mixed (between 25% and 75% inbound and outbound) - 64
- Mostly outbound (75%+ outbound) – 45.

## 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
- Regional & national development/inward investment agencies.

**No sharing, swapping, gifting, photocopying or other dissemination of this report must occur without prior written permission from ContactBabel. All content is strictly © ContactBabel 2012.**

**ContactBabel is not responsible for the content of outside agencies that are linked to via this report. All external files are downloaded at the risk of the user.**



# THE SUPPLIER DIRECTORY

## SOLUTION TYPES

Contact Center Productivity Solutions.....	II
Contact Center Solutions .....	II
Identification and Verification (ID&V).....	V
Industry Associations & Information .....	V
Interaction Analytics & Recording.....	VI
Talent Measurement & Recruitment Solutions .....	VII
Visual Dialing .....	VII
Workforce Optimization Solutions.....	VIII

## SOLUTION PROVIDERS

ATA (American Teleservices Association)	V
CallCopy	VIII
Contact Center Pipeline	VI
Enghouse Interactive	II
Fonolo	VII
inContact	III
Interactive Intelligence	III
Knowlagent	II
Nuance	V
SHL	VII
UTOPY	VI
Verint	VIII
Vocalcom	IV
Zeacom	IV



## CONTACT CENTER PRODUCTIVITY SOLUTIONS



Knowlagent provides the only call center software that increases agent productivity by delivering shrinkage activities during idle time.

Knowlagent creates active wait time through dynamically delivered sessions for common shrinkage activities between customer interactions. Knowlagent's solutions are on-demand, easy to use and require no capital expenditures.

Over 300,000 agents and managers around the world use Knowlagent's solutions every day.

For more information, call 888-566-9457 or visit us online at [www.knowlagent.com](http://www.knowlagent.com).

**Contact:**

Debbie Dockery

t: 678-356-3500 x1

e: [ddockery@knowlagent.com](mailto:ddockery@knowlagent.com)

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

## CONTACT CENTER SOLUTIONS



Enghouse Interactive delivers technology and expertise to maximize the value of every customer interaction.

The company develops the world's most comprehensive portfolio of interaction management solutions, spanning structured, unstructured and self-service interactions. Core technologies include contact center, attendant console, IVR and call recording solutions and more that support any telephony environment, on premise or in the cloud.

Enghouse Interactive has thousands of customers worldwide, supported by a global network of partners and more than 600 dedicated staff across the company's 16 international operations. Enghouse Interactive is the union of well-regarded specialists including Arc, CosmoCom, Datapulse, Syntellect, Telrex and Trio.

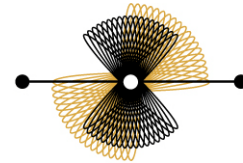
**Contact:**

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

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

t: +1 800.788.9733 or +1 602.789.2800





## INTERACTIVE INTELLIGENCE®

### Deliberately Innovative

Improve the future of your call center with inContact. Our [hosted call center software solutions](#) are smarter and we have the in-house expertise to not only make your life easier but enable you to increase uptime, reduce security vulnerability and increase the strength and profitability of your business.

#### We Make Operating a Profitable Call Center Easy

As the leading cloud-based contact center provider, we can:

- Have you up and running fast
- Make it possible to do business the way that works for you: at-home, globally, or from multi-site locations
- Enable the most productive and cost-effective agent arrangement
- Help you automate mundane service processes so you can focus on more important business activities
- Reduce your IT costs and eliminate technical hassles
- Seamlessly integrate with multiple in-house and commercial technologies, including CRM systems

#### inContact At-A-Glance

- Over 1,000+ call center deployments
- Used by over 65,000 agents globally
- Over one billion+ calls handled per year
- Industry's best-published service level agreement of 99.99%
- Over 100 integrations to top CRMs

#### Contact:

**Corporate Headquarters** - a: 7730 South Union Park Avenue, Suite 500, Salt Lake City, UT 84047  
t: (Sales): 1.866.965.7227 (866.965.SaaS)  
t: (Main): 1.801.320.3200/1.800.999.7691  
e: [info@inContact.com](mailto:info@inContact.com) / w: [www.inContact.com](http://www.inContact.com)

**European Headquarters** - a: Lloyd's Building, 4th Floor, 12 Leadenhall Street London, EC3V 1LP / t: +44.(0)207.816.5926

#### Deliberately Innovative All-in-One Communications for Business and the Cloud.

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

The company's standards-based all-in-one communications software suite is designed to eliminate the cost and complexity of multi-point systems, and to support integration to existing business systems and new technologies.

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

#### Contact:

##### World Headquarters

a: 7601 Interactive Way, Indianapolis, IN 46278 USA

t/f: +1 317 872-3000

##### EMEA

a: Thames Central, Hatfield Road, Slough, Berkshire, SL 1 1QE (UK)

t/f: +44 (0) 1753 418800



Vocalcom is a global leader in manufacturing and implementation of Call Center Solutions. ACD, IVR, CTI, predictive dialing, scripting, reporting, recording and multimedia communications under a fully web enabled architecture.

Vocalcom's award winning call center technology offerings include; inbound, outbound call blending with true predictive dialing, integrated customer relationship management, email, fax, web & video chat, social media integration directly from the agent desktop. See why over 5,000 call centers in 41 countries and 650,000 agents are using Vocalcom solutions.

If you are looking for a thin client call center solution for your remote or home agents or to replace complex legacy third party applications, Vocalcom's Hermes.Net will be perfectly suited to answer all your contact center needs no matter what your infrastructure requirement: stand alone, PBX integrated or hosted.

**Contact:**

George Seroukas

t: +1 888.622.5266 – 188VOCALCOM

e: [operations@vocalcomusa.com](mailto:operations@vocalcomusa.com)

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



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

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

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

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

**Contact:**

t: +1 949 261 3580 or toll free at 1 800 513 9002

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

## IDENTIFICATION AND VERIFICATION (ID&V)



### about Nuance Communications

Nuance is a leading provider of voice and language solutions for businesses and consumers around the world. Its technologies, applications and services make the user experience more compelling by transforming the way people interact with information and how they create, share and use documents. Every day, millions of users and thousands of businesses experience Nuance's proven applications and professional services.

### about Nuance Voice Biometrics

Nuance is the global leader in voice biometric solutions, with over 15 million enrolled voiceprints and a global customer base that spans all major industries. Nuance has developed over the last 12 years unrivaled experience in delivering successful voice biometric solutions that enable enterprises to improve customer satisfaction, reduce costs and improve security.

#### Contact:

w: (Nuance) - [nuance.com](http://nuance.com)

w: (Nuance Voice Biometrics) -  
[www.nuance.com/voice-biometrics](http://www.nuance.com/voice-biometrics)

e: (Voice biometrics inquiries) -  
[SalesVoiceBiometrics@nuance.com](mailto:SalesVoiceBiometrics@nuance.com)

## INDUSTRY ASSOCIATIONS & INFORMATION



### American Teleservices Association

The American Teleservices Association (ATA) is the only non-profit trade organization dedicated exclusively to the advancement of companies that utilize contact centers as an integral channel of operations. ATA members include companies with inbound or outbound contact centers, users of Teleservices, trainers, consultants, and equipment suppliers who initiate, facilitate, and generate telephone, Internet, and e-mail sales, service, and support.

Founded in 1983, the ATA represents more than 4,000 contact centers that account for over 1.8 million professionals worldwide. Contact centers offer traditional and interactive services that support the e-commerce revolution, provide specialized customer service for Fortune 500 companies, and generate annual sales of more than \$900 billion.

ATA provides leadership in the professional and ethical use of the telephone for conducting business and is committed to serving the needs of its members, recommending the highest standards of quality for the channel and protecting the rights of consumers. Members benefit from the ATA's strong advocacy at the national and state level; advanced and timely educational opportunities and business building events; advocacy and support in the public realm; and rich and trusted resources for Teleservices professionals.

#### Contact:

w: [www.ataconnect.org](http://www.ataconnect.org)



# Contact Center pipeline

**Contact Center Pipeline** is a monthly instructional journal focused on driving business success through effective contact center direction and decisions. Our goal is to provide contact center professionals with valuable content, insights, research and advice from trusted and respected industry experts and practitioners.

Each issue contains informative articles, case studies, best practices, research and coverage of trends, technology and people issues that impact the customer experience. Our writers and contributors have a unique understanding of how to optimize resources and maximize the value the organization provides to its customers.

Draw upon CCP's incisive analysis to help you make better decisions about your career and your center.

**Contact:**

Linda Harden, Publisher

e: [linda@contactcenterpipeline.com](mailto:linda@contactcenterpipeline.com)

t: 443-909-6951

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

## INTERACTION ANALYTICS & RECORDING



# UTOPY®

UTOPY offers Customer Interaction Analytics powered solutions which unify the voice of the customer and analyze agent performance *across all* contact channels. UTOPY pioneered the Customer Interaction Analytics industry by releasing the first Speech Analytics solution for business purposes in 2002.

As customer usage of non-voice channels such as email, web chat and social media has grown dramatically, UTOPY has evolved with customer preferences, delivering end-to-end analysis of the entire customer interaction and feedback lifecycle, regardless of the mode of communication used by the customer.

**Contact:**

w: [www.utopy.com](http://www.utopy.com) or

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

t: 866.44.UTOPY (866.448.8679)



## TALENT MEASUREMENT & RECRUITMENT SOLUTIONS



SHL is the global leader in talent assessment solutions, driving better business results for clients through superior people intelligence and decisions – from hiring and recruiting, to employee development and succession planning.

With a presence in over 50 countries, SHL delivers more than 25 million assessments annually in over 30 languages – allowing clients to benefit from both global expertise and local insight.

Along with its world-class consulting practices and 24-hour support center, SHL clients can access over 1,000 assessments through an easy-to-use technology platform.

**Contact:**

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

t: 800-899-7451

## VISUAL DIALING



With Fonolo’s visual dialing solutions, your customers can now reach call center agents with one click -- no navigating phone menus or waiting on hold.

Our cloud-based service adds a new visual interface to your call center that lives on your website or mobile app. This approach reduces misnavigation and average handle times, lowering your cost-per-call while improving the customer experience. All of this is possible without any call center integration or changes to infrastructure.

Bottom line: Happier customers and a more efficient call center.

**Contact:**

Fonolo

a: 688 Richmond Street West, Suite 204 , Toronto, Ont, Canada M6J 1C5

t: 416-366-2500

f: 416-366-9890

e: [info@fonolo.com](mailto:info@fonolo.com) or [sales@fonolo.com](mailto:sales@fonolo.com)

w: <http://fonolo.com>

WORKFORCE OPTIMIZATION SOLUTIONS



CallCopy, a leading provider of innovative call recording and contact center solutions, is dedicated to ensuring the highest standards of customer and employee satisfaction. The award-winning, enterprise-proven cc: Discover suite delivers advanced [call recording](#), [screen capture](#), [quality management](#), [speech analytics](#), [desktop analytics](#), [performance management](#), [customer survey](#) and [workforce management](#) capabilities to organizations of all sizes and industries across the globe.

CallCopy empowers these organizations to gather business intelligence, which is leveraged to maximize operational performance, reduce liability, achieve regulatory compliance and increase customer satisfaction.

**Contact:**

CallCopy

a: 530 W. Spring St., Columbus, OH 43215

t: 888.922.5526

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

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

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

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

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

Verint is headquartered in Melville, NY, with 3,100 dedicated professionals, offices worldwide, and an extensive global partner network. Verint is a member of the Russell 3000 Index.

**Contact:**

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



---

## 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
- Scripting and the unified desktop
- Customer satisfaction and complaints
- Queue management systems
- Training and coaching.

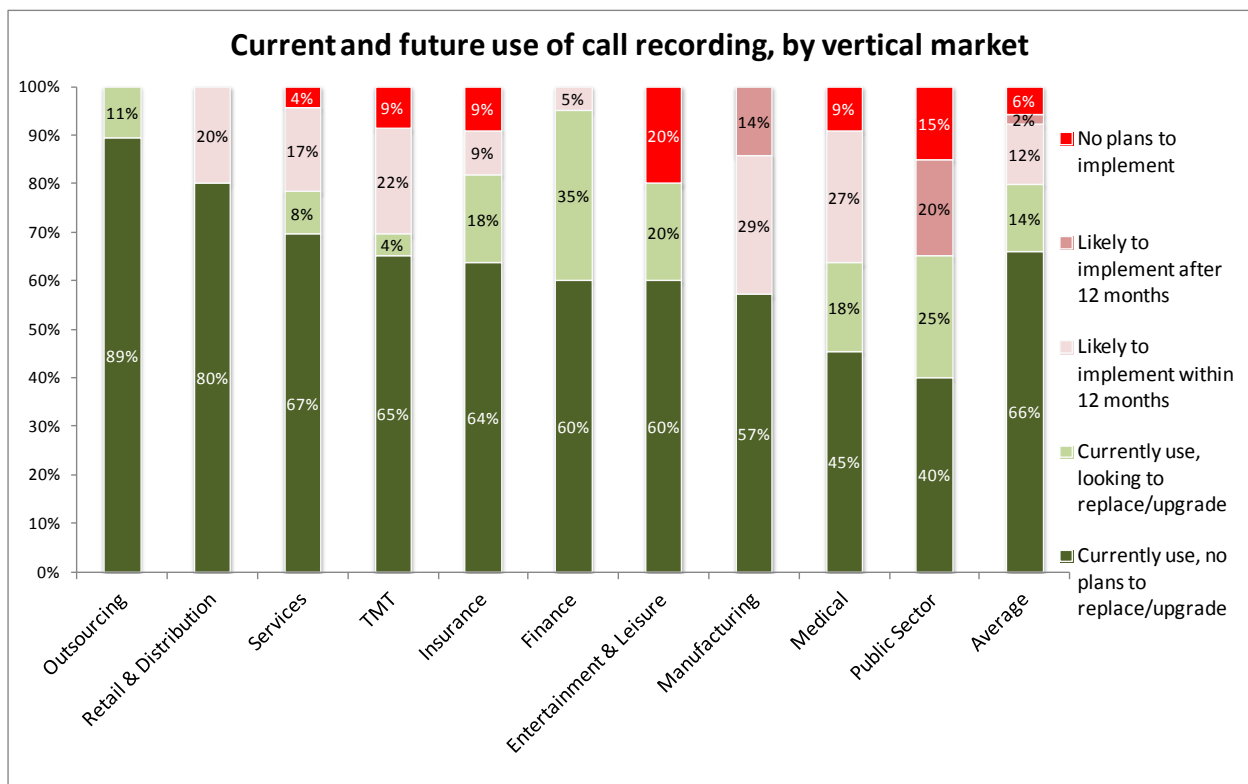
## INTERACTION RECORDING

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 80% of respondents, 18% of which state that they wish to replace or upgrade their current system. Only 5% 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.





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 deeper understanding of their customer interactions.

Learn how you can benefit from the solution rated #1 in Overall Product and Vendor satisfaction. Go to [callcopy.com/report](http://callcopy.com/report)

Voice and Screen Recording | Quality Assurance  
PCI Compliance | Workforce Management | Agent Coaching  
Performance Management | Customer Surveys  
Speech Analytics | Desktop Analytics

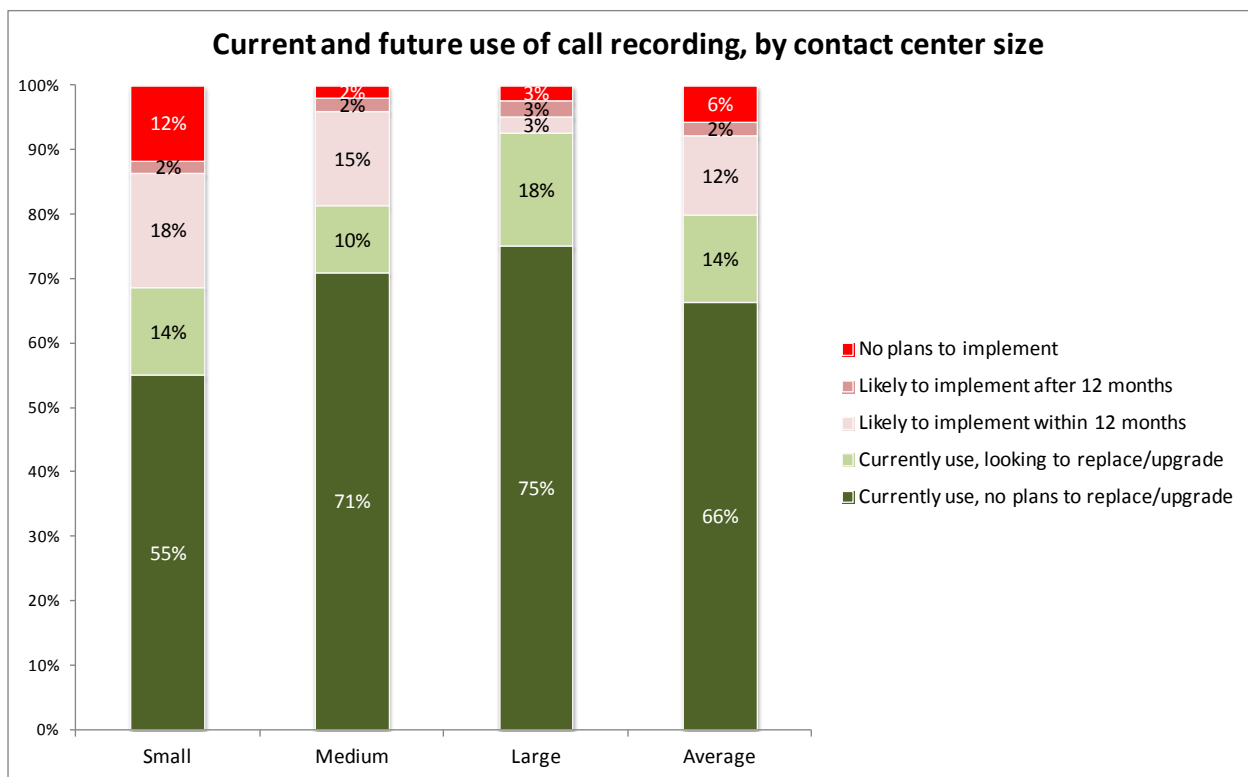




Contact centers considering replacing legacy call recording systems will benefit greatly from the latest generation of WFO solutions that feature seamless integration of capabilities, easy-to-learn-and-use intuitive interfaces, flexibility to support back-office applications, and reliable vendor support. Timely ROI comes not only from operating efficiency improvements and increased customer satisfaction, but also from lower licensing, maintenance and upgrade costs.

The use of call recording is influenced by the size of the contact center operation although the figure of 69% 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



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.

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 call 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.



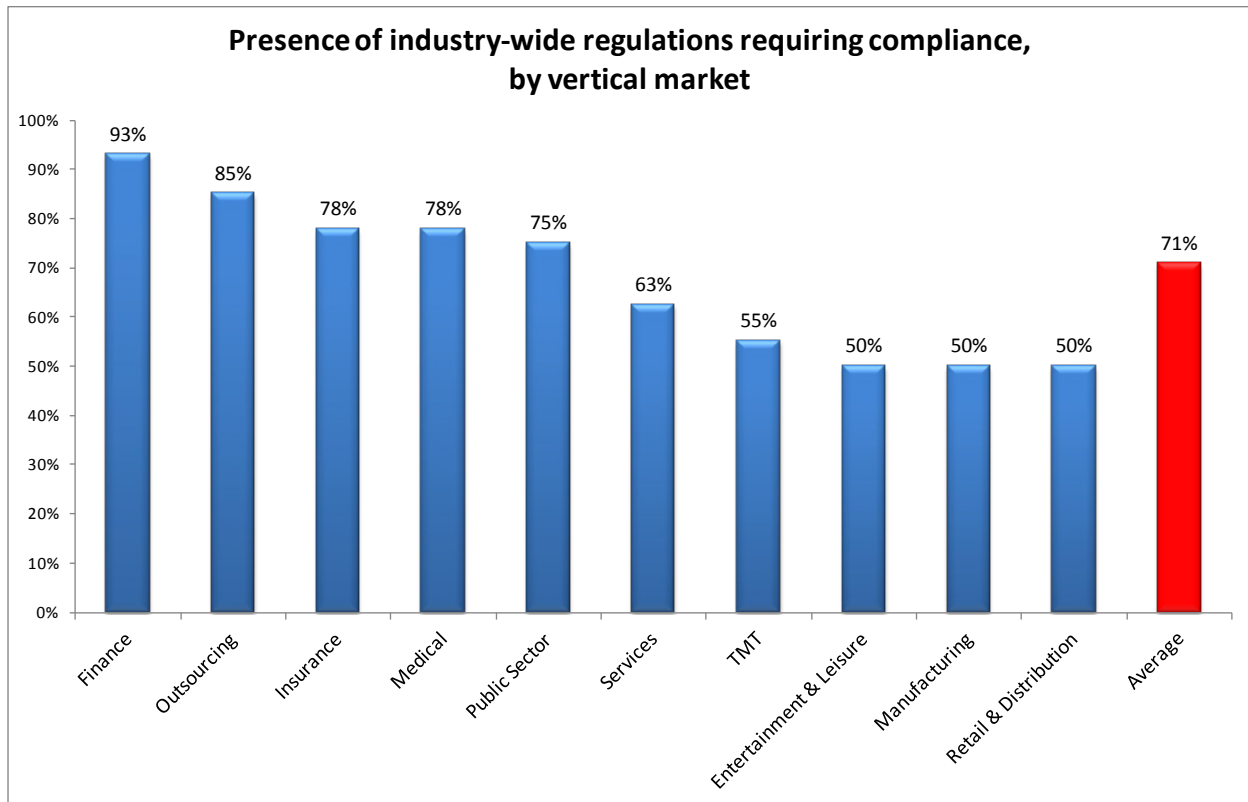
---

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.

As the following chart shows, the need to prove compliance with industry regulations is not solely restricted to financial services companies, with outsourcers, insurers and medical respondents particularly aware of their regulatory requirements, with 100% call recording a key element in proving compliance and dispute resolution.

Figure 4: Presence of industry-wide regulations requiring compliance, by vertical market



As of January 1, 2012, organizations that take payment card data must comply with the Payment Card Industry Data Security Standard (PCI DSS) v2.0. It is highly recommended that when implementing a recording solution, organizations chose one that offers automatic audio and video “blackouts” that will prevent the recording of sensitive cardholder data, in accordance with the PCI DSS.

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

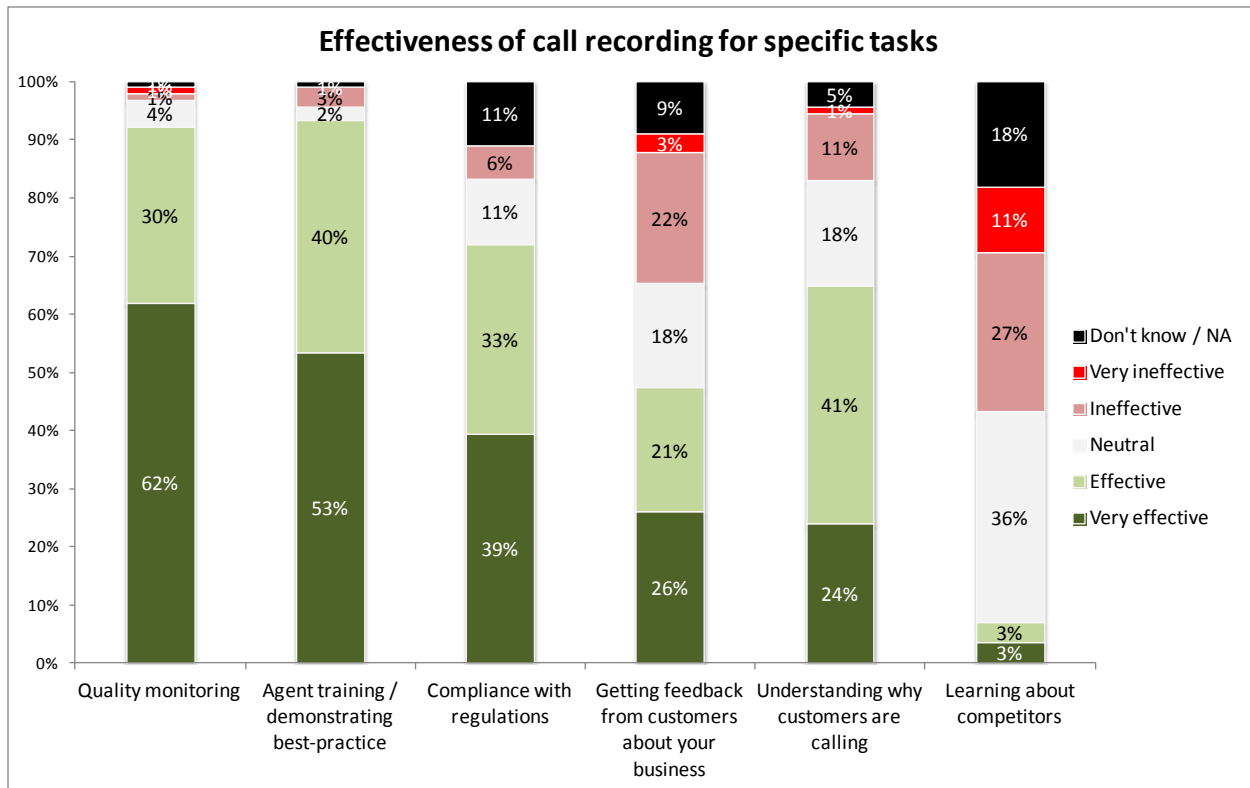
However, there is less enthusiasm for call recording's effectiveness at getting feedback from customers - it can be a difficult manual task to pick the right calls to demonstrate customer sentiment - and there is a strong link between those who find call recording very effective and those who use speech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



Call recordings contain vast amounts of information that has the potential to provide valuable insight, such as customer sentiment and reasons for customer calls. The challenge is how to uncover all of this business intelligence without listening to every recording. When deployed in conjunction with call recording, speech analytics automates the process of sifting through thousands of hours of call recordings to uncover otherwise-hidden gems of useful information.

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, but this is less used by businesses at the moment.

Figure 5: Effectiveness of call recording for specific tasks



Excerpted from the whitepaper by the same name from CallCopy

Quality assurance (QA) has been a cornerstone of contact center operations for more than 30 years. It has served organizations well as a method of managing agent performance, while driving gains in operational efficiency and service delivery. However, while the traditional QA process has been effective to this point, organizations are finding that QA alone is no longer enough. This traditional process makes significant assumptions on what customers really want and appreciate and relies too heavily on internal metrics and judgments.

While many organizations have utilized the QA process for gathering voice of the customer (VoC), a hyper-competitive environment has raised the bar on the level of service that must be provided. Advancements in technology have enabled organizations to more accurately capture VoC by combining QA, customer satisfaction data and speech analytics. New insights into how customers judge agent performance and whether the service experience meets expectations is now possible.

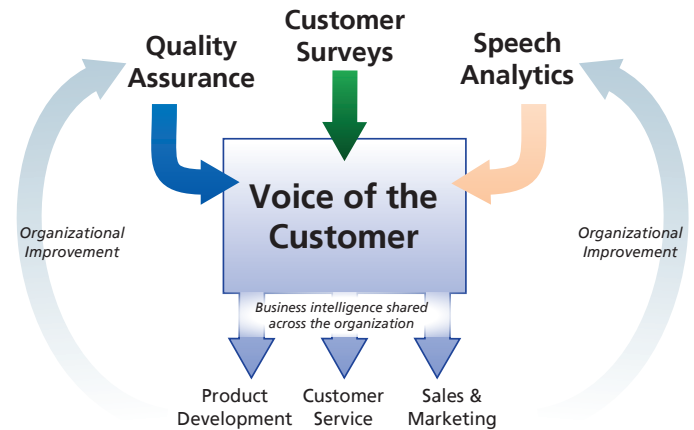
### Using Voice of the Customer to Align Internal Goals with Customer Expectations

To effectively create satisfaction, performance goals must be in alignment with the true wants and needs of the customer. Organizations do not usually have the time, resources or willingness to directly involve their customers in establishing quality standards. This creates a potential misalignment between what the organization believes the customer wants and what they are really looking for. This mismatch is especially likely in the soft skill areas. As a result, the organization's QA program could be encouraging behaviors that customers find irrelevant, or worse, aggravating.

### Measuring Customer Satisfaction with Post-Call Surveys

Using a post-call customer feedback survey is an effective way to collect customer satisfaction information related to VoC. This method is easy for the customer to use and collects feedback while the interaction is still fresh in their mind. For maximum benefit, individual survey results must be linked directly to the specific agent and customer interaction.

When constructing a survey, wording of the questions is very important. For example, "How satisfied are you with the service you received?" vs. "How satisfied are you with the service you received from the agent today?". The first question may be interpreted very broadly by the customer. They may give a negative response because they spent a long time on hold, something that is beyond the agent's control. The wording of the second question clearly focuses



on the agent's own performance, not the performance of the organization overall.

### Speech Analytics

Several applications of speech analytics can also be used to obtain VoC information. At the most basic level, speech analytics provides an efficient method for mining through the large volume of customer interactions to locate all occurrences of specific key words and phrases of interest.

- **Categorization:** Most customer interactions can be categorized based on business drivers or call resolution. By leveraging speech analytics to determine which category each call belongs in, you can more effectively correlate QA and customer satisfaction results. For example, by identifying all cancellation calls, you may be able to uncover trends that occur on these calls that may not have been apparent had they been analyzed along with all other call types.
- **Identifying calls for QA:** Speech analytics enhances the QA process by detecting words and phrases that indicate outliers from the typical customer interaction. This helps evaluators find the most important calls to review, and enables additional trending and problem analysis.
- **Discovery:** Identify the reasons customers are calling and take steps to ensure their needs are more efficiently met. When combined with customer satisfaction data, this provides very powerful business intelligence that can be shared outside of the contact center. For example, marketing teams can benefit by using business intelligence to build more effective campaigns, measure which promotions drive the most customer responses, discover customer trends or acquire competitive information.

To learn more, download the complete whitepaper at [callcopy.com/voc](http://callcopy.com/voc)





---

## 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.

### ***The evolution of analytics***

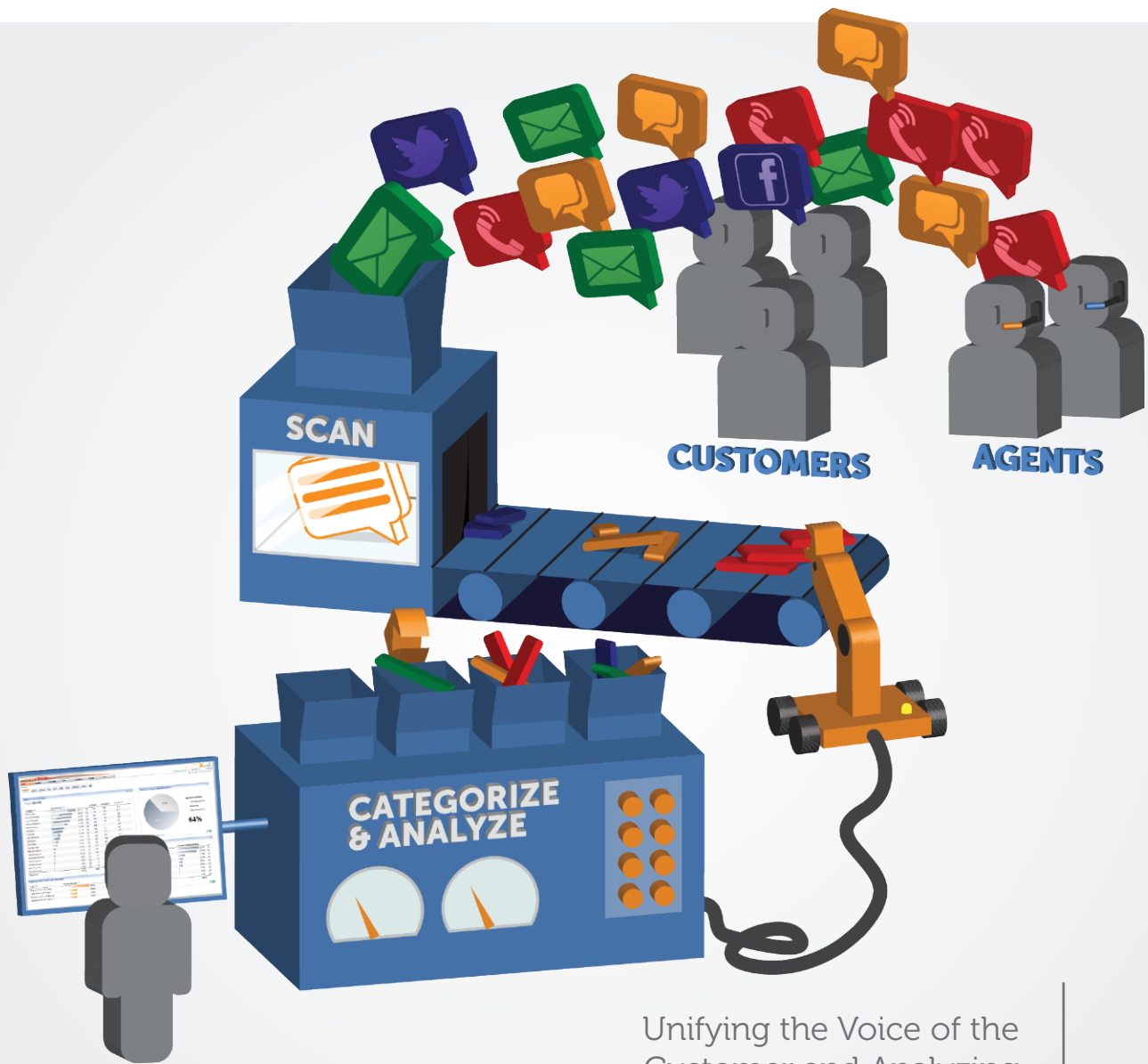
In the late 1990s, data warehousing was a big growth industry, especially in sectors such as retail, where the widespread usage of customer loyalty cards gave huge amounts of data about customers, their buying patterns and preferences. However, getting the data into storage was not the difficult part: 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.

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 considerably, as have the number of successful customer implementations.

# The Most Accurate and Comprehensive Customer Interaction Analytics Solution



Unifying the Voice of the Customer and Analyzing Agent Performance Across All Contact Channels



To learn more call [1 866 448 8679](tel:18664488679) or visit [www.utoPLY.com](http://www.utoPLY.com)



---

### ***The elements of speech analytics***

There are various elements to speech analytics solutions, including:

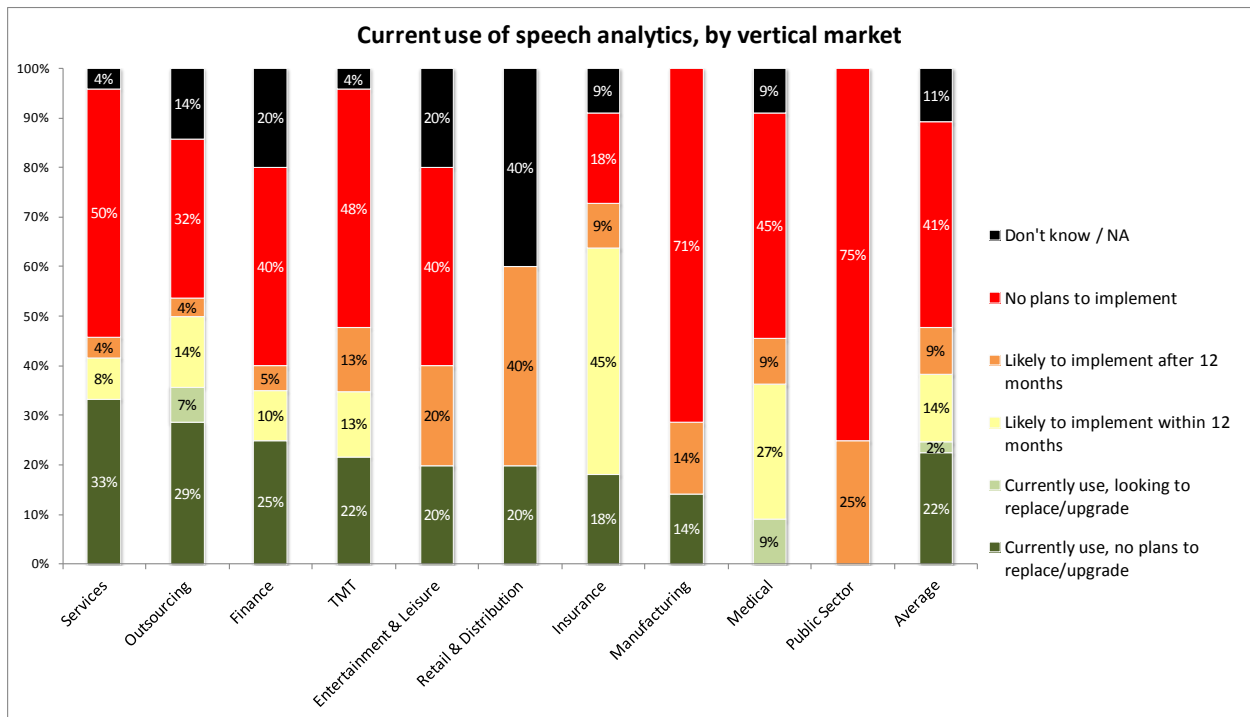
- **Speech engine:** a software program that recognizes speech and converts it into data (usually either phonemes - the sounds that go to make up words - or as a text transcription, although there are solutions which directly recognize entire spoken phrases and categorize calls with higher accuracy based 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 pioneered the Customer Interaction Analytics market by releasing the first Speech Analytics solution for business purposes in 2002. UTOPY's patented method of direct phrase recognition (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. UTOPY also provides the only Coaching and QM applications that are completely driven by Speech Analytics.

Speech analytics solutions are in use in 24% of our respondents' operations, with the services, outsourcing and finance respondents more likely to be using it. There is an appreciable amount of interest in implementing within the near future, with 14% overall stating that this is likely, a figure which is particularly high in the medical and insurance sectors.

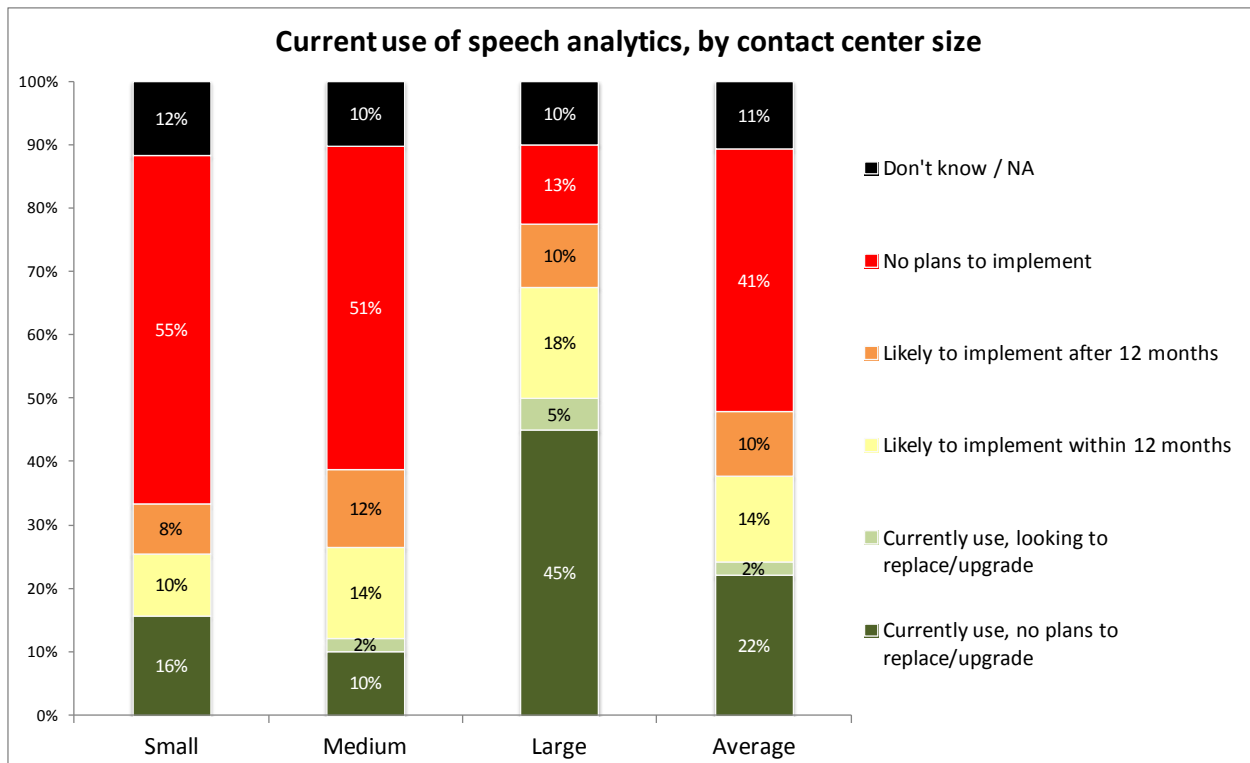
Figure 6: Current use of speech analytics, by vertical market





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

Figure 7: Current use of speech analytics, by contact center size





## MULTICHANNEL MONITORING AND ANALYSIS

With the explosion in use of email, web chat, and social media, there is an increasing requirement and interest in multichannel analytics within the contact center, including considering email, text chat, IVR and web browsing sessions to get the full picture of the customer's real journey in a single interaction, in order to identify and improve any channels that failed to 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 pent-up 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, or not using any monitoring or analysis tool on them at all, certainly compared to the well-supported voice channel.

Figure 8: Effectiveness of customer interaction monitoring & analysis method for various channels

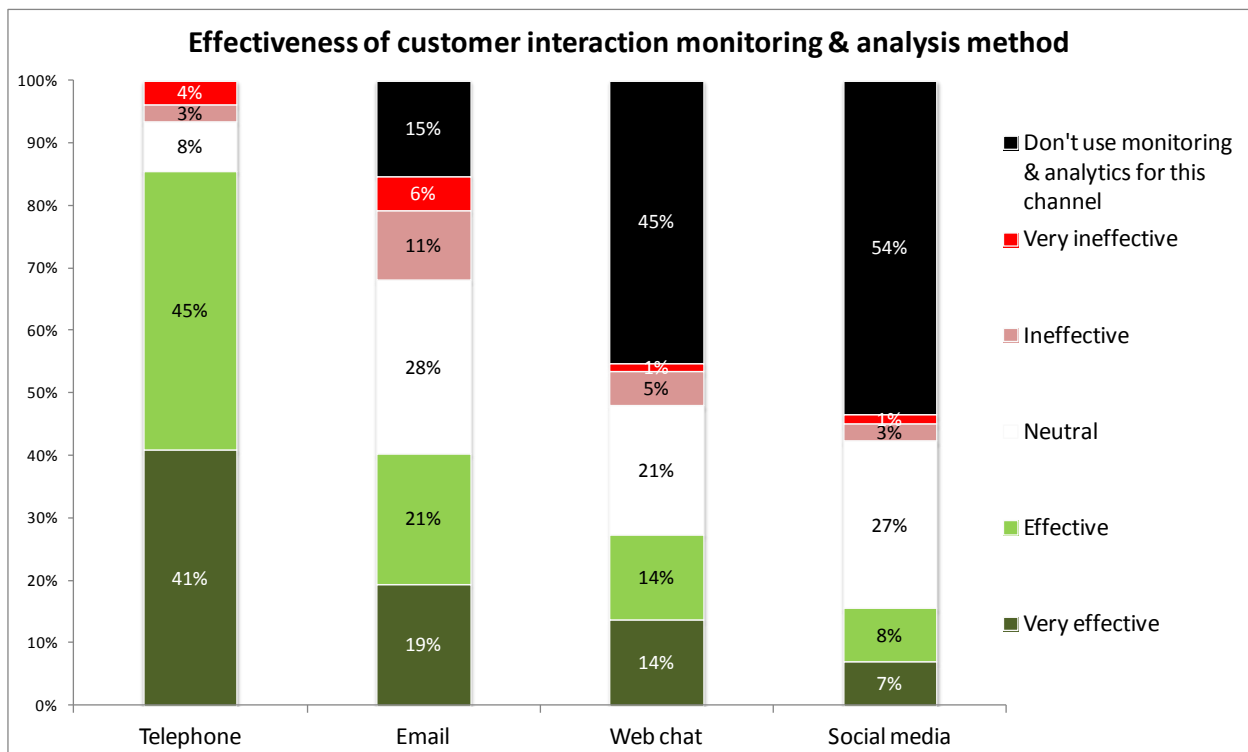




Figure 94 in the “Multimedia” chapter of this report illustrates the extent to which the usage of non-voice agent channels within US contact centers is exploding: 86% of survey respondents use email today and another 8% plan to implement it in 2012 and about 40% of US contact centers use social media and/or web chat today and 27% plan to implement each of these channels in 2012. However, as the previous Figure 8 shows, 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--there is a desperate need for an effective solution for monitoring and analyzing all interactions, regardless of the channel(s) of communication used by the customer, in order to proactively categorize all interactions. UTOPLY unifies the voice of the customer and analyzes agent performance across all channels of contact using the only completely integrated multi-channel Customer Interaction Analytics platform.

---

## THE COMMERCIAL APPLICATIONS OF CUSTOMER 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 dialling, have all had a clear and quantifiable route to cost savings and improved efficiency.

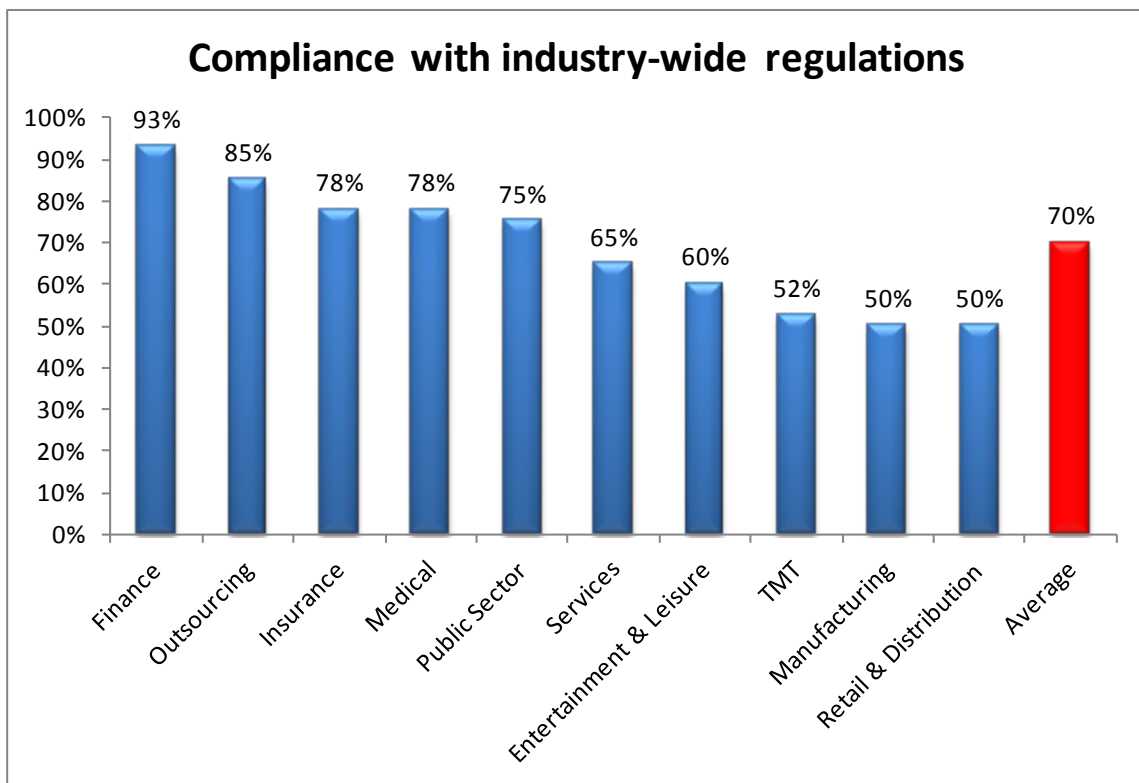
Customer interaction analytics has a different appeal to contact centers, and can be used in many different ways to address various business issues. This is an advantage - it is hugely flexible - but it can also make its message to the market more complicated, and to the cynical, it can seem as though 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 optimization, avoidance of litigation and fines, customer satisfaction and loyalty improvements, and increases in revenue.

COMPLIANCE

Many businesses, especially those in finance, insurance, public sector and debt collection, have become encumbered with regulations which they must follow strictly, with potentially expensive penalties for failure, including heavy fines and criminal prosecution. Outsourcers have also become very keen to emphasize their ability to remain compliant so as to attract new clients.

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. Speech analytics means that 100% of calls can be verified as compliant - and be proven to be so - preventing disputes or escalation of enquiries by monitoring the exact language used within each call. Return on investment comes from the avoidance of litigation and fines, and the use of speech analytics for compliance is widespread in North America.

Figure 9: Does your contact center have to comply with industry-wide regulations? (by vertical market)







---

## AGENT EVALUATION AND IMPROVEMENT

### ***Improve the quality monitoring program***

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

### ***Identify agent training requirements***

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

### ***Cut new-hire attrition rates***

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

---

## CONTACT CENTER PERFORMANCE IMPROVEMENTS

On first glance, customer 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, and then analyzing them for the occurrence of similar types of words and phrases can give an insight into the reasons for customers' calls. For example, a category such as 'sales' might be analyzed for patterns, and it is discovered that the words 'delivery' and 'website' are mentioned in a disproportionate number of them. Listening to some of these conversations, it may be found that the website does not highlight delivery



---

times effectively enough, leading to unnecessary calls to the contact center, rather than the customer purchasing on the website.

### ***Call transfers***

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

### ***First-contact resolution***

A major metric for contact center and customer experience success, first-contact resolution can be increased by identifying repeat callers (or customers who have initially tried unsuccessfully to resolve their issue via the website or a web chat session, and have called as a result) and eliminating the root cause of repeat contacts.

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.

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



---

## 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. Customer interaction analytics offers the ambitious business the greatest potential for improvements in business processes, but there is a great danger of underachievement with so many departments and divisions potentially involved.

In the course of researching the report, we have found that the marketing and website departments are the non-contact 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, customer interaction analytics allows a business to gather customers' views within the interaction itself - guaranteeing immediacy and accuracy - and can be applied across 100% of interactions, rather than focusing on the outlying 'very dissatisfied' or 'delighted' customers. Furthermore, through widespread and detailed analysis of what the conversation is about, the type of language or messages used in the interaction, how the customer was handled, and the eventual outcome, businesses will be able to learn how to improve their customer retention and satisfaction in real-life, by-passing the standard metric (e.g. "83% of customers are satisfied") and getting to the root causes of satisfaction or dissatisfaction and sharing the results with the rest of the operation.



---

### ***Customer Insight***

As introduced above, one of the greatest advantages that customer 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 conversations into their constituent types is a starting point, based on the types of words and phrases that typically get used within these types of interactions (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***

Customer 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.

---

## **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 customer 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.

Customer 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 interaction. 4% of UK calls and 8% of US calls received by contact centers are complaints, with



---

respectively 90% and 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-call basis, real-time analytics allow businesses to track words and phrases related to complaints (such as 'supervisor', 'manager', 'complain', 'unhappy' etc.), allowing escalation to a supervisor, or screen-pop to the agent to provide them with a revised script or suggestions of how to handle the call. Emotion detection may also be used to identify these customers.

### ***The customer experience outside the contact center***

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

Businesses using customer 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. Speech analytics provides two benefits for debt collectors: the ability to prove compliance, and through the analysis of successful and unsuccessful calls, the chance to understand the type of agent language and 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.

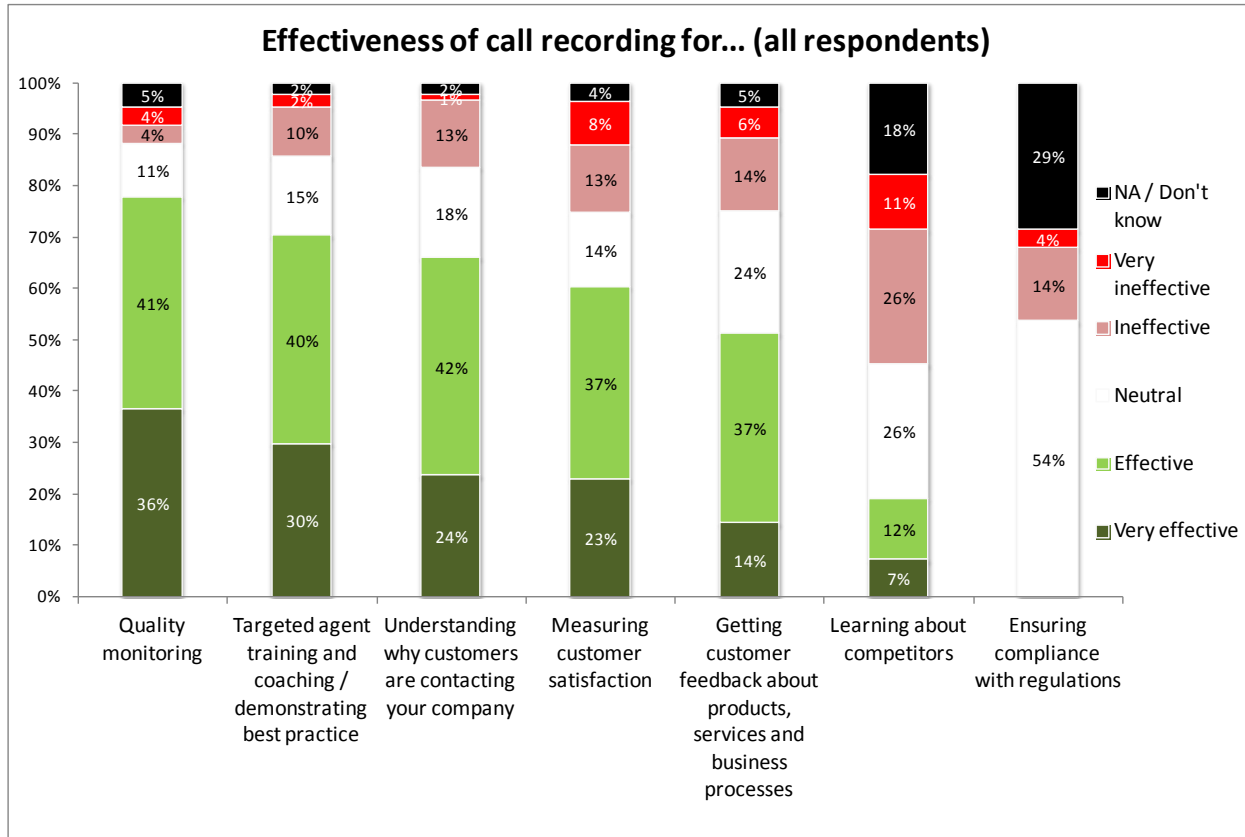
### ***Phone-based contracts***

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

As the previous section shows, customer interaction analytics offers very wide opportunities for improving many elements of a contact center's performance. It is possible to go some way to quantifying the improvements that customer interaction analytics can bring. The following two diagrams explore various ways in which call recording can help a business (through quality monitoring, agent coaching, etc).

As the following chart shows, most respondents are positive about how call recording helps, especially in terms of quality monitoring, coaching and getting an idea why customers are calling. They are less positive that call recording helps compliance, or that it gives them any insight into competitors.

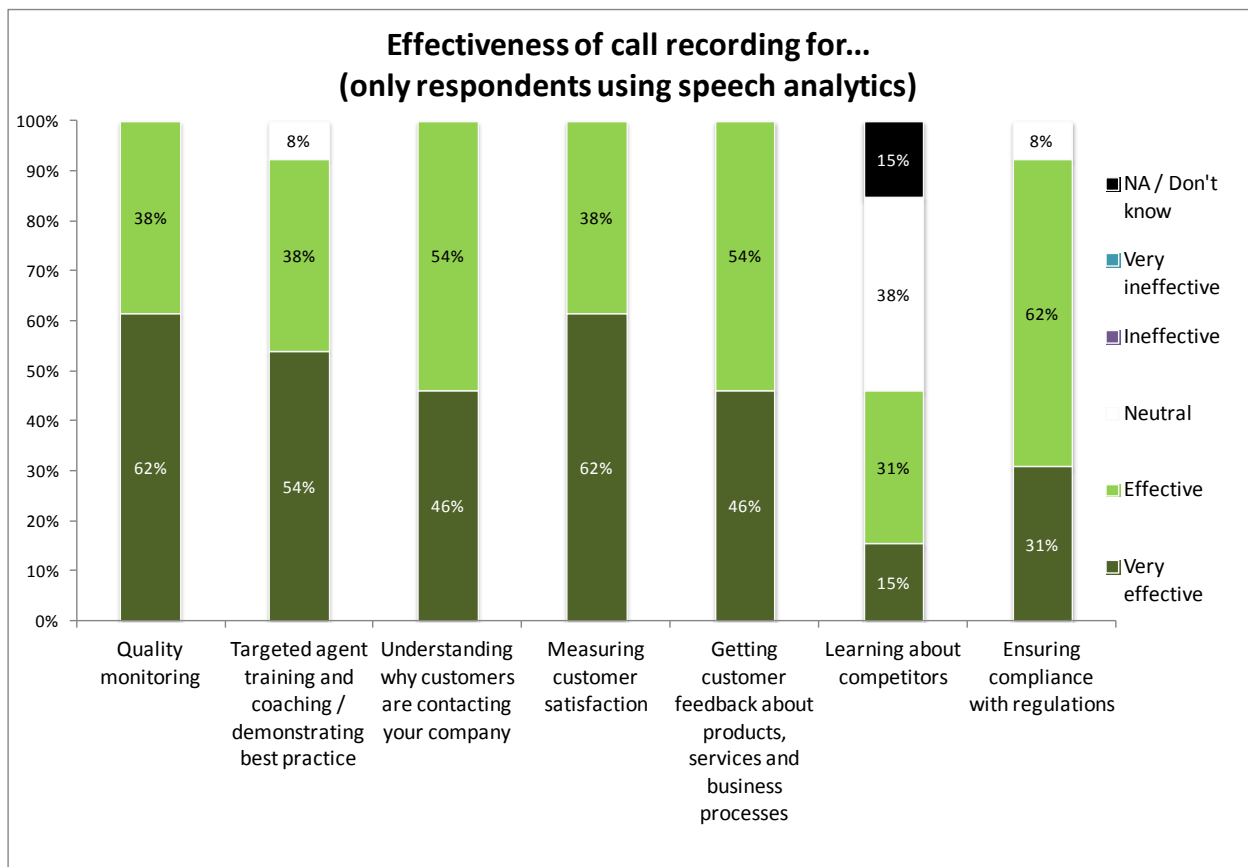
Figure 10: Effectiveness of call recording for various tasks (all respondents using call recording)



When the data are analyzed further - only taking into account the respondents which also use speech analytics - the results are considerably more positive. The majority find their quality monitoring, agent coaching and customer satisfaction measurement to be very much enhanced by speech analytics, with only 'learning more about competitors' not being quite as effective.

It is possible to conclude from these statistics that speech analytics is found to give call recording a major boost in terms of its effectiveness in every area that call recording is currently used.

Figure 11: Effectiveness of call recording for various tasks (only respondents using both call recording and speech analytics)







### ***The Value of Customer Interaction Analytics***

As this chapter powerfully illustrates, Customer Interaction Analytics is being used in leading contact centers today to drive cost reduction, agent 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 Customer Interaction Analytics, as the majority of interactions between customers and agents in the contact center still occur on 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 experiences of UTOPIA customers have proven that using Speech Analytics to proactively categorize calls delivers more business impact than reactively searching through calls for particular words or phrases. These customers' experiences have also proven that speech categorization is much more accurate and complete when it is driven by recognition of *entire spoken phrases* rather than recognition of individual words or phonemes, as words or phonemes in isolation do not indicate the *context* of a conversation. In various tests by customers, UTOPIA's patented phrase-driven "Deliberate Listening" Speech Analytics engine has been proven to deliver speech categorization that is far more accurate and complete than any other approach.

### ***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 agent channels within contact centers is exploding. Email dominates the non-voice agent channels, with 86% of survey respondents using it today and another 8% planning to implement it in 2012. Social media and web chat show the greatest levels of short-term interest, with about 40% of US contact centers using each today and 27% of respondents stating their intention to implement these channels in 2012. 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, in order to proactively categorize all interactions.

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 or provide feedback to 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.

The latest release of UTOPIA SpeechMiner® is the only solution available today which provides these capabilities. SpeechMiner unifies the voice of the customer and analyzes agent performance *across all* contact channels, delivering the most accurate and comprehensive Customer Interaction Analytics solution available today. Please visit [www.UTOPIA.com](http://www.UTOPIA.com) to learn more.



---

## ESTIMATING RETURN ON INVESTMENT FOR CUSTOMER INTERACTION ANALYTICS

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

Lots of budget is now held within marketing, website or customer experience teams, rather than at contact 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 customer 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 customer 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 contacting the company.

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

Variables to be considered for ROI measurements include:

Cost reduction:

- Reduction in headcount from automation of interaction monitoring and compliance checking
- Avoidance of fines and damages for non-compliance
- Reduction in customer contact volumes after understanding **why** customers are contacting the company, and acting to optimize any broken processes elsewhere in the organization (e.g. website, marketing, distribution, etc) that are causing these contacts
- Reduction in cost of unnecessary callbacks after improving first-contact 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 interaction 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 information provided to agents to the customer's needs
- 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 interaction 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 speech analytics solution is to be hosted, it will involve a lot of bandwidth, which will be an additional cost, especially when considering any redundancy
- Maintenance and support agreements, which may be 15-20% annually of the original licencing cost
- Additional users - headcount cost - decide who will own and use it, do you need a speech analyst, etc.
- Extra hardware e.g. servers will be required for interaction processing and analysis, the number of which is dependent on the volumes of interactions and the speed which customers require the analysis to be completed by
- Ongoing and additional training costs if not included
- Extra work across the enterprise generated by findings
- May need extra software to extract data from the call recording production environment if using different vendors for recording and speech analytics.

A major inhibitor to uptake is an awareness within the company that their environment is not yet ready for customer 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 customer interaction analytics is an effective way to give a window into these trends.



---

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

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



UTOPY delivers the fastest ROI in the Customer Interaction Analytics industry, regularly 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. UTOPIA would be glad to use our extensive experience helping our customers achieve rapid ROI to build a business case/ROI model specifically for your company, free-of-charge.

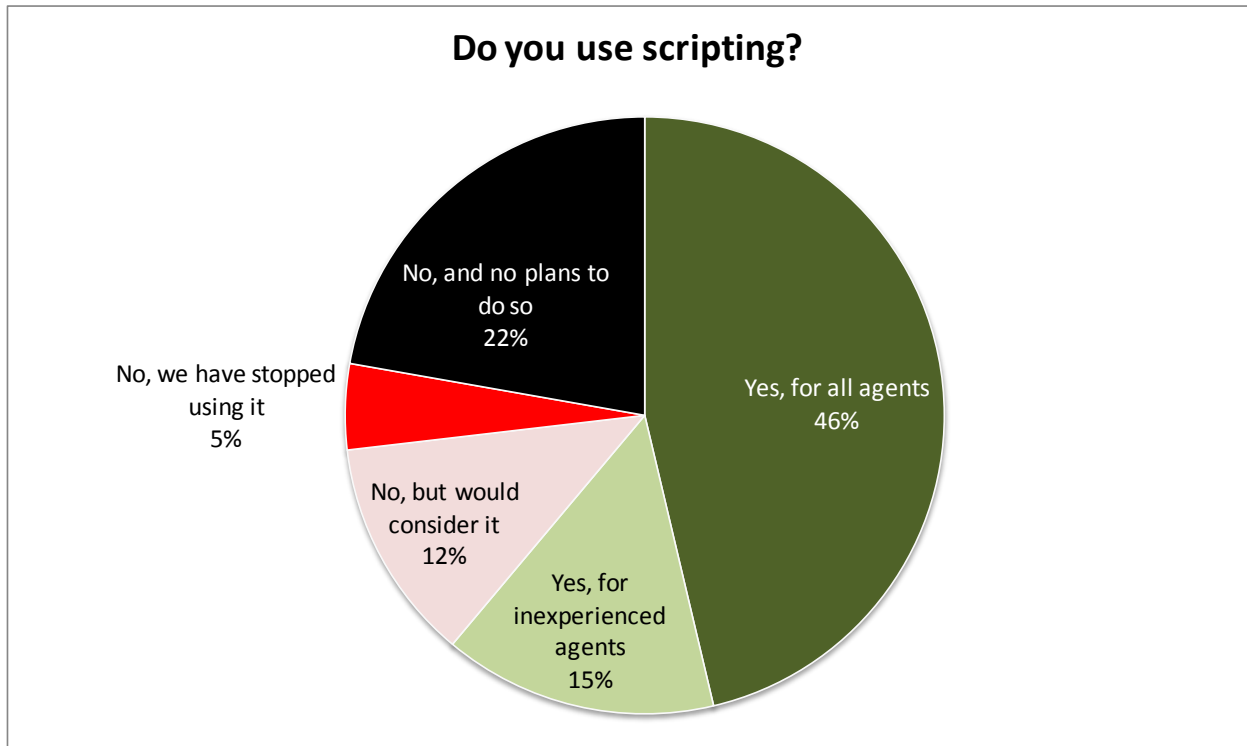
## DYNAMIC SCRIPTING AND THE UNIFIED DESKTOP

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

### DYNAMIC SCRIPTING

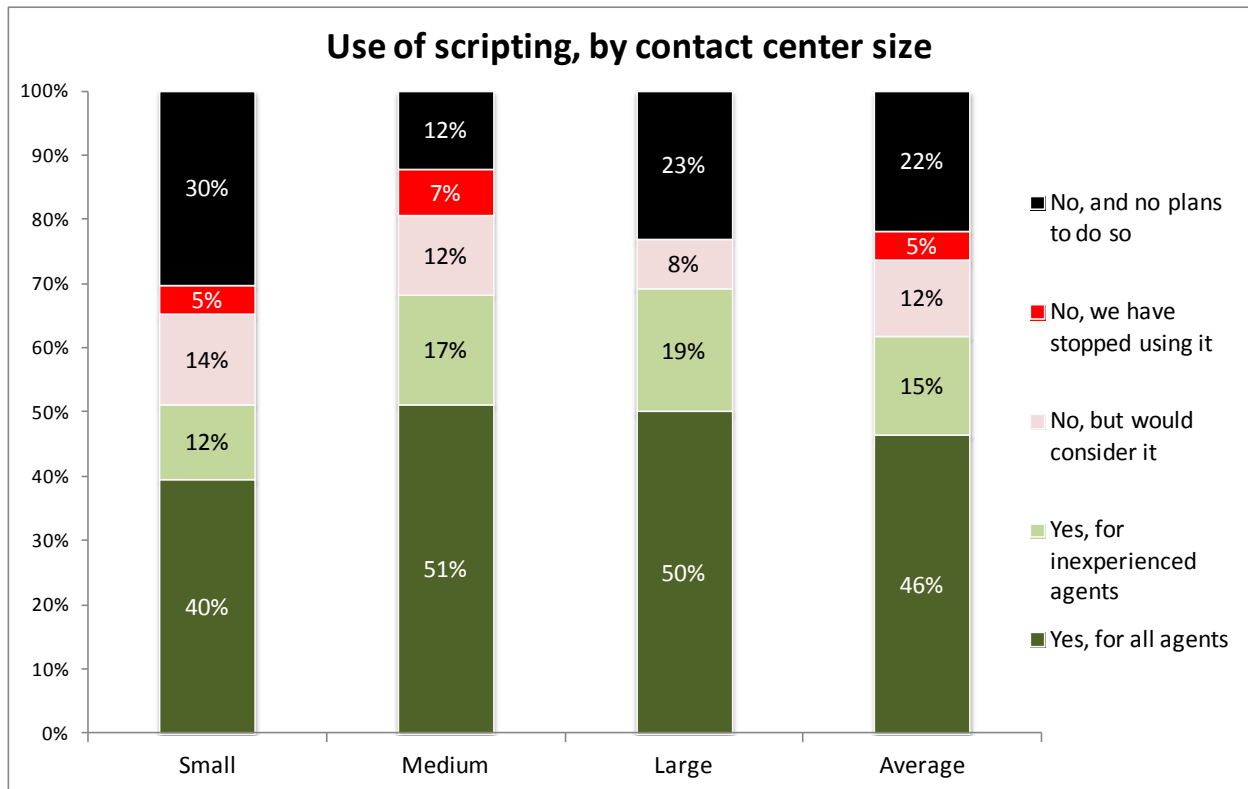
Scripting has a mixed reputation, rightly or wrongly, with inflexible outbound sales scripts being particularly disliked. However, a dynamic scripting environment - where the help provided on the agent's screen changes depending on who the customer is and what they actually want, applicable to both inbound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

Figure 12: Do you use scripting?



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

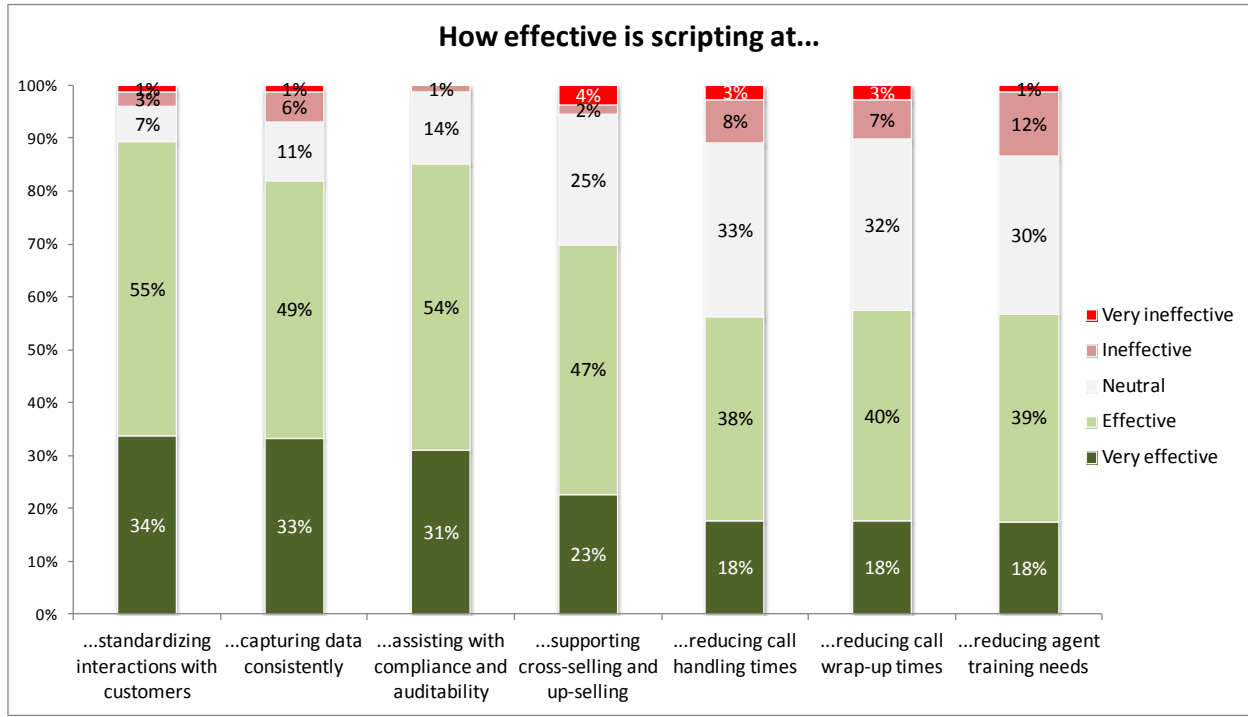
Figure 13: Use of scripting, by contact center size



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

A fairly small proportion of respondents in any sector or size band have stopped using scripting, but there are a 22% which have no intention of using the application. The next pages will look at what scripting is used for, how effective it is, and why some businesses are against it.

Figure 14: The effectiveness of scripting



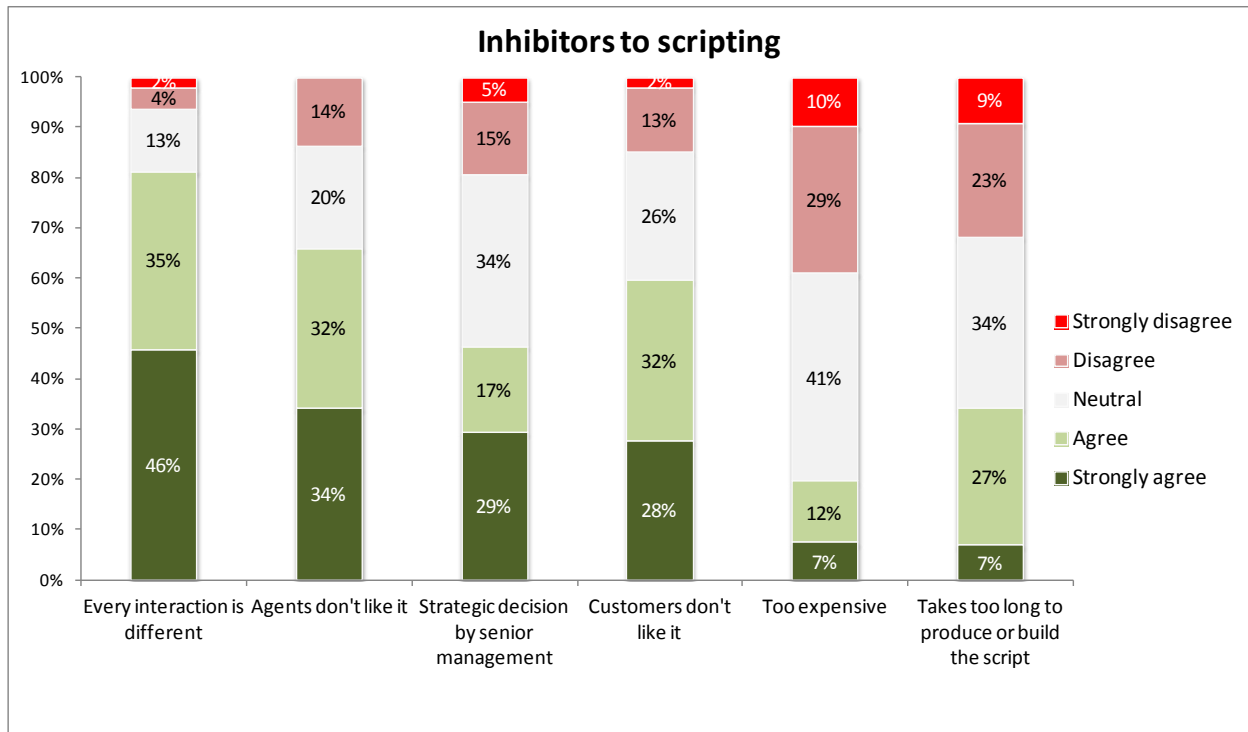
Those respondents who used scripting were generally enthusiastic about the benefits they had received. In particular, the assistance with compliance was particularly well-thought-of, as was the consistency of data capture (as the same information is collected each time, with no short-cuts or missed questions). 89% of respondents found that scripting was effective or very effective at standardizing interactions with customers - of course, this only helps quality of the 'average' interaction is high to begin with.

Secondary benefits around reducing call handling times (through a structured call flow) and 70% of respondents said that scripting was an effective tool for assisting with cross-selling and up-selling. Using scripting to facilitate call wrap-up and assist agent training were net positives, but are seen as being less useful than other factors.

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

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

Figure 15: Inhibitors to scripting



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

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

The design environment that new scripting solutions provides can use existing back end resources without further development, so scripts no longer have to anticipate every possible alternative. Data gathered during conversations, combined with customer profiling, trigger appropriate responses which can be immediately presented to the customer, which is beneficial for customer and agent alike. As such, dynamic scripting can be



considered as one part of a group of solutions aimed at reducing the complexity of the agent's desktop while improving the quality of the interaction. The next section looks at optimizing the quality of customer interactions through a unified agent desktop, a key supporting feature of which is the ability to define call scripts, either as a flow of data capture screens, or as a set of actual words or prompts. Simple, non-technical tools enable supervisors and managers to define these call flows, the data required and the scripts/prompts to be used.

## THE UNIFIED 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.

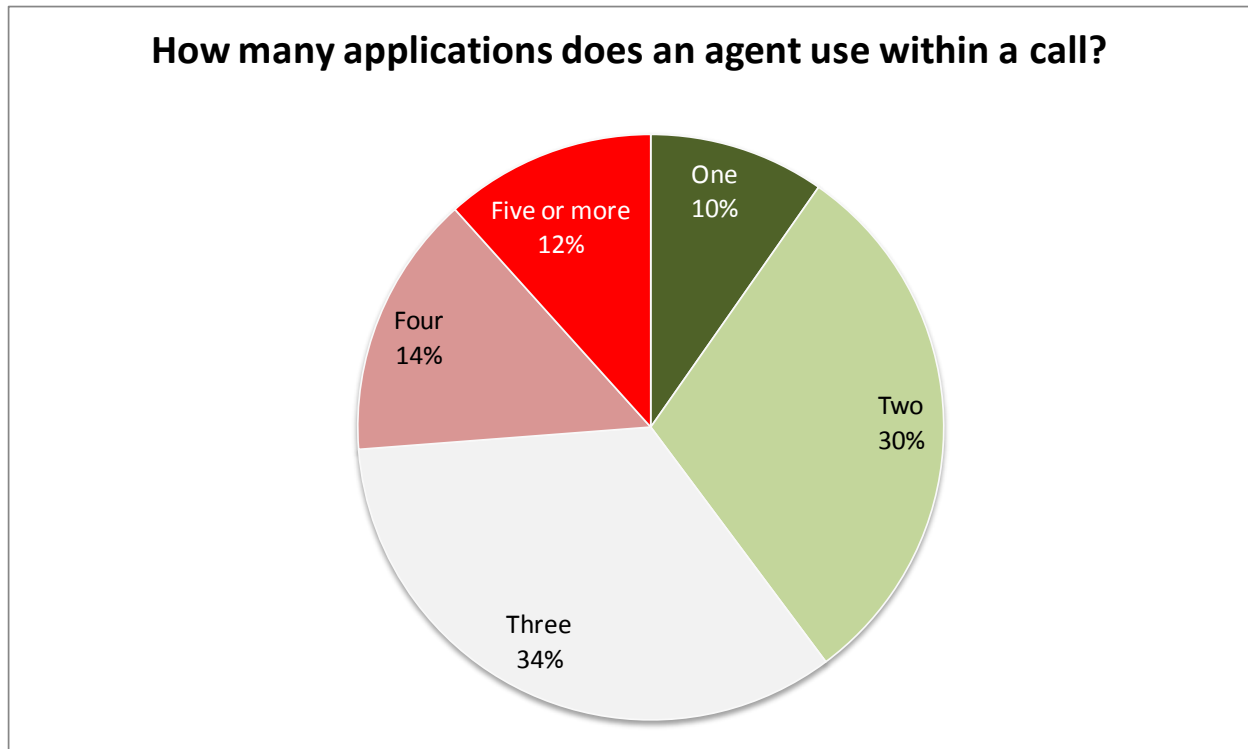
Figure 16: Use of multiple applications across vertical markets

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.

With 90% 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 17: How many applications does an agent use within a call?



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

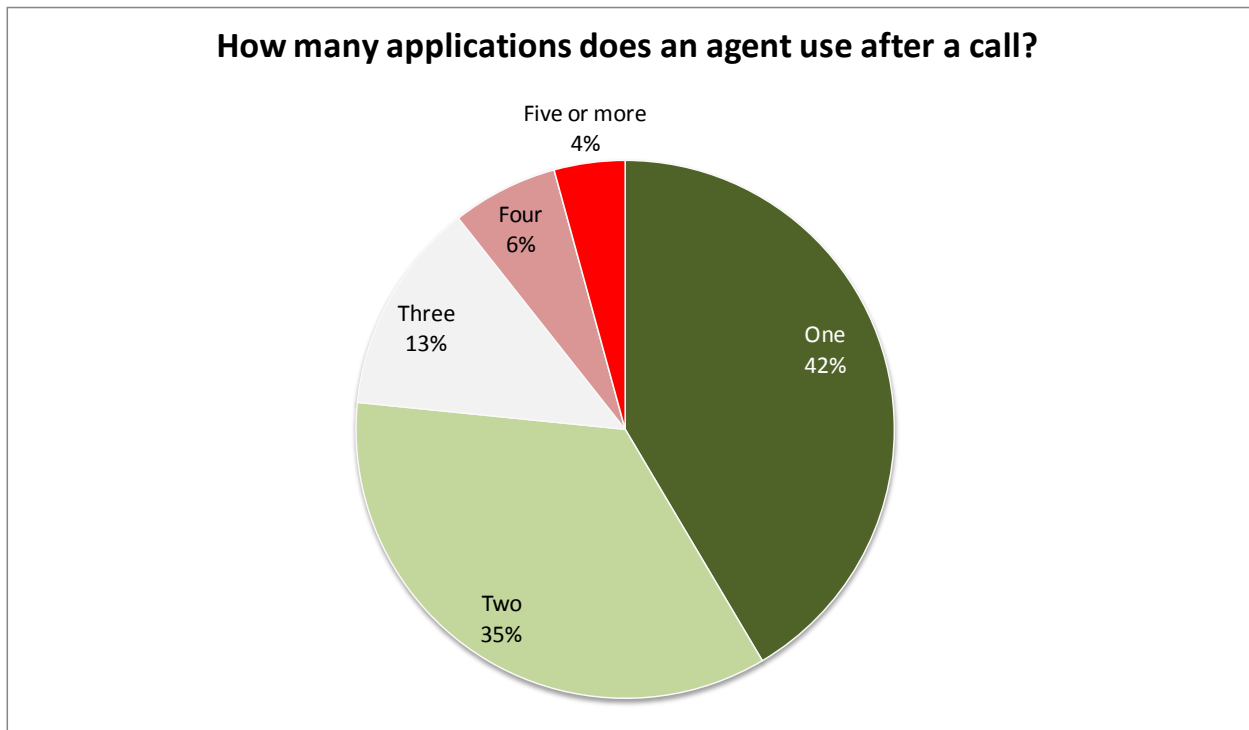
Such an approach can have severe primary and secondary effects:

- Increased training costs
- Higher staff attrition caused by inability to complete tasks successfully
- Inconsistent data caused by keying errors or missed procedures caused by manual wrap-ups
- Increased call handling times
- Lower customer satisfaction caused by long queues and unnecessarily long calls
- Missed opportunities to cross-sell and up-sell

- Multiple open applications on the agent desktop can lead to system instability and lower performance.

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

Figure 18: 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.

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.

## CUSTOMER SATISFACTION

Most businesses say that customer satisfaction is vital to them. Yet this raises more questions: how satisfied do customers have to be? And what do customers want from contact 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. A continuous tracking survey hosted by a third party is a useful piece of corporate intelligence. Surveys hosted on a SaaS platform have the advantage of being contact center-provider and equipment-agnostic. You can continue using your surveys non-stop as you outsource, switch suppliers or take your contact center service back in-house, hence tracking the impact of these changes.

---

## 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.

Outbound automated surveys are becoming more prevalent. 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.

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

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.

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

Formal surveys of customer satisfaction offer the customer a chance to feed-back, and the business to learn.

Setting up surveys involved various elements which should not be overlooked, including:

- Defining the purpose and objectives of the survey
- Deciding the approach
- Developing the questionnaire
- Carrying out the survey
- Collating the data
- Analyzing the results
- Presenting the findings - and acting upon them.

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

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

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

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

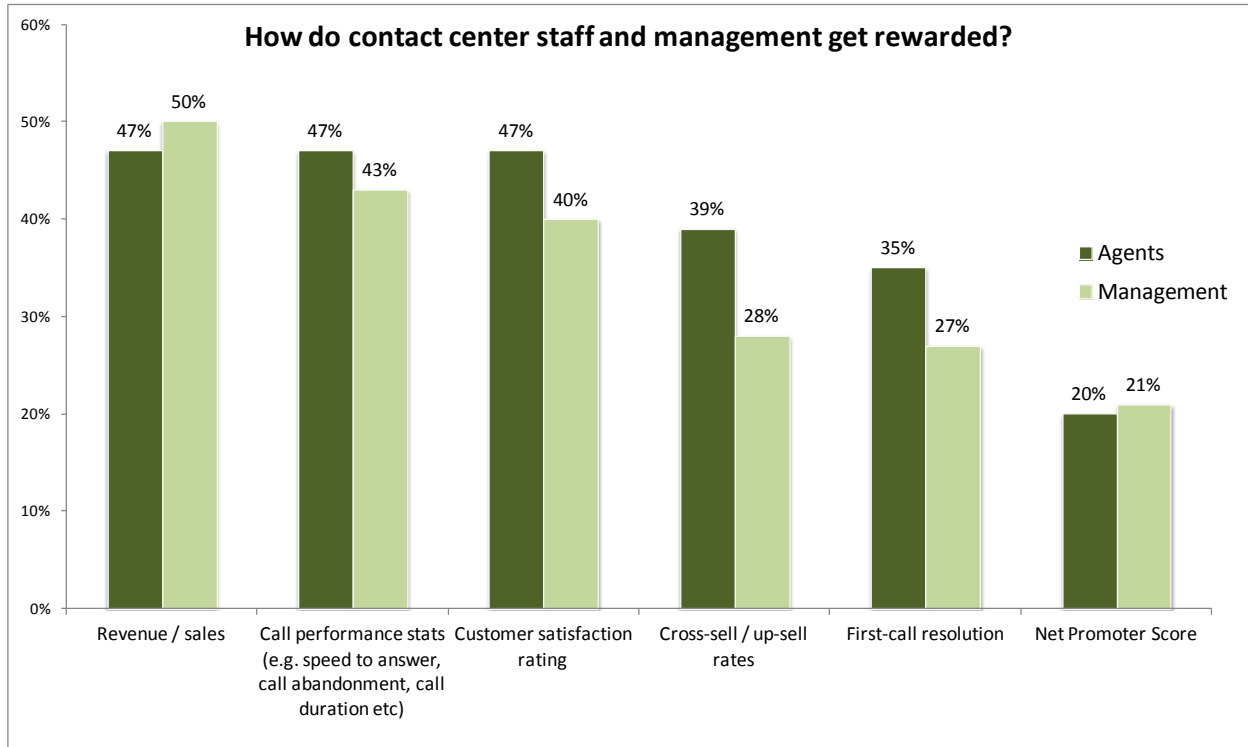
Opinion is split on whether surveys should identify specific agents, as although major outlying training and behavioral problems can be identified, many operations are keen to avoid the 'Big Brother' feeling of spying on agents, and prefer to emphasize that surveys are done to identify broken processes,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

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

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



Figure 19: How do contact center staff get rewarded?



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

At a management level, reward methods are fairly similar to agents, although fewer are linked with cross-sell and upsell rates and first-call resolution, with a slightly greater emphasis on sales.



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

44% of respondents track customer satisfaction at an agent-level (doing this with written questionnaires is especially difficult), and 45% are aware of which processes are causing the greatest displeasure. It should be noted that this awareness of broken processes is rarely collated into meaningful and actionable data, relying on the diligence of management to go through individual verbatim responses and find patterns to process failures themselves.

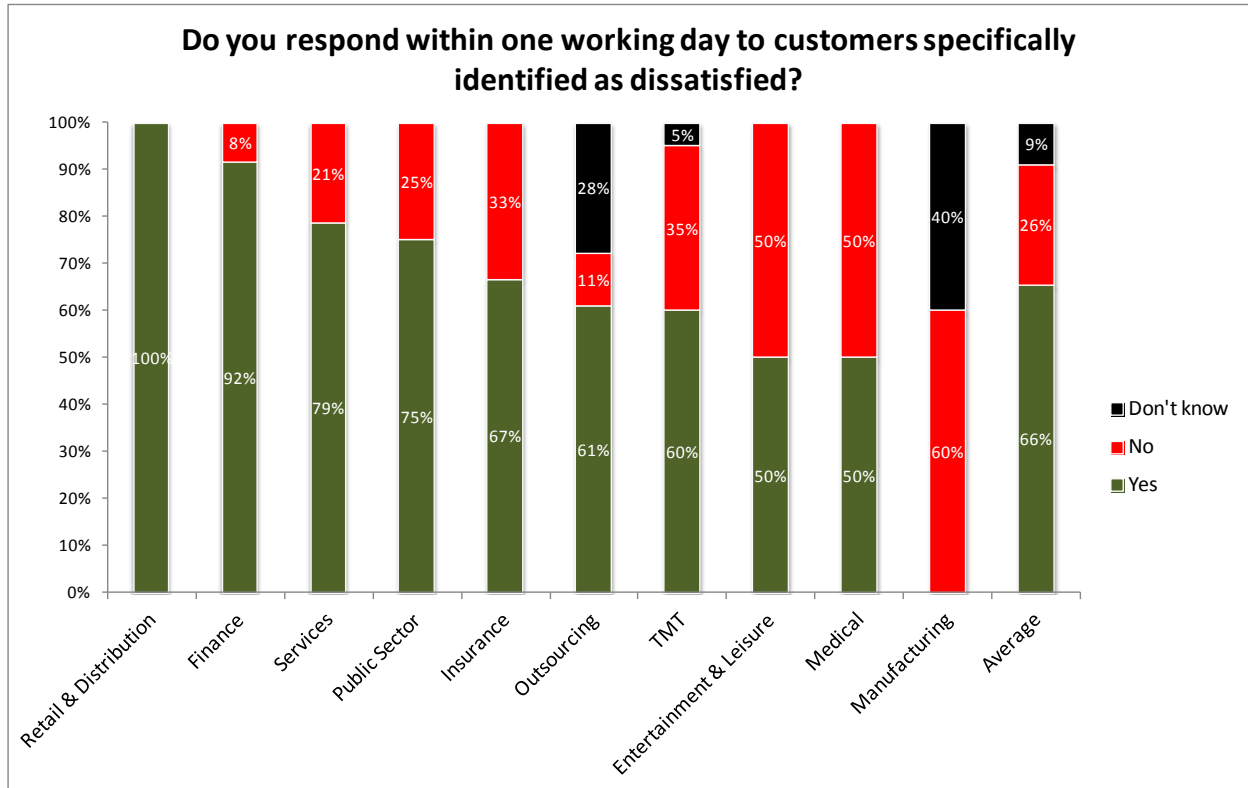
Half of respondents identify the specific behaviors and characteristics associated with successful or unsuccessful agents and conversations, as how a customer feels about a company is key to whether they will stay loyal or defect if a cheaper alternative comes along, and it is certainly an improvement on last year's figure of 26%.

Figure 20: Customer satisfaction measurement, in-depth

Outputs from customer satisfaction measurement	% respondents
Actual responses from dissatisfied customers	63%
The specific characteristics and behaviors most liked / disliked by customers	50%
The business processes that are causing customer dissatisfaction	45%
The agents providing the highest levels of customer satisfaction	44%

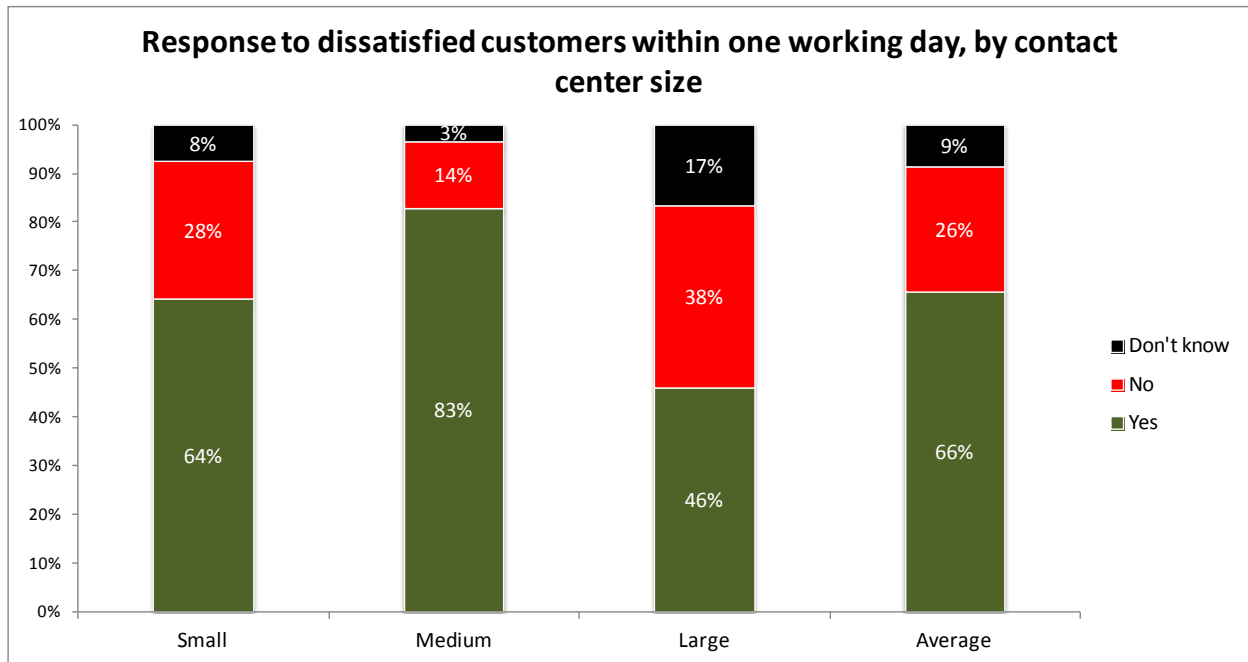
Looking in more depth about how disgruntled customers are treated, 66% of respondents that identified this customer type claim to do something about it within a single working day, usually calling to discuss the matter further. This offers businesses the chance to prove themselves to the customer, potentially turning a detractor into an advocate. The entertainment & leisure, manufacturing and medical sectors are behind the general trend to engage quickly with unhappy customers.

Figure 21: 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. 38% of large operations are not geared-up to fire-fight a bad customer experience, and risk losing that customer for good.

Figure 22: Response to dissatisfied customers within one working day, by contact center size



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

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

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

---

## COMPLAINTS

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

“A failure to do something - turn up, call back, send something...causes the customer to make a further demand on the system. A failure to do something right - not solve a problem, send out forms that customers have difficulty with and so on - similarly create demand and creates extra work. Failure demand is under the organization’s control, and it is a major form of sub-optimization.”<sup>1</sup>

Seddon cites the instance of the UK bank where failure demand created almost half of the calls which they had to deal with. Another classic example of failure demand is where emails go unanswered, leading to calls being made (first-stage failure demand). Later, the email will be answered, unnecessarily, as the customer already has their answer (second-stage failure demand). This redundant work will then impact on other (still live) messages in the email queue, creating a vicious circle of failure demand. Redesigning and restructuring the way in which work flows around the 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

---

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

complain, but go elsewhere and tell everyone who will listen that they are doing so, an issue that is particularly important in today's world of omnipresent social media.

Figure 23: 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
Medical	6.0%	26%	74%
Outsourcing	7.0%	16%	84%
TMT	3.0%	24%	76%
Insurance	3.0%	23%	77%
Services	3.0%	19%	81%
Public Sector	2.5%	18%	83%
Manufacturing	2.0%	20%	80%
Finance	4.0%	8%	92%
Retail & Distribution	4.5%	4%	96%
Entertainment & Leisure	1.7%	10%	90%
<b>Average (median)</b>	<b>3.9%</b>	<b>18%</b>	<b>82%</b>

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

The table is sorted by those vertical markets which have the greatest proportion of their calls being complaints about the contact center itself. In this case, the medical sector has 1.56% of its overall calls being complaints about the service received in the contact center itself (calculated by multiplying the % of complaints - 6.0% - by the % that refer to the contact center - 26%). On the other hand, the entertainment & leisure sector has a miniscule 0.17% of calls being about the failings of its contact center operations.

This calculation and ordering helps to show the true nature of each sector's contact center operations and also the underlying level of competency in the wider business. For example, the finance sector receives a slightly higher than average proportion of complaints (4.0% of all calls), but 92% are about failures in processes elsewhere in the enterprise, for very large, siloed and complex operations like many finance operations are, is unsurprising.



The vast amount 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 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.

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.

## TRAINING AND COACHING

Although agent attrition is less of a concern for many contact centers than it has been for some years, the need to improve customer satisfaction and quality has come even more to the fore. This makes agent training is one of the most high-profile and important issues within the industry, with its importance to contact center managers growing year on year. As the types of role that contact center agents perform continue to grow in complexity, ongoing training must go beyond simple call handling and top-line product information. There is an increasing trend towards cross-selling and up-selling, which requires agents to switch between very different skill-sets at a moment's notice, and the importance of empathy and listening skills cannot be underestimated.

Contact center training starts with induction courses, initial periods of two to four weeks that prepare an agent for life in the contact center. After this, the coaching provided by team leaders and senior agents is invaluable, but the agent must continue to receive support throughout their career, and to be able to gain the skills and experience they need to move upwards and of course to do their current job effectively.

To this end, a mix of internal and external training is often used, and there are a growing number of external qualifications in and around the contact center industry for contact center employees at all levels, with the majority of contact centers offering agent those opportunities. There have been polarized views on this across the industry: some cynics believe that externally-recognized qualifications will just encourage agents to leave sooner, whereas most see it as an investment in the agent, and proof to the agent that the business values them.

Most contact center managers are aware and concerned that the skills available in their contact center are leaking away too quickly, due to high attrition rates, or that the general availability of skills is not high enough in any case. The content and aim of training can be roughly divided into hard and soft skills. Hard skills are those which are specific to the job in hand, and/or that can be measured. Examples include:

- Data entry speeds
- System navigation
- Product knowledge
- Application usage
- Understanding of relevant business processes.

Soft skills are more about influencing the agent's behavior and character, as well as looking at the non-measurable elements. They include:

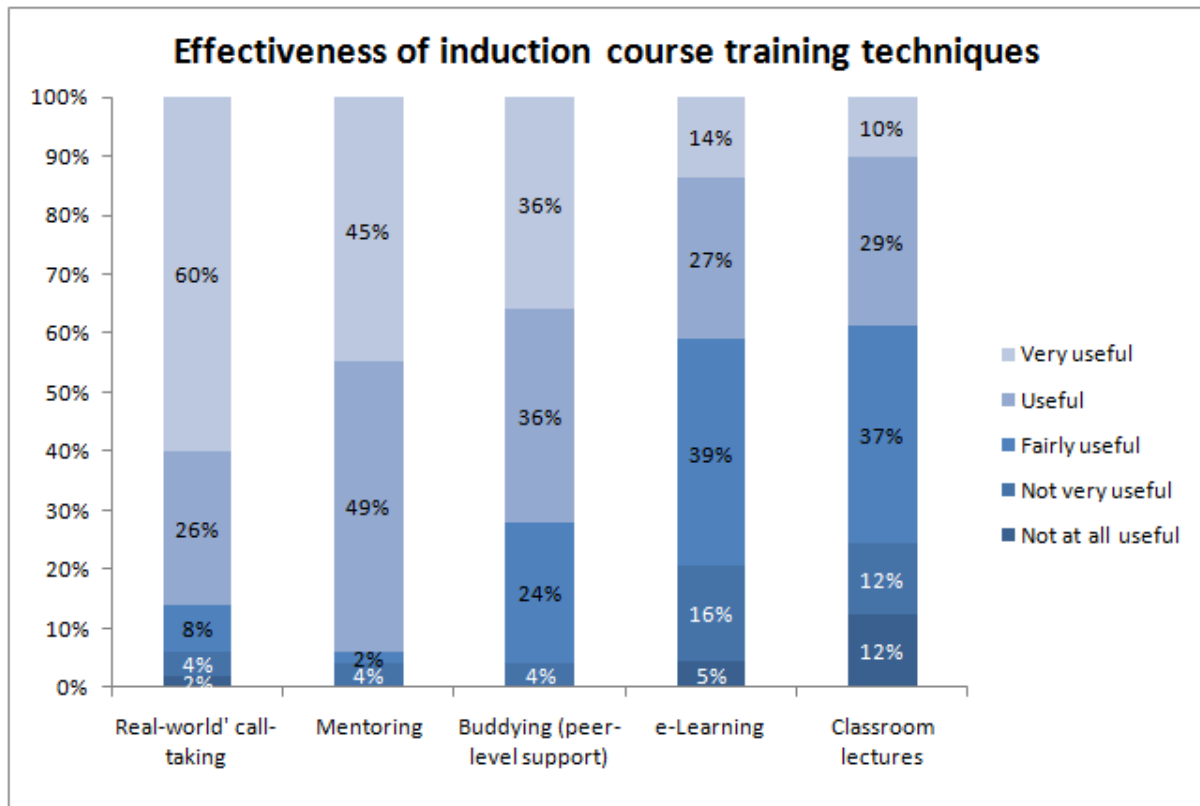
- Empathy and listening skills
- Cross-selling and up-selling
- Managing intra-team dynamics
- Developing self-motivation
- Dealing with abusive customers.



## INDUCTION COURSE TRAINING METHODS

Respondents were asked to state how effective various training methods are within an induction course environment. The following table shows that one-to-one tuition and support is seen as far more effective than the one-way information flow of lectures and eLearning, although the latter are much more cost-effective ways to disseminate information to large numbers of people at once.

Figure 24: Effectiveness of induction course training methods



The traditional method of training is to sit a number of people in a room and **lecture** them. This is certainly a useful, well-proven and cost-effective way of passing on information, although of course it cannot really take into account the specific requirements of each employee. However, as a way of passing on structured information - for example, about a new product - it is a very effective and well-used training method.

Almost all respondents use the '**buddying**' technique, giving a current employee responsibility for a new starter, so that they can learn the ropes in an informal environment and have someone to discuss any of the hundreds of new tasks and situations that a new starter has to deal with. While this is in theory a good idea, and certainly cheap, there is often little quality assurance of buddying technique, and the experience can vary widely depending on the 'buddy' in question. Some organizations deliberately ask less-motivated employees to be buddies, in the hope that the extra responsibility will help them to improve their own attitudes, although this is obviously fraught with risk.



---

Generally though, buddying is a positive and cost-effective way of easing a new starter into the company, although it should not be relied upon to take the place of structured training methods, particularly as the ‘buddy’ themselves will often not have received any detailed training on what to do.

The **mentoring** technique is a more hierarchical version of buddying, involving more knowledge and skill transfer and often a more formal setting, with specific time set aside, perhaps with a small group rather than an individual. Again, most respondents state that they use this method of training, although in reality, some of the mentors will actually be more like buddies - those on a similar level, albeit with more experience of how the business works. Mentoring comes with a definite cost, as the mentor is likely to be an experienced and skilled individual and thus, their time will be in great demand. The mentor may run specific regular sessions for their protégé or group, based on transferring specific knowledge and skills, and perhaps being involved in the protégé’s career progression. This method is rated the most effective way of training new agents, along with **live call-taking**, which is a training method specific to contact centers whereby new agents make the transition away from the classroom by taking live calls in a tightly-controlled environment, with one-to-one supervision that is gradually eased as the agent’s competency and confidence grows.

**E-Learning** currently lags some way behind the other training methods in terms of its use, although it is far more prevalent than it was even 2 or 3 years ago. This training method involves the agent taking software-based course modules at their own desk, which reduces the need for expensive formal training sessions at times which may not be suitable for the business (e.g. taking agents away from their desks for training in the middle of a call spike isn’t generally welcomed). Such courses are may delivered via the web as ‘software-as-a-service’, or the company can buy licenses, either of which can be cost-effective and flexible, although there are limited options to change content or ask questions in most cases.

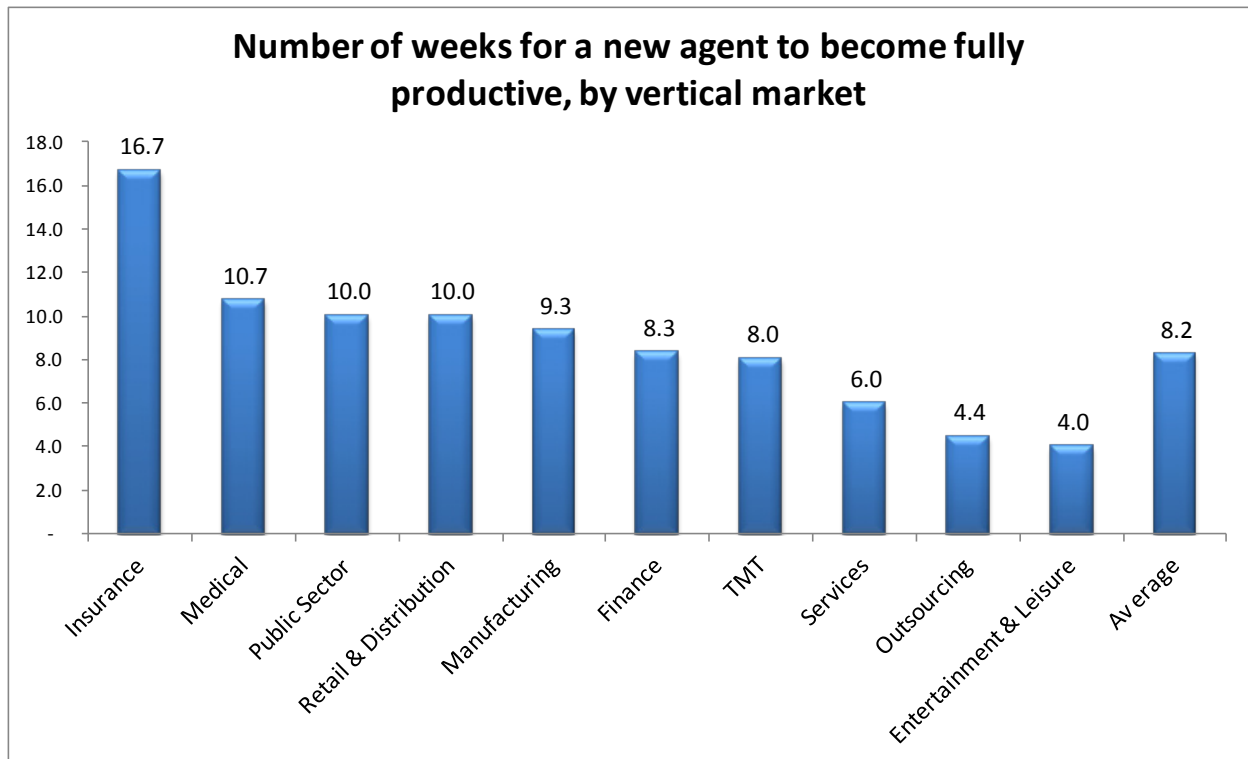
## TIME REQUIRED TO BECOME FULLY-PRODUCTIVE

The main purpose of any type of training is to improve employee’s abilities to do their job well. On average, respondents state that it takes around 8 weeks before a new starter is fully-productive, which means that for most of the first two months, an agent is still coming to terms with their job and is not pulling their full weight.

Respondents with mainly inbound work state that an average of 9.5 weeks is required for full productivity. For outbound operations, this is only 4.1 weeks, with respondents in mixed operations requiring 5.8 weeks.

There is little difference between size bands in the amount of time required to get an agent totally up to speed, but as we might expect, the type of contact center activity that an agent is asked to do has a large bearing on their speed to competency. Outbound-focused operations (usually sales-orientated), get their staff fully-trained and selling in much less time that an inbound operation requires. This is probably due to the higher number of systems that an inbound operative has to use, as well as the often-required need to blend service with sales, a less-prevalent use of scripting and a greater variety of requests and topics that an inbound agent will often have to deal with.

Figure 25: Number of weeks for a new agent to become fully productive, by vertical market



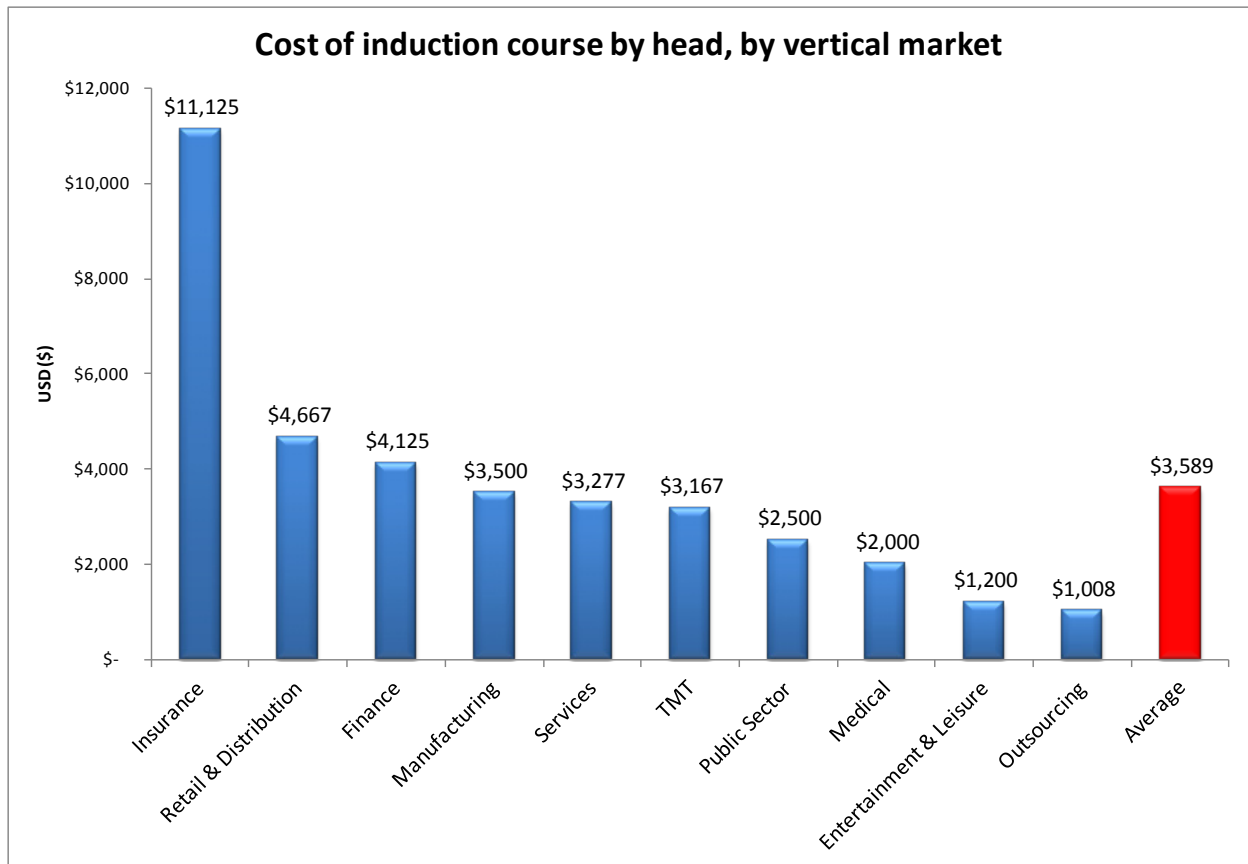
This delay in achieving full productivity is even more noticeable in businesses where the role is generally more challenging, probably as a result of the technical complexities of the role, the legislative requirements or any other business-specific reason for delayed competency, such as insurance or the medical sector.

## INDUCTION COURSE COSTS

The cost of the induction course varies significantly across vertical markets, as the complex and often technical inbound service activities often found in the insurance vertical markets pushed the per-capita induction course expenditure up to \$3,589, which is an increase on last year, and a sign that businesses believe that the worst of the recession is over. The entertainment & leisure and outsourcing sectors spend the least, and vertical markets with a lot of sales focus, especially outbound, have a much lower induction course cost. The median is \$2,700, with the 1<sup>st</sup> quartile being \$5,000 and the 3<sup>rd</sup> quartile \$1,000.

Overall, induction course expenditure per head has bounced back considerably. It is often said that the first cuts to be made in a recession are in training and marketing budgets, as the negative results of these will be felt in the future rather than immediately and the 2009 figures bore that out, but this trend seems to be in reversal now.

Figure 26: Cost of induction course by head, by vertical market



Although training budgets as a whole have bounced back, this is driven by inbound-focused respondents with the significantly lower outbound induction course expenditure continuing.

Figure 27: Cost of induction course per head, by contact center activity type

Contact center activity type	Cost of induction course per head (\$)
Inbound	\$4,250
Mixed	\$2,858
Outbound	\$1,200
<b>Average</b>	<b>\$3,589</b>

The largest contact centers usually tend to spend slightly more than smaller operations, as they have more access to training techniques that lower-budget operations do not (e.g. external trainers, e-Learning, etc), as well as the standard training methods. In 2009, large operations saw huge cuts in per-capita expenditure as businesses reacted to the recession by slashing costs. The differential is now relatively across sectors, and appears more to do with the nature of the business rather than its size.

Figure 28: Cost of induction course per head, by contact center size

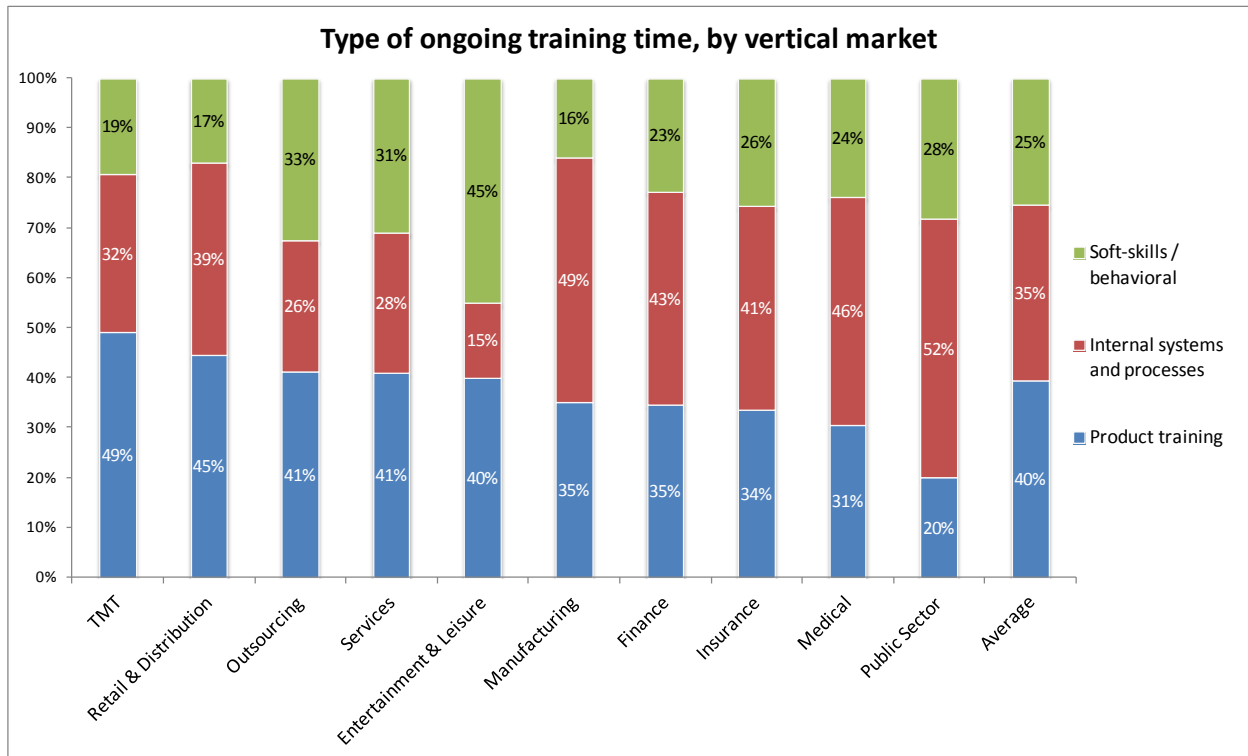
Contact center size	Cost of induction course per head (\$)
Small	\$4,248
Medium	\$3,277
Large	\$3,405
<b>Average</b>	<b>\$3,589</b>

## ONGOING TRAINING AND COACHING

Once an agent comes out of the induction course, their team leader or supervisor should take over the day-to-day development of the agent, supported by regular and targeted formal training courses (whether internal or external), and possibly computer-based training sessions as well.

The types of training that agents receive can be broadly split into product or marketplace knowledge, internal systems and processes (IT systems training, business processes and flows, etc.) and soft skills (listening and conversational skills, learning and reinforcing positive behaviors, cross-selling and up-selling, etc.). Hard skills (product and IT systems) training is more focused upon than soft skills across all industries.

Figure 29: Type of ongoing training time, by vertical market



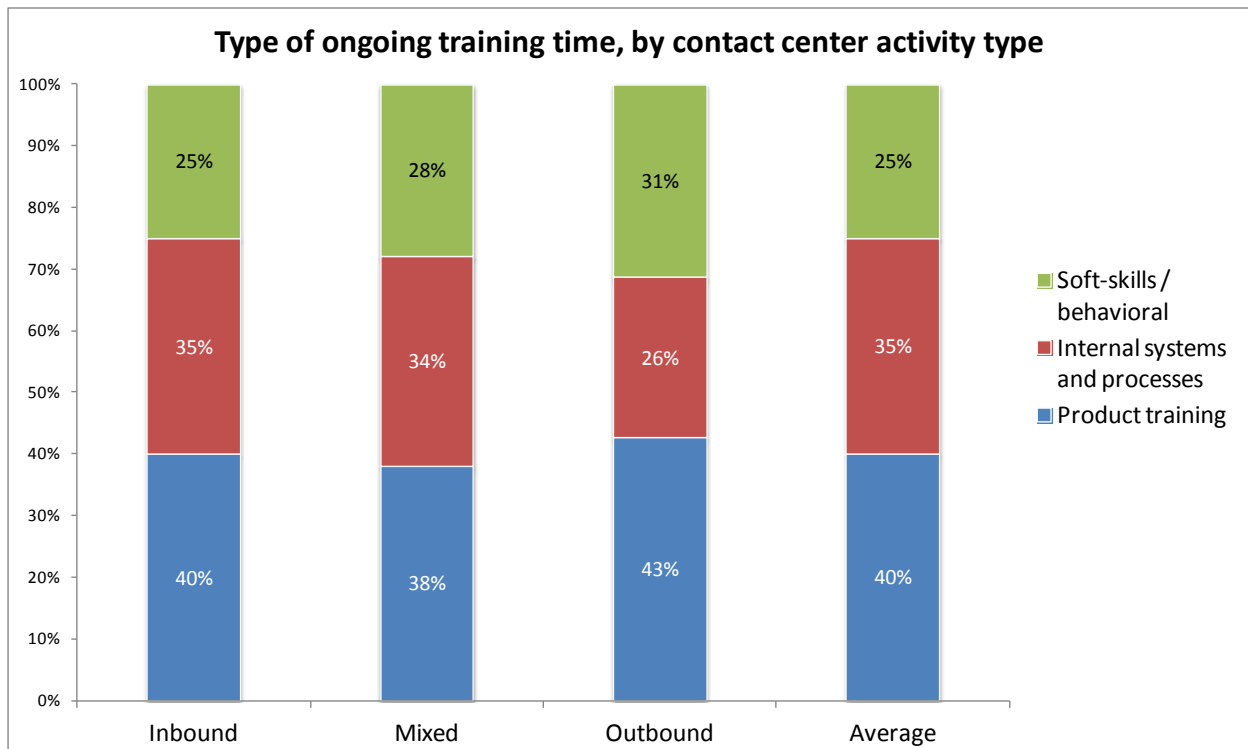
It is negative that a very significant amount - 35% - of the agents' time is spent on training them how to navigate between multiple archaic legacy systems (much higher in public sector and manufacturing), when desktop integration applications could be put in place to ease the flow of the interaction, allowing the agent to focus upon the customer. Through this, the use of dynamic, intelligent scripting or prompting can be promoted, providing the agent with the right information at the right part of the conversation, without them having to learn first about every product and service that might be relevant.

Once this major barrier to quick, successful interactions is removed, agents will have more time to listen to customers, and to use some of the softer skills, such as negotiation, cross-selling and up-selling and consultative selling rather than having to wrestle their way through multiple complex and arcane systems.

It is not just soft skills that should be focused upon, and it is positive to see that 40% of the typical agent’s training time is spent upon learning about their products, services or competition, a figure similar to last year. An agent that does not feel confident that they know all they can about what they are selling cannot be expected to initiate cross-selling or up-selling with any sort of competence, nor answer most of the questions that a well-informed customer or prospect can ask about competitive products.

There is little pattern to how ongoing training is spent across the contact center size bands, although there is a significant difference when looking at the type of activity of the contact center.

Figure 30: Type of ongoing training time, by contact center activity type



Sales-focused, outbound operations spend 31% of ongoing training time dedicated to soft-skills, especially sales techniques, empathy training, matching communication styles and attitudes with callers, and listening skills. This is down on last year's figures, however.

Quite apart from the time spent on formal training courses, agents will receive one-to-one coaching with their supervisor and are also likely to have some form of computer-based eLearning facilities available to them (which is not included in these figures).

Figure 31: Types of ongoing training, by vertical market (hours per agent per week)

Vertical market	Coaching	Classroom training	Total ongoing training
Services	3.8	1.1	5.0
Outsourcing	2.7	1.5	4.2
Insurance	2.1	1.3	3.4
Entertainment & Leisure	2.2	1.2	3.4
TMT	1.9	1.0	2.9
Finance	1.9	0.9	2.8
Retail & Distribution	1.3	1.3	2.5
Public Sector	1.5	0.7	2.2
Medical	1.5	0.5	2.0
Manufacturing	1.3	0.5	1.8
<b>Average</b>	<b>2.2</b>	<b>1.1</b>	<b>3.3</b>

NB: 'Classroom training' data converted from 'days per year' into 'hours per week' by assuming 8 hours per day, and dividing by 52 weeks

The services sector provides agents with the greatest overall amount of ongoing training, with an equivalent total of 5.0 hours per week devoted to training.

There is little pattern across contact center size bands where ongoing training is concerned, at least in terms of overall time. Smaller contact centers spend a lot more time on their staff for ongoing training, as coaching is one the cheaper forms of training and does not require the external training resources that assist many larger operations (2.7 hours per week against 1.9 hours for each of the medium and large sectors), but larger operations have more in the way of formal classroom training (1.8 hours per week against 1.0 for small contact centers).

Sales-focused outbound contact centers are more likely to spend money on ongoing training to their staff, as much of this will be driven by new products and campaigns, as well as honing sales skills. Much of this will be highly-specialized, and may be from external trainers. Outsourcers are particularly keen to coach staff rather than to wait for formal training courses.

In terms of cost, the annual per-head expenditure on ongoing training is \$2,297, 8% higher than last year's figure.



## TEAM LEADER COACHING AND DEVELOPMENT

Many people say that team leaders are the most important people within the contact center, as they are what makes the difference between good and mediocre agents. Yet many team leaders are promoted out of the agent role at which they were good, without being fully taught the skills of management or coaching, including excellent people skills, training and coaching, learning how to balance the demands of their own teams with their operational workload and acting as the ultimate arbiter with difficult customers.

Figure 32: Monthly hours of coaching and development for team leaders, by vertical market

Vertical market	Monthly hours of coaching and development for team leaders
Services	9.1
Outsourcing	9.0
TMT	5.4
Finance	4.8
Entertainment & Leisure	4.0
Retail & Distribution	3.3
Insurance	3.2
Medical	2.7
Public Sector	2.5
Manufacturing	1.9
<b>Average</b>	<b>5.7</b>

On average, a team leader can expect to receive around 1 - 1.5 hours of coaching and development per week from their superiors. Many contact centers have flat structures, and senior management has to try very hard to make the time to develop team leaders, without taking them away from the teams for too long.



---

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



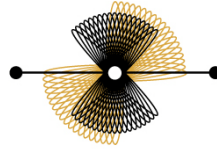
CallCopy is a leading provider of innovative workforce optimization to organizations across the globe.



Enghouse Interactive develops the world's most comprehensive portfolio of interaction management solutions, delivering technology and expertise to maximize the value of every customer interaction.



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.



RightTime makes idle time productive by filling it with off-phone activities to improve productivity, performance, and profitability.



Driving better business results for clients through superior people intelligence and decisions



UTOPLY delivers Contact Center Performance Optimization solutions driven by Customer Interaction Analytics, and the only completely analytics-driven Coaching and QM applications available today.



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



One of Vocalcom's clients increased performance by 140% - just think what that could do to your bottom line!



Zeacom Communications Center gives contact centers the business intelligence needed to make better decisions and improve the customer experience.



---

## MAXIMIZING 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
- The unified desktop
- Voice biometrics
- CTI and call routing
- 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	<p>Although this is an attractive and easily-understood metric for senior management to view, there is a real danger that calls are closed too quickly and revenue and loyalty-building opportunities are lost. If a contact 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.</p> <p>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.</p>
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.

<p>Agent occupancy rate</p>	<p>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.</p>
<p>Customer satisfaction ratings</p>	<p>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.</p>
<p>Call throughput and abandonment rates</p>	<p>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.</p>
<p>Call transfer rate</p>	<p>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.</p>
<p>Revenue per call</p>	<p>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.</p>
<p>Staff attrition rates</p>	<p>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.</p>
<p>Average speed to answer / longest call waiting etc.</p>	<p>Has a strong and demonstrable effect on customer satisfaction or frustration, as well as impacting on call abandonment, lost revenues and high staff attrition rates caused by excessive pressure. Average speed to answer is a metric which is easily measured, and forms a vital view of the contact 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.</p>



---

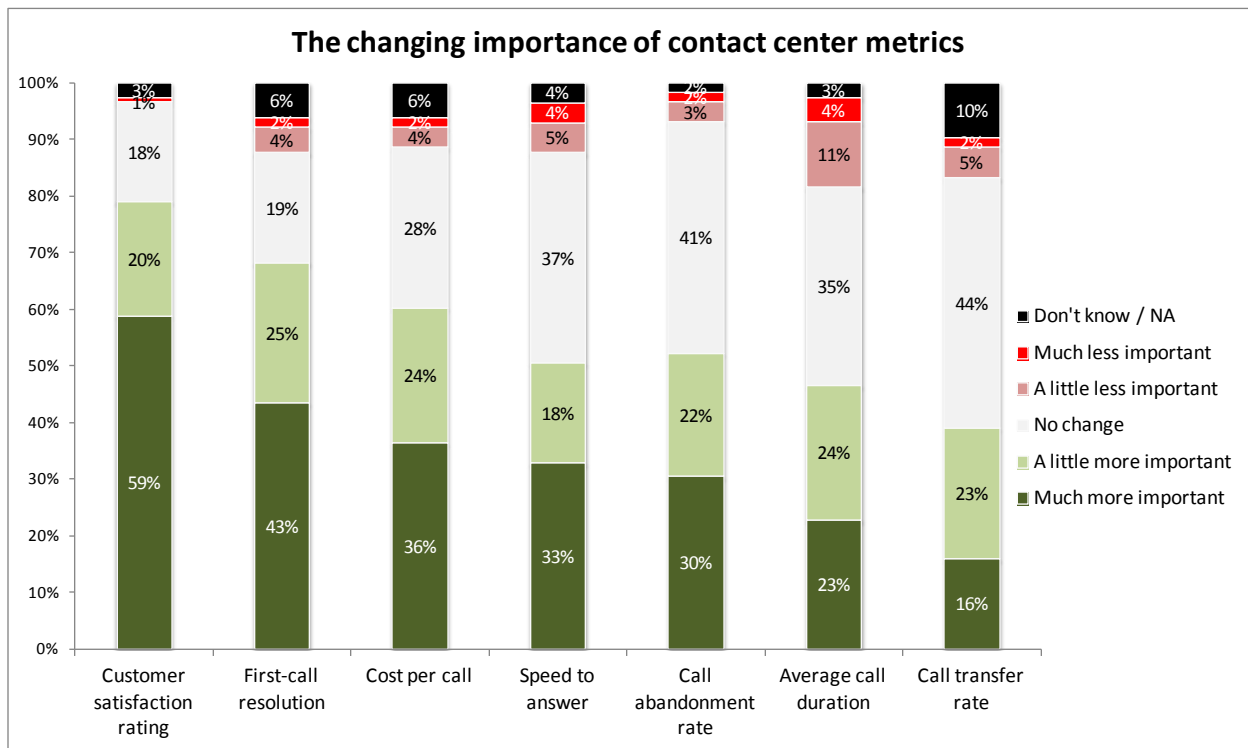
Customer loyalty / lifetime value / churn rates	A central thought of CRM is that a business should focus upon keeping profitable customers, and growing unprofitable ones. A single figure for customer retention is not effective, as it does not include the types of customer churn, or the undesirability (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.

## THE IMPORTANCE OF CONTACT CENTER METRICS

Although it seems as though metrics are changing, the main finding of the chart below is that contact center managers feel that their operations are under increasing pressure to achieve all sorts of targets. It is not so much that one metric has replaced another, but that additional metrics have been added to the mix - the new alongside the traditional.

However, we can see that the importance of customer satisfaction continues to increase with 59% saying that this is much more important than two years ago. First-call resolution - another 'new' metric is close behind. Although there has been talk for years of lessening the importance of call length, in deference to getting the task completed first-time in a satisfactory way, it is noticeable that 47% of respondents consider it more important now that two years ago. As a traditional metric, and one closely linked to the cost of the operation, it seems that call duration will not fade away.

Figure 34: How important are these contact center metrics compared with two years ago?



## 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 / text 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	Call time	Wrap-up	Email / text chat	Training	Admin	Idle	Other
Entertainment & Leisure	47.5%	6.3%	7.5%	10.0%	13.8%	11.8%	3.3%
Finance	62.8%	6.4%	4.6%	6.6%	5.6%	8.5%	5.4%
Insurance	64.4%	8.8%	3.1%	3.9%	7.0%	4.4%	8.3%
Manufacturing	41.3%	7.5%	15.8%	5.8%	6.3%	12.0%	11.5%
Medical	63.3%	16.6%	3.3%	5.1%	6.0%	3.9%	1.8%
Outsourcing	67.5%	8.6%	2.6%	4.6%	1.5%	12.8%	2.4%
Public Sector	47.5%	7.8%	13.8%	4.0%	18.0%	5.0%	4.0%
Retail & Distribution	48.5%	26.3%	8.8%	3.0%	2.5%	8.3%	2.8%
Services	59.8%	9.3%	5.2%	7.4%	5.1%	8.1%	5.1%
TMT	51.8%	10.9%	14.6%	5.2%	5.3%	9.1%	3.2%
<b>Average</b>	<b>58.7%</b>	<b>10.1%</b>	<b>7.0%</b>	<b>5.6%</b>	<b>5.7%</b>	<b>8.6%</b>	<b>4.4%</b>

Talk time has declined on last years' result of 65%, but this may be to do with the introduction of email & text chat time in this year's survey. Added together, the figure of 65.7% is still close to last year's findings. Around 10% of time is spent on wrap-up, like last year, and idle time continues to decrease to 8.6%.



Idle or wait time will remain largely unusable due to its highly fragmented nature, occurring in 2.5-minute intervals on average. Technology for aggregation and reallocation is critical to making use of this time productively.

Agents spend 49 minutes of each day idle, waiting for a call.



Transform unproductive wait time into Active Wait Time for off-phone tasks.



### Now you can

- Find time to invest in your agents
- Restore productivity
- Increase call center profitability

Knowlagent's RightTime call center productivity platform fills agent idle time with off-phone tasks, such as training and urgent communications, when call volume dips.

Learn how RightTime can optimize your operations at <http://bit.ly/zCgxbE>.

knowlagent®

Looking by contact center size, the general gains due to economies of scale are clearly shown: the sub-50 seat sector achieves talk time of 54.2%, the mid-sized (50-200) segment is 59.0% and the large (over 200 seat) sector manages 64.0% talk time.

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)	54.2%	12.0%	7.7%	6.5%	7.8%	8.9%	3.0%
Medium (50-200 seats)	59.0%	9.2%	8.0%	4.6%	3.7%	8.7%	6.7%
Large (>200 seats)	64.0%	7.4%	3.7%	5.5%	5.0%	7.4%	7.0%
<b>Average</b>	<b>58.7%</b>	<b>10.1%</b>	<b>7.0%</b>	<b>5.6%</b>	<b>5.7%</b>	<b>8.6%</b>	<b>4.4%</b>

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.

## "Three Myths Prevent Agent Productivity"

Thought Leadership by



Five weeks of vacation time sounds like a dream to most people, but what if that vacation had to be taken one or two minutes at a time? *At your desk*. That's what your agents experience during idle time.

While no one would seriously characterize this as a vacation, it does demonstrate the magnitude of wasted time that could be productive for your contact center operations if it could be properly utilized.

Three myths stand in the way of recognizing the true potential of this time:

### **Myth #1: Five weeks of idle time? Not in my contact center.**

Every day, in even the most tightly managed centers, agents spend 11 percent of their time sitting idle, waiting for the next call. And while these instances mostly occur in very small increments, (2 minutes on average) they add up to lost time.

Workforce management tools are essential for forecasting call volume based on historical data but aren't prepared to handle this lost time due to two factors: the data is not evaluated in real time, and it's not granular enough as scheduling is done in 15 minute intervals (much longer than the typical instance of wait time).

Technology that has the power to find and aggregate these small increments of time across all agents into usable segments creates *active* wait time.

### **Myth #2: High shrinkage is just a fact of life in the call center.**

Coincidentally, another 12 percent (curiously close to the percentage of time spent idle) of call center agents' daily activities are attributed to controllable shrinkage. These activities – i.e. "must-read" communications, after-call work, or training – fall within management's control, because they need to be scheduled.

Rather than scheduling agents off the phone to complete these shrinkage activities, you can shift these tasks to be completed during active wait time. Not only will you shift shrinkage, you'll also make better use of idle time, and increase productivity.

### **Myth #3: Taking away downtime will negatively impact job satisfaction and customer satisfaction.**

Is 2 minutes really enough time for agents to sufficiently decompress between calls? Rather than letting agents "decompress," (or stare at a cubicle wall), give agents an assignment that takes 10 or 15 minutes to complete. While it's not a break (nor is a 2-minute interval between calls), it's an opportunity to do different work, learn something or complete a task that will make them better at their jobs.

**If you can see your way through these myths, you have the power to improve operational efficiencies and increase profits. Tap into this vastly underused resource in your contact center to pull off the ultimate more-with-less success story.**

## 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.

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

Contact center size	Service calls	Sales calls
Small (<50 seats)	4m 20s	5m 36s
Medium (50-200 seats)	5m 30s	5m 34s
Large (>200 seats)	5m 53s	6m 33s
<b>Average</b>	<b>5m 6s</b>	<b>5m 46s</b>

Average call duration varies between vertical markets, as we would expect. For example, a finance sales call will often involve a complex explanation of products, along with legislative explanations and disclaimers, with perhaps time needed to run credit checks and to refer upwards to more senior decision-makers, making the average sales call duration over 6 minutes.

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

Vertical market	Service calls	Sales calls
Public Sector	6m 42s	n/a
Entertainment & Leisure	6m 9s	5m 10s
TMT	5m 49s	6m 9s
Services	5m 39s	6m 3s
Retail & Distribution	5m 31s	5m 25s
Outsourcing	5m 15s	6m 9s
Medical	4m 22s	5m 50s
Finance	4m 16s	6m 5s
Insurance	4m 15s	4m 21s
Manufacturing	3m 26s	3m 54s
<b>Average</b>	<b>5m 6s</b>	<b>5m 46s</b>

As the role of an agent becomes more complex, call lengths will 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.



A financial services client recently commented that “problem” calls have doubled over the past few years, due to self-service for simple calls. Customer experience will suffer without finding an untapped resource to fuel the needed improvements. One such resource is idle time which can be made productive for training, communications and coaching.



## CALL ABANDONMENT

Call abandonment rates link directly to customer satisfaction, cost, average speed to answer and revenue as well, and is widely seen as one of the most important and complete 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 on a mean average basis. It is important to note the median rate of call abandonment is only 3.8% (up from 3.0% in 2010 which was down from 4.0 in 2009), 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)
Entertainment & Leisure	5.0%	4.2%
Insurance	5.0%	6.1%
Medical	5.0%	4.8%
Outsourcing	5.0%	4.8%
Services	5.0%	7.4%
Public Sector	4.5%	8.9%
Finance	3.4%	4.9%
TMT	3.0%	4.2%
Manufacturing	2.6%	7.7%
Retail & Distribution	2.5%	3.0%
<b>Average</b>	<b>3.8%</b>	<b>5.4%</b>

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)	3.1%	5.5%
Medium (50-200 seats)	4.0%	6.1%
Large (>200 seats)	4.4%	4.1%
<b>Average</b>	<b>3.8%</b>	<b>5.4%</b>

## SPEED TO ANSWER

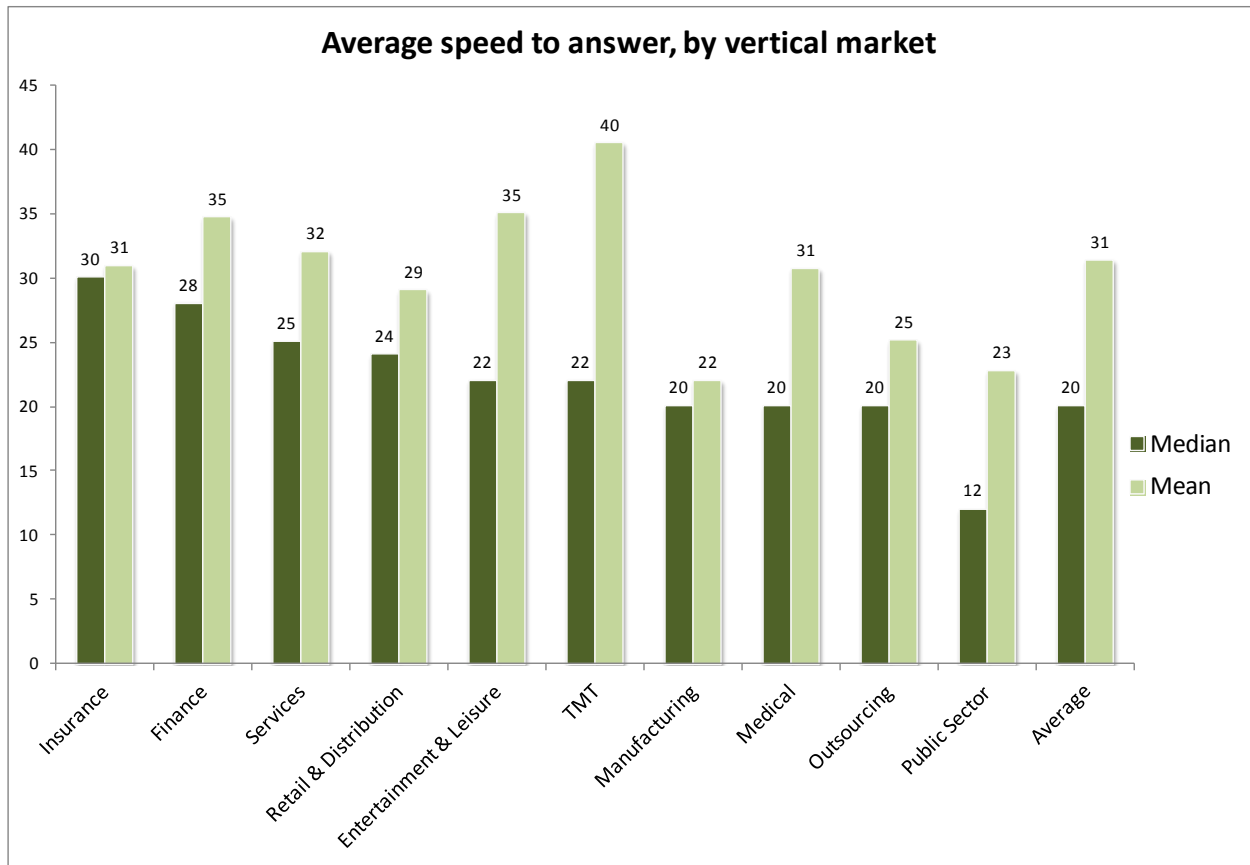
Speed to answer is another of those traditional statistics which has always been measured, and there is a strong case for keeping it at the forefront of how contact centers measure their success. Speed to answer plays a vital part in improving the customer experience, and also feeds into other performance 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<sup>2</sup> 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 25-30 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.

---

<sup>2</sup> Source: ContactBabel analysis of ICM Research data interviewing 1,004 UK adults on behalf of Vicorp.

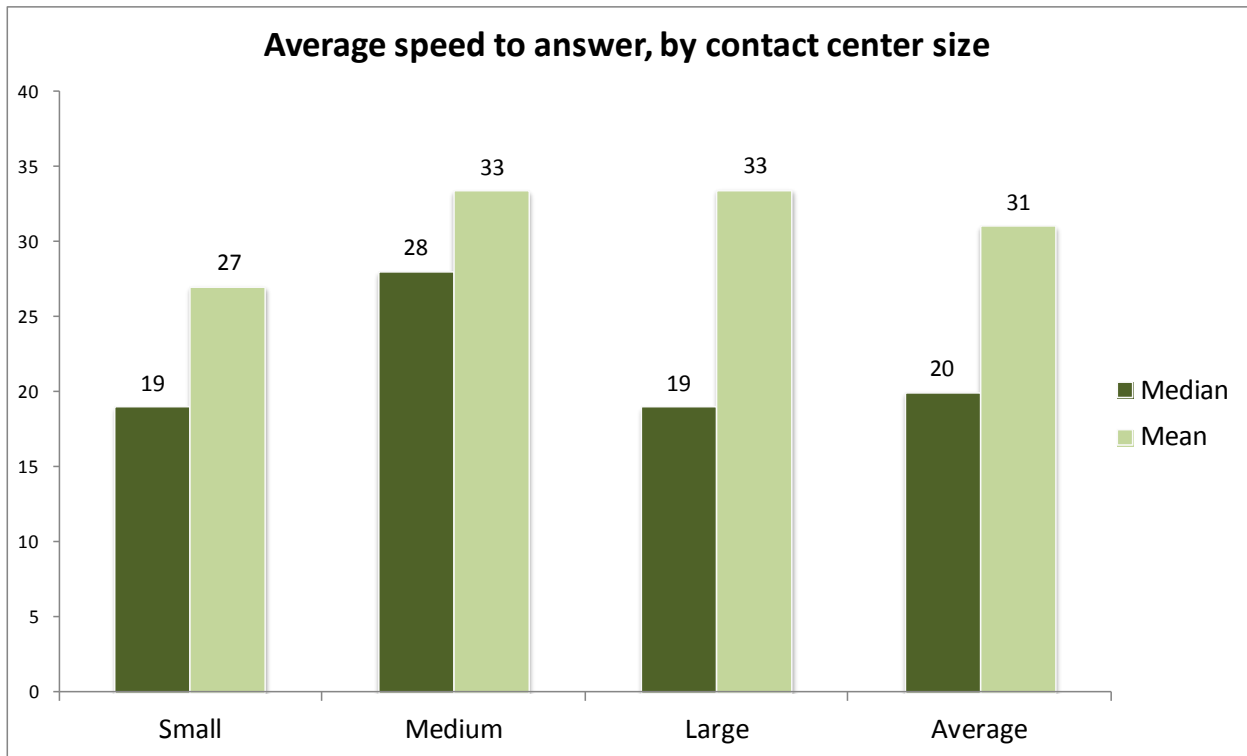
Figure 41: Average speed to answer, by vertical market



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 31 seconds again this year. Of more interest to readers using this report as a benchmarking tool, the median average has been included this year, so as to dilute the negative upward effect of a very few respondents that have ASA figures of 2 or 3 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 TMT has a few poor performers which drag the mean upward, away from an entirely respectable 22 second median ASA.

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



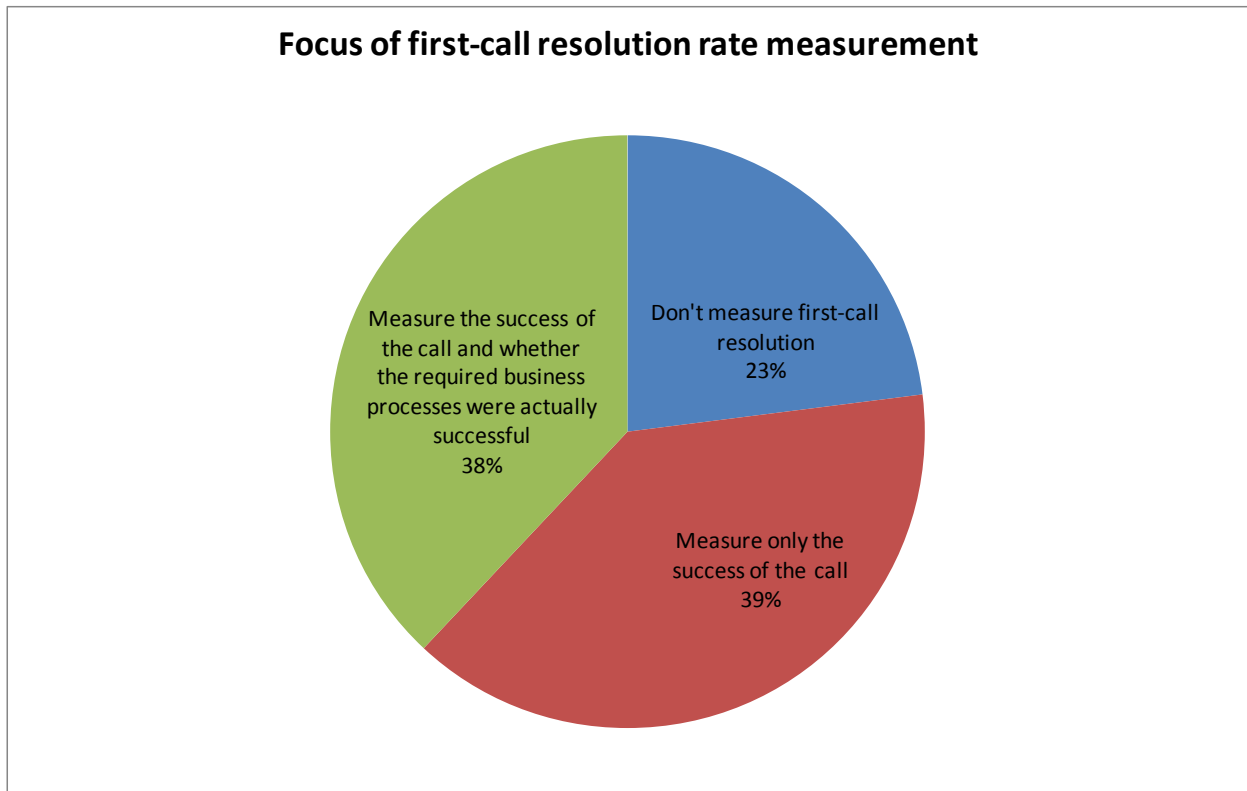
The mathematics of contact center performance has tended to indicate that larger operations should have an advantage over smaller contact centers where ASA and queue management is concerned. This hypothesis is not borne out this year, and it will be interesting to see if this is a blip or something more structural.

## 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 growing in importance, 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.

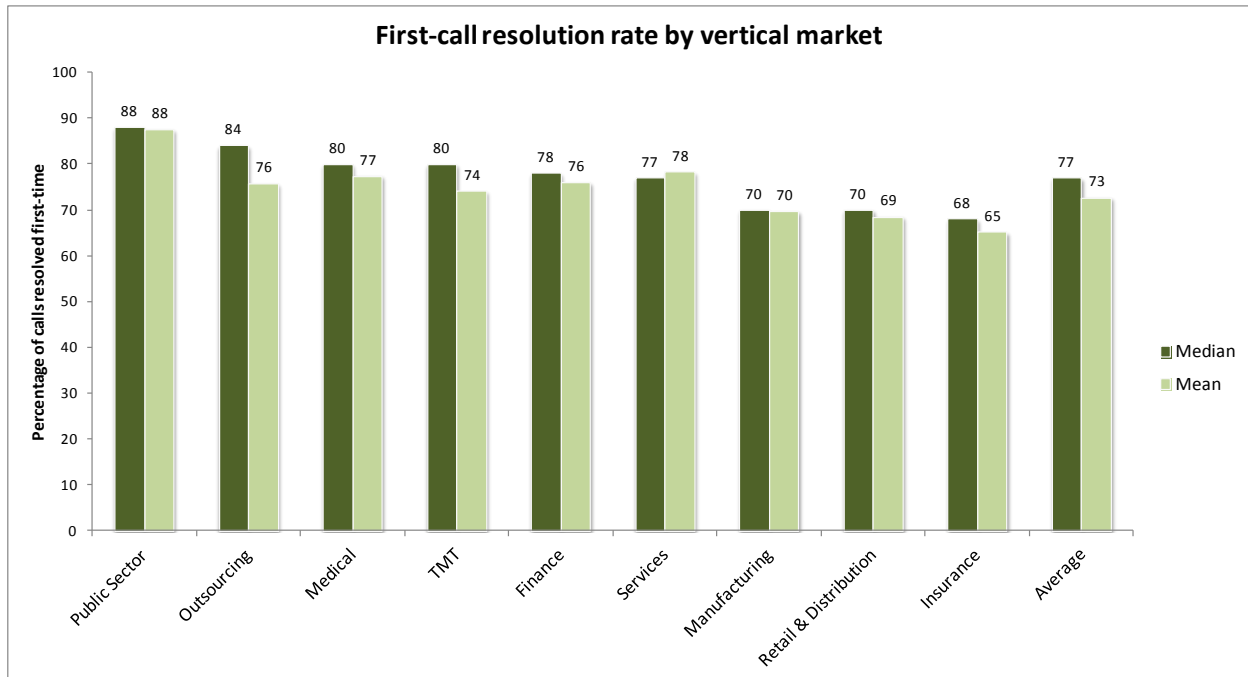
Of this year's respondents, 23% did not measure first-call resolution at all. Roughly equal proportions of the remainder track only the success of the call, or look beyond the contact center to see whether the overall task was completed successfully by the business.

Figure 43: Focus of first-call resolution rate measurement



Average FCR has steadied at 73% (mean) & 77% (median), very similar to last year's result. (There were not enough responses from the entertainment & leisure sector to analyze them).

Figure 44: 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:

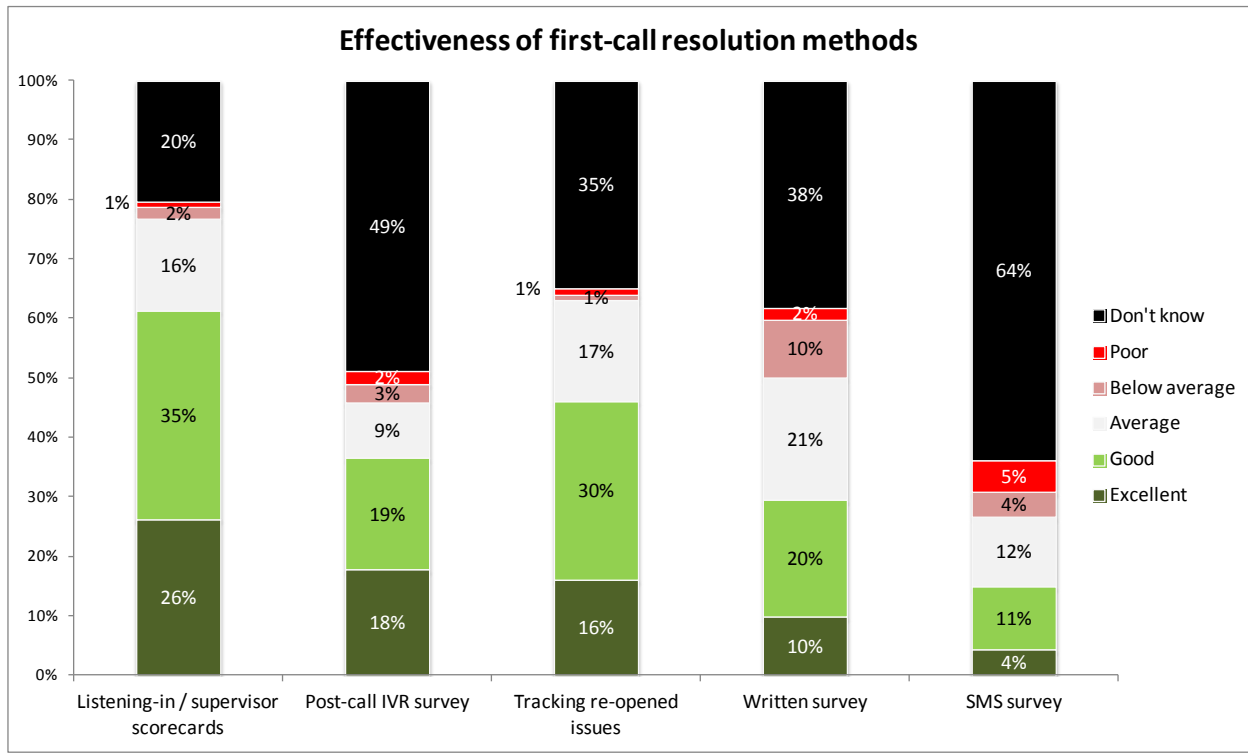
- Agents provide opinions on whether the call was resolved completely
- Tracking of issues shows if they are re-opened
- Supervisors monitor calls and score based on their opinion
- The company or a third-party can contact customers later to ask their views
- Customers provide feedback in end-of-call 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 an 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 route very negative feedback via email to a virtual outbound team that can call the customer immediately to work through any problems with them.

Figure 45: 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:

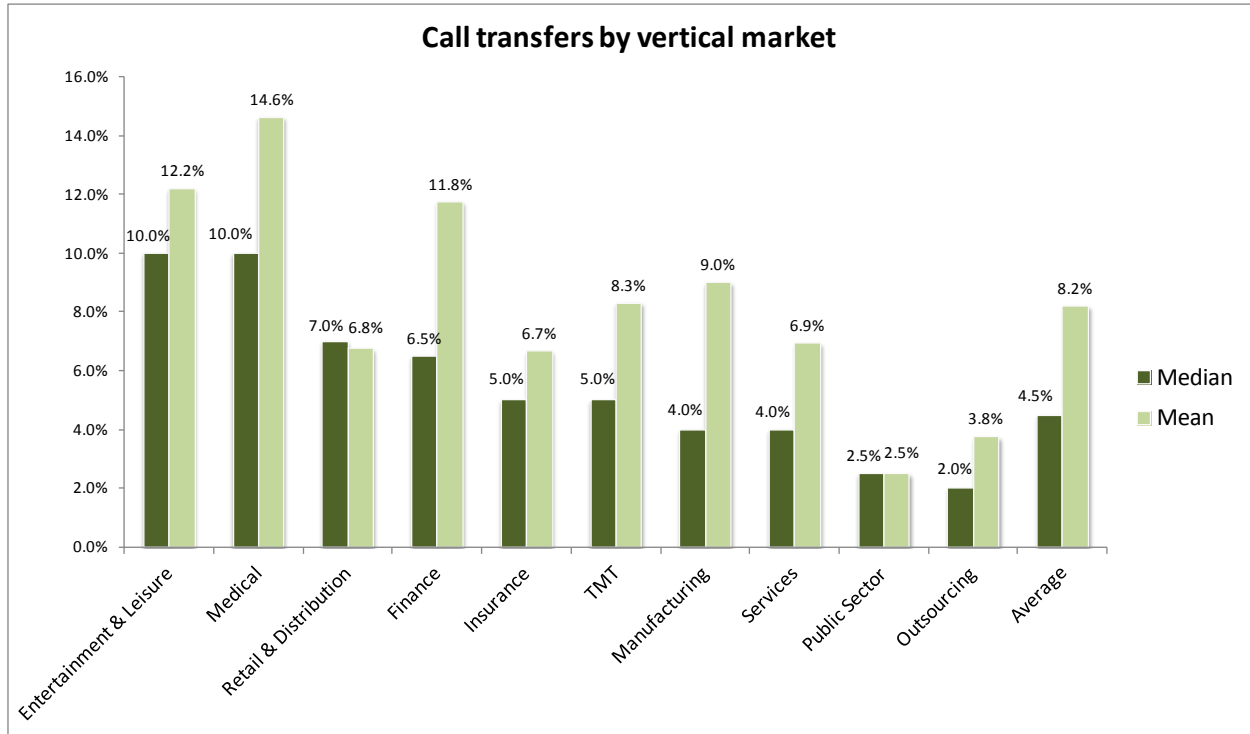
- The contact center is handling simple and repetitive calls that could be moved to self-service, or which could be addressed on a website and through better marketing communications
- Callers are dropping out of self-service to speak with agents because the self-service application is failing in its 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.

## 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 46: Call transfers by vertical market



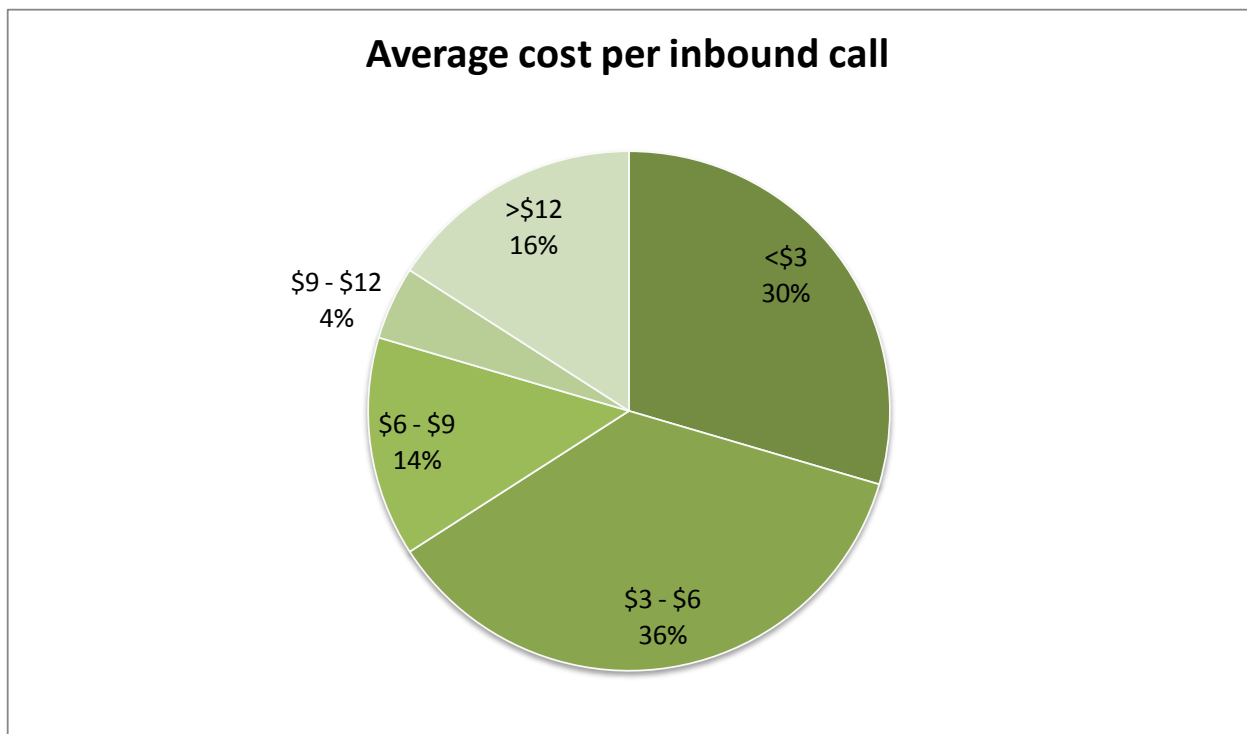
Care must be taken when analyzing these figures, as a switchboard-type operation is likely to have very high call transfer rates - as that may be what the agent is supposed to do, and a technical helpdesk may require significant amounts of 2<sup>nd</sup>-line support to be provided. As such, this year's 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 \$7.50. The median average is \$4.28, the 1<sup>st</sup> quartile is \$8.25 and the 3<sup>rd</sup> quartile is \$2.70.

Figure 47: 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 \$7.96, the median \$5.10, the 1<sup>st</sup> quartile was \$10.00 and the 3<sup>rd</sup> quartile \$2.50.

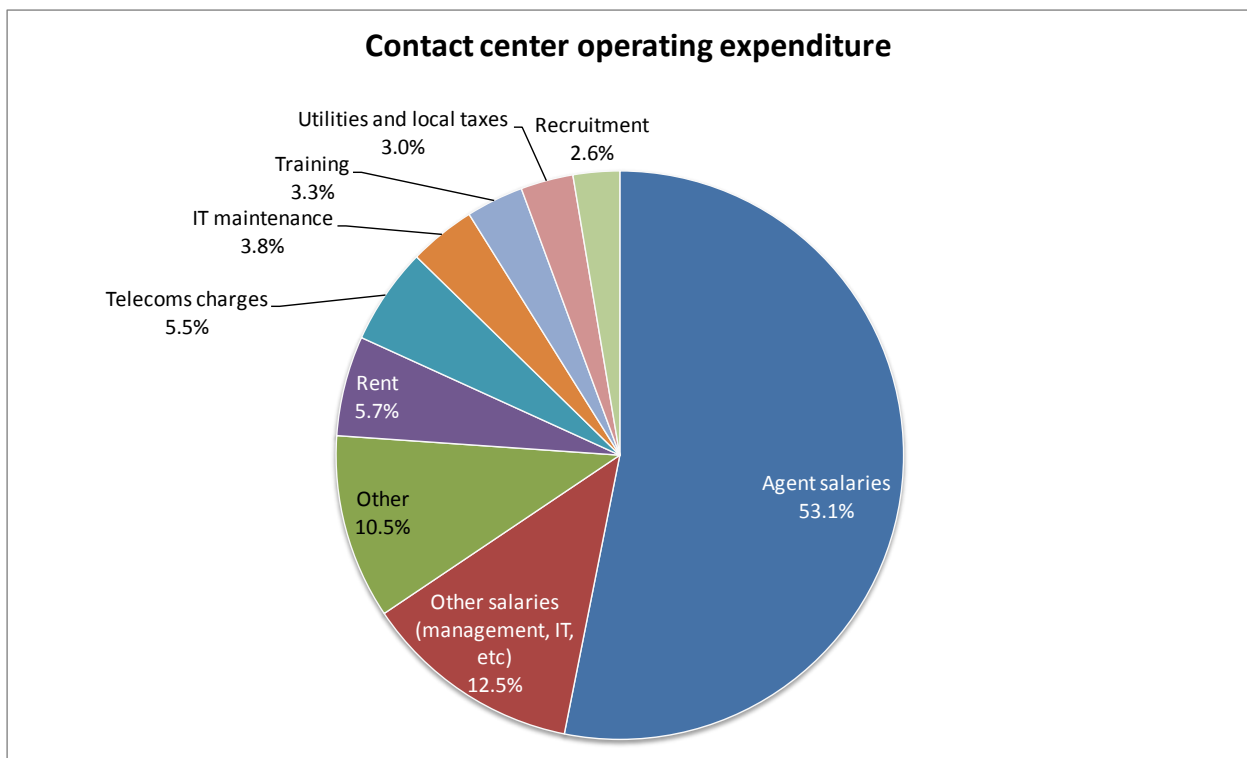
## BUDGET

This section looks at how contact centers spend their money, and the effect that the economic downturn has had on operating and capital expenditure. To define the difference between the two, capital expenditure (Capex) refers to upfront investment costs, e.g. for large IT systems. Opex (operating expenditure) are the ongoing costs, such as agent salaries, rent and IT maintenance costs.

### OPERATING EXPENDITURE, 2011

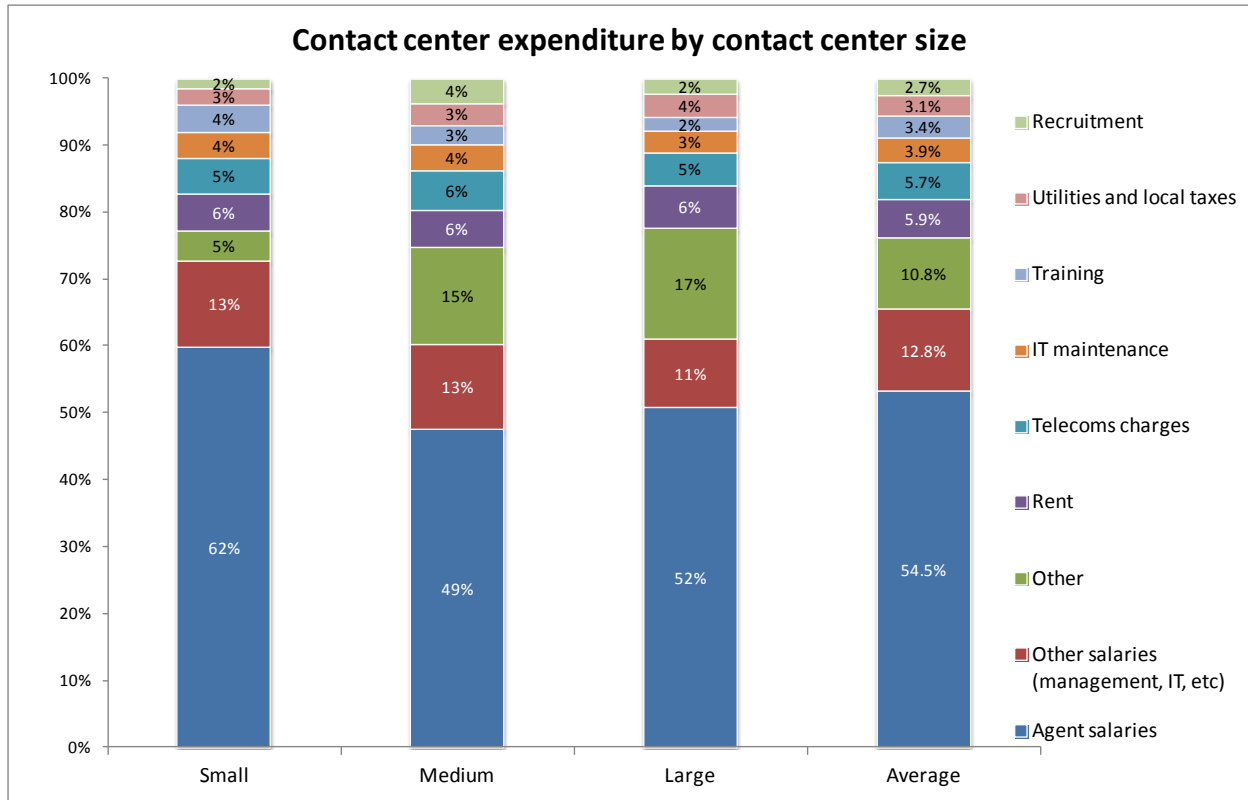
It is typical for agent salaries to account on average for around 50-55% of a US contact center's Opex, and 2011 results show this figure as holding steady. IT operating expenditure has dipped again to 3.8%, and the 'other salaries' segment has also declined slightly.

Figure 48: Contact center operating expenditure



When looking in-depth at how Opex differs across size bands, we find that salaries for agents are a somewhat higher proportion the smaller the contact center is. 'Other' costs are more important in larger contact centers.

Figure 49: Contact center operating expenditure by contact center size



## CHANGES IN CONTACT CENTER SIZE, OPERATING AND CAPITAL EXPENDITURE, 2011 & 2012

After years of generally steady increase in headcount and investment, the events of the last few years have stopped a great deal of the investment required by contact centers from actually being made.

In 2010, both Opex and Capex budgets were cut for many of our respondents, with 40% decreasing their Opex and 36% their Capex. This pattern has been lessened this year, with 30% (Opex) and 25% (Capex) seeing declines. However, these are more than cancelled out by the number of respondents seeing growth in budget, although the magnitude of growth change is generally low.

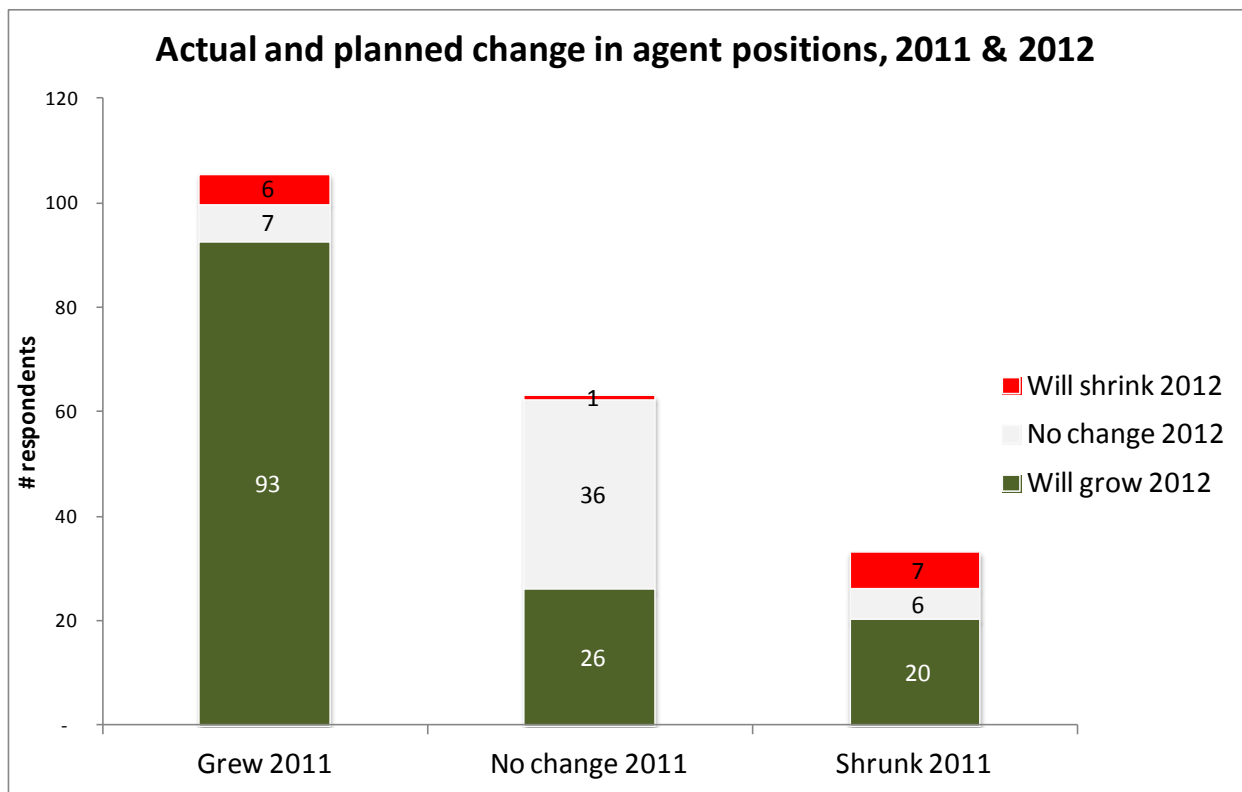
Figure 50: Changes in OpEx and CapEx, 2011

Change in expenditure	Proportion of respondents experiencing this change in OpEx	Proportion of respondents experiencing this change in CapEx
Increased by over 25%	6%	1%
Increased by 10-25%	10%	8%
Increased by less than 10%	24%	20%
No change	30%	47%
Decreased by less than 10%	12%	6%
Decreased by 10-25%	16%	13%
Decreased by over 25%	2%	6%

As the following chart shows, many more respondents experienced growth as did shrinkage in the past 12 months which is even more positive than the results of 12 months ago. The general feeling then, looking forward, is that this is a blip, rather than the start of a structural change in the contact center industry, and this certainly seems to be the case, with around half of respondents reporting growth in the past 12 months.

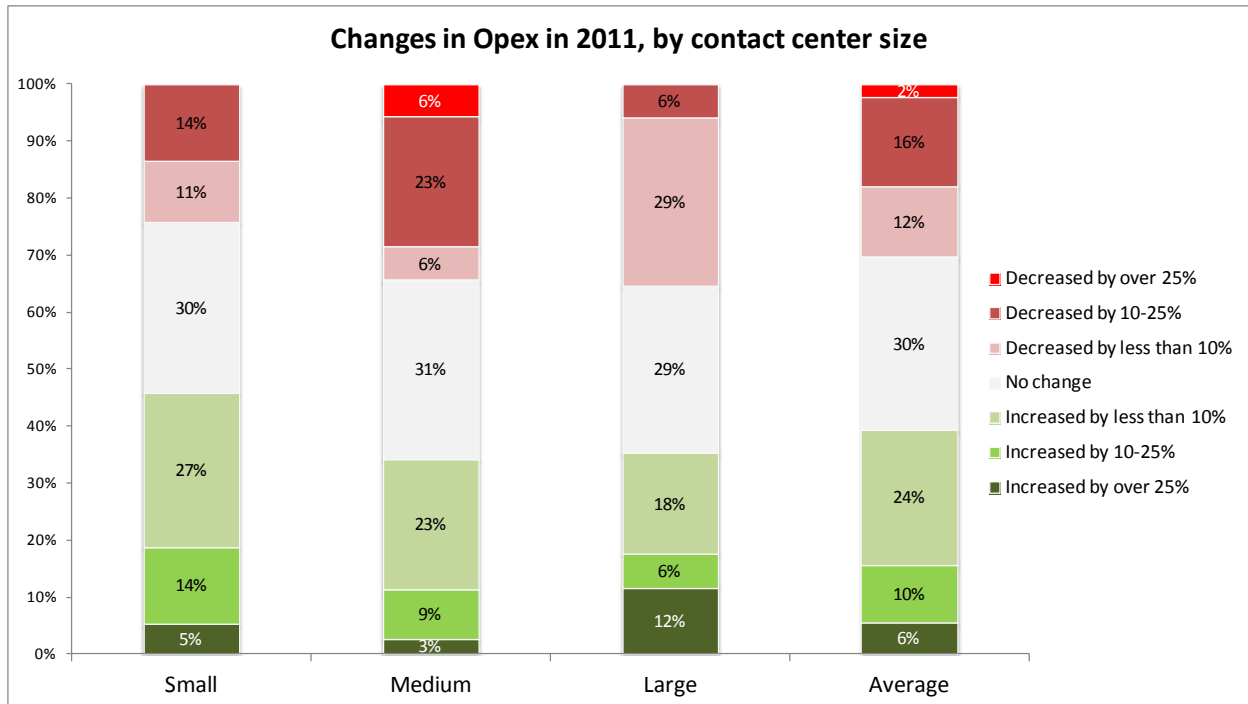
Looking forward to the next 12 months, the expectation is even more positive. Even within those contact centers which had experienced a decline in agent figures in the past 12 months, only 21% expect a further downturn next year, with 61% expecting an increase. Of those contact centers that grew or remained steady in 2011, very few expect shrinkage.

Figure 51: Actual and expected changes in agent positions, 2011 & 2012



The following chart shows that smaller contact centers are slightly more likely to have bounced back from the reduction in Opex forced on most operations last year, with 46% actually increasing Opex in the past 12 months (albeit generally at a low level). However, 35% of large respondent contact centers experienced a drop in Opex, so it is still too early to say that operating expenditure is definitely back on the way up industry-wide.

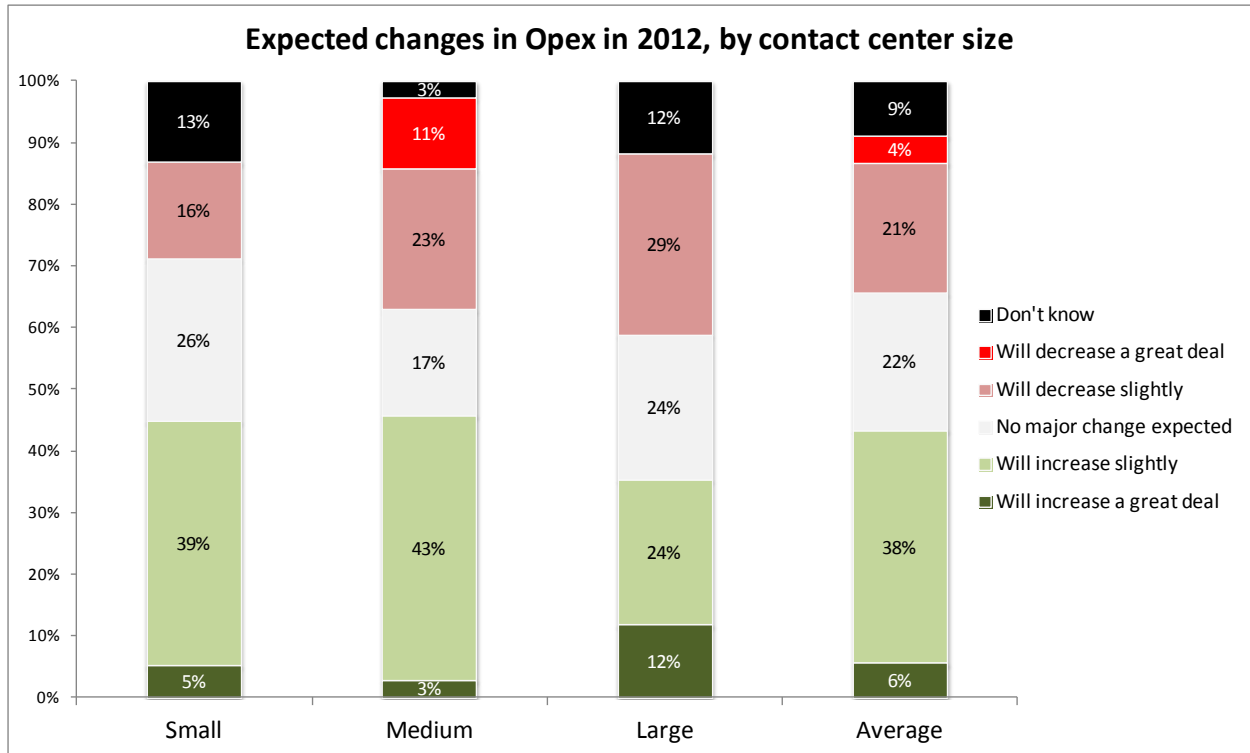
Figure 52: Changes in operating expenditure 2011, by contact center size





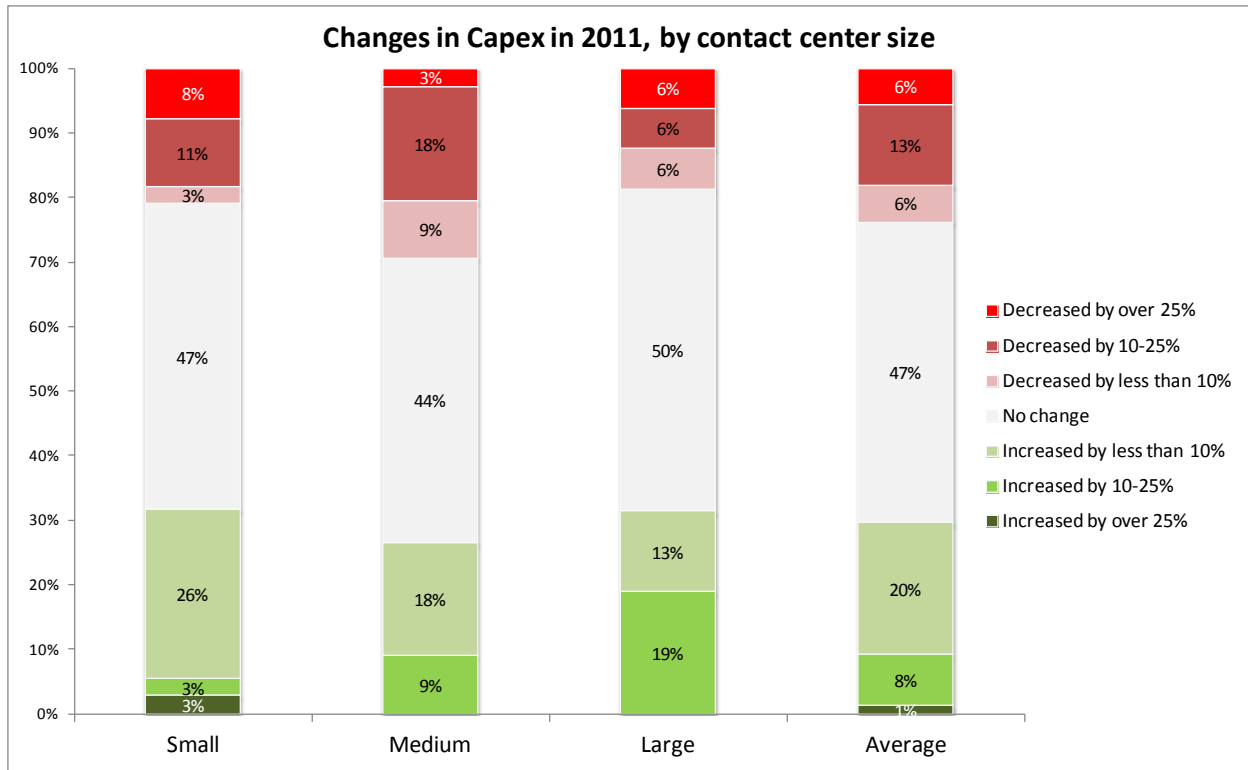
2012 is expected to bring a slight loosening of the purse strings, with 44% expecting an increase in Opex budgets, although few expect anything spectacular.

Figure 53: Expected changes in operating expenditure 2012, by contact center size



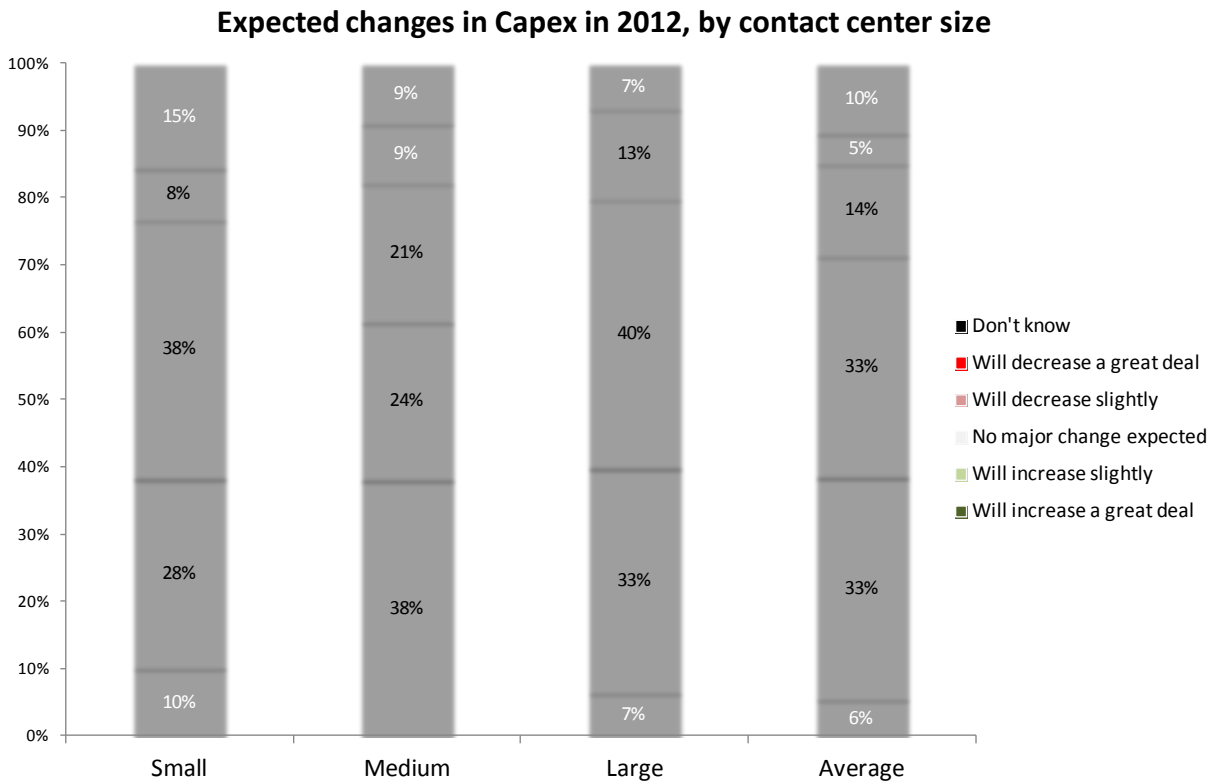
While there is still as yet little evidence for a strong increase in Capex spending, 29% of all respondents said that there had been an increase in Capex budgets (of course, this may have been because they had already been cut to the bone). There is little cause for celebration in these Capex findings, although the figures suggest that investment is finely balanced and that the bottom seems to have been reached.

Figure 54: Changes in capital expenditure in 2011, by contact center size



As with Opex, the expectation seems to be for gentle growth, with little dramatic cutting or spending expected. 41% expect some sort of Capex increase, although few predict huge investments.

Figure 55: Expected changes in capital expenditure 2012, by contact center size



## NEW WAYS OF WORKING

Although many contact centers still operate in the same way in which most were originally set-up – a single, centralized site – there increasing pressures 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
- varying 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
- the rising concern about coping with call spikes, which could be dealt with by logging agents on for a part-shift, rather than having them come in for a full shift, thus saving costs
- 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 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 media, 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 agents may never see their parent contact center. This is increasingly the case in 2<sup>nd</sup>- and 3<sup>rd</sup> line technical support, where skilled agents can be extremely scarce and expensive to replace
- Some companies prefer to offer a local touch to customers by basing operations in the area 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 and converged networks, 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 and disaster recovery 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.



## Communications Solutions for the Entire Spectrum of Customer Interactions



Enghouse Interactive delivers technology and expertise to maximize the value of every customer interaction. We develop the world's most comprehensive portfolio of interaction management solutions spanning structured, unstructured and self-service interactions — supporting any telephony environment, on premise or in the cloud.

- ➔ Multi-Channel Contact Centers
- ➔ IVR/Self-Service
- ➔ Operator/Attendant Consoles
- ➔ Call Recording & Quality Management
- ➔ Integration & Optimization Solutions

Solutions for Enterprises, Resellers & Service Providers

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



Figure 56: 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

---

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.



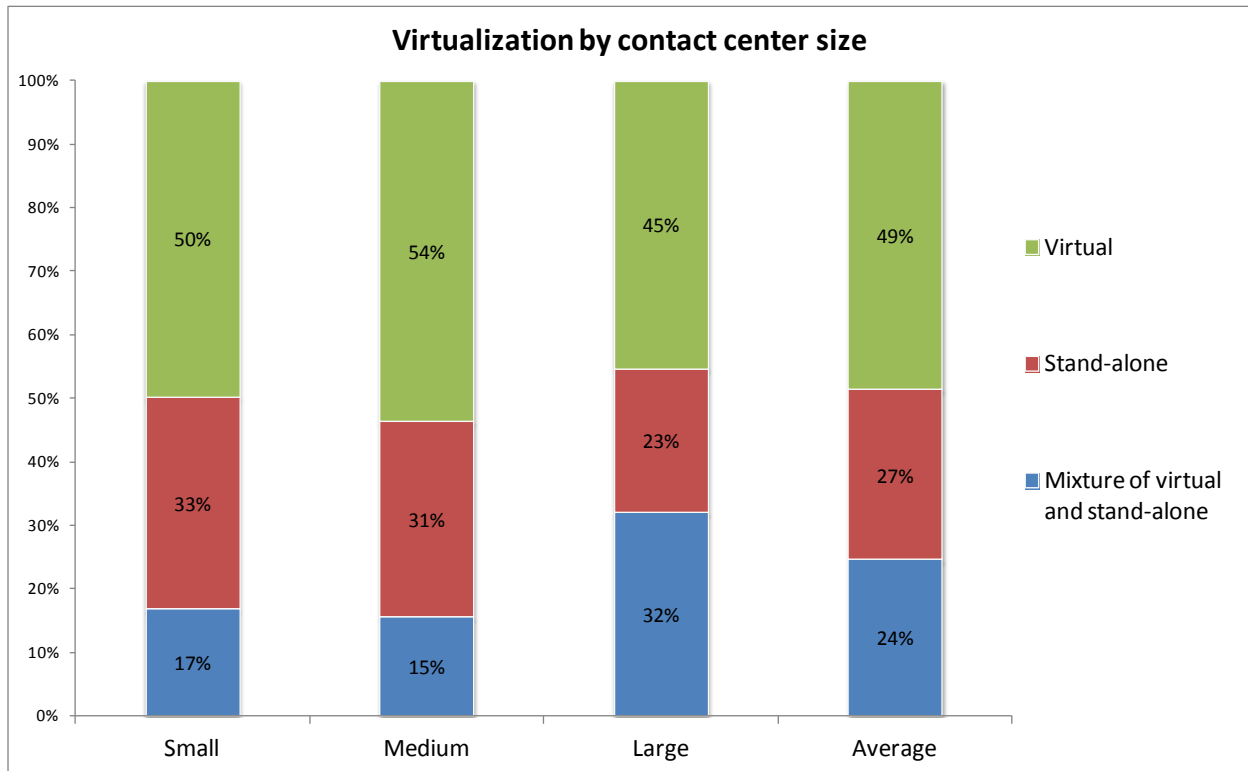
When evaluating virtual contact center technology, it is important to understand the differences between virtualized instances of premise based technology vs. a multi-tenant platform where multiple business units can securely co-exist on a single shared platform. While the former can provide some benefits 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. 49% of respondents in multi-site contact centers act as part of a full virtual contact center operation, with a further 24% 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 in the past been somewhat more likely to put enabling technology in place to gain further from their existing economies of scale. However, this gap is lessening although with the high proportion of respondents showing a mix of virtual and standalone operations, it would be safe to say that larger operations are still somewhat more likely to have done so.

**Figure 57: Virtualization by contact center size (multiple-site operations only)**



Respondents with virtual contact centers have generally been 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, and both the mean average and the proportion of respondents rating benefits highly has been significantly higher in the past four years, showing a maturity and bedding-down of the technologies.

**Figure 58: Benefits of virtualizing a contact center**

Benefit from virtualization	Mean average (from 10)	Proportion of respondents rating this as 8,9 or 10 / 10
Improved ability to deal with call spikes	7.7	65%
Wider range of agent skills available to callers	7.6	61%
Fairer agent utilization / reduced queues	7.5	71%
Savings on call costs between sites	7.2	58%

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 years' 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.

# Can Your Contact Center Manage the Full Spectrum of Customer Interactions?

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

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

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

No matter how extensive the contact center or how skilled the agents, there will always be one major challenge that affects all organizations: how do you deal with those customers who don't know who they need to speak to, or who have a requirement that does not fit with what the contact center is providing? These more general or '**unstructured**' inquiries enter the organization through the operator and pose some very different challenges.

For unstructured interactions to be of high quality it is important that the call is dealt with very professionally and dispatched to the right person as efficiently as possible. This requires accurate contact and rich status information for the whole organization.

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

Finally, across the spectrum of structured and the unstructured interactions, a self-service component – when applied appropriately to enhance the callers' experience – can help companies achieve the right balance of customer service level, efficiency and cost.

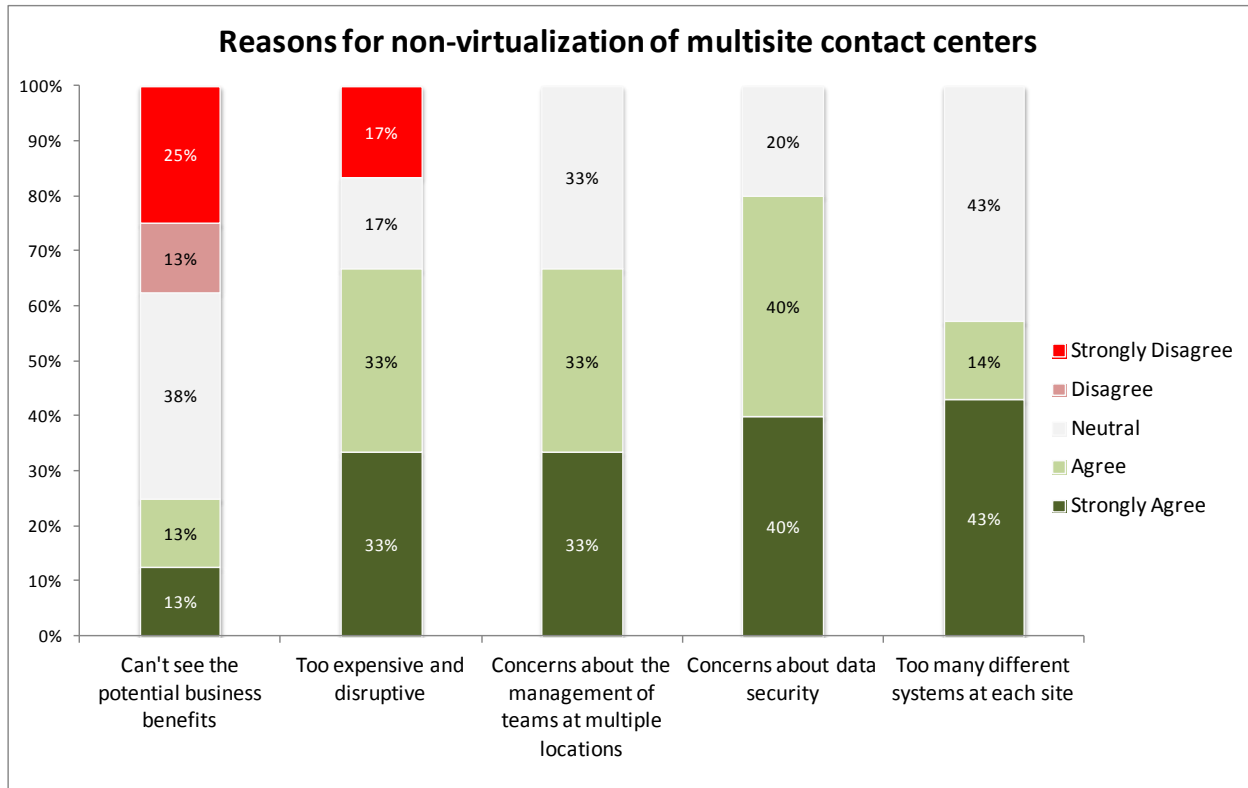
Enghouse Interactive delivers technology and expertise to maximize the value of every customer interaction. The company develops the world's most comprehensive portfolio of interaction management solutions, spanning the spectrum of structured, unstructured and self-service interactions. Core technologies include contact center, attendant console, IVR and call recording solutions that support any telephony environment, on premise or in the cloud.

Our flexible interaction management solutions can help you successfully deliver customer service excellence and make a real difference to how your business communicates across the Full Spectrum of Customer Interactions.

**To find out more contact Enghouse Interactive at:**  
info.ei@enghouse.com | t +1 602.789.2800  
www.enghouseinteractive.com



Figure 59: Reasons for not implementing a virtual contact center (multisite operations only)



Of the multiple-site respondents who had not virtualized their operations, the expense, concerns about data security and worries about team management were the most important reasons, 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). However, it was still the case that 26% of respondents agreed or strongly agreed that they could not see the business benefits of virtualization, and coupled with the 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.

43% of respondents considered the complexity of different systems to be too great a hurdle to overcome, and there were also concerns over remote management of systems and agents.



Respondents' concerns about complexity of multiple systems is 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 has become a real option that in many cases is actually being used 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 in the past, some have been dubious about the effectiveness of this.

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.



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 almost 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 60: Changes in use of homeworkers, 2007-2011**

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%

There is a continuing and growing trend that larger operations are more likely to use homeworkers than small operations, with 48% of large operations and 22% of small contact centers doing so. Outbound operations are far less likely to use homeworkers, with only 11% of these respondents doing so.

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.

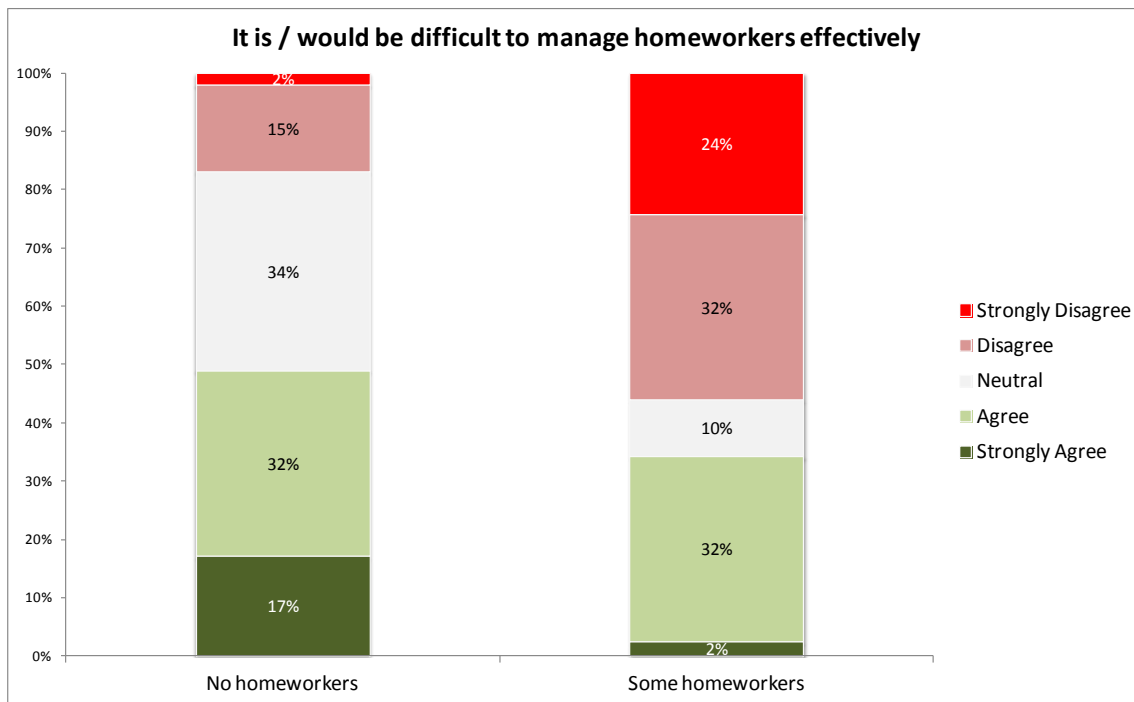
Respondents' view on the future of homeworking are more positive than they have been in the past, perhaps as a result of there being some definite successes experienced from businesses which have started using homeworking. In the following charts, respondents were asked to give their views on homeworking, 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 61: Opinion: "It is / would be difficult to manage homeworking agents effectively"**



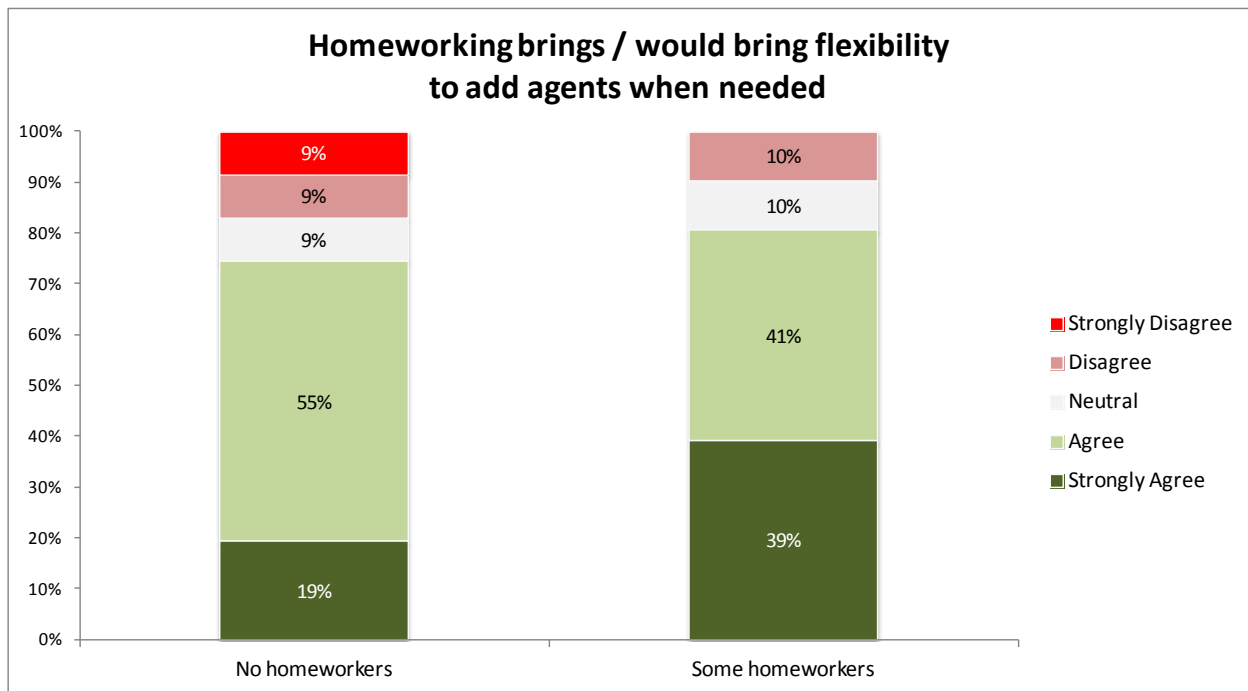
Mirroring last year's results, those contact centers with some experience of using homeworking are far more likely to be positive about management of staff than those without this experience. 49% of non-homeworking contact center respondents are concerned about this, and 56% of homeworking contact centers actively disagreed that it was any harder than managing someone in a traditional contact center environment. However, that more than a third of homeworking contact centers agreed or strongly agreed with this statement should be an indicator that remote management of agents should not be underestimated.



***"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 cellphone (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 62: Opinion: "Homeworking brings / would bring us flexibility to add agents and be open longer hours"**



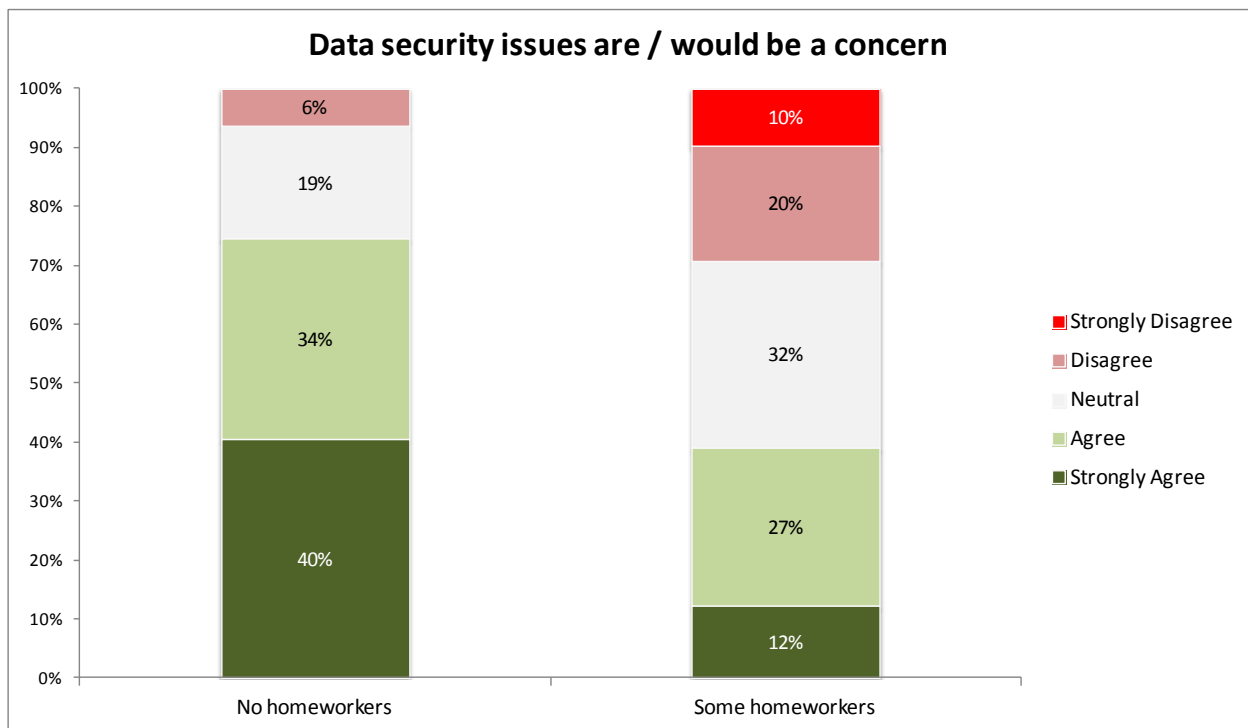
There is a general opinion that flexibility of staffing is both a potential and real major advantage of homeworking. 80% of contact centers using homeworking agreed that flexibility was a benefit to them as a result, similar to last year's findings.

**"Data security issues are / would be a concern"**

Working in an unsupervised environment is likely to mean that the potential risks for data theft and fraud are greater than in a closely-supervised environment such as a traditional contact 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 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 63: Opinion: "Data security issues are / would be a concern"**

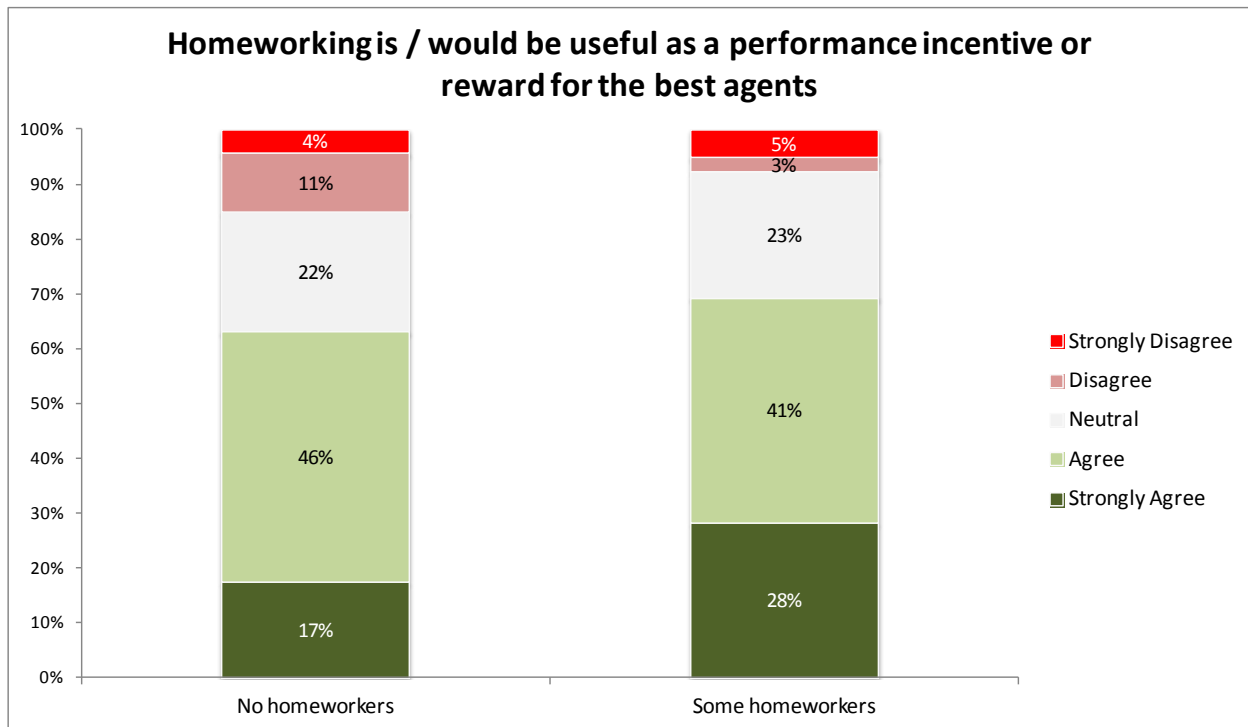


As might be expected, those with no experience of homeworking are very concerned about data security risks, with 40% seeing this as a major potential issue, against only 12% of those who have experience of homeworking. However, 39% of those who use homeworking agree or strongly agree that data security is a concern to them as well, so it appears that this issue is key in reality as well, although not the deal-breaker that many non-homeworking contact centers believe it to be.

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

The promise of homeworking as a potential carrot to dangle in front of staff has lost a little of its charm in this year's survey (43% of homeworking centers strongly agreed last year), although the majority of all respondents still believe it has a place. It may be that the work required to get an agent into a successful homeworking environment (health & safety checks, IT and telecoms infrastructure, training, etc) is so onerous that rewarding staff with homeworking is just not possible or desirable.

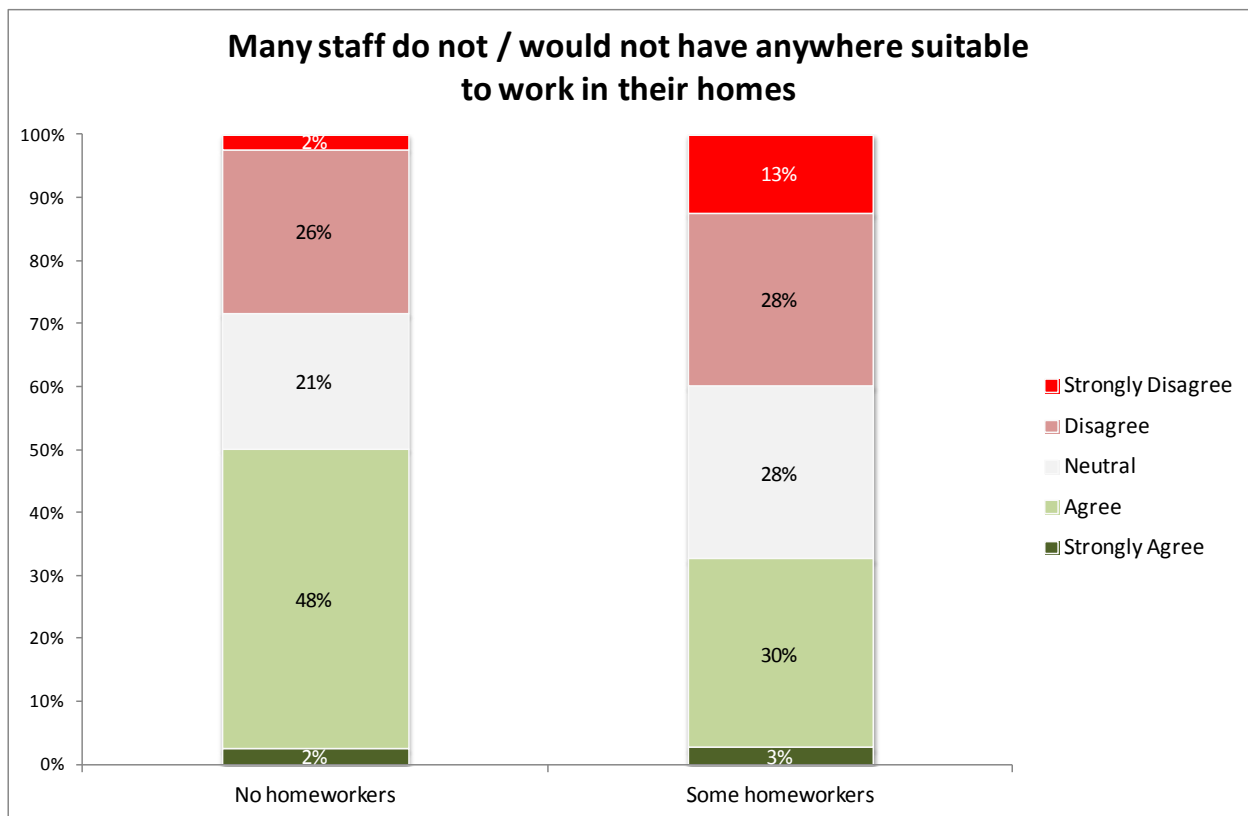
**Figure 64: Opinion: "Homeworking is / could be used as a performance incentive or reward for the best agents"**



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

For many contact center workers, it would be difficult to have a room away from the noise of the household, and this is a major concern for those operations that do not have any experience of homeworking, with 50% agreeing that this would be a problem. Even for those with experience of homeworking, one-third say that finding somewhere quiet for agents to work is an issue. Obviously, it's important to consider working location on a case-by-case basis to assess the suitability of the agent for homeworking.

**Figure 65: Opinion: "Many staff do not / would not have anywhere suitable to work in their homes"**

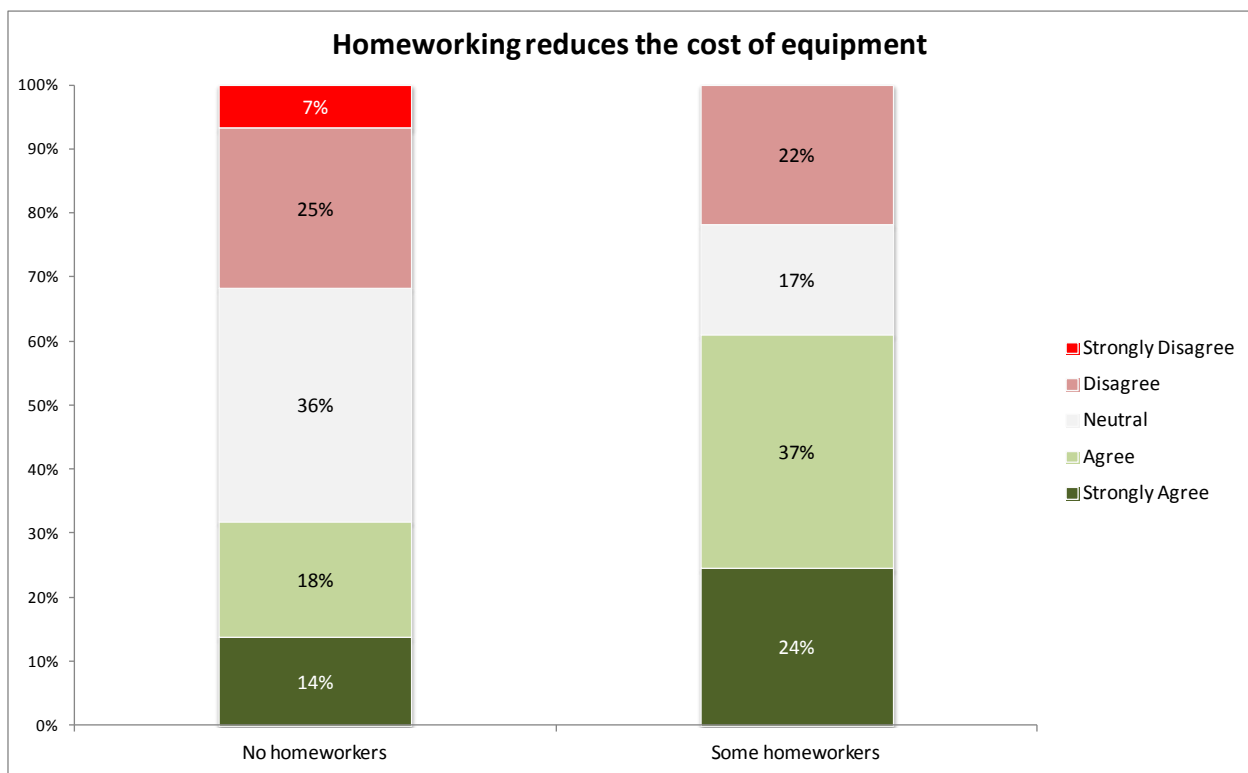


***"Homeworking reduces / would reduce the cost of equipment"***

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.

61% 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 32% of non-homeworking respondents.

**Figure 66: Opinion: "Homeworking reduces / would reduce the cost of equipment"**



---

## 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 30% of respondents' operations (especially in the IT helpdesk environment and public sector), with field staff and branch staff handling customer calls in 13% and 12% of organizations respectively: the latter figure growing substantially on last year's figure of 4%. 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, especially in specific vertical markets such as public sector, services and TMT.

**Figure 67: 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	12%
Field-based employees	13%
Knowledge workers / experts based elsewhere in the organisation	30%

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.

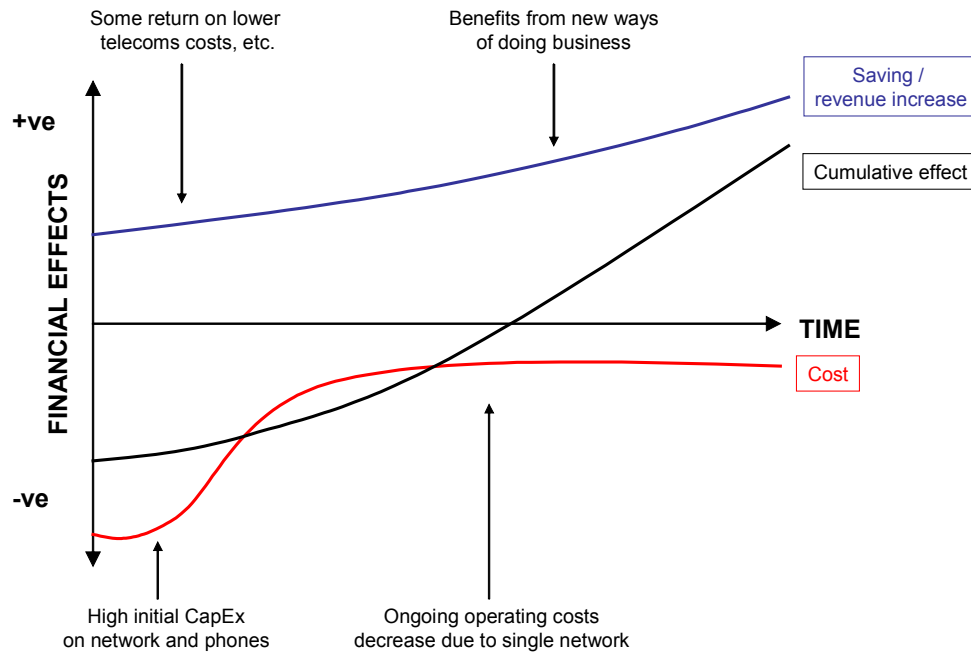
The use of IP within the contact center has been present for some years now, and despite the relatively slow start to IP implementation, IP is now an integral, mainstream and strategic part of the contact center industry.

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.



### **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.

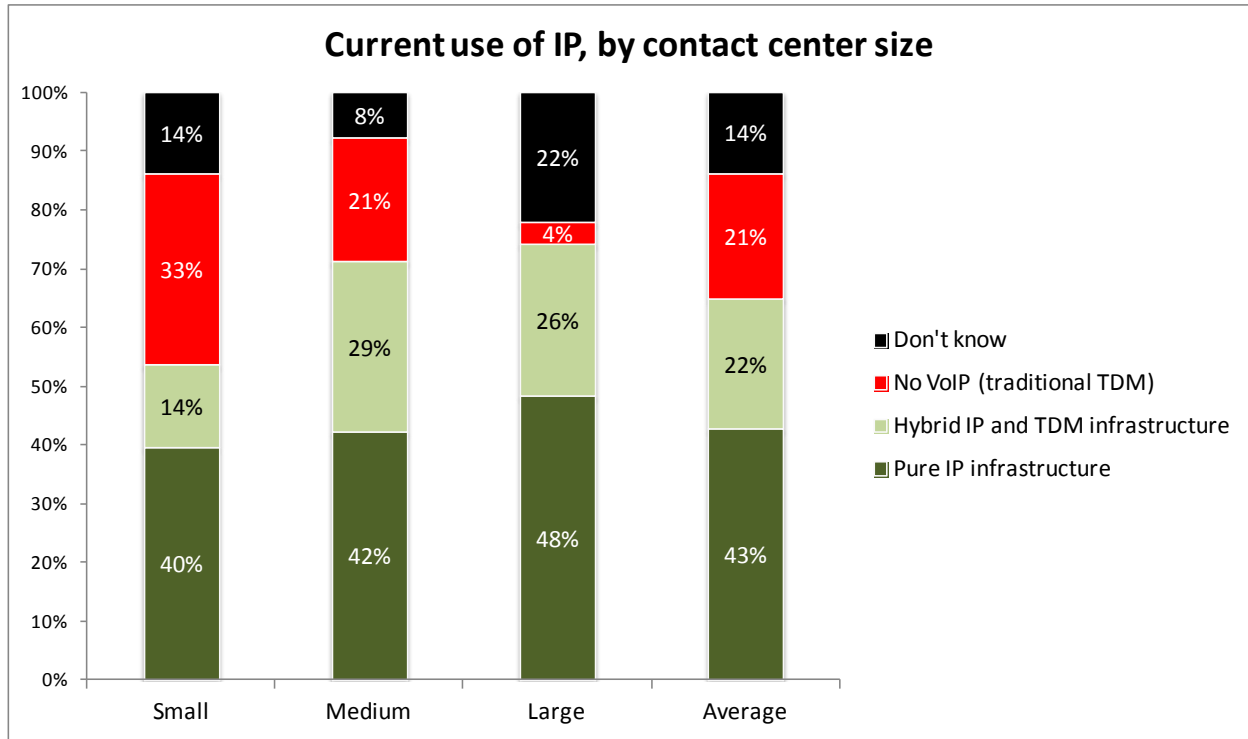
- Widely regarded as the successor to H.323 for IP-based telephony
- Gaining increased attention and visibility due to major technology solution providers
- An alternative to TAPI-based IP telephony models
- A protocol that removes the need for a separate IP-PBX and contact center solution
- The emerging 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.

Figure 68: Current use of IP, by contact center size



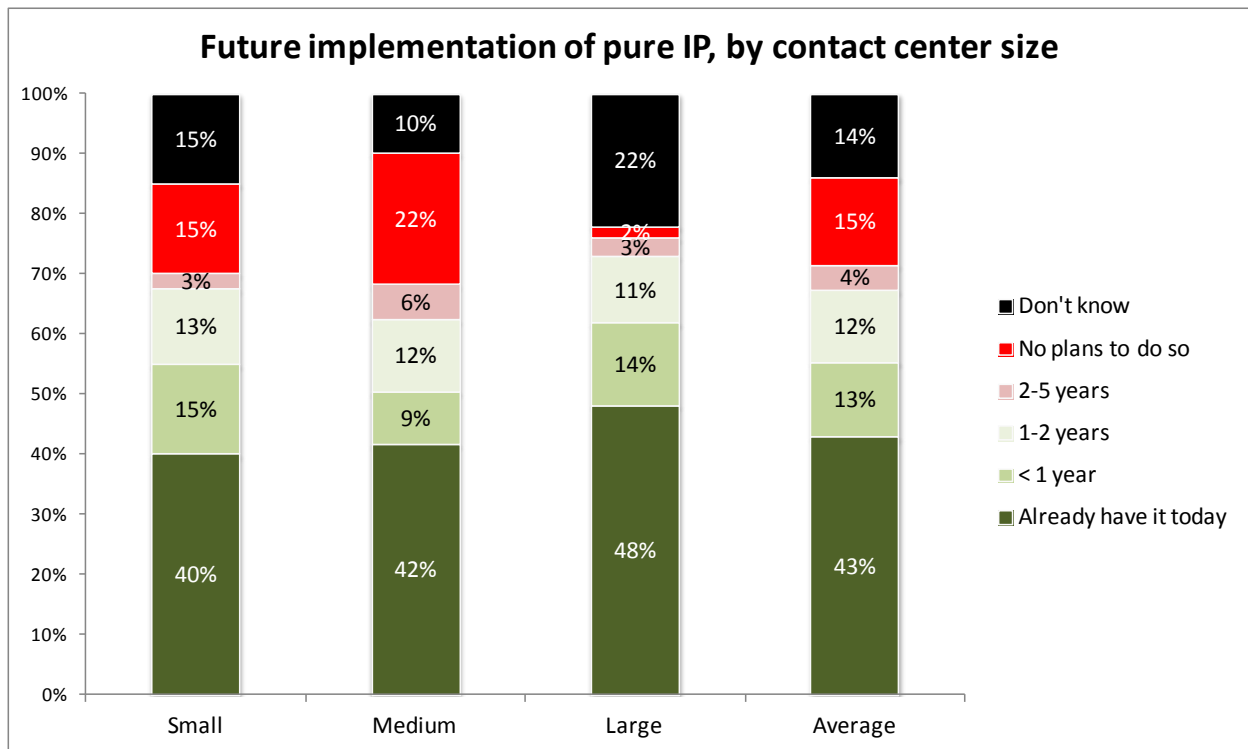
The mantra “evolution, not revolution” is often applied to the IP contact center environment, with vendors encouraging contact centers to consider the option of moving at their own pace towards IP, and this is what has happened in recent years. However, this year's results sees pure IP overtake TDM in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

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 3 years have seen a big jump in the proportion of larger contact centers indicating that they are using pure IP, up from 14% in 2007 to 48% now. 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 three years, and larger operations getting into pure IP in the recent past, as had been predicted in previous reports.

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 two years. However, a further 25% indicate that they will implement a pure IP infrastructure within the next 2 years.

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, particularly amongst larger operations.

Figure 69: 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 70: 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	1.2	1.2	1.8	1.4	56%
It was / is / will be a corporate-wide telecoms decision	1.0	1.0	1.2	1.0	40%
Deploy of virtual contact center or homeworking environment	1.0	1.1	0.9	1.0	43%
Support the use of open standards and wide range of applications	0.9	0.8	1.2	1.0	31%
IP will help us support a multimedia environment	0.9	0.8	1.2	1.0	36%
Replacement of PBX	1.1	0.6	1.1	0.9	35%

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

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

Implementing IP in order to deploy homeworkers or create virtual contact centers is a little more important this year. It's important to note that 43% 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. Although two-way video may not be what customers want, there are certainly advantages to being able to provide visual support, even in a self-service application:

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

Having said that, although cost reduction is the main reason for implementing IP, it also 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.

Figure 71: How has moving to a single IP network changed your telecoms and networking costs?

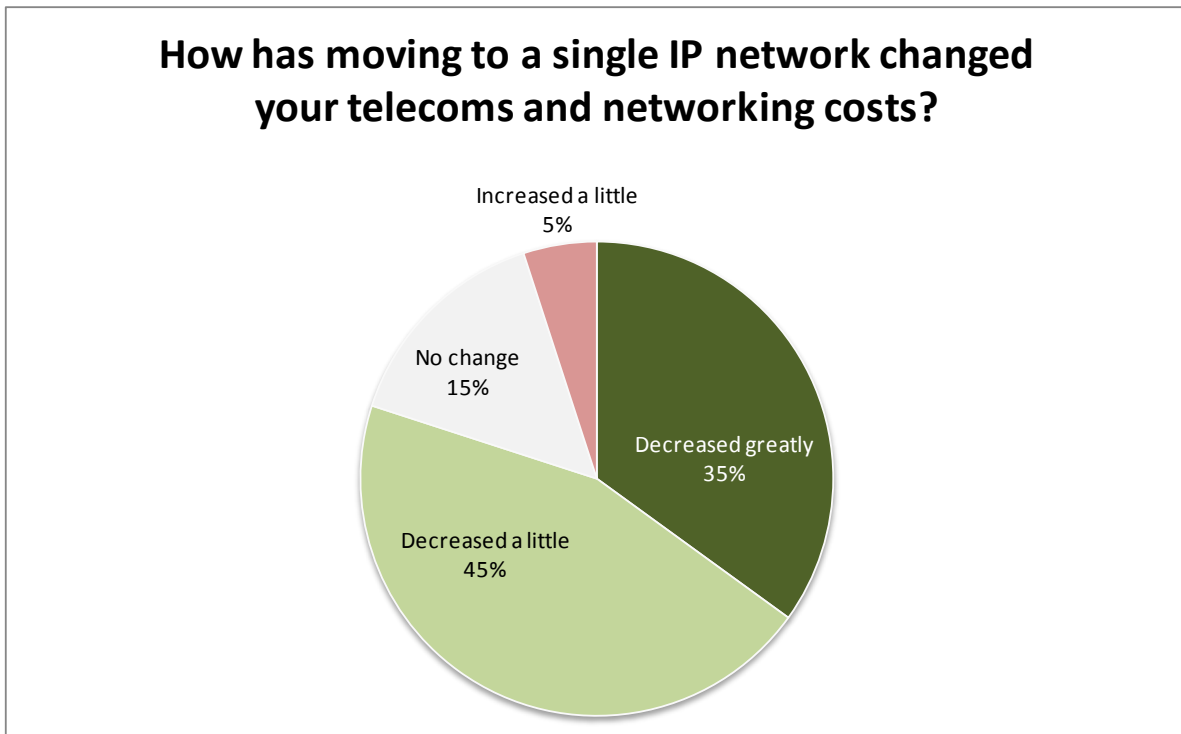


Figure 72: How has implementing IP improved your contact center? (by contact center size)

What were the results?	Small	Medium	Large	Average	% of respondents rating as 'very important'
Reduced telecoms costs between sites	1.1	1.4	1.4	1.3	42%
Reduced cost of single network	1.2	1.3	1.3	1.3	35%
Greater flexibility in adding and changing agents	1.2	1.0	1.1	1.1	37%
Easier integration of applications	0.9	1.1	0.8	0.9	27%
It supports multimedia channels more effectively	1.0	0.9	0.8	0.9	35%
Greater choice in vendors and applications	0.8	0.4	0.9	0.7	19%
NB: scores relate to the 5-point scale of 'Very unimportant = -2, Unimportant = -1, Neutral = 0, Important = 1, Very important = 2'					

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

It is interesting to note that there is 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

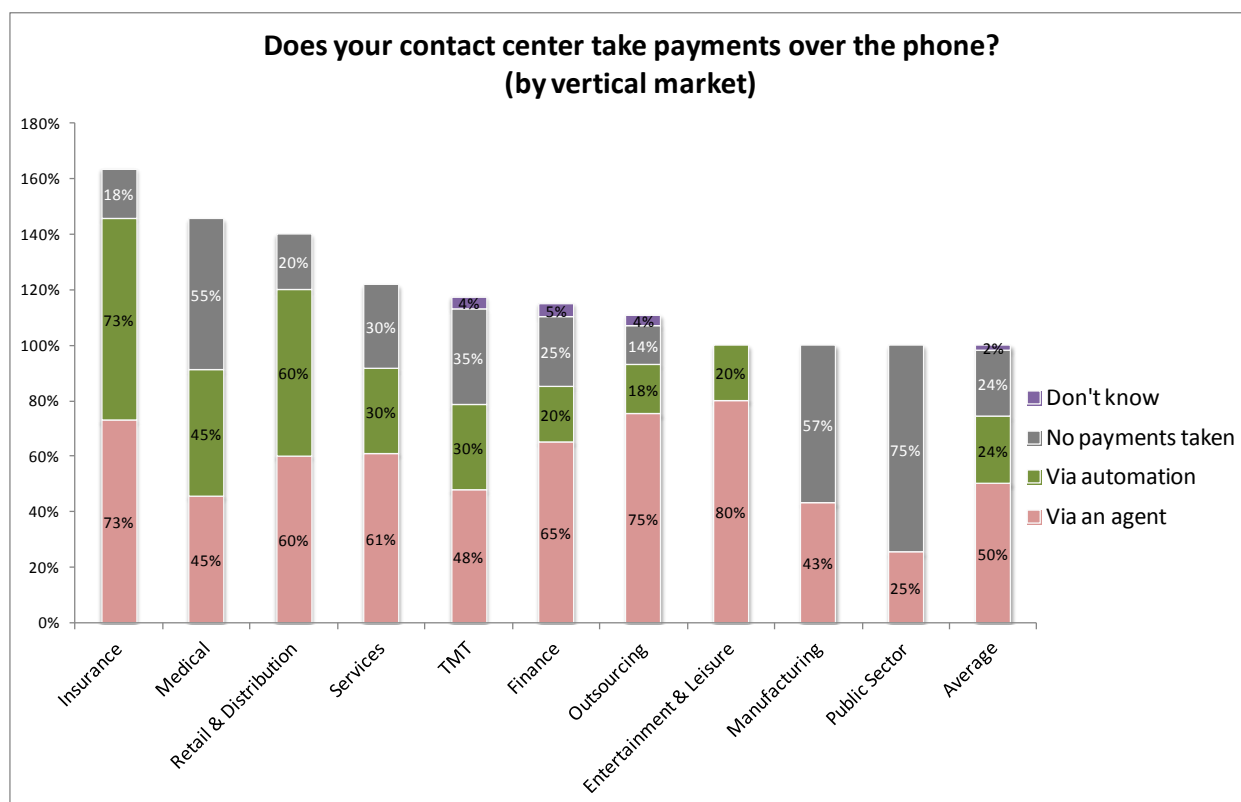
There is a balance between dealing with calls efficiently (i.e. without spending too long on them) and effectively (making sure that the customer is served well, and that the business gains what it can from the interaction as well). This section looks at ways in which the 'dead time' that occurs in an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

## PAYMENT CARDS AND SECURITY

76% of respondents' operations take card payments from customers over the phone, although the public sector and manufacturing vertical market are less likely to do so (in the latter case, probably as a result of much of this business being high-value, invoiced B2B work, with public sector usually focused on providing service).

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

**Figure 73: 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/](https://www.pcisecuritystandards.org/security_standards/)), in order to reduce credit card fraud.

It is clear to see that taking card payments using an agent is an unnecessary and significant cost for the business, and has a greater level of risk of fraud than by using a secure automated environment, which can consist of an after-call IVR session, or 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, identity verification is slower than ever before, all factors which drive up the cost of initial identification.

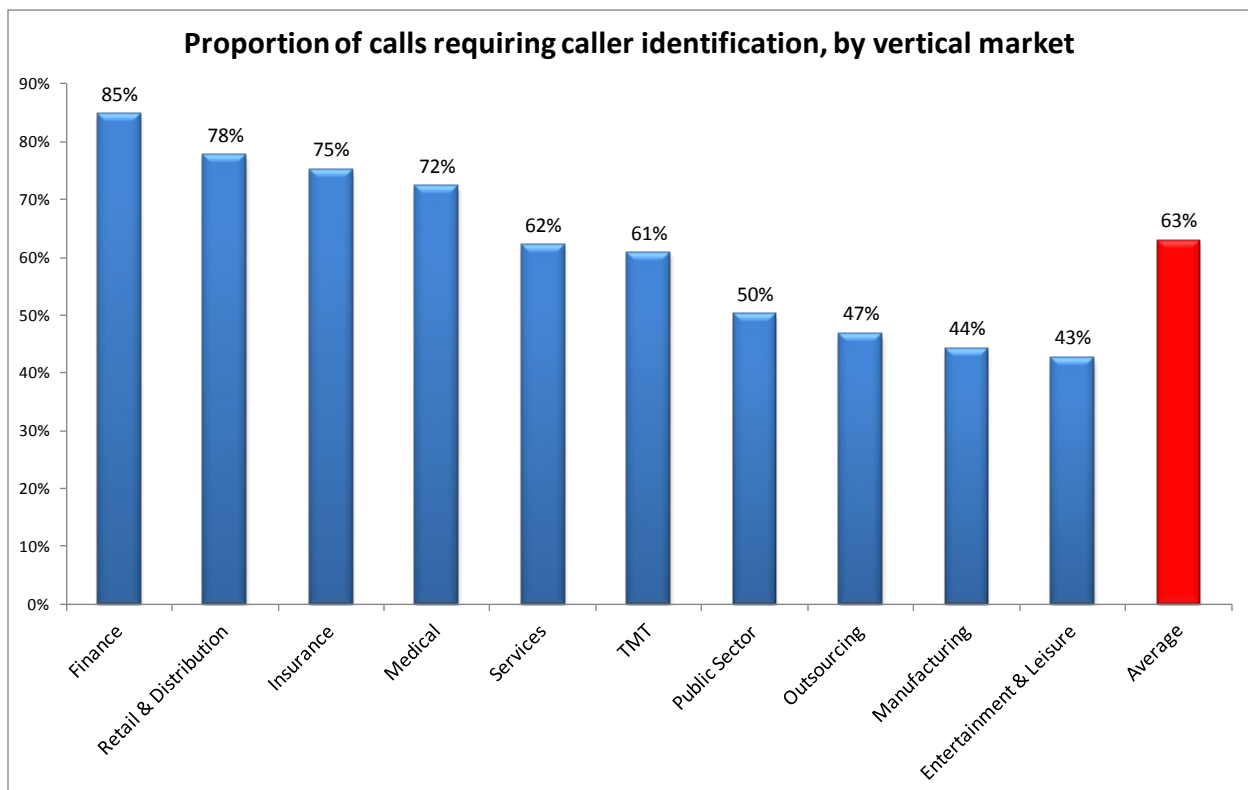


Identity verification processes are typically based on one or more authentication factors that fall into the following generally-accepted categories

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

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

Figure 74: 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 63% of calls having identify verification in 2011, compared to 53% in 2007. As might be expected, the finance sector most often authenticates callers' identity.



# Start every call with a Positive Experience.

Rethink your ID&V with  
**Nuance's Voice Biometrics** solutions.

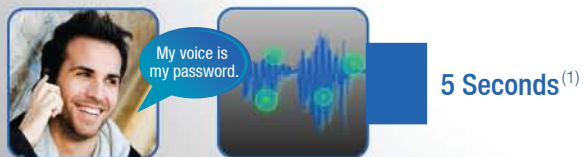
Nuance Voice Biometrics solutions transform your contact center's ID&V into a pleasant experience for your customers, while reducing costs and enhancing security for your company. No more PINs to remember or security questions to be answered. With one simple phrase, their identity is easily and securely verified.

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

"My voice is my password."



## Identity Verification using Voice Biometrics



## Identity Verification using Contact Center Agent



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



Figure 75: Caller identity authentication methods

Identification method	Proportion of contact centers using this method
Touchtone IVR	39%
Speech recognition	11%
Using only an agent	68%
<i>Using only automation</i>	6%

68% of respondents who authenticate identity do so through **purely** human means, taking an average of 26 seconds to do so. 38% use IVR or speech recognition to identify the caller (which itself takes around 20 seconds), but in almost all of these cases, first get the caller to use an IVR to collect their details, then also use the agent to double-check once the call is passed through, wasting the caller’s time and increasing the contact 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 public sector taking the longest.

Figure 76: Time taken to authenticate caller identity, by vertical market

Vertical market	Time taken to authenticate caller's identity (seconds)
Public Sector	75
Outsourcing	30
Insurance	29
TMT	28
Finance	26
Services	22
Medical	19
Manufacturing	17
Retail & Distribution	15
Entertainment & Leisure	13
<b>Average</b>	<b>26</b>



### **The unnecessary cost of caller authentication**

63% of all calls require a security and identification process to be completed first. 94% 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 call minutes per year: 293bn<sup>3</sup> and Average Inbound Call Length: 320 seconds

Inbound calls per year: 54.9bn

Proportion of inbound calls that require security and identification checks: 63%

Proportion of security and identification checks carried out using an agent: 94%

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

Mean average cost per inbound call: \$7.50

Cost of time spent on agent-handled security and identification check: 60.9c per call

Overall cost of agent-handled security and identification checking: **\$19.8bn per year**

---

<sup>3</sup> From ContactBabel, forecasts from 'North American Contact Centers in 2006', projected upwards by an assumed call volume growth rate of 2% p.a.

# case study :: Turkecell Global Bilgi from Nuance



## Nuance VocalPassword™ Deployment Achieves Industry-Leading Adoption Rates

Over 4 Million Customers Enjoy Dramatically Enhanced Call Experience

### About the Company

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



### The Business Challenge

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

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

### The Solution

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

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

*As a pioneer service in Turkey, we first launched this system for a limited number of subscribers, but it attracted more attention than we had expected and reached 2 million users in a short time. Customers like the very simple and fast authentication process of only 5 seconds."*

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

### The Results

- As of November 2011, the Turkcell deployment had nearly 4 million enrolled voiceprints, making it the voice biometrics application with the world's largest number of enrollments.
- Reduced the verification process time by at least 20 seconds, resulting in authentication being completed in just a few seconds.
- Dramatically reduced operating expenses by reducing the total call duration and agent talk time.

### Learn More

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



---

## THE FUTURE OF IDENTITY AUTHENTICATION

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

- businesses want to reduce the cost of fraud
- customers want convenience but also their personal information and assets protected
- businesses need to comply with existing and new laws and regulations
- contact 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 making it a viable identity verification solution for contact centers. Voice verification systems use spoken words to generate a voiceprint. A voiceprint can be compared with a previously enrolled voiceprint to verify a caller's identity. The most sophisticated systems generate a voiceprint by using spoken words to calculate vocal measurements of a caller's vocal tract thereby creating a unique digital representation of an individual's voice. These systems are not affected by factors such as the caller having a cold or using different types of phones, or aging. Voice verification systems are now delivering levels of accuracy and security that have proven robust enough for use by banks and insurers.



Data collected from Nuance deployments indicate that voice biometrics based ID&V provides higher levels of accuracy than PIN or agent handled verification. Specifically, voice biometrics based ID&V reduces the number of fraudsters that can reach the call center while increasing access levels for legitimate callers. As such, even though voice biometrics does not provide 100% accuracy, it provides the call center with measurable improvements in security and customer satisfaction over alternative ID&V methods.



---

### **The customer's experience**

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

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

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

### **The business benefits**

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

A contact 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 60.9c per call (\$6.09m 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.



Assessments performed by Nuance customers demonstrate that implementing voice biometric ID&V in the call center results in a compelling ROI, with hard cost savings realized through reduced agent handled ID&V. These savings typically are sufficient to justify a voice biometric deployment, however, additional financial benefits can be realized from increased self-service usage, reduced fraud and decreased agent turnover. The most impactful benefit to the bottom line however lies in the ability to retain and gain customers by delivering a superior customer experience.





---

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

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

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



Feedback collected from Nuance deployments globally indicate that a third key benefit is realized when call centers implement a voice biometrics solution for automated ID&V – improved customer satisfaction. Although many deployments are initiated with the objective of reducing costs & improving security, improved customer satisfaction tends to drive expansions of voice biometric deployments as companies realize the competitive advantage derived from providing a positive ID&V experience at the onset of each call.



---

## CALL ROUTING AND QUEUE MANAGEMENT

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'.



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.

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, the majority 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 retailers standing out this year as being ahead of the others.

Figure 77: Use of touchtone IVR and speech recognition to route calls, by vertical market

Vertical market	Touchtone IVR	Speech recognition
Entertainment & Leisure	100%	0%
Insurance	80%	10%
Public Sector	75%	0%
TMT	68%	12%
Retail & Distribution	67%	33%
Outsourcing	64%	18%
Finance	59%	6%
Services	56%	11%
Medical	55%	18%
Manufacturing	50%	0%
<b>Average</b>	<b>64%</b>	<b>12%</b>

# Your customers are on the web and smartphone.

So why isn't your call center?



## REDUCE call center costs

Provide a visual interface to your call center on the web and smartphone, significantly reducing the expense of misnavigation, costly transfers and repeated questions.

## IMPROVE the calling experience

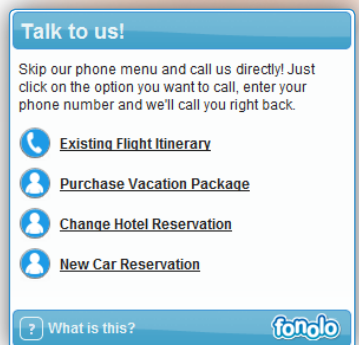
Replace hold time with virtual queuing and scheduled callbacks, decreasing abandon rates and reducing telco costs.

## EMBRACE the smartphone

Extend your existing IVR system to today's powerful mobile platforms, giving your customers an efficient and convenient way to contact you.

**ALL with no changes to your infrastructure.**

Integrate our **smartphone application** for mobile users or use the **web widget** for online support.



Learn more at [fonolo.com](http://fonolo.com) or call +1.416.366.2500.

# fonolo



As IVR 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 although this year's figures are fairly even when looking at the use of auto-attendant, the largest respondents definitely have the lead in speech recognition. As more than half of respondents in sub-50 seat contact centers report using touchtone IVR for routing, this demonstrates that this is no longer a technology just for operations with lots of budget and in-house IT support.

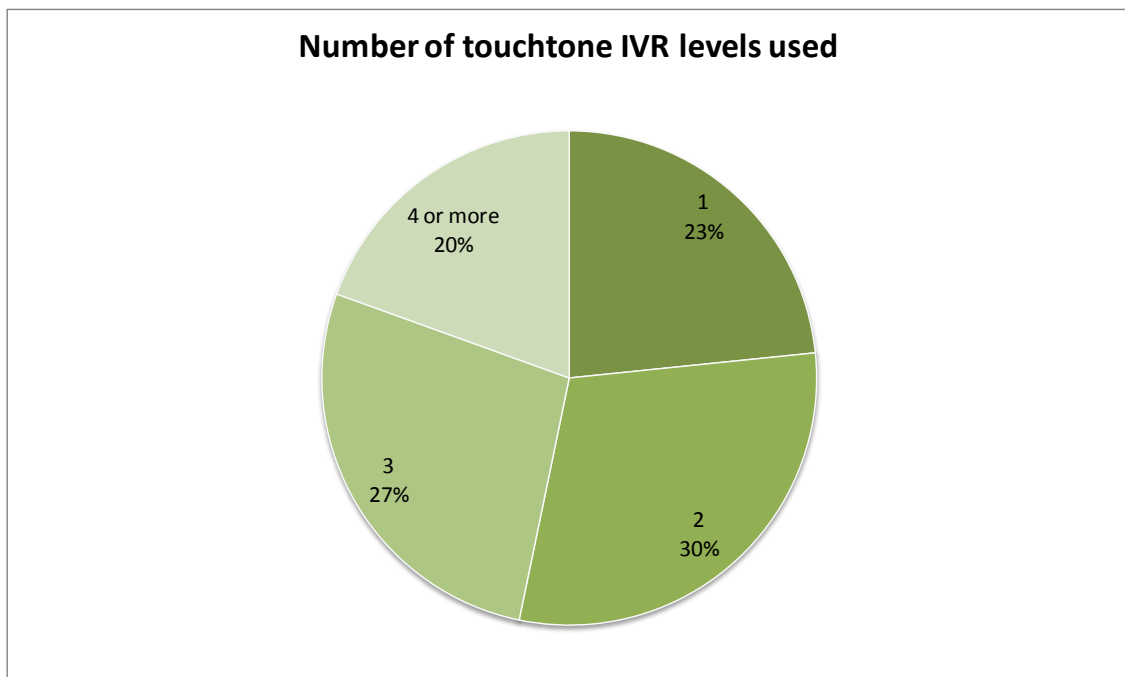
More expensive speech recognition solutions are far more prevalent in large operations, where the correct automated routing of many thousands of calls each day can very quickly make a case for ROI.

Figure 78: Use of touchtone IVR and speech recognition to route calls, by contact center size

Contact center size	Touchtone IVR	Speech recognition
Small	59%	2%
Medium	68%	9%
Large	65%	29%
<b>Average</b>	<b>64%</b>	<b>12%</b>

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

Figure 79: Touchtone IVR levels





---

Looking at the number of levels used on an IVR (i.e. how many key-presses a caller must make to reach their destination), only 23% keep it simple with a single-level of options, e.g. "Press 1 for sales, 2 for Service, 3 for Accounts".

30% of respondents using auto-attendant put in a further layer under this, so the caller must then choose another option. For example, after pressing 1 for sales, the customer may then have to choose a particular product or service to talk about.

27% 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.

20% of respondents take this **at least** one level further, and make our putative business customer who wants to buy product X then make yet another choice, for example, whether they are an account holder or a cash buyer.

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



If you want to understand the frustration felt towards IVR menus, you need look no further than startups 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. We think the smartphone might finally allow the industry to break out of this paradigm and our product makes it easy for call centers to introduce more advanced navigation without breaking the legacy keypad-based system.



Most respondents claim to restrict themselves to a median of around 5 options, with the public sector offering the greatest number. However, even listening to 5 or 6 options can be a frustrating process for customers.

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

Figure 80: Touchtone IVR routing options, by vertical market

Vertical market	Mean average	Median average
Public Sector	12	8
Finance	11	8
TMT	10	8
Insurance	10	6
Medical	10	5
Manufacturing	9	9
Retail & Distribution	7	5
Services	6	4
Outsourcing	5	4
Entertainment & Leisure	4	4
<b>TOTAL</b>	<b>8.4</b>	<b>4.9</b>

NB: 1<sup>st</sup> quartile = 3; 3<sup>rd</sup> quartile = 10; High = 40; Low = 2



# How a Major Mobile Carrier Reduced Cost-Per-Call by 14% While Delighting Customers

## Introduction

In 2011, a major mobile carrier implemented Fonolo with the goals of improving customer satisfaction and lowering call center costs. Fonolo added a new visual interface to their existing call center that allowed callers to connect directly to the right agent without navigating phone menus or waiting on hold.

## Implementation

Fonolo's cloud-based approach, and its ability to interact with any existing phone system, made implementation very easy. The carrier added Fonolo's web component (see right) to the support section of their website. This simply required a few lines of code.

The call center itself required no infrastructure changes at all. Calls through Fonolo appeared to the call center to be regular inbound calls. All existing processes (such as agent screen-pops) continued to work as before.

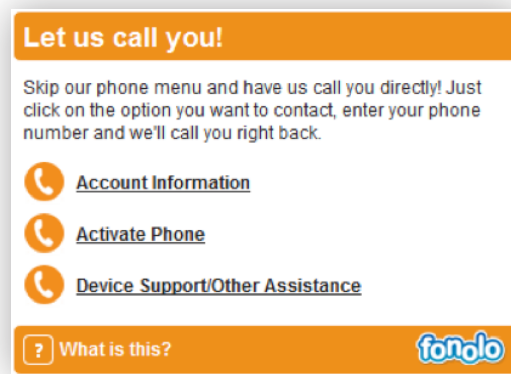
## Results: Lower Costs

The carrier saw dramatic reduction in cost during the 30 day pilot, as documented here. For calls that went through Fonolo, misnavigation rates dropped from 18% to 7%. Average handle times, for Fonolo-routed calls, were shorter by 86 seconds (13%).

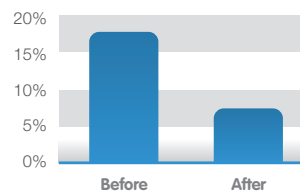
These two effects combined to reduce cost-per-call by 14%. Based on handling just 5% of total call volume, the annual savings would be an amazing \$680,500.

## Results: Happier Customers

Fonolo has a post-call survey feature and the carrier used it to prompt for feedback on the new calling experience. Callers were overwhelmingly pleased, especially with the option to get a call-back instead of waiting on hold.



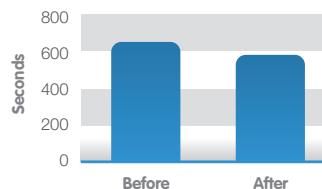
### Misnavigation Rate: Reduced 61%



Misnav calls avoided	Annual savings
<b>79,200</b>	<b>\$67,400</b>

Visual navigation gets more callers to the right agent, the first time.

### Average Handle Time: Reduced 13%



Savings per call	Annual savings
<b>\$0.85</b>	<b>\$613,100</b>

Pre-call questions make agents more efficient.

Total annual savings: **\$680,500**





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 81: Capability of routing calls automatically depending on the customer history

Can you route calls automatically depending on...	Proportion of respondents	Main vertical markets	Difference by size band
Unpaid account	12%	Outsourcing	Large 3x more likely than small
High-value customer	36%	Insurance, TMT, Entertainment & Leisure	Large 2.5x more likely than small
Risk of defection / end of contract	11%	Outsourcing, Services	Large 3x more likely than small
Specific language requirements	48%	Public Sector, TMT, Outsourcing	Large 1.5x more likely than small

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

Identifying a high-value customer (and presumably bumping them up the queue or sending them to a top agent) is somewhat more popular. High-churn sectors like TMT and insurance are more likely to route customers who are likely to defect through to an appropriately-skilled agent.

Around half of respondents route calls automatically based upon a caller's language requirements, with the public sector being the greatest user of this functionality.



---

### **Screen-popping**

Information about the specific caller is collected and popped to the agent's screen by 48% 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 investment worthwhile. In fact, 78% of respondents from large operations route calls to an agent complete with screen-pop, compared to 47% of medium respondents and 30% of small operations.



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.*

At a vertical market level, around 80% of outsourcers and 75% of retailing respondents report using screen-popping, with manufacturing (50%) and services (56%) also above average. The public sectors' respondents are very low users of this solution.



### **Skills-based routing**

This 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 (CLI), as well as options selected in the IVR system. A skills-based routing system then tries to match the call to a suitably-skilled agent. Instead of being served in the order of their arrival, calls are handled as agents with the right skills become available.



## VIRTUAL QUEUE MANAGEMENT

A telephone questionnaire was asked to a representative sample of the UK population by ContactBabel on behalf of Vicorp<sup>4</sup>, which aimed to explore why the UK public hated queuing to speak to a contact center agent, yet were legendarily happy to queue for almost everything else.

Figure 82: 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.

<sup>4</sup> "Your call is important to us..." Why does the British love of queuing not extend to contact centers? - available from [www.contactbabel.com](http://www.contactbabel.com) without charge



Another consequence of keeping callers on hold is that they will complain about it via social media, tarnishing your brand: (eye-opening experience - go to [OnHoldWith.com](http://OnHoldWith.com) and watch a *live* stream of hold-time complaints via Twitter.) What we've heard from companies is that they see two main barriers to implementing virtual queuing: integration effort and cost. Fonolo addresses the first barrier by offering a cloud-based approach (so there is no integration needed) and the second barrier through pricing that doesn't depend on call volume (so budgeting is easy).

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 a 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 22% of respondents using this. The proportion of sales-focused respondents offering in-queue call-back would be expected to be higher so as not to miss sales opportunities, and this sector is missing out on potential revenue by not offering every opportunity for customers to buy from them.

The use of a website 'call-me' button (which initiates an outbound call at a time specified by the recipient) should also be a vital tool in the armory of the sales-focused organization, yet only 12% of respondents from this sector said that they were using a web call-back button.

Figure 83: Use of website 'call-me' buttons and call-back options, by contact center activity type

Contact center activity type	Website call-me button	Queue call-back option	Position in queue announced
Service	13%	22%	19%
Mixed	16%	24%	22%
Sales	12%	18%	17%
<b>Average</b>	<b>14%</b>	<b>22%</b>	<b>19%</b>



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

The public sector is the greatest proponent of a website 'call-me' button, with services and TMT respondents also more likely than average to use this. The outsourcing sector considers queue call-back options to be more applicable to their business, while the same sector is more likely than average to offer information about queue positioning.

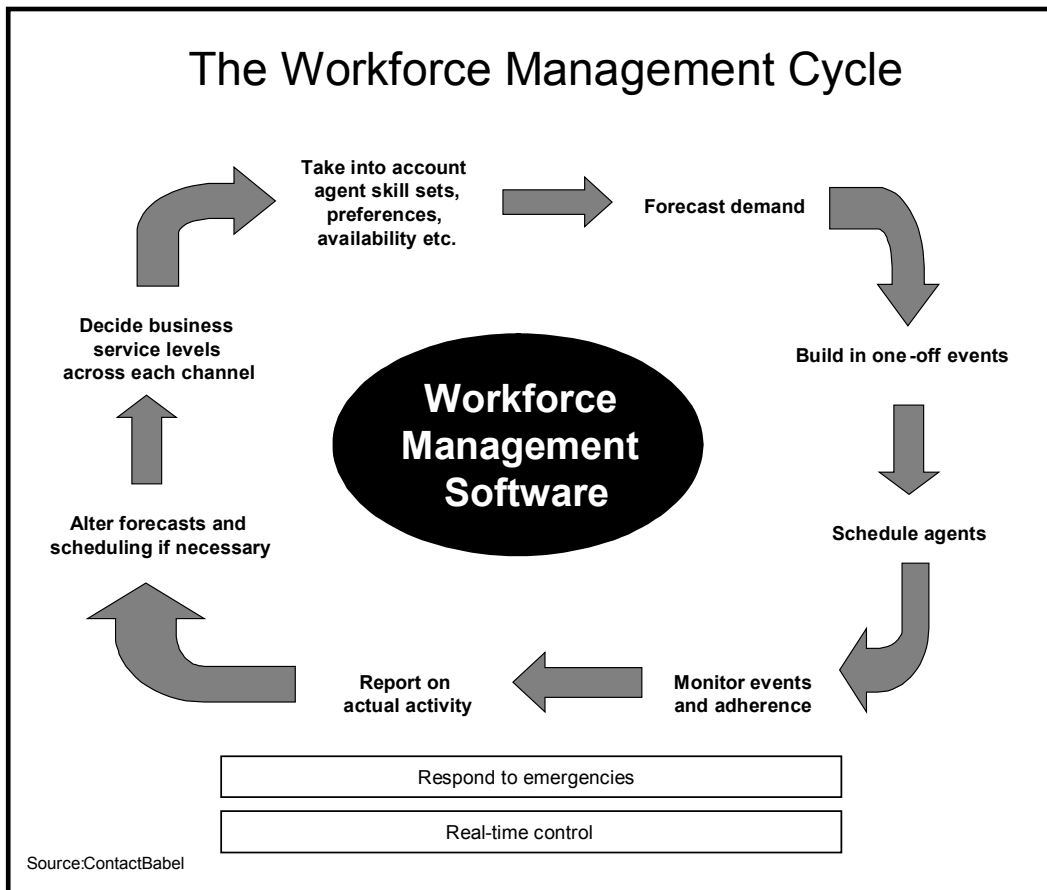
Figure 84: Use of website 'call-me' buttons and call-back options, by vertical market

Vertical market	Website call-me button	Queue call-back option	Position in queue announced
Public Sector	25%	25%	25%
Services	21%	25%	13%
TMT	20%	30%	20%
Outsourcing	18%	32%	35%
Medical	13%	13%	11%
Insurance	11%	22%	13%
Entertainment & Leisure	0%	25%	25%
Finance	0%	13%	13%
Manufacturing	0%	0%	17%
Retail & Distribution	0%	0%	0%
<b>Average</b>	<b>14%</b>	<b>22%</b>	<b>19%</b>

## MULTICHANNEL WORKFORCE MANAGEMENT

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

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





We set the standard in workforce optimization.  
**Then we raised it.**  
**Five times.**



## IMPACT360® Workforce Optimization™

Voice of the Customer Analytics | Quality Monitoring | Recording | Workforce Management  
Desktop and Process Analytics | Performance Management | eLearning | Coaching

### Introducing the Market's First 5th Generation Workforce Optimization Solution.

Since 2005, Verint® Systems' Impact 360® Workforce Optimization™ suite has helped redefine customer service by bringing key contact center functions together on a single platform. Now, this 5th generation solution is setting new standards for:

- ▶ Real-time enterprise collaboration
- ▶ Navigation and ease of use
- ▶ Total cost of ownership
- ▶ Simplified system administration
- ▶ Depth of functionality

Learn how Impact 360 can give your organization visibility into what customers think, want and need – and how effectively you're delivering it. It's *Intelligence in Action*.™  
Visit [www.verint.com](http://www.verint.com) or call 1-800-4VERINT.

**VERINT**®



---

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

---

## FORECASTING

Before any staff planning can be done, an enterprise first needs to understand what has happened in the past. A solution which provides historical data from entire customer contacts means that scheduling can take place in a more realistic way. Enterprises should also be able to factor in exceptions, such as advertising campaigns, training and public holidays, and view when the best time for a meeting or training session will be, and measure the impact on the rest of the contact 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.).



One problem that most WFM solutions don't address is this: They do the best job they can given the existing employee's skills and work preferences but how does the center go about creating a better team of employees? Verint's Agent Profile is a feature that permits the scheduler to design employees in terms of skill and work preference; add them to the existing employee pool; and, create schedules using these "phantom" employees. With the schedule results in hand, the HR department can hire against specific requirements.

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.



One problem that most WFM solutions don't address is this: They do the best job they can given the existing employee's skills and work preferences but how does the center go about creating a better team of employees? Verint's Agent Profile is a feature that permits the scheduler to design employees in terms of skill and work preference; add them to the existing employee pool; and, create schedules using these "phantom" employees. With the schedule results in hand, the HR department can hire against specific requirements.

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'.

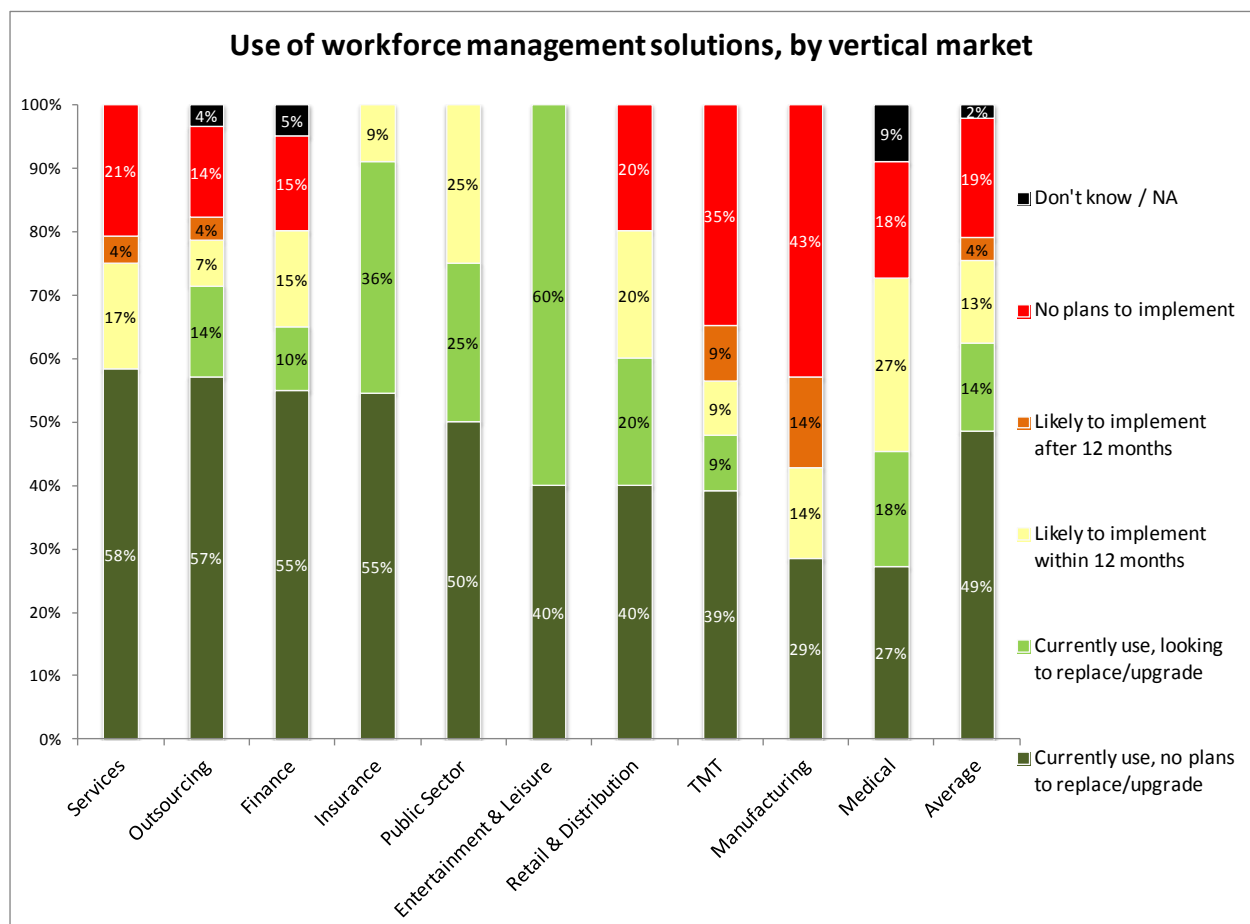
For example, adherence does not have to refer to the contact center as a whole, as WFM solutions enable contact center managers to monitor and manage agent performance in real time, by connecting to the ACD system and monitoring the status of an agent's activity, (for example, time spent logged on, against 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 63% industry-wide (in-house workforce management, such as scheduling using an Excel spreadsheet, are not counted here as true workforce management solutions). Interestingly, 14% of respondents are actively looking to replace their WFM solution, and a further 13% indicate they are likely to implement a systems in 2012.

While readers should be aware that small sample sizes in some vertical markets may skew results considerably, there is particular emphasis on replacing solutions shown by the insurance, public sector and entertainment & leisure respondents.

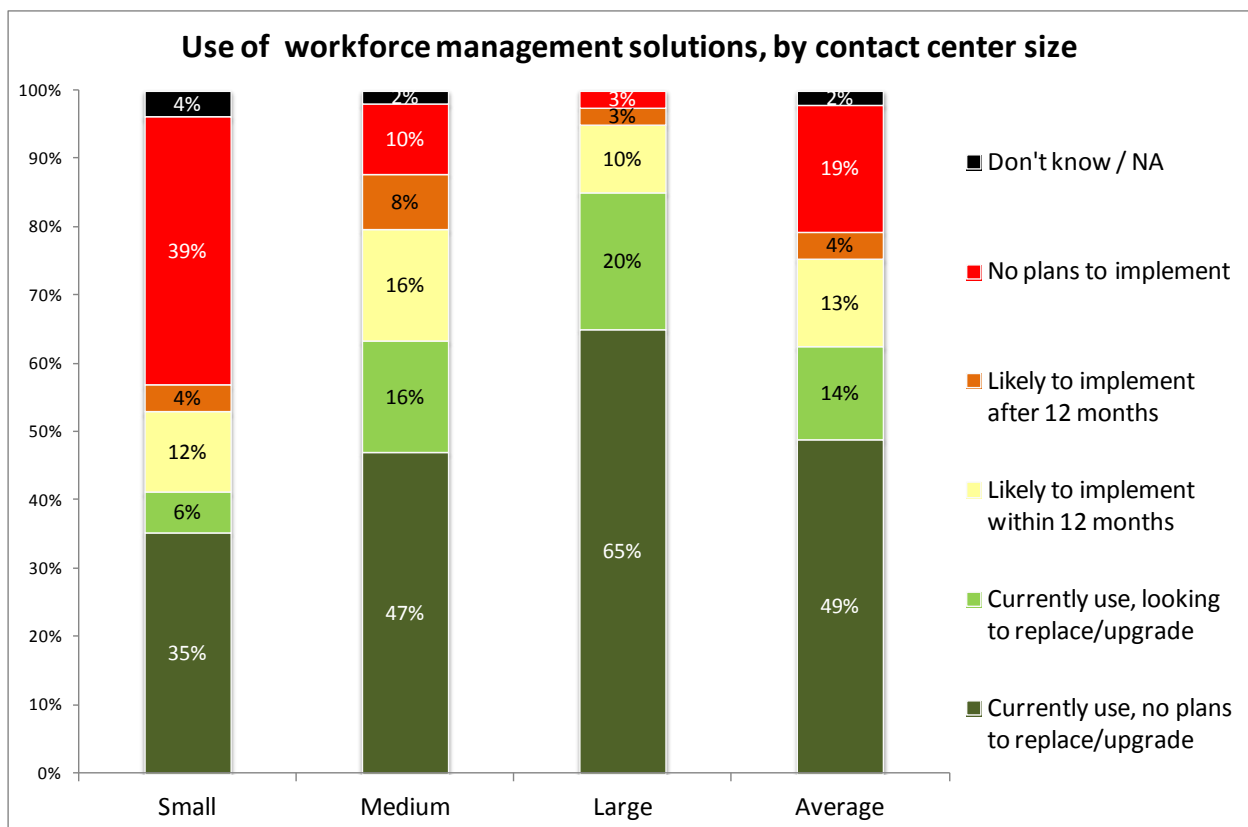
Figure 85: Use of workforce management, by vertical market



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. In fact, forecasting and scheduling in this scenario is more of an art than a science. Medium and large operations are far more likely to use dedicated third-party workforce management applications which historical data can be fed into, providing a far more accurate schedule.

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

Figure 86: Use of workforce management, by contact center size

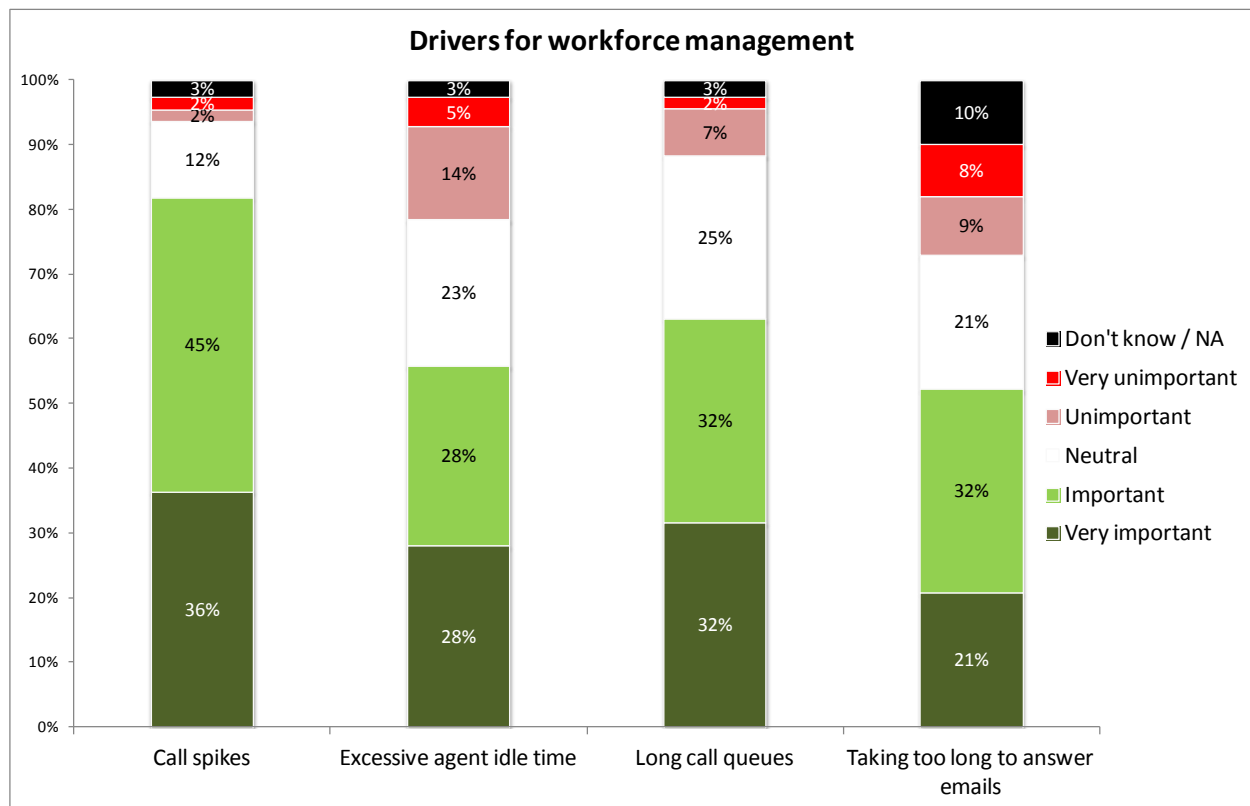


As with previous years, call spikes are seen as a major problem by many operations, destroying the service level and ruining the customer experience. The ability to predict call spikes, and bring in agents to handle these (switching them from other types of work, or through homeworking or from other 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 87: Drivers for workforce management



This year's workforce management focus is about 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 non-contact center staff who may speak with customers (e.g. branch or field staff). With around 10% of inbound interactions being email, and 32% of respondents stating that customer speak with knowledge-workers elsewhere in the organization, 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'.

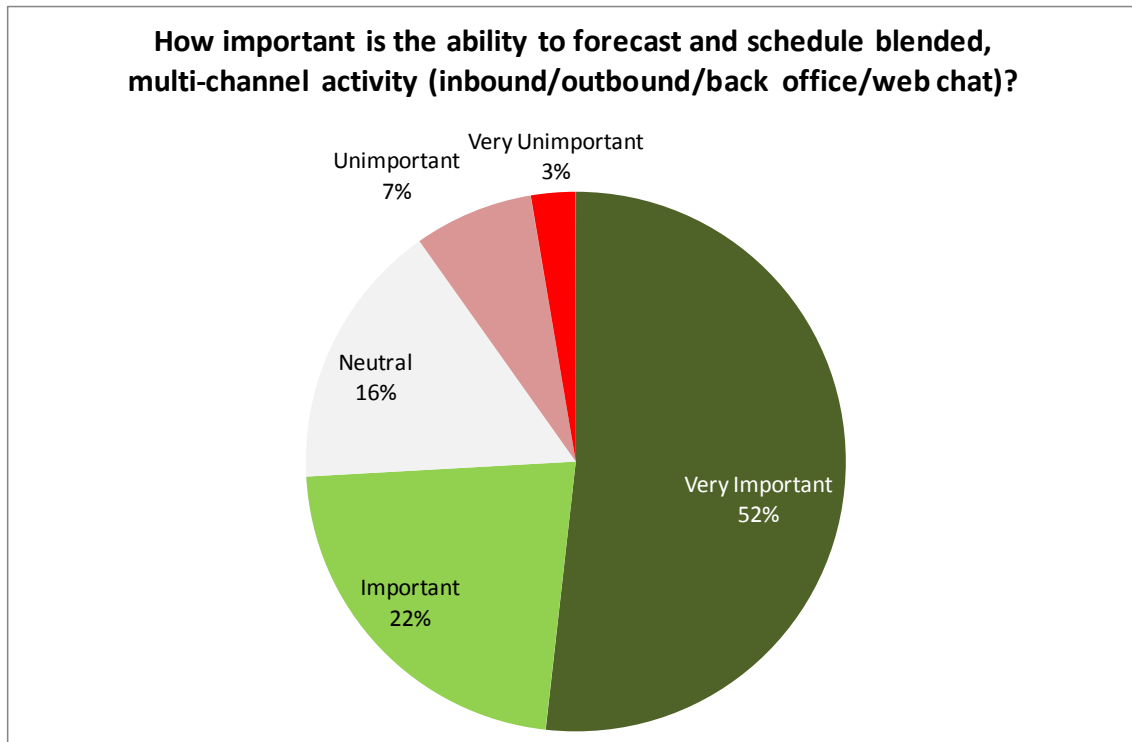
52% of respondents state that being able to forecast and schedule multichannel and non-contact center interactions were 'very important', with 22% saying that it was 'important', an increase on previous years and a clear sign that non-voice channels are taken as seriously as voice. The outsourcing and retail sectors were most keen to be able to forecast and schedule multichannel interactions, as these respondents are amongst those most focused upon profitability and cost management, especially considering the potential benefits of text chat when closing web sales.



Going beyond customer interactions altogether, Verint has invested in new algorithms and processes that enable our WFM solution to be applied to the back office where service level goals are measured in days and weeks and where items of work flow from employee to employee in an “assembly line” fashion. The visibility and control provided to back office managers is unprecedented, resulting in ROIs that contact centers can never approach.

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 is borne out to some extent by the finding that 91% of large contact centers see multichannel capabilities as 'very important' or 'important', compared to 77% of medium operations and 63% of small contact centers, although all sectors show enthusiasm.

Figure 88: The importance of multichannel forecasting and scheduling



We set the standard in workforce optimization.  
Then we raised it.  
**Five times.**



## IMPACT360® Workforce Optimization™

Voice of the Customer Analytics | Quality Monitoring | Recording | Workforce Management  
Desktop and Process Analytics | Performance Management | eLearning | Coaching

### Verint Systems Inc.

330 South Service Road  
Melville, NY 11747

#### CONTACT:

1-800-4VERINT  
info@verint.com  
www.verintblog.com  
www.verint.com

#### Discover Enterprise Workforce Optimization

Back in 2005, Verint® System's Impact 360® Workforce Optimization™ suite of software and services helped redefine customer service by bringing key contact center functions together onto a single platform.

Now in its 5th generation, Impact 360 continues to set the standard in workforce optimization. The solution works across the entire enterprise, enabling the systems and people involved in customer service functions to capture and analyze data from customer interactions, share information, perform more effectively, and ultimately deliver a better, more cost-effective customer experience.

The Impact 360 Workforce Optimization suite includes:

- Quality Monitoring and Recording
- Voice of the Customer Analytics
- Desktop and Process Analytics
- Workforce Management
- Performance Management
- eLearning
- Coaching

With 5th Generation Impact 360 Workforce Optimization, your organization can leverage information from all points in the customer service delivery chain, from interactions in the contact center and branch offices to back-office operations. Using data from actual interactions, you can identify areas of concern and opportunity, detect trends, understand customer and market sentiment, and then adjust your staffing, processes, products, and services accordingly.

It's a holistic approach to customer service, and it can help you identify specific courses of action that can impact your corporate goals, marketing strategies, net promoter scores, and more.

Proven and practical, Impact 360 Workforce Optimization is setting new standards for:

- Real-time enterprise collaboration  
Navigation and ease of use
- Reduced total cost of ownership
- Simplified system administration
- Depth of functionality

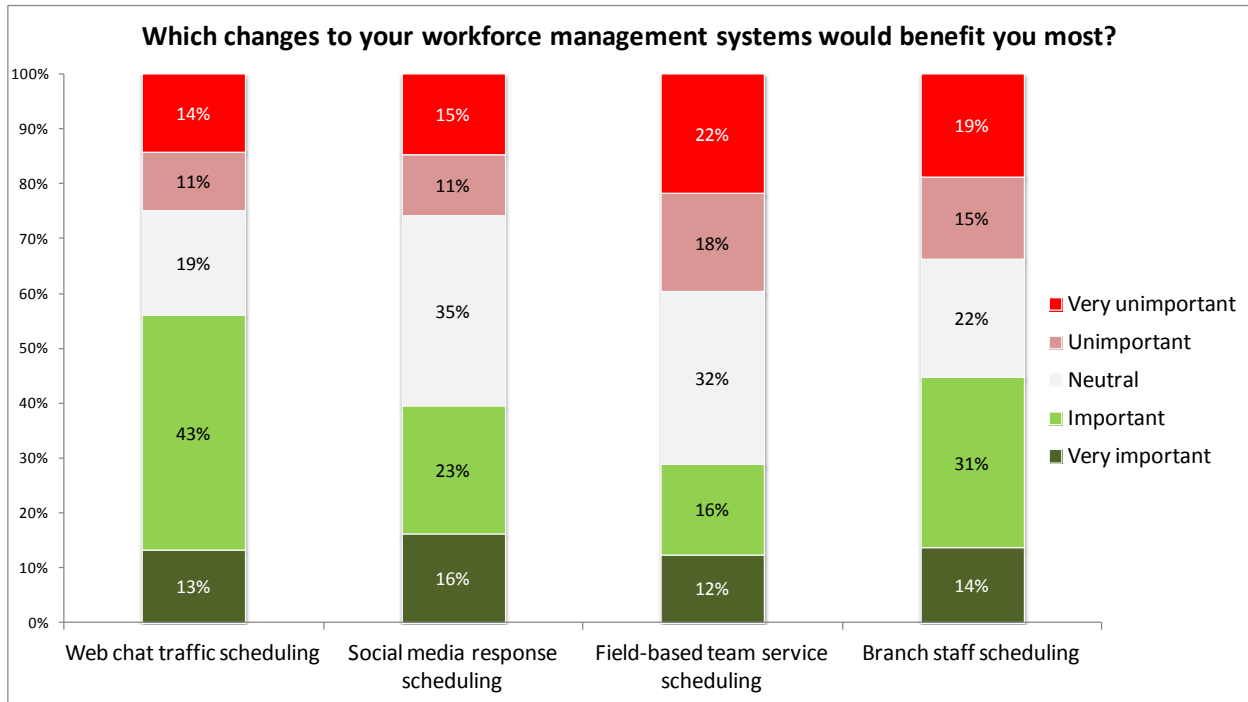
Impact 360 solutions from Verint offer your organization tools and insight for capturing, analyzing, and acting on customer, business, and market intelligence. Find out why thousands of organizations around the globe rely on Impact 360 to help shape the customer experiences delivered through their front- and back-office sales and service operations. Contact Verint today!

#### Verint. Powering Actionable Intelligence®.

Verint® Systems Inc. (NASDAQ: VRNT) is a global leader in Actionable Intelligence® solutions and value-added services. More than 10,000 organizations in over 150 countries use our solutions to improve enterprise performance and make the world a safer place. Verint is a member of the US broad-market Russell 3000 Index. For more information about Verint, visit [www.verint.com](http://www.verint.com).



Figure 89: Which changes to your workforce management systems would benefit you most?



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

- Web chat traffic scheduling is seen as important, if not yet vital by a large number of respondents. The exception are retailers who take this far more seriously than sectors, although outsourcers show interest too
- Outsourcers are also quite keen on scheduling for social media, with 70% stating that it is important or very important to them. This goes along with the hypothesis that outsourcers have to be able to offer multimedia interactions to their clients in a profitable and high-quality way. However, the retailers again show the greatest enthusiasm for this functionality, with entertainment & leisure respondents also keen
- Few respondents say that improving field staff scheduling is vital. This is perhaps a result of having too few utilities respondents to have as a separate vertical market: this sector is usually very keen to support field staff, so as to be able to assist the caller, the agent and the field staff (e.g. repairs or installation) to communicate with each other
- 40% of finance respondents say that being able to use branch staff effectively as second-line support is important
- In terms of how respondents view WFM changes by contact center size band, social media is seen as more important for larger operations, with 50% saying it is important or very important (compared to 31% for small operations). This pattern is also found with web chat, with 65% of large operations and 37% of small saying it was important, or very important.

## 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.

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

The weight, sound quality, amount of background noise allowed in, comfort and the length of time the headset will be worn should also be considered. Having sound in both ears (binaural) allows noise levels to be lower than is the case with single-ear sound (monaural), although some agents can feel isolated if they cannot hear the world around them. In addition, a noise-cancelling microphone 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.



---

In some countries, there has been recent legislation put in place around noise at work, which detail maximum average and peak noise levels that a worker may undergo, and the maximum amount of time that it is permissible for the worker to experience these sounds. We believe that it is only a matter of time until similar legislation is imposed in all Western contact 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<sup>5</sup>.

The Acoustic Safety Program 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](http://www.acousticsafety.org).

---

<sup>5</sup> Source: CCF magazine

## HEADSET REPLACEMENT AND MANUFACTURER

Around 20% of respondents' headsets are replaced in a given year, meaning that the average headset will have a useful life of around 5 years. This recent decrease in headset replacement may be a response to the cost reductions put in place across most contact centers in the past couple of years, and may be temporary. However, it may also be the case that the overall quality and durability of headsets is improving, meaning there are fewer requirements for replacement.

Figure 90: Headset manufacturers used by respondents

Manufacturer	Proportion of respondents using this manufacturer
Plantronics	62%
GN Netcom / Jabra	15%
Other	23%

## WIRELESS AND IP HEADSETS

### **Wireless headsets**

49% of contact center respondents used some wireless headsets within the contact center (the same as last year), with an average of 55% of headsets in these contact centers being wireless (up from 26%). In past years, most of the wireless headsets were used by supervisors who are more likely to have to be mobile to help agents in their team, and more than two-thirds of those respondents who were using wireless headsets had a penetration rate of over 20%, strongly suggesting that wireless has filtered into the agent population as well.

More than half of respondents in smaller contact centers use wireless headsets, with a penetration rate of 72% in operations that use them. In larger contact centers, only 31% of operations have any wireless headsets, with a penetration rate of only 31% in these contact centers. The manufacturing and finance sectors are the most likely to be using wireless headsets.

Agents working in product or technical support tend to have wireless headsets, as do supervisors.

### **IP headsets**

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

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

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

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

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

Larger operations are more likely to have implemented IP headsets, with 84% of respondents stating that they have done so, against 62% of medium and 61% of small operations. 96% of headsets in these large operations are IP-capable, against 80% in smaller contact centers.

The finance and retail & distribution respondents were most likely to have IP-capable headsets (80%+ of operations), with public sector 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.

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

Figure 91: What sort of IP phone device are you using?

IP phone device	Proportion of respondents
IP hardphone	39%
PC-based softphone	31%
Both hardphone and softphone	23%
Don't know	7%

**Single- / dual-earpiece headsets**

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

Figure 92: Use of single and dual earpiece headsets

Type of headset	Proportion of respondents
Single-earpiece	39%
Dual-earpiece	17%
Mixture of both	41%
Don't know	3%

---

## 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.

Readers wanting more information may like to consider viewing [www.acousticsafety.org](http://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.

Only 1 in 5 of respondents’ contact centers have a definite, written policy on acoustic shock and avoidance thereof, a clear area for improvement.

**Organizations able to help with Maximizing Efficiency and Agent Optimization:**



CallCopy is a leading provider of innovative workforce optimization to organizations across the globe.



Enghouse Interactive develops the world's most comprehensive portfolio of interaction management solutions, delivering technology and expertise to maximize the value of every customer interaction.

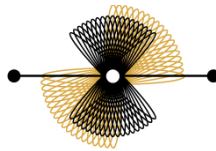


Fonolo's cloud-based call center solutions provide companies with visual dialing and virtual queuing services, improving customer satisfaction and lowering call center costs.





inContact Workforce Management 2.0 helps you forecast demand, schedule your resources and analyze and optimize your workforce to ensure your call center is delivering a cost-effective and beneficial customer experience.



**INTERACTIVE INTELLIGENCE**  
*Deliberately Innovative*

At Interactive Intelligence, it's what we do.



RightTime makes idle time productive by filling it with off-phone activities to improve productivity, performance, and profitability.



**NUANCE**

Nuance can help you deliver the best possible customer service experiences backed by smart automation.

**shl** *People intelligence*  
**Business results**

Driving better business results for clients through superior people intelligence and decisions



**UTOPY**

UTOPY delivers Agent Performance Management solutions driven by Customer Interaction Analytics, and the only completely analytics-driven Coaching and QM applications available today.



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



One of Vocalcom's clients increased calls handled by 50%, productivity increased by 30% and bottom line revenue increased 20% - just think what that could do to your bottom line!



Zeacom's Business Process Automation solutions help contact centers increase customer satisfaction and control costs by automating routine transactions.

## NEW MEDIA AND THE CUSTOMER OF THE FUTURE

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

Some of the key features that customers look for in a channel include:

- **The perceived effectiveness of the channel:** customers contact a business because they want something done. Feeling satisfied that their request has been taken care of is a vital ingredient to this – many contact centers still get calls asking if they have acted upon a customer’s email – and the reassurance provided by a real-time channel that an issue has been dealt with appropriately should not be underestimated
- **Channel availability:** one of the advantages of telephony has been its ubiquity. Almost every home has a telephone, and the wide uptake of mobile telephony has meant that the telephone has near-universal penetration. Of course, the rise of the cheap computer and the popularity of smartphones now means that the telephone is under serious challenge in the availability stakes
- **Low cost of use:** a particular issue for some people, with excessive amounts of time spent on hold in queue costing a significant amount of money
- **Painlessness:** a customer’s subjective view on how difficult and ‘painful’ the overall customer interaction experience has been, including the requirement for any follow-up interactions
- **Speed of conclusion:** this refers to the immediacy of response and the overall resolution time, including the need for any follow-up work, or waiting to get an answer
- **Ease of use:** familiarity also comes into this. Although it may seem as though most people are comfortable using a phone or computer, some IVR or speech recognition systems can make life more difficult than customers want.



A common criticism of IVR systems is that callers who opt out to an agent get asked to repeat information – such as their account number – after they have already entered it in the IVR. A fully integrated IVR enables the caller’s account information and where they were in the IVR to be displayed to the agent when the caller opts out. The IVR should also track the time the caller spends in the system and these callers should be answered first if they have been waiting the longest.

Figure 93: 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. Templated 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% of inbound interactions as email. Strong belief and desire for the figure to grow to 20%+.
Self-service	Both voice and web self-service are widely used, the former either through touchtone IVR or speech recognition, which handles simple queries and transactions.	Variable costs of using self-service are very low (i.e. once the system is set-up correctly, incremental cost per use is negligible), making it suitable for high-volume, simple interactions, avoiding the costs of these calls being handled by agents. Allows 24/7 service at low cost.	Excessively pushing the use of self-service, & badly-designed IVR menus can mean that callers feel frustrated & alienated. The use of natural language self-service is not yet widespread, & older voice-based applications are often inflexible & long-winded.	c.10% of inbound contact center interactions are dealt with by self-service, although contact center managers believe that far more calls are suitable for self-service.
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.	A small minority of US businesses currently use SMS to communicate with customers, usually for marketing purposes.

Channel	Current use	Drivers	Inhibitors	Proportion of interactions
Text chat / instant messaging	Growing in US especially as specific applications for its use emerge.	Real-time nature of text chat means it is akin to a voice conversation in immediacy. It is possible to ask security questions through text chat, although it is debatable whether the customer will feel happy about passing on this information over the web. Multiple concurrent text chat sessions can be run, cutting cost per interaction. Younger generation is used to messaging.	Text chat may be too alien to the older generation who may feel pressured by the sudden appearance of a chat initiation. It is also an expensive option, and may encourage people to ask unnecessary questions that they would otherwise use the website to find the answer to.	Around 2% of interactions into US contact centers, but 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 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.



Answer his call in 10 seconds

Greet Will Jackson by name

See he's a VIP customer

Check his call history

Offer him a VIP discount

Makes him happy

Close the sale

Makes me happy

**Bring customers closer. With Zeacom Communications Center.**

Our Multimedia Contact Center solution lets you respond to customers faster and easier - no matter how they contact you. Find out how to handle calls, email, fax, chat, SMS and even social media more efficiently.

Contact **1-877-993-2294** or [zeacomusa@zeacom.com](mailto:zeacomusa@zeacom.com) for a demo today.



[zeacom.com](http://zeacom.com) [bring customers closer](#)





## MULTIMEDIA MANAGEMENT AND THE UNIVERSAL QUEUE

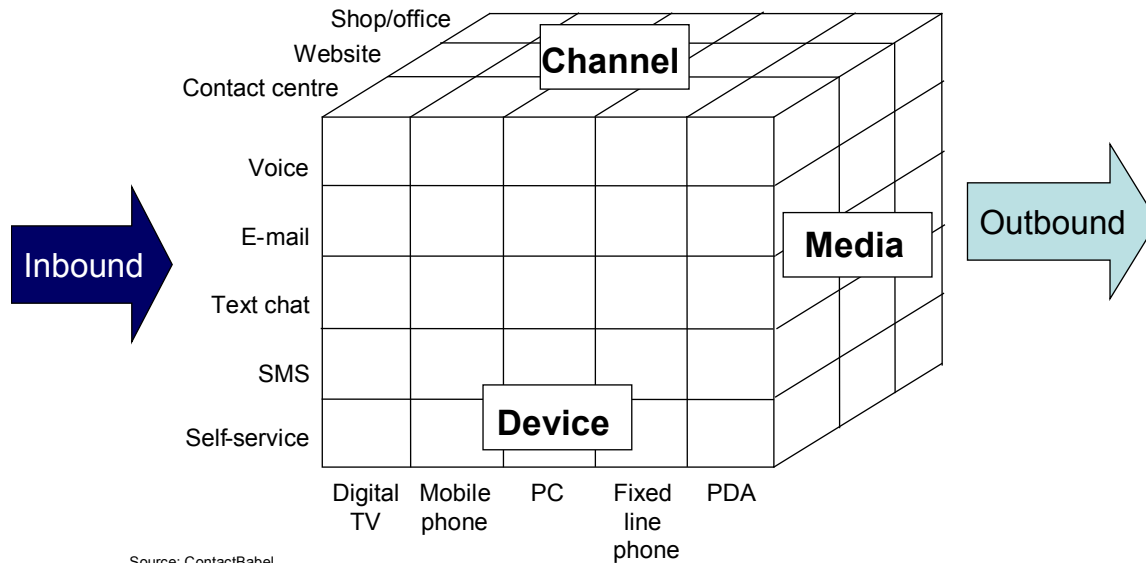
In the late 1990s, the phrase “contact center” was rarely used or understood by many working in the call center industry. With relatively minor changes, call centers continued to do what they had done for years before: receive and make telephone calls from and to businesses’ customers and prospects. 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 86% 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 throwing another element into the mix.

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

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

### Multichannel customer contact



This diagram shows how complicated customer contact can become once multichannel communication begins. The customer has numerous devices, both voice and text-based, with which they can contact the business. They may decide to query an automated system, or a live agent. They may want the answer in real-time, or prefer to



receive a reply at their convenience. They may use a telephone, PC, letter or use a kiosk in the street or in a physical store. Of course, not all contact is one-way – the business can also initiate outbound communications with its customers as well.

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

### **The Universal Queue**

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

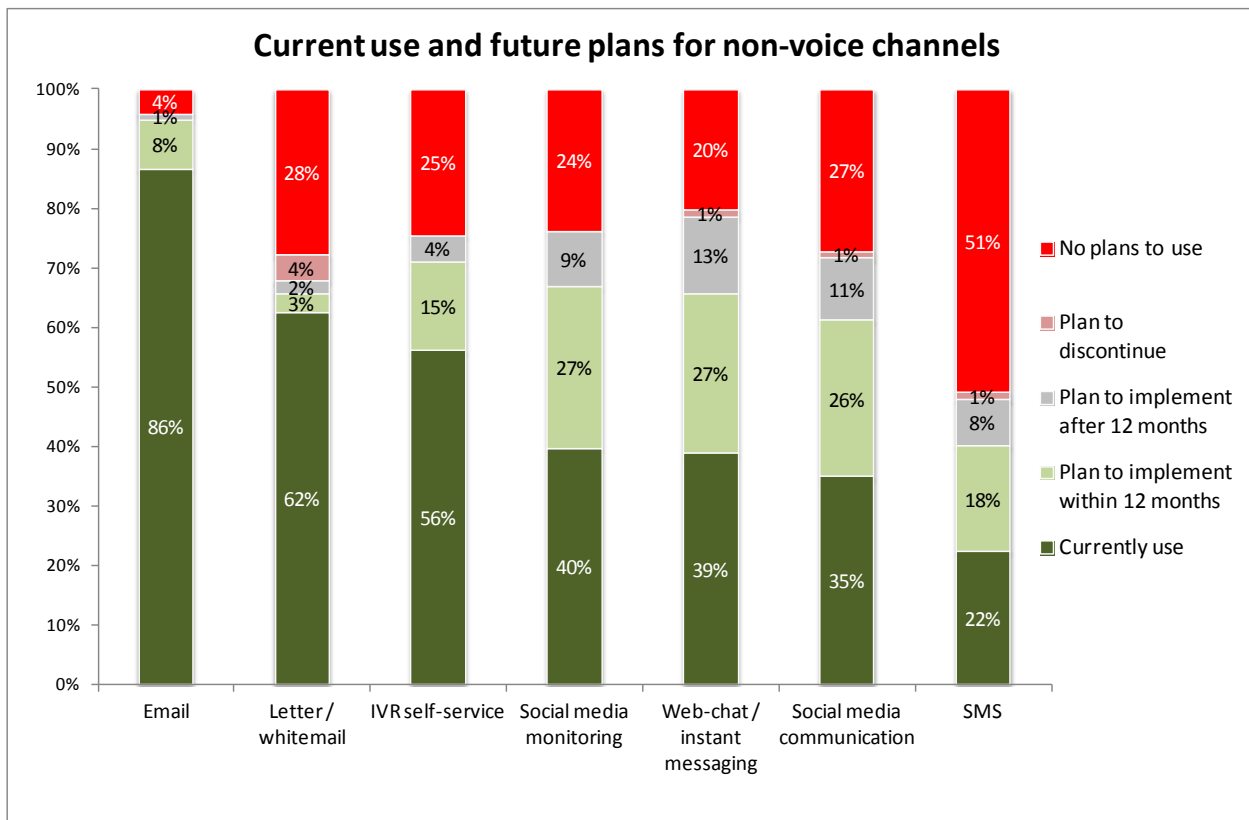
A universal queue is a platform which automatically captures, processes, routes and reports on customer interactions and related activities based on a company's specific business criteria, providing a view of each and every customer interaction. Customer interactions through channels such as voice, e-mail,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

Email dominates the non-voice agent channels, with 86% of respondents using it today. Social media monitoring & communication, and web chat show the greatest levels of short-term interest, with 26-27% of respondents stating their intention to implement these channels in 2012.

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 94: Current use and future plans for non-voice channels



The proportion of inbound interactions by telephone has not changed greatly since last year, but the proportion of self-service interactions has dropped somewhat from 12.2% to 8.9%: this may well be a movement from telephone self-service to the more flexible web self-service. Next year's figures will give an indication if this is a blip, or a structural change. Email continues to grow steadily, as does text chat.

Figure 95: Inbound interactions by channel

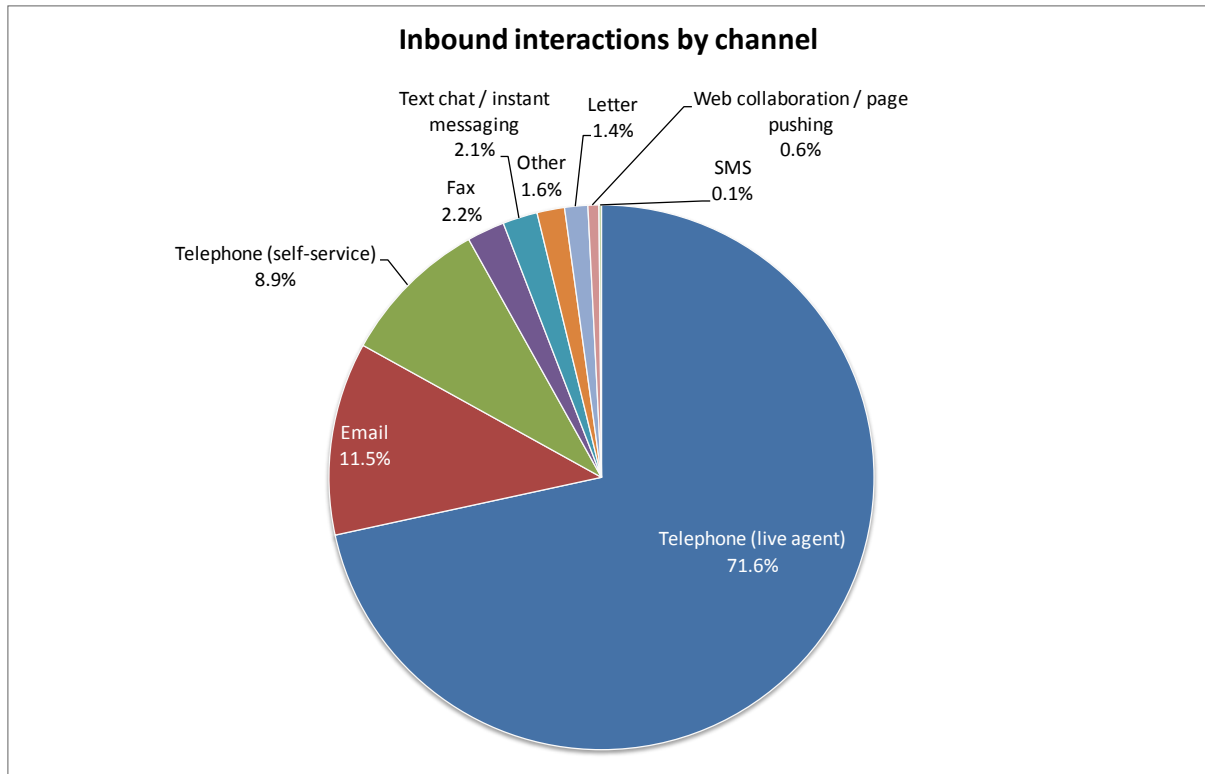


Figure 96: Channel usage

Channel	% of respondents accepting inbound interactions of this type
Telephone (agent)	100%
Email	88%
Letter	52%
Telephone (self-service)	48%
Fax	39%
Text chat	32%
SMS	7%
Web collaboration	7%
Other	24%

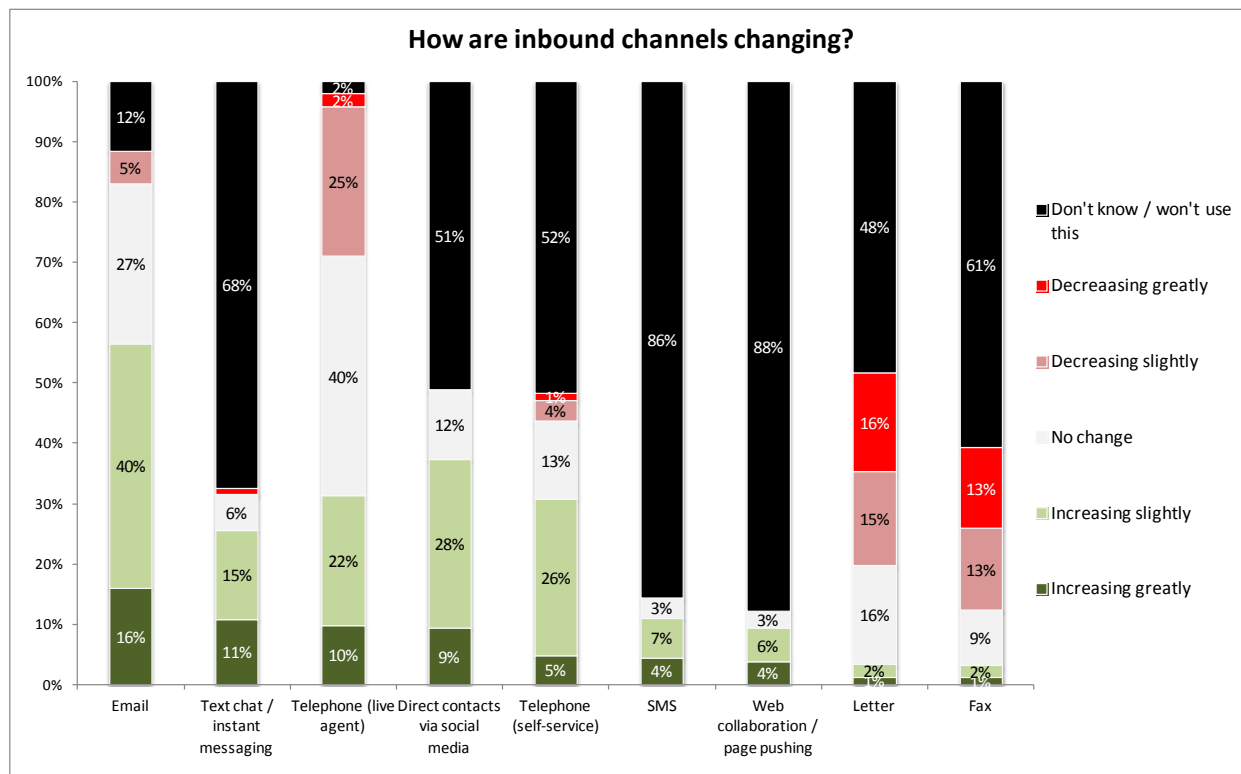
Of course, all respondents handle telephone calls to agents, with the vast majority accepting email as well. Traditional channels, such as fax and certainly letter are also well-used, although volumes are low. New media - text chat, SMS and web collaboration - are still in the realms of the early adopter,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

Figure 97: Inbound interactions by channel, by vertical market

Vertical market	EL	FS	INS	MAN	MED	OS	PS	RD	SVCS	TMT	Average
Telephone (live agent)	75%	70%	74%	67%	68%	86%	60%	64%	74%	62%	<b>71.6%</b>
Email	8%	9%	3%	20%	3%	4%	27%	14%	8%	22%	<b>11.5%</b>
Telephone (self-service)	0%	17%	13%	0%	15%	3%	3%	10%	10%	8%	<b>8.9%</b>
Fax	0%	2%	4%	6%	10%	0%	2%	2%	1%	1%	<b>2.2%</b>
Text chat / instant messaging	10%	1%	0%	0%	0%	4%	1%	3%	2%	3%	<b>2.1%</b>
Letter	3%	2%	5%	2%	2%	0%	5%	1%	1%	0%	<b>1.4%</b>
Web collaboration / page pushing	0%	0%	0%	4%	1%	1%	2%	1%	0%	0%	<b>0.6%</b>
SMS	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	<b>0.1%</b>
Other	5%	0%	1%	0%	0%	1%	2%	6%	1%	4%	<b>1.6%</b>

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

Figure 98: How are inbound channels changing in your contact center?



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

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

It is worthy of note that the figure for live agent telephony hardly changed this year overall and is very finely-balanced in our respondents' eyes as to whether it is in growth or decline.

---

## EMAIL MANAGEMENT

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



Skills-based routing of emails helps eliminate the problem of messages bouncing from agent-to-agent in an attempt to find someone capable of responding. Use the auto-reply feature to confirm that the message has been received and to advise the customer of the expected turnaround time for a full response. This dramatically reduces the number of "just checking to see if you got my email" phone calls from customers.

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

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

Putting email on the back-burner may seem like a sensible way to manage things: after all, the emails will still be waiting for agents once a call spike has been dealt with, and no-one wants high levels of call abandonment. However, the email queue is not self-managing in the same way that a telephone queue is, when customers will drop the call if the wait is too long, and (hopefully) call back at a quieter time. Old emails stack up, and agents can spend all of their time answering requests which no longer apply because the customer or prospect has lost interest, gone elsewhere or, ironically, phoned the contact 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 99: Inbound interactions that are email, by vertical market

Vertical market	% interactions that are email (mean)	% interactions that are email (median)
Public Sector	27.0%	29.0%
TMT	21.7%	12.5%
Manufacturing	20.4%	20.0%
Retail & Distribution	13.8%	12.5%
Finance	8.6%	10.0%
Services	8.2%	7.5%
Entertainment & Leisure	7.5%	7.5%
Outsourcing	4.4%	2.0%
Insurance	3.4%	2.0%
Medical	3.3%	3.2%
<b>Average</b>	<b>11.5%</b>	<b>8.8%</b>

As usual, the retailers and TMT (especially IT) respondents have significant volumes of inbound traffic as email. The former's email volume are often driven by sales via a website, with TMT/IT's more about technical support. The finance and insurance sectors do not deal with a large volume of email, mainly due to the restrictions on security, customer identification and customer data. The public sector reports a very significant chunk of email this year (up from 15.5% last year) and manufacturing is also a big user of email.

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

Figure 100: Inbound interactions that are email, by contact center size

Contact center size	% interactions that are email (mean)	% interactions that are email (median)
Small	15.6%	11.5%
Medium	10.4%	5.6%
Large	4.6%	3.0%
<b>Average</b>	<b>11.5%</b>	<b>8.8%</b>



# Keno Kozie Improves Customer Service with State of the Art Multimedia Solution

"ZCC has become an extremely valuable part of our operations, allowing management to monitor performance in real time, calls and emails to be queued to specific teams, and providing useful management reporting. We can now handle more support activity with fewer resources."

**Barry Keno, President of Keno Kozie Associates**

## Delivering Superior Customer Service

Keno Kozie's 24 x 7 law firm helpdesk operates out of its Chicago office, utilizing remote agents across the country to assist thousands of lawyers, administrators and support staff. Court filing deadlines, client requirements and competitive pressures mean helpdesk users have little patience for inefficient processes or extended wait times. Providing topnotch support day and night, through a variety of channels, is a tremendous challenge and puts considerable pressure on the helpdesk.

Prior to the implementation of Zeacom Communications Center (ZCC), calls were routed to agents using a basic hunt group. All agents were grouped together and a dedicated call center coordinator handled overflow calls to prevent callers from going into voicemail. All email requests were directed to a centralized MS Exchange mailbox.

With the introduction of the ZCC Multimedia Contact Center solution, email requests could be treated with the same urgency as phone calls. "We selected Zeacom above other solutions because it allowed us to incorporate multimedia channels into the traditional voice handling process. Now email requests are routed along with the voice calls to specific team members," says Barry Keno, President of Keno Kozie Associates.

## Saves on Operational Expenses as Staff Levels are Optimized

Keno Kozie has one major client that submits all of their support requests electronically. The requests are automatically updated in the incident tracking system, queued for specific analysts and presented to them on Zeacom's Agent Desktop interface. Email Queuing has greatly improved support for the client by significantly streamlining the process of handling hundreds of emails per week.

Keno Kozie uses Rich Presence to give its agents, operator and other staff instant visibility of employee whereabouts and availability. They can see if colleagues are at their desks, or what their estimated time of return is. They can even ask to be notified the moment a colleague arrives back at their desk. This greatly improves the efficiency of internal communications.

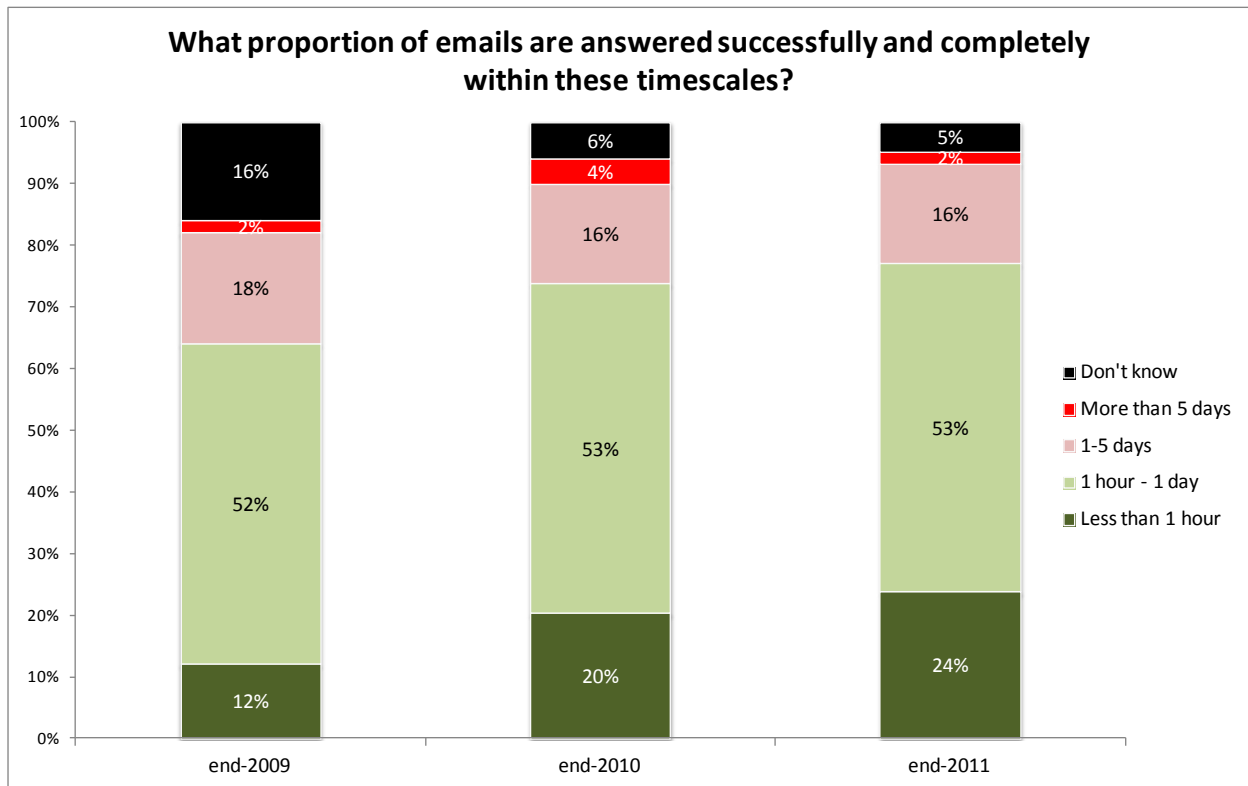
Customized announcements are used reduce call abandonment during peak times. If callers prefer not to wait for an available agent, a Callback option allows them to leave a voice message and hang up. The Callback message retains the caller's position in the queue until an agent becomes available to return their call.

"Zeacom has become an extremely valuable part of the operation," says Barry. "With all the new functionality, a least one unnecessary position has been eliminated, providing us with substantial cost savings."



Email response handling times have shown an improvement on last year (which were themselves slightly better than end-2009), with the proportion answered within one hour going from 20% to 24%, and those answered the same working day staying the same. However, taking longer than one day to answer an email runs the risk of the customer losing patience, and going elsewhere or phoning the contact center, placing a greater cost burden on the business than if they had just called in the first place.

Figure 101: What proportion of emails are answered successfully and completely within these timescales?



## 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.

From our respondents, all of those from the manufacturing, medical and retail & distribution sectors allow multimedia blending, although the proportion of agents given this responsibility varies widely. 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, 60% of agents in a blended multimedia environment are allowed to do both email and voice work.

Staff in smaller contact centers are expected to pitch in more with anything that need doing. 95% of email-handling sub-50 seat operations have some agents who deal with email and voice, compared to 70% in the 200+ seat bracket. Within these blended contact centers, small contact centers allow 73% of staff to do both voice and email, compared to 62% in medium-sized operations and only 17% in large contact centers.

Figure 102: Use of multimedia blended agents by vertical market

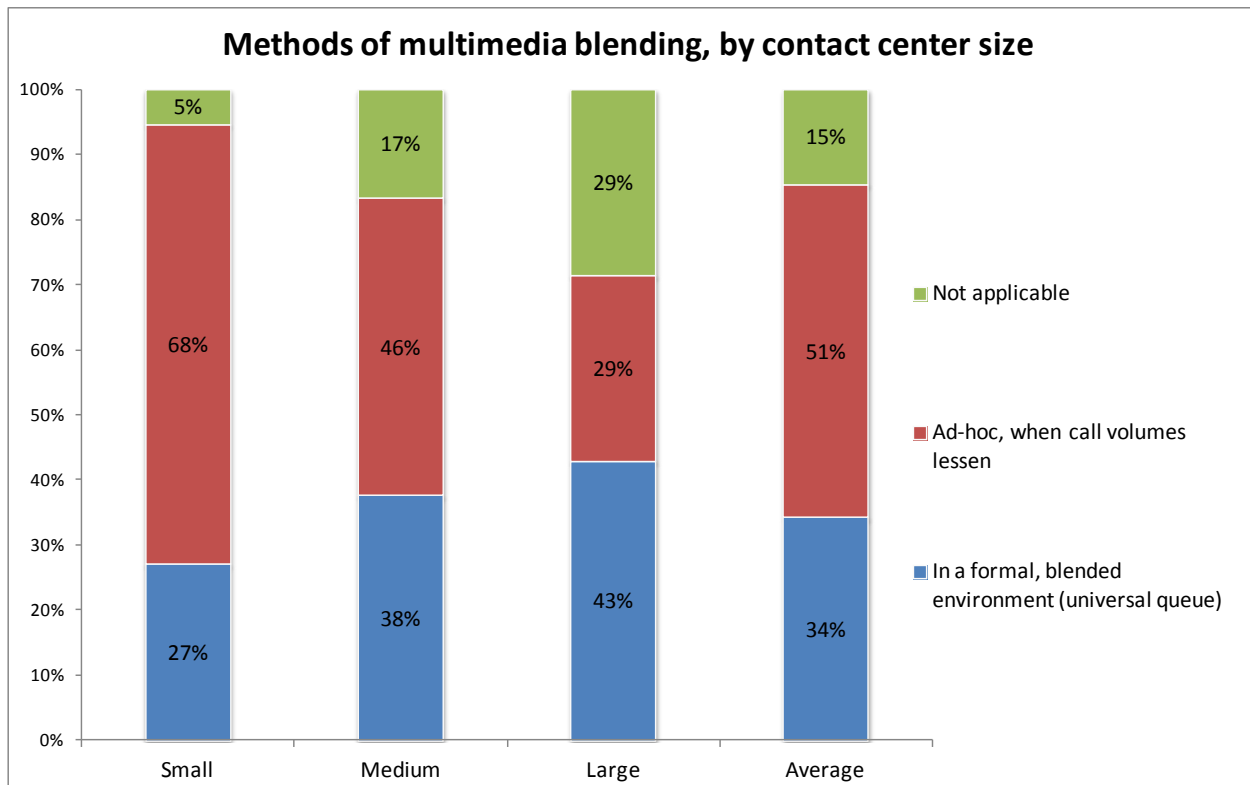
Vertical market	Respondent contact centers allowing multimedia blending	Proportion of agents answering both voice and email (only where applicable)
Manufacturing	100%	90%
Medical	100%	31%
Retail & Distribution	100%	54%
Finance	83%	54%
TMT	80%	67%
Public Sector	75%	100%
Insurance	71%	28%
Services	71%	81%
Entertainment & Leisure	67%	52%
Outsourcing	64%	44%
<b>Average</b>	<b>79%</b>	<b>60%</b>

As we can see, 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.

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

In the past 2-3 years, this has changed somewhat, perhaps as a combination of the larger volumes of emails coming into smaller operations, along with more reasonably-priced multimedia-capable solutions becoming available to this market. The result is that 27% of respondents from sub-50 seat contact centers state that they use a formally-blended environment, rather than an ad-hoc approach, although large contact centers are still more likely to do so, with 43% of large respondents using a universal queue model. Ad-hoc blending happens far more in small operations, with dedicated email agents more likely to be found in large contact centers.

Figure 103: Methods of multimedia blending



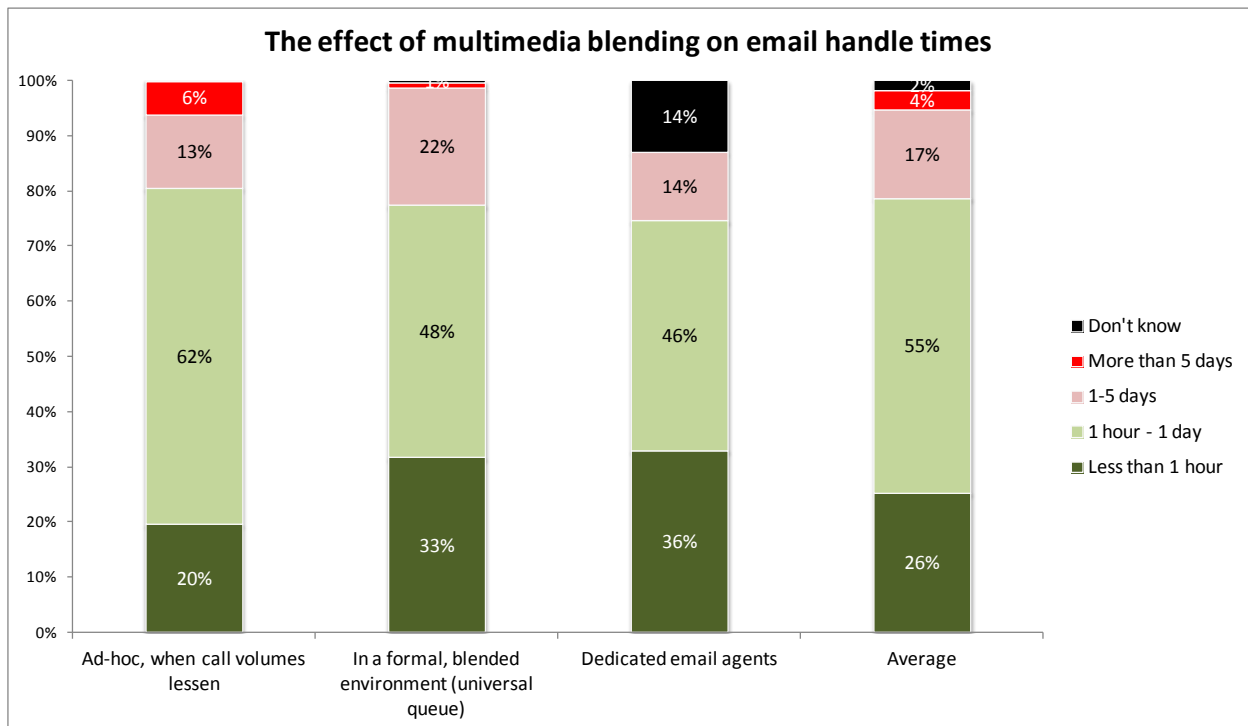
The following chart seems to indicate that a formalized blending environment, such as a universal queue, has a beneficial effect on email response times. 33% of respondents using a formal blended environment have average email handling times of less than 1 hour, with a further 48% answering in the same day.

The ad-hoc approach is a little less successful, with only 20% of respondents having an average handle time within 1 hour. However, respondents using dedicated email agents have a good sub-hour response time, although a surprisingly high proportion have no idea about how long email takes to be answered.



Availability of real-time data and exception reporting is critical to managing email service levels. Key metrics such as the size of the current email queue and how long emails have gone unanswered can be made easily accessible and highly visible by displaying them on a TV screen, desktop, smartphone or tablet. Set thresholds such that contact center managers are alerted **before** service levels are breached and can respond accordingly.

Figure 104: The effect of multimedia blending on average email handling time



---

## TEXT CHAT AND WEB COLLABORATION

Text chat (instant messaging / IM) and web collaboration are similar in that they offer live assistance to the process of web browsing. Like email, they have been around for a long time, but have yet to achieve the usage that had been predicted. IM offers an 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 templated answers and can escalate queries if required.

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

As an aside, some US contact 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 text chat at the expense of email. From a customer's perspective, the near real-time response of text 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. Text 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 text chat than email.

Text 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 text chat: revenue maximization, and the avoidance of unnecessary calls.



Text 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 text 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

Alongside 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 - 7 self-service IVR calls cost less than a single person-to-person call.

**To learn more about IVR as a call routing solution (i.e. options 1, 2 and 3), please see the section on 'Call Routing and Queue Management' in the '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 105: Advantages and disadvantages of touchtone IVR

Advantages	Disadvantages
Fantastic cost-cutter: 7 IVR calls cost less than a single person-to-person call	Can be inflexible to change IVR options, due to proprietary nature of many existing IVR solutions
Captured customer data from an IVR enables key CTI (computer-telephony integration) solutions, such as screen popping and skills-based routing to take place	IVR menus difficult to 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 IVR: it is seen as a low-cost option aimed at helping the business, not the customer. Overuse of IVR makes customers feel as though the company does not value them
Reduces queue times and call abandonment rates, improving customer satisfaction for those needing live agent help	Expensive, proprietary hardware has kept businesses locked into existing suppliers in the past

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

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

## THE USE OF SELF-SERVICE

This section looks in depth at how contact 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 and feature phones which allow web browsing on the move.

Figure 106: Some functions for self-service, by vertical market

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

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

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

## Self-service usage

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

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

### **Speech Technology and Hosted Solutions**

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

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

Like other self-service applications, automated speech has of course been more attractive for 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. Hosted speech services, where the telephony and technology infrastructure is centrally-owned and managed by a third party overcomes this capital investment hurdle, and the pay-as-you-go model adopted by most hosted suppliers means that ongoing operating costs are directly pegged to transaction volume, providing valuable operational flexibility.

Overall, 48% of respondents offer a full self-service option through a voice channel, although of course many do offer IVR for routing and CTI purposes, as well as a widespread use of web self-service. No single sector stands out this year as being at the forefront of telephony self-service.

Figure 107: 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	Proportion of contact center respondents offering a full self-service option
Medical	15%	60%
TMT	15%	67%
Finance	13%	85%
Retail & Distribution	12%	45%
Services	11%	70%
Insurance	11%	70%
Outsourcing	7%	55%
Entertainment & Leisure	6%	25%
Manufacturing	3%	20%
Public Sector	2%	15%
<b>Average</b>	<b>8.9%</b>	<b>48%</b>

NB: proportion of calls handled through self-service refers to all respondents, not just those offering a full self-service option. As such, it provides an industry-wide view of self-service usage

On average, 11% of voice self-service is handled through automated speech recognition, rather than touchtone IVR, a figure very similar to last year. 93% of self-service interactions in small contact centers are through touchtone IVR, with automated speech recognition becoming increasingly widely-used in larger operations, with 16% of medium-sized contact centers and 21% of large operations using ASR. This is a clear example of how the more expensive and complex ASR applications are more likely to be used by those with the resources to implement and support them, but also are operations that can really benefit from the power and flexibility that automated speech recognition can bring.

Figure 108: 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	99%	0%
Insurance	95%	1%
Finance	95%	5%
Manufacturing	95%	5%
Retail & Distribution	90%	10%
TMT	84%	17%
Outsourcing	83%	17%
Entertainment & Leisure	80%	20%
Services	73%	27%
Medical	64%	36%
<b>Average</b>	<b>89%</b>	<b>11%</b>

---

## 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 13% of calls that go into the self-service option are "zeroed-out" : instances where the customer decides that they in fact wish to speak with an operator, which is an improvement on last year, and is hopefully a sign that self-service applications are being considered as beneficial from the point of view of the customer. (NB, 1<sup>st</sup> quartile performance for 'zeroing-out' is 1.5%, the median is 3.5% and the 3<sup>rd</sup> quartile is 19%, which indicates that there are a relatively few number of contact centers where self-service failure rates are high, which this year's data indicate are more likely to be in the medical and public sectors).

Due to the potential additional flexibility and functionality offered by automated speech recognition over touchtone IVR, we would expect the zeroing-out rate (which can be viewed as connected to customers' rejection of the self-service option) to be lower for speech recognition than touchtone IVR, which is the case:

- In contact centers where the majority of self-service is offered through speech recognition, the mean zero-out rate is 16%.
- In contact centers where the majority of self-service is offered through touchtone IVR, the mean zero-out rate is 6%.

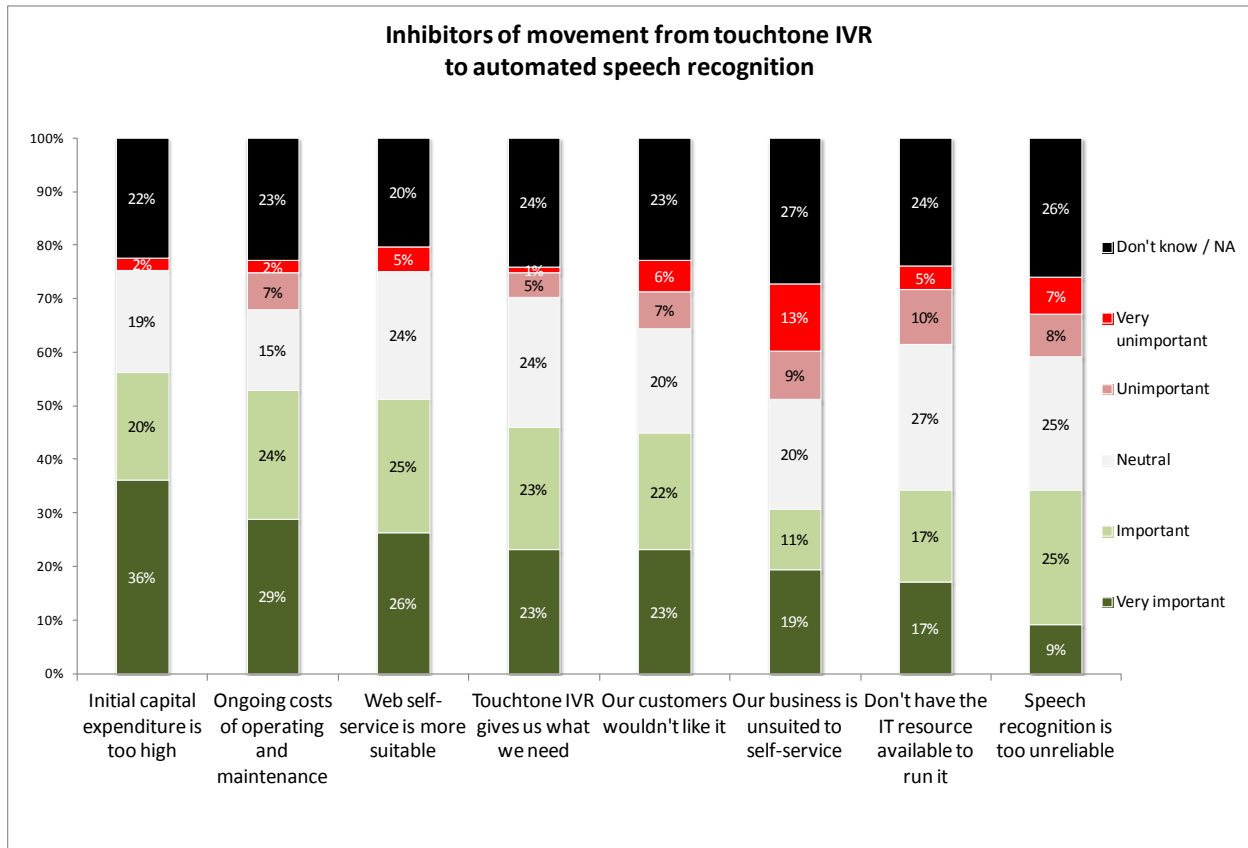
### **Cost differentials in self-service and live voice support**

- The average cost of a live telephone call varies considerably, but has a mean average of \$7.50.
- Respondents state that the average cost of a telephony self-service session is 98c (end-2010 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 109: 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 inhibitors were the initial investment (which could be alleviated through a hosted model) and that fact that customers would not like it. As touchtone IVR (when badly implemented) is a major bugbear for customers, replacing it with a quicker and more powerful alternative (ASR) could be seen as a benefit, although the inflated zeroing-out rates associated with ASR should be considered. After





---

many successful implementations, respondents still thinking that ASR was not yet up to the job technically were fewer than usual.

In all, there is still a great deal of work to be done by solution providers to offer delivery of ASR solutions - either as a replacement for touchtone IVR, or as a new solution - with innovative payment and service delivery methods, and especially a greater focus upon market awareness of the success stories in this area. However, there is more than a hint that respondents to this year's survey may look to stick with touchtone IVR and/or focus upon web self-service.

## VIDEO AND IVVR

Away from the self-service options that are opening up, video agents are a step towards more personalized, high-quality customer contact. The customer will be able to see to whom they are talking, either through a multimedia PC or interactive digital television.

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

- Customers may prefer the impersonality of non-visual contact, and may be uncomfortable with the agent seeing them in a domestic environment, which would suggest one-way video may be more popular
- Eye contact is critical for establishing trust and 60% of the communication process is actually visual. For sensitive purchases such as financial services, being able to see the financial advisor can help to establish trust and put the customer at ease. The entire contact may be captured and distributed electronically for further reference
- Verbal abuse, a major problem for some agents, may decrease in a virtual face-to-face setting, however, agents may feel their privacy is decreased if they are on camera, especially one-way, and the incidence of disturbing crank calls may increase
- The contact 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 a great deal of potential, especially in a sales environment, and with technical support, where the agent show the customer what they mean. Various businesses – usually banks – are already using video kiosks to offer virtual branch banking services in areas where physical branches have closed.

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

IVVR - the placement of visual self-service options on a screen (PC or smart/feature 3G phone) adds a new dimension to the caller's experience: in addition to hearing traditional IVR voice menus and announcements, a caller can now see menu choices, and receive video presentations while waiting for an agent, during call transfers, or wherever appropriate in the self-service experience. As people can read a menu far more quickly than they can listen to it, IVVR can provide a much wider choice of self-service options than a voice-only IVR. IVVR can be used as a video front-end to a traditional contact center, or as part of a full video contact center where callers and agents can see each other.



## THE CUSTOMER OF THE FUTURE



**White Paper:** "The Customer of the Future" (ContactBabel, in association with Exony, Cisco and Jam IP, 2008)

**Synopsis:** 30pp study of the technologies and cultural factors impacting upon future customer contact. Expands on the subject matter of this section of the Contact Center Decision-Makers' Guide.

**Download:** <http://www.jamip.co.uk/research/default.asp> (requires registration)



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

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

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

---

## SOCIAL MEDIA

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

This latter statement is, for many businesses, wrong. With around 30% of respondents' customers being from 'Generation Y' (roughly, those under 30 years of age), it would be the case that social media should be high on everyone's immediate agenda. Yet even more importantly, the past year or two has seen the preserve of the young trespassed on by the over-30s, those whom are most important to the majority of businesses. Social media is no longer just about young people, and the fact that most people using Twitter are over 35 shows that social media is a question for today.

Social media is no longer exclusively a young person's game: as Digital Surgeons reported, 53% of Twitter users and 37% of Facebook users are under 35 years of age.<sup>6</sup> While a few businesses still hold a mistaken perception that social media is restricted to teenagers and does not fully apply to their own customer base, all sectors have a significant proportion of under-30s, but the majority of customers are older and perhaps not much less likely to be using social media.

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.

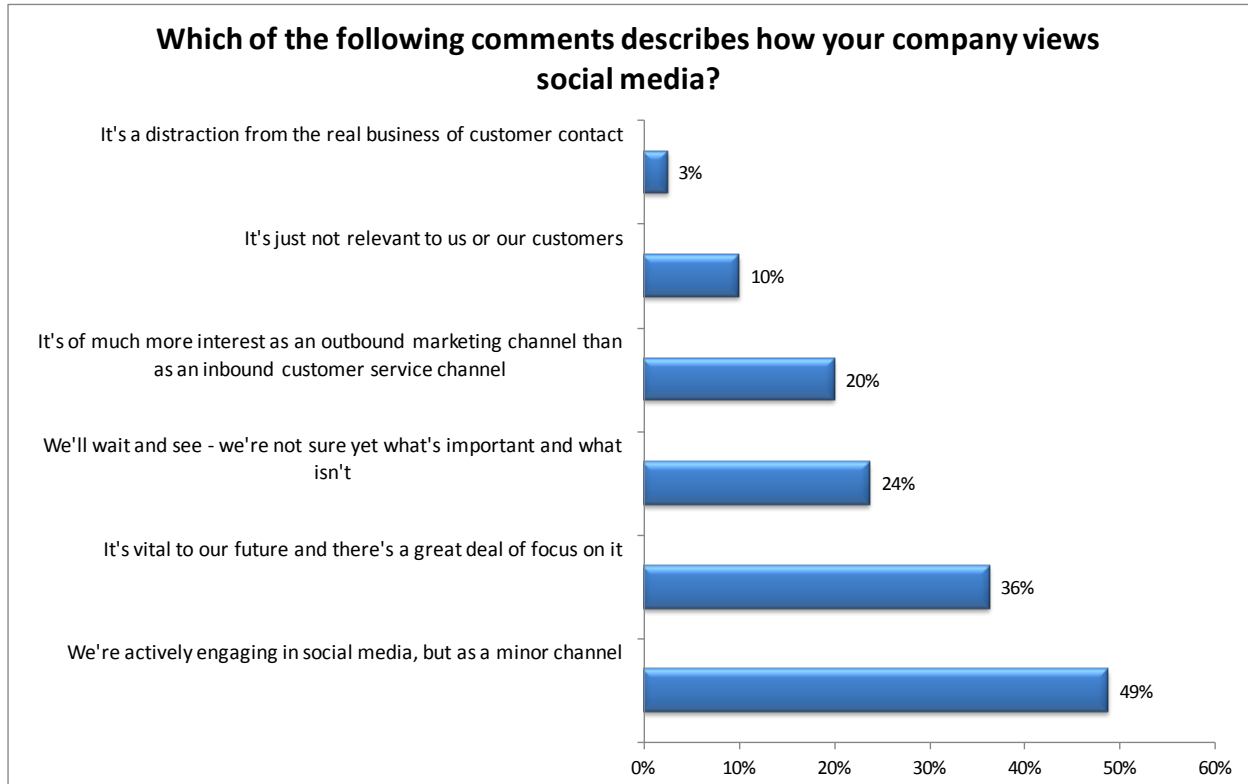
On the face of it, social media seems more about individuals communicating with each other, leaving companies out of the loop. However, many organizations have been eager to step up to the plate, setting-up Twitter, Facebook and Google+ accounts (or Quepasa, Renren, Mixi etc, depending on their geographic location), as well as YouTube channels for marketing and customer support, with corporate blogs and customer communities also widely supported.

---

<sup>6</sup> <http://www.digitalbuzzblog.com/infographic-facebook-vs-twitter-demographics-2010-2011/>

As the following chart shows, US organizations are enthusiastic about social media. Businesses were allowed to agree with more than one of these statements, with 49% saying that they were actively engaging but as a minor channel, and 36% seeing social media as vital to their future, with only a tiny minority writing it off altogether. 1 in 5 respondents see it as another outbound channel to get to customers - which is contrary to the 'dialogue not monologue' ethos generally accepted.

Figure 110: Which of the following comments describes how your company views social media?



The relatively small number of respondents in some vertical sectors make quantitative analysis less appropriate for this question. However, some key messages can be drawn out:

The **manufacturing** sector had the greatest proportion of respondents that were less enthusiastic about social media, probably as a result of much of their business being done through B2B channels and existing accounts.

The **entertainment & leisure, services, and retail** sectors are all very enthusiastic about the future of social media in their business, with the latter getting far more benefit than most users from social media as a customer service channel.

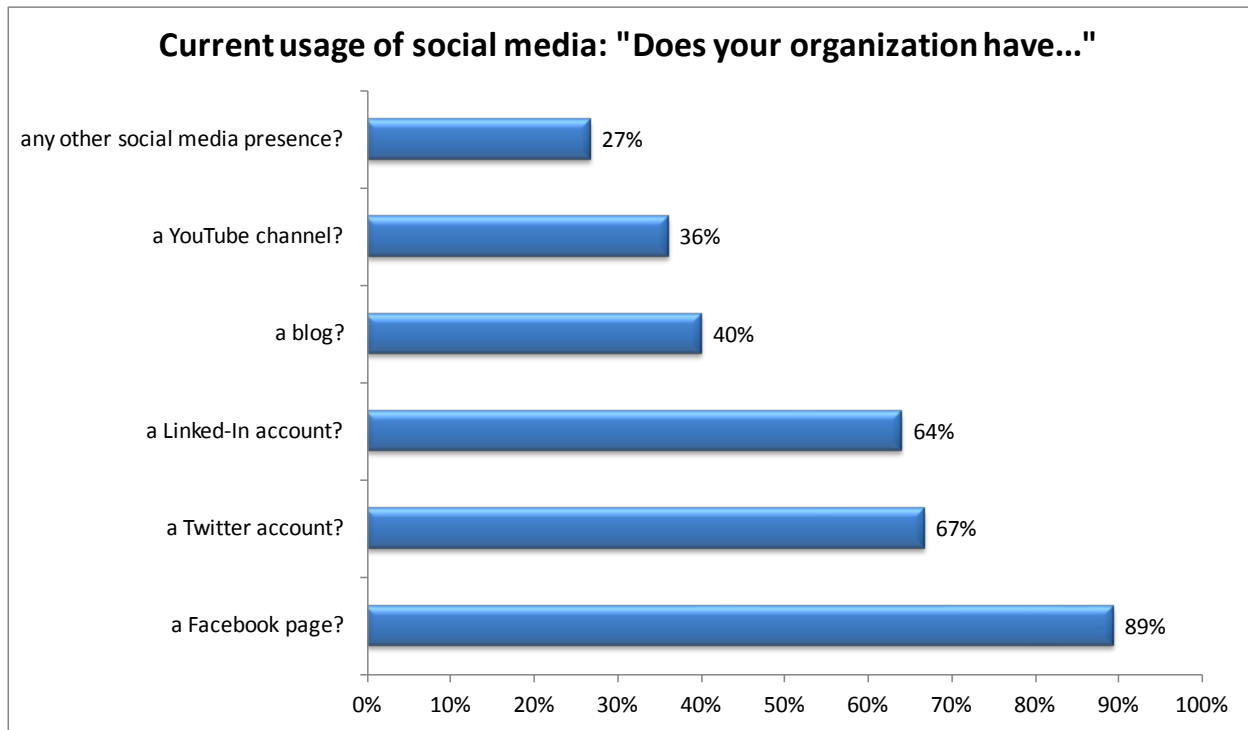
**Insurance and public sector** respondents are more likely to be taking a 'wait-and-see' approach, although there is little cynicism about social media in any of these sectors.

With the exception of manufacturing, all verticals are actively engaging in social media as a minor channel, with insurers and public sector being most active in using social media as an outbound communication channel with their customers.

When looking at attitudes by contact center size, operations with large contact centers (and thus, the most customers), predict the greatest things from social media, and not just from the point of view of it being another channel with which to bombard customers with marketing messages. Large operations are least likely to have taken a watching brief over social media, and the majority engage actively now.

Small and medium operations are more likely than large businesses to see social media as an easy - and cheap - way to broadcast to customers, but even so, only 1 in 5 of these respondents see social media as more important outbound than inbound, suggesting a good appreciation of the two-way nature of this medium.

Figure 111: Current usage of social media



Having chosen various types of social media channel to investigate, it probably comes as no surprise to find Facebook and Twitter as the most widely-used, although the use of the B2B channel 'Linked-In' should be noted too.

Twitter is mainly used as an outbound broadcast tool (assuming follower numbers are sufficiently high) but also as an inbound customer communication channel, and through using the @mention function, a way in which the company can see how it and its competitors are being perceived by the market. A negative global mention by a very popular Twitter user can be damaging to the brand, although the viewing of any direct communications between company and user tends to be restricted to those that follow both parties.

Facebook is used in a similar way to Twitter, as a portal for information. However, with the majority of companies allowing fans (customers) to post on their wall, this is also being used as a two-way customer service channel, especially by large businesses who can dedicate resources to dealing with such matters. However, this can be risky, as an irate customer who posts negatively many times can tarnish the brand far beyond their actual reach.

Figure 112: 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	7.5	5%	44%
Acting directly upon negative comments and complaints about the company	7.5	8%	48%
Delivering marketing and product information to the customer	7.0	7%	33%
Offering customers a fully-supported customer service channel	6.3	14%	33%
Learning more about our competition	5.9	20%	26%

The preceding table shows the usefulness that businesses are using for social media. The most important use is the monitoring of what customers are saying about the business and its products, with 44% of respondents that use social media for this scoring it at 9/10 or 10/10. As this is a relatively easy use of social media, this is perhaps unsurprising.

However, the ability to act directly upon negative comments and complaints is seen as being just as useful, despite this requiring somewhat greater resources as the need for a rapid response is far greater than for monitoring comments which aren't directed at the company itself. Yet against this, the option of offering customers a fully-supported customer service channel via social media rates lower, with only one-third of respondents scoring it very high and 1 in 7 very low.

This indicates what many customers have experienced already - that most companies are not fully geared-up to providing customer service via social media with anywhere near the same quality as via telephony, or perhaps even email. This is not surprising - for some companies, taking sufficient people out of the frontline to deal with social media can weaken their bread-and-butter voice operation. As responses to social media queries are by their nature public, the quality of agent dealing with these tends to be very high, exacerbating the potential problem. There are even anecdotal tales told of savvy customers who, knowing that their public complaint or issue will be dealt with quickly, prefer to go straight to a social media channel rather than wait in a telephone queue.



---

Looking from a vertical perspective, entertainment & leisure, finance and services respondents find monitoring customer sentiment most useful. The same sectors (along with manufacturing) use social media to respond quickly to complaints, with TMT companies getting benefits from taking social media channels to customers as a formal and well-supported channel.

Most sectors, except for the non-competitive housing sector, see social media as fairly useful in terms of the outbound direct marketing mix.

In terms of garnering competitive information, the non-competitive public sector is of course less keen, and the manufacturing sector is less focused upon this as well.



## Customer communities

It is worth talking about customer communities separately. Apart from the globally-recognized names like Facebook and Twitter, which promote B2C and C2C communications, there are a large number of self-built customer communities that band together - not uncritically - around a brand or product that they are interested in that tends to support the site at one remove. The case study below, although a few years old, explains why these unheralded social media methods can be quietly effective.

### Customer communities - effects on brand perception and loyalty

A major academic study of eBay community participants<sup>7</sup> studied how such membership of online communities altered behavior, psychology and attachment to the eBay brand. Groups of active participants ('enthusiasts', who post messages to forums), and passive members ('lurkers', who may read posts, but do not enter into conversations) were considered.

Customer communities on eBay exist in the form of clubs for people with similar interests, such as specific car types, Barbie dolls or other special interests. There are also live chat rooms. Conversations exist both on-topic and off-topic, with some forums dedicated to non-business conversations.

The results of the research, which encouraged people to use communities, and then tracked behavior, found that "with increasing community participation, customers bid more, won more auctions, paid higher final prices, spent more money for buying items and were more motivated to make purchases if they didn't do so before." The same positive effects were witnessed on the sales side, where community members sold more, made higher revenues and received better feedback than non-community members.

The researchers suggest several reasons why this should be:

- Community membership means that a person is more likely to identify themselves with the brand, using it and recommending it more often
- Members gain educationally from the experience, receiving tangible benefits
- The shared goals and values of the group reinforce member identity
- Trust emerges as a result of asking for, and receiving help and advice, making the member more likely to give back in return
- This trust means that members are less likely to fear fraud, and to hold back from purchasing behaviors
- Continual positive experiences within the customer community mean that the supporting brand is considered in a positive light, even if the brand itself is peripheral to what is happening within the community
- The researchers estimate that the increased use of customer communities within eBay that were created by this experiment produced a rise in revenues of \$89m over the course of a year. The costs of encouraging greater community participation was around \$10,500, a return on investment of almost \$12,750 for every \$1 spent.

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

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

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

Businesses can also benefit from closely tracking the community's views, extracting high-quality, unbiased feedback about products, services and competitors, and as everyone knows, an unsolicited opinion is far more likely to be honest and useful than asking someone directly what they think. It may be that independent and objective customer service review websites emerge, whereby benchmarking of performance metrics and experiences means that potential customers can check out how good a company is to deal with before they use them.



---

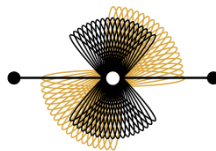
**Organizations able to help with New Media and the Customer of the Future:**



Enghouse Interactive develops the world's most comprehensive portfolio of interaction management solutions, delivering technology and expertise to maximize the value of every customer interaction.



Fonolo's cloud-based call center solutions provide companies with visual dialing and virtual queuing services, improving customer satisfaction and lowering call center costs.



**INTERACTIVE INTELLIGENCE**  
**Deliberately Innovative**

At Interactive Intelligence, it's what we do.



Driving better business results for clients through superior people intelligence and decisions



UTOPLY 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 Customer Interaction Analytics platform.



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



---

# VOCALCOM

Connecting to Customers

Vocalcom is a global leader in contact center innovation now with Social Media interaction managed through the agent's workspace.



Respond to customers faster and easier, no matter how they contact you, with Zeacom's Multimedia 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, CROSS-SELLING AND UPSELLING

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 segmentation would be misleading. The mean and median average were 25%, with a 1<sup>st</sup> quartile of 35% and a 3<sup>rd</sup> quartile of 10%. Outsourcers and services respondents tended to have higher than average success rates.

The entertainment & leisure sector has the greatest proportion of service agents able to sell opportunistically, with the services and outsourcing sectors also geared-up to achieve extra sales. The retail & distribution sector was most likely to feel that its cross-selling and upselling activity could be increased further.

Figure 113: Agents capable of cross-selling and up-selling, with future requirements, by vertical market

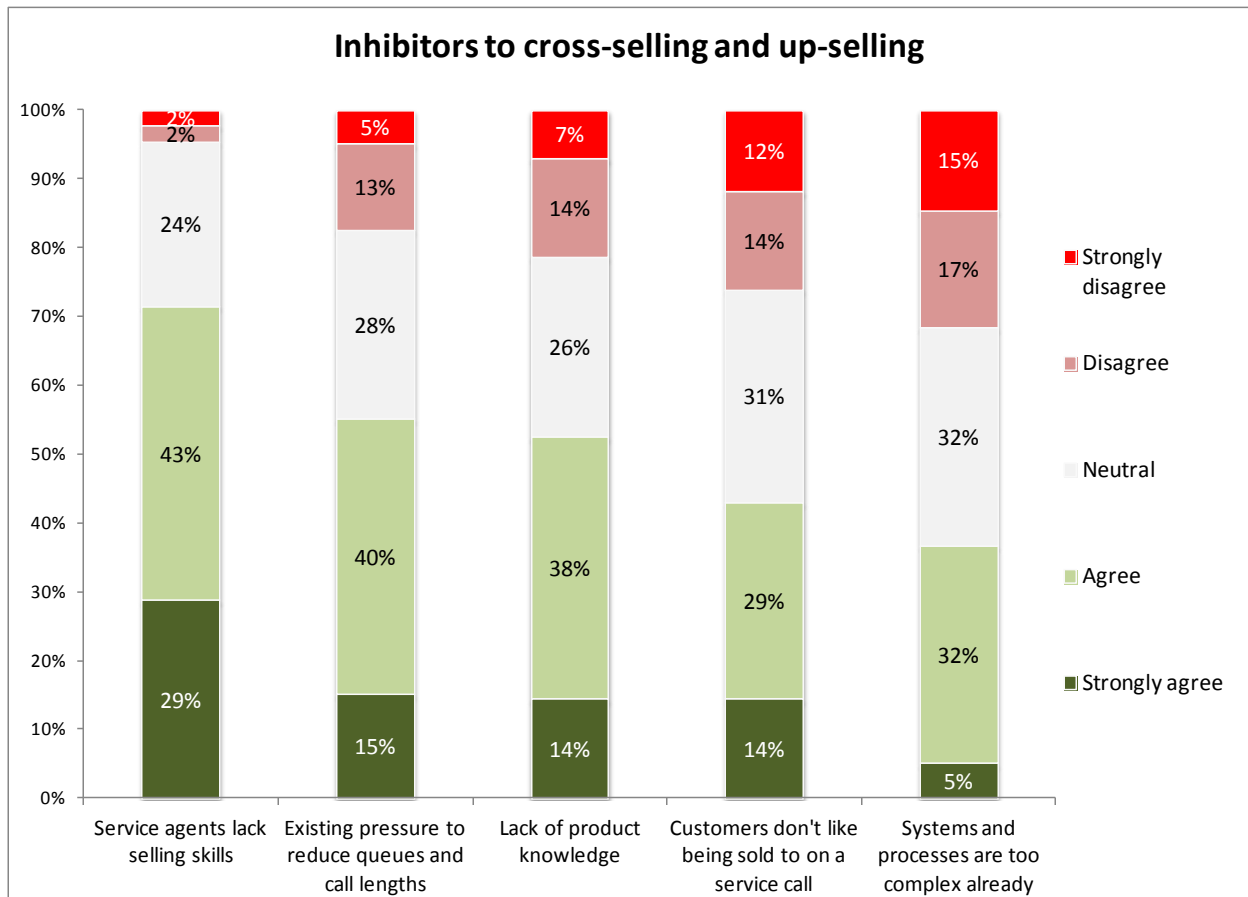
Vertical market	% of service agents able to cross-sell and up-sell	% of service agents desired to be able to cross-sell and up-sell	% increase required
Entertainment & Leisure	73%	80%	9%
Services	58%	68%	17%
Outsourcing	57%	63%	10%
Finance	56%	70%	25%
TMT	51%	58%	14%
Medical	46%	51%	11%
Manufacturing	40%	50%	25%
Retail & Distribution	28%	55%	95%
Insurance	24%	25%	3%
Public Sector	0%	0%	n/a
<b>Average</b>	<b>48%</b>	<b>53%</b>	<b>11%</b>

Smaller contact centers were more likely to have the flexibility for cross-selling and upselling in place for their agents, although respondents from large operations were optimistic about increasing this activity.

Figure 114: Agents capable of cross-selling and up-selling, with future requirements, by contact center size

Contact center size	% of service agents able to cross-sell and up-sell	% of service agents desired to be able to cross-sell and up-sell	% increase required
Small	56%	58%	4%
Medium	44%	51%	16%
Large	40%	55%	36%
<b>Average</b>	<b>48%</b>	<b>53%</b>	<b>11%</b>

Figure 115: Inhibitors to cross-selling and up-selling





---

With 72% 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.

55% 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).

52% of respondents cite a lack of product knowledge as being something of an inhibitor, a matter that can be addressed through training, but also through offering support systems such as dynamic scripting within the conversation, and also being more realistic with the number of products on offer through cross-selling and up-selling.

43% of contact centers 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 low-cost number takes this element away.

37% of contact centers believe that their environment is so complicated already that they can't carry out additional sales work. While this is a minority, it is still a missed opportunity for businesses - which should certainly be addressing the underlying systems as well as the presentation layer - as effectively their systems and procedures are stopping them from moving their business forward.

Looking more deeply at inhibitors to cross-selling and upselling - and thus increasing profitability - the majority of respondents from all sizes of operation feel that service agents can lack the sales ability needed to increase profitability on a service call. On the face of it, this is strange, as a large part of successful sales is about listening to the potential customer and empathizing with them, identifying what their concerns and requirements are, and suggesting a solution to them: in fact, many of the same skills that are used on a service call.

Large operations are more likely to plead that their existing systems and processes preclude cross-selling or upselling, as they are more likely to be using more applications within the call, and also for post-call wrap-up than smaller operations. A unified agent desktop with single-screen access to relevant data sources and databases would go a long way to avoiding the dreaded in-call silence caused by the navigation of multiple screens .

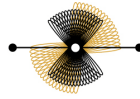


---

There is a general feeling, particularly in smaller operations, that lack of product knowledge holds back cross-selling and upselling, although training and scripting could certainly get around most of this issue.

Pressure to reduce call lengths is seen as a far more important inhibitor in large operations than in small, as the costs involved in calls that are 10 or 20% 'too long' can make an annual cost difference of several hundreds of thousands of dollars, if not millions. As such, cutting call lengths in multi-million call environments is still very important to profitability, and encouraging indiscriminate cross-selling and upselling without providing the necessary tools, checks and measures is felt to risk increasing costs enormously.

Customer dislike of being sold to on a service call is widely felt to be a problem, especially by respondents from large operations. Agents have to be trained in whether to attempt a sales element depending on the signals given by the caller, as well as the result of the original service call. Whether the customer is paying for the call is also relevant, as many are very aware of the prefix dialed, and are less likely to be receptive if they are paying for the privilege of listening to a sales pitch.



## CLOUD AND HOSTED 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 is either unaware or misinformed of the abilities of cloud-based or hosted solutions.

The target audience and the overall market share these providers have secured have been growing rapidly, fuelled in part by the effectiveness that those solutions have had the opportunity to prove. However, there remains much uncertainty about the potential advantages or even the exact nature of the various non-CPE solutions.

**Hosted solutions:** often built from tried-and-trusted CPE equipment that has been modified to offer functionality to various separate clients at multiple locations. Access to the hosted solutions may be provided by fixed access links installed specifically for the purpose, but can also be via connecting to existing private WAN networks.

**Cloud-based or network solutions:** not based on a single piece of equipment or at a single site, which should allow greater up-time and fault tolerance. Designed from the beginning for multiple users (multi-tenancy), and supporting easy scalability as it is not held back by fixed bandwidth, capacity can be increased easily, supporting true geographical independence including offshore operations. As inbound contact center or outbound dialing equipment is physically held in multiple locations, this permits users to access the various services via a combination of the contact center's internet connection and the standard PSTN networks.



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. 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. 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 instances of the application.

In general these solutions fall into one of two camps; cloud-based or hosted solutions, but in both cases, a service provider owns and operates a contact center technology platform and leases its services and features to end-users for a monthly or usage-based fee.



# Transform your Contact Center

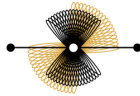
## Achieve the benefits of the cloud

- Increased flexibility
- Faster deployment time
- Minimal upfront capital expense
- Reduced IT requirements

The cloud-based communications solution from Interactive Intelligence lets you do more than simply transform your contact center.

- With a virtualized environment in our data center, you increase flexibility and security.
- You deploy your cloud solution faster, with the option to keep all voice traffic on your own network.
- You minimize capital expenditures, and migrate from the cloud to on-premise at any time for long-term investment protection.
- You ease IT workloads with an all-in-one platform and a single interface for administration.
- For your customers, you offer chat, presence, social media, mobility, and speech analytics – for greater control of the customer care process.

With the cloud and the experience of a proven solutions provider for the contact center and unified communications, you achieve benefits you never dreamed possible.



---

## WHAT TYPES OF COMPANY SHOULD CONSIDER HOSTED/CLOUD SOLUTIONS?

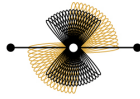
- Small and medium businesses, especially those needing rapidly deployable, easy-to-use services, such as enhanced routing
- Any size company looking to start a contact center - outbound, inbound or both or move at low risk, or increase size for a temporary campaign
- Any size company looking to provide 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.



INTERACTIVE INTELLIGENCE®  
Deliberately Innovative

---

Put simply, whether delivered by customer premise equipment (CPE) solutions, by hosted or network systems, or a mixture of both, enterprises always demand control, choice and intelligence in a financial framework that is acceptable. Hosted & network solutions offer businesses the opportunity to deal with operating costs rather than capital expenditure which will always get a positive hearing at the budget-holder level of a business, although some CPE providers also offer leasing options.

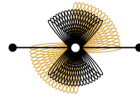


We couldn't agree more – customers are demanding choice and flexibility and the ability to optimize financials based on their specific requirements, constraints and choices made. Customers will choose premise or cloud – one may be more optimal than the other given their environment and preferences – 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, or as part of a phased premise deployment strategy (cloud being phase 1), presenting a whole new level of financial flexibility and investment protection not previously recognizable.

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

While these solutions already offer some inherent benefits provided by their design - such as simpler disaster recovery planning - their providers should also have the ability to offer functionality and managed services that would not be possible with CPE: the very nature of providing a service on equipment based external to the contact 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.

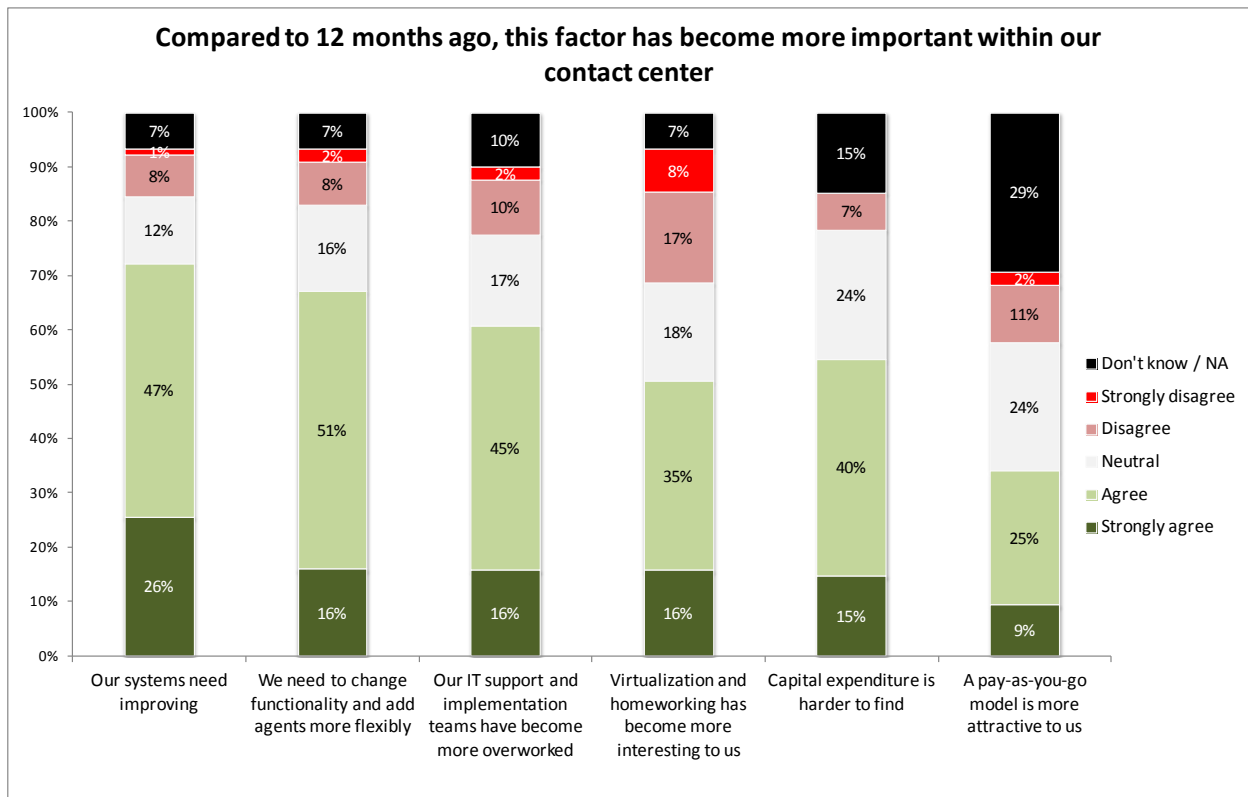




## DRIVERS FOR HOSTED AND MANAGED SOLUTIONS

In order to make a change in the way things work, there needs to be pressure exerted to make change worthwhile. After considering several potential financial and operational drivers for hosted / managed solutions, respondents were asked how the importance of these factors had altered within the past 12 months in their own contact center operations, to see if there is a growth in the forces that would make a contact center consider changing the way they do business.

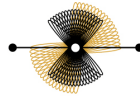
Figure 116: Compared to 12 months ago, this factor has become more important within our contact center



There is a very strong feeling held by the majority of respondents that systems need updating urgently, 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. The public sector is particular aware of their need to upgrade systems, but this is generally felt across the board.

The desire to increase the flexibility of agents (a key feature of hosted solutions), and to improve functionality is also strongly felt across the board, with the public sector again feeling this most acutely.

61% of respondents say that their IT staff are more overworked now than 12 months ago, despite a cut in new IT projects. A cloud-based solution can offer a significant reduction in the level of on-site support required. The financial services respondents were especially keen to indicate that their IT staff were increasingly overworked.

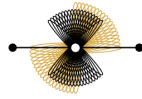


Opex expenditure continues to be somewhat easier to find than Capex for many respondents, especially with insurance and public sector respondents, and the emergence of SaaS should fuel interest in non-traditional infrastructure and financial models. Surprisingly, though, interest in the pay-as-you-go model has not generally increased by much.

Interest in virtualization and homeworking has increased generally in the past 12 months, with the entertainment & leisure and manufacturing sectors showing much more interest than previously. As more 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.

Figure 117: Compared to 12 months ago, this factor has become more important within our contact center (by vertical market)

	EL	FS	INS	MAN	MED	OS	PS	RD	SVCS	TMT	Average
Our systems need improving	1.5	1.3	1.1	1.2	1.2	0.1	2.0	1.5	0.6	0.8	0.9
Virtualization and homeworking has become more interesting to us	1.5	0.8	0.6	1.4	1.0	0.6	1.3	1.0	0.4	0.5	0.7
We need to change functionality and add agents more flexibly	0.5	0.5	0.6	1.2	1.0	0.4	1.5	0.8	0.6	0.4	0.6
Capital expenditure is harder to find	0.5	0.6	1.4	0.8	1.0	0.3	1.3	1.5	0.5	0.2	0.6
Our IT support and implementation teams have become more overworked	1.0	0.0	0.1	0.2	0.5	0.1	0.8	0.3	0.6	0.2	0.3
A pay-as-you-go model is more attractive to us	-0.5	0.2	0.8	0.2	0.8	0.2	0.8	0.8	0.3	0.3	0.3
NB: scores relate to the 5-point scale of "Much less important = -2, Less important = -1, No change = 0, More important = 1, Much more important = 2"											



---

## THE VALUE PROPOSITION OF CLOUD/HOSTED/NETWORK SOLUTIONS

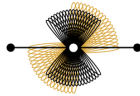
There are several factors driving the adoption of these solutions. The first is the ‘pay-as-you-go’ financial model that allows business of all sizes to move away from high front-end expenditures in favor of a more manageable operational expenditure approach. Small and mid-size companies typically do 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:

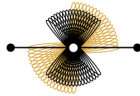
- Local Control VoIP - voice infrastructure components such as gateways, media servers and IP phones — together with call recordings and sensitive customer information — remain on-premise
- Remote Control VoIP - a centralized option where all components — voice infrastructure and application server — 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.

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 and thousands of agents and brands with significant goodwill, require an added level of security, reliability and control that only this hybrid model can offer. One such contact center accounts for the largest deal in Interactive Intelligence history – a \$10 million, 5 year cloud contract with a peak of 4,200 agent seats and additional opportunities for expansion – which is quite amazing considering how experienced we are in the contact center and how much financial successful we've been having.



### *Cutting the cost*

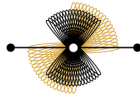
- Decreased capital expenditure:
  - Businesses can scale down future customer premises equipment (CPE) investment, with a resulting decrease in capital expenditure
  - There is also an opportunity to buy services using a pay-per-use or even pay-as-you-talk pricing model, which helps to keep operating expenses to a minimum
  - Additionally, issues surrounding the total cost of ownership of CPE do not arise with hosted solutions: outright purchase of equipment isn't for everyone, perhaps for reasons of budget or the ability to maintain the systems
  - Low-risk ability to start up or move or expand without risking existing business plans
  - Business retain the freedom to downscale change targets and plans to meet demand, rather than commit themselves to long-term arrangements needed to justify the purchase approach of high value CPE.
- Lower development costs:
  - Businesses can experience a decrease in development costs and an increased speed of implementation, as hosted solution providers will already have solutions up and running
  - Network-based providers can arrange solutions to be integrated in days, as no 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:
  - Business are able to reduce associated infrastructure Capex and Opex costs, such as telecoms requirements, as only one PSTN line per agent is needed for outbound & inbound campaigns. The overcall is carried out in the network and only live calls are placed to the agent, therefore the telephony line and terminating equipment costs are reduced
  - Network/hosted solutions can save on staffing/resource as they are no longer needed to manage the physical technology as it is not on-site
  - Call queuing at the network level also saves money. In multi-site operations - rather than pass a call down to a contact 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



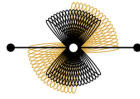
- Infrastructure and processes which are held at network level can avoid issues which CPE resources can experience, such as unnecessary duplication across multiple sites and a corresponding increase in management costs for configuration, administration and performance checking.

#### *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 network or hosted solution should be designed to be open, offer multi-site remote management and scale easily to accommodate multiple clients with high growth rates
  - Using CPE often means that development cycles are long, and that technology imposes its own limitations on what can be achieved
  - Hosted solution providers have continually to enhance and develop their services which bestows a competitive advantage to business users who can deploy the latest technology and the often inherent advantages of improved functionality, service and reduced costs, through their contact centers. In effect, a hosted solution removes the technology stranglehold experienced by many contact centers with CPE and allows them to concentrate on their core business.
- Maximize existing resources:
  - Hosted/network solutions enable a business to make the most of their existing call routing infrastructure. By holding the calls in the network and allowing unlimited database lookups, the solution maximizes CPE resource usage and improves routing accuracy: the call is transferred only when the correctly-skilled agent becomes available
  - Network solutions permit a substantially reduced telephony and switch infrastructure. ACD functionality is controlled via the network and inbound calls are routed through a variety of selected rules and then using a script application 'pops' the agents screen with all information collected from the call.
- Disaster recovery (DR):
  - Ensuring business continuity during outages, facility emergencies and inclement weather is a critical requirement. The hosted and network contact 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



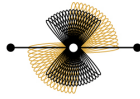
- Hosted contact center solutions eliminate the costly and time-intensive process of building and maintaining a back-up site from which to take calls and deal with emergency situations
- Superior managed service solutions are fully-redundant, sharing the weight of disaster recovery or unplanned outage with the hosted solution provider
- With cloud solutions, superior solutions will offer complete disaster recovery and business continuance as their solutions have the ability to be delivered from multi-site locations, and deliver to alternate warm sites, with flexible and immediate switching between sites should an outage or problem occur
- Network solutions can provide back-up disaster recovery protection to centers with on-site CPE, as reserve protection - although indeed, a good network solution provides a high level of disaster recovery integrally, meaning clients should not require additional disaster recovery cover.
- Improve agent morale and availability:
  - Hosted self-service options such as IVR and voice portals mean businesses can save money through not having to employ line receptionists to route calls. Self-service also frees up time which would otherwise be taken up with answering repetitive questions, improving the happiness of your agents, which goes some way to reducing staff attrition
  - Real-time monitoring across multi-sites (and home-workers) allows identification of contact center best working practice, which contributes to improved Agent/Team/Campaign productivity and cost reduction. In effect, a hosted solution removes technology from the equation when comparing productivity and efficiency in a contact 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
  - 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:
  - Managed service 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 a network-based solution, the only requirement for the agent apart from bandwidth is a PC and a DDI phone, therefore multiple sites and home-working can be achieved more easily and rapidly



INTERACTIVE INTELLIGENCE®  
Deliberately Innovative

---

- 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 network-based solutions they can do this on a daily basis, instead of spending on capacity that they may not use for months
- Network access to real-time reporting allows the ability to see performance across multiple sites down to campaign-, sale- and even agent-level.
- Keep a consistent feel to the business:
  - Self-service and call routing scripts are held centrally, managed from a single interface, so that any changes can happen quickly and consistently
  - 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 HOSTED/NETWORK SOLUTIONS - OR BOTH?

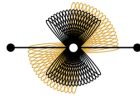
There is a common misunderstanding within the industry that the choice is either CPE or a hosted/network solution. Where expansion is required, many cloud solutions can be easily integrated into existing CPE ancillary systems, allowing the business to experience the functionality and advantages of a hosted solution without compromising existing investment. From a financial perspective, most hosted solution functionality is paid for as an ongoing operating cost, rather than requiring an upfront major investment: this should make it easier for contact center management to persuade the budget-holder to upgrade the systems in place.

The flexibility of hosted solutions allows a business to experience hosted solutions as an additional 'bolt-on', the use of which can be expanded as the current CPE reaches obsolete / depreciated / non-regulatory status, or further functionality and capacity is required by the contact center. Network systems can be available in days and are cost-effective option, as the only requirements are IP connectivity and phone lines – something the center would already have. Hosted solutions will require a complete change in the connection between the center and the hosted solution provider's equipment and may take longer to integrate.

A perceived lack of control over operations and the security of critical customer data in a hosted environment continue to cause end-user concern. But the reality is that a well-engineered hosting environment will have deeper security infrastructure in place than many SMEs could afford on their own. This is a significant advantage in being able to leverage the financial investment that the hosted provider has made in security standards and measures. Tenant self-administration capabilities, along with process/methodologies with enhanced security options, can play a critical role in overcoming these reservations.

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 hosted/network providers is an essential factor in the decision-making process for businesses, and is vital to driving the non-CPE industry forward.





---

## CHECKLIST WHEN CHOOSING A HOSTED/NETWORK SOLUTION

### Vendor background and experience

- What is the company's history and experience in contact center operations?
- What is their financial track record and future viability?
- 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

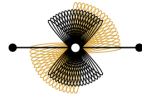
- What reliability parameters are included in the Service Level Agreements?
- How can you maintain control, minimize business risk, & maximize service quality?
- How does the company address security and privacy concerns?
- How is your data separated from other clients' data?
- Do you provide 24x7 monitoring 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?

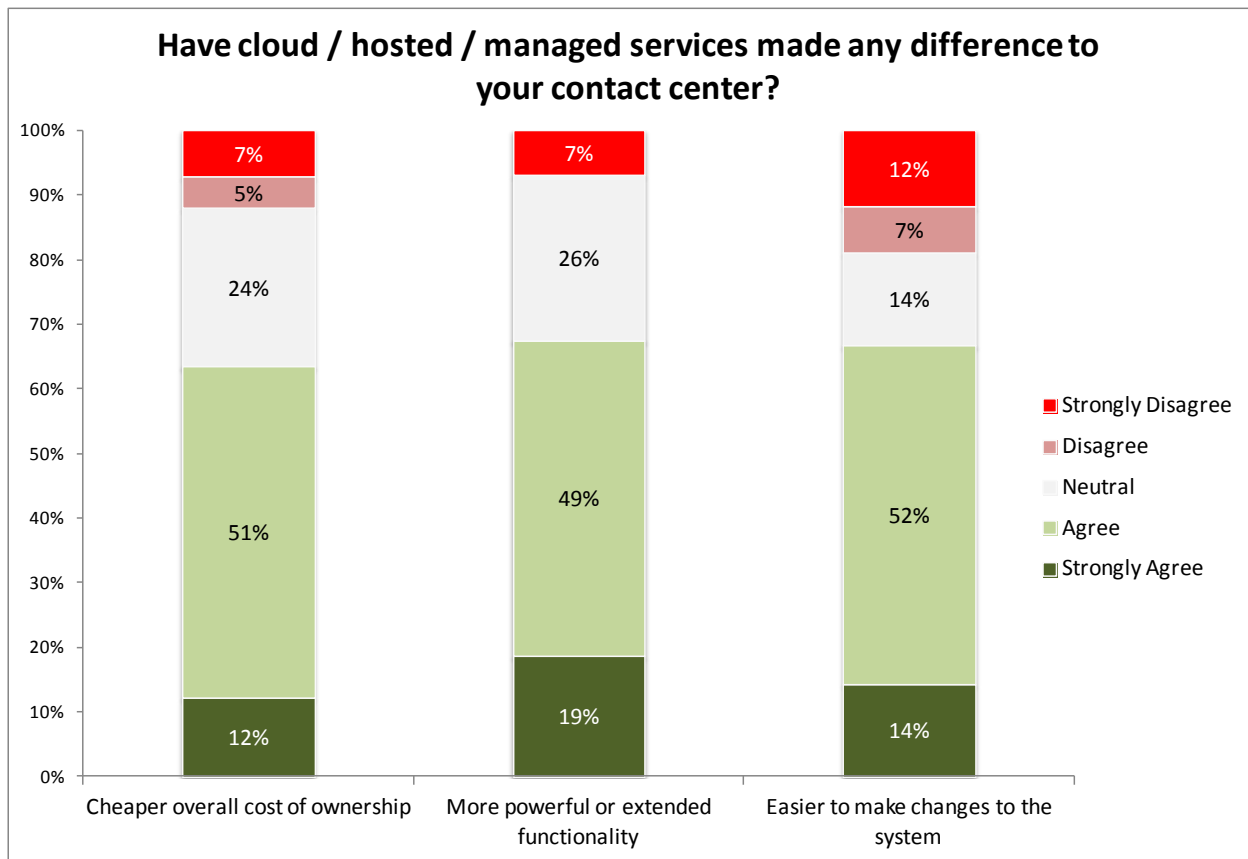


## RESULTS OF USING HOSTED AND MANAGED SOLUTIONS

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

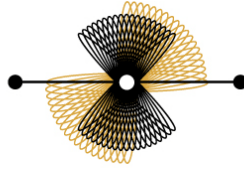
The strongest experience was a reduction in cost, with 63% of respondents agreeing that the overall cost of ownership was cheaper, very similar to last year's findings. 68% experienced more powerful or extended functionality in a hosted or managed environment, with only 7% disagreeing. 66% found that making changes to the system was now easier, compared with 19% who felt the opposite. These research findings have been extremely consistent for some years despite different companies taking part each year, and readers can treat these findings with considerable confidence.

Figure 118: Have cloud, hosted or managed services made any difference to your contact center?



## “Where Will the Cloud Take Us?”

by



### INTERACTIVE INTELLIGENCE™

Deliberately Innovative

Considering that business communications once revolved around the PBX, the cloud is rather mind-boggling. Companies of all kinds are now optimizing cloud-based applications for productivity and customer care to address the web, social media, speech analytics and mobility, along with huge amounts of data. In fact, many of these optimizations are delivering similar functionality in creative new ways.

In technology terms, this makes the cloud all the more astounding. Even after a decade of concepts, early adoption and newfound success, the cloud is, in many ways, still in its infancy. Yet in the futuristic sense, the cloud's possibilities seem endless.

So what will cloud computing look like in 3 years?... 5 years?... 10 years? By having introduced capabilities such as chat and presence and social networks, consumer cloud services to this point have already been instrumental in changing how companies and their contact centers interact with customers. But in the future, optimizations will fundamentally shift the way a business cares for its customers all together.

Equipped with new hi-powered devices that work from anywhere, the same forces of today's consumer cloud services will meticulously disrupt the way value is delivered to the next generation of customers — or more accurately, how such customers *discover* and *execute* the cloud's value. Ultimately, the cloud will yield a total transformation: It will put consumers in full control of the customer care experience itself.

In the future, cloud computing will also finally and completely remove the barriers of hardware by standardizing the worldwide communications and services delivery infrastructure. As companies then discover the freedom to generate global markets with cloud technologies, they'll look back and be amazed.

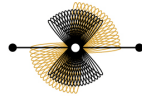
They'll be amazed that on-premise was ever an option. That integration issues no longer exist. And that what used to take countless months to deploy with systems like a PBX can be deployed in minutes in the cloud.

Wherever the cloud takes us, it is most certainly the future of business communications and customer care. Take advantage now, or the future of your business might not arrive.

*Tom Bailey, Interactive Intelligence*

---

**For information on the cloud-based contact center and unified communications solutions from Interactive Intelligence, visit us | [www.inin.com](http://www.inin.com).**



## CONCERNS ABOUT CLOUD OR HOSTED SOLUTIONS

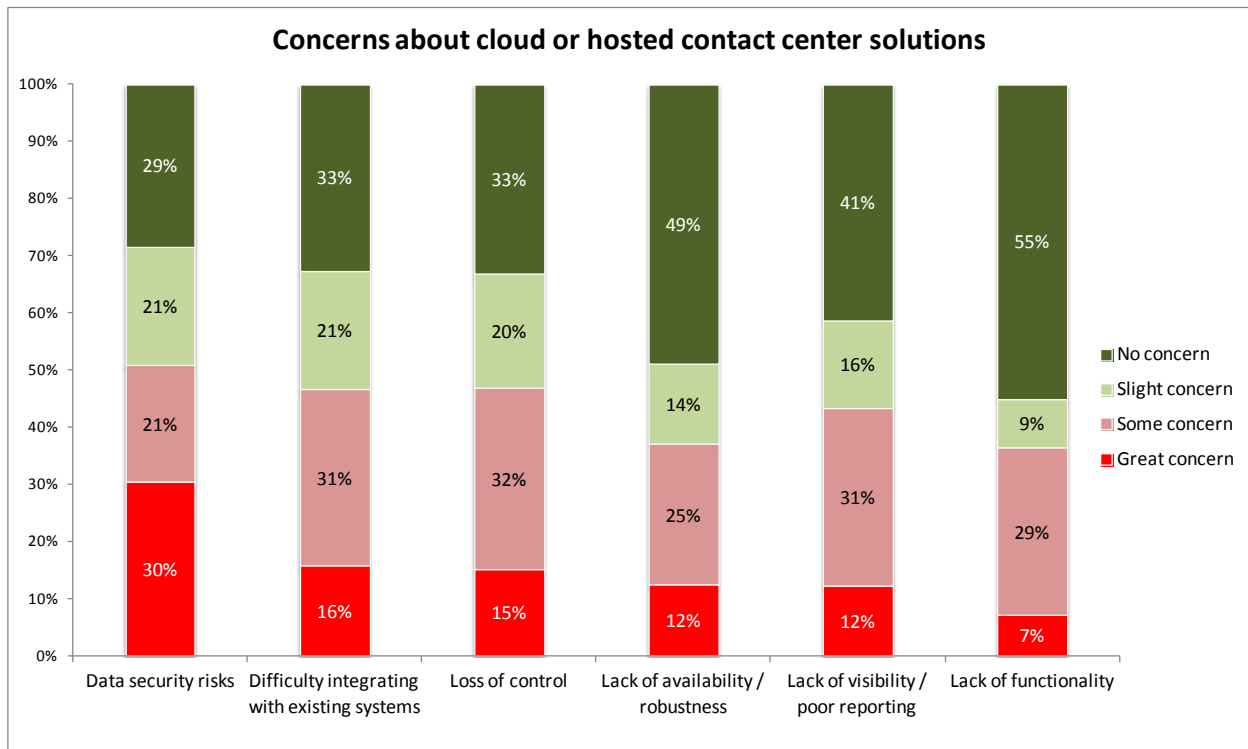
Despite the positive experiences that most users of cloud & hosted solutions have reported, there are still considerable barriers to implementation that are holding back some potential users, mostly around security, availability and functionality.

The strongest of these is the concern that data security will be compromised by allowing a third-party to control customer details. 30% of non-cloud-based respondents state that data security in the cloud is of great concern to them. Some cloud-based solutions allow clients to keep call recordings and sensitive customer information on their own site, whereas others provide externally-audited and accredited dedicated security that can surpass on-premise offerings.

The difficulty in integrating with existing systems, and loss of control is also of concern, although most respondents rightly do not consider a lack of functionality or reporting to be a deal-breaker.

Solution providers should 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 119: What concerns do you have about cloud or hosted solutions?



## OUTBOUND AND CALL BLENDING

The traditional outbound call was simply about selling more products to new and existing customers. However, legislation and customer pressure is having a continuing impact on cold calling, and the past years have seen an increasing proportion of outbound calling being made to existing customers, either to deliver customer care or 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

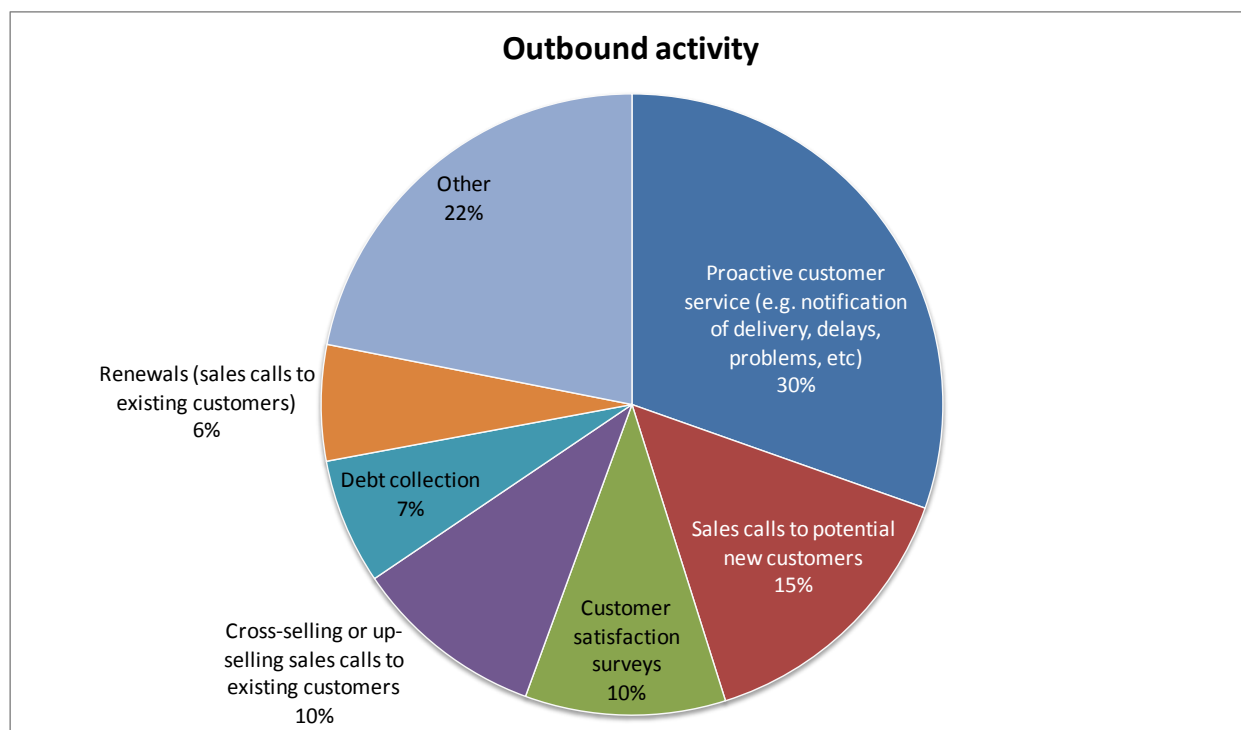
staffing, and improved customer service. However, this process needs to be understood and managed carefully, as not all agents are adept at dealing with both inbound and outbound calls.

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.

## 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 jumps to 30% compared to last year's 19%. Sales calls to potential new customers maintains its position the top sales-related outbound activity, possibly as a result of a large number of outsourcers in this year's survey. There has been a drop in debt collection calls, back down to its habitual figure of around 7%, after 13% last year.

Figure 120: Outbound activity



# YOUR CUSTOMERS ARE MOBILE, CONNECTED AND NETWORKED

Global  
Contact  
Center  
Solution



Pro Active  
Web  
Customer  
Service



Social  
Local  
Mobile



**CONNECTING  
to CUSTOMERS**  
byVocalcom

Sales Thru  
Recommendation



## WHAT ABOUT YOU ?

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

☎ 1 888.622.5266 – 188VOCALCOM

✉ [Sales@vocalcomusa.com](mailto:Sales@vocalcomusa.com)

# VOCALCOM

Connecting to Customers

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 33% of outbound calls of this type. The outsourcing sector, as might be expected, is keenest on sales with 60% of all outbound activity being sales-related.

The finance and insurance sectors carried out a lot of debt collection.

Around half of respondents record all of their outbound calls, with 45% recording none.

Most outbound calling is done by agents, rather than automation, although respondents from the insurance and medical sectors reported significant proportions of automated outbound calling.

Figure 121: Automated or live outbound calling, by vertical market

Vertical market	% live agent	% automated / IVR
Entertainment & Leisure	100%	0%
Finance	100%	0%
Public Sector	100%	0%
Retail & Distribution	100%	0%
Outsourcing	99%	1%
Manufacturing	95%	5%
Services	87%	13%
TMT	87%	13%
Medical	83%	17%
Insurance	70%	30%
<b>Average</b>	<b>92%</b>	<b>8%</b>

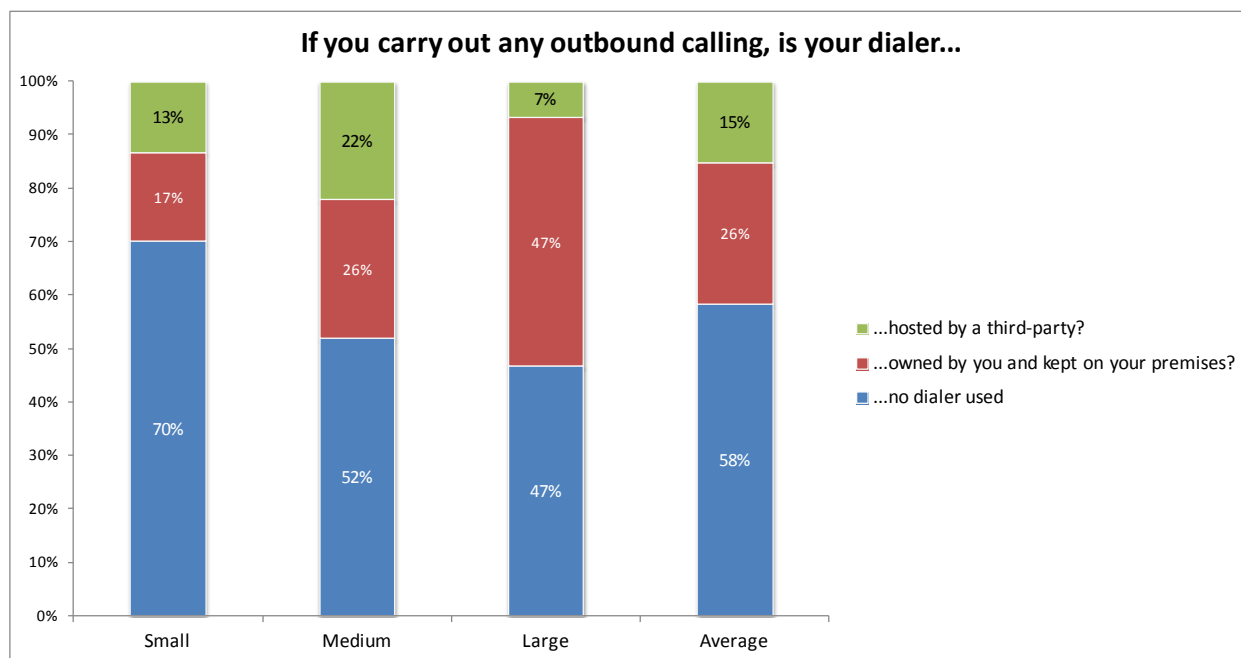


58% of respondents do not use a dialer to automate their outbound calls. Of those that do, over one-third use a hosted solution, with the rest using their own dialer. Larger contact centers are far more likely to be using an on-site dialer.



Vocalcom's almost infinite ability to customize and manipulate campaign parameters and dialer activity gives our customers ultimate control over the success of their outbound programs. You choose from algorithm driven true predictive, progressive, preview or robot dialing to suit the requirements and business rules of your customer contact activity.

Figure 122: Use of hosted or CPE dialers

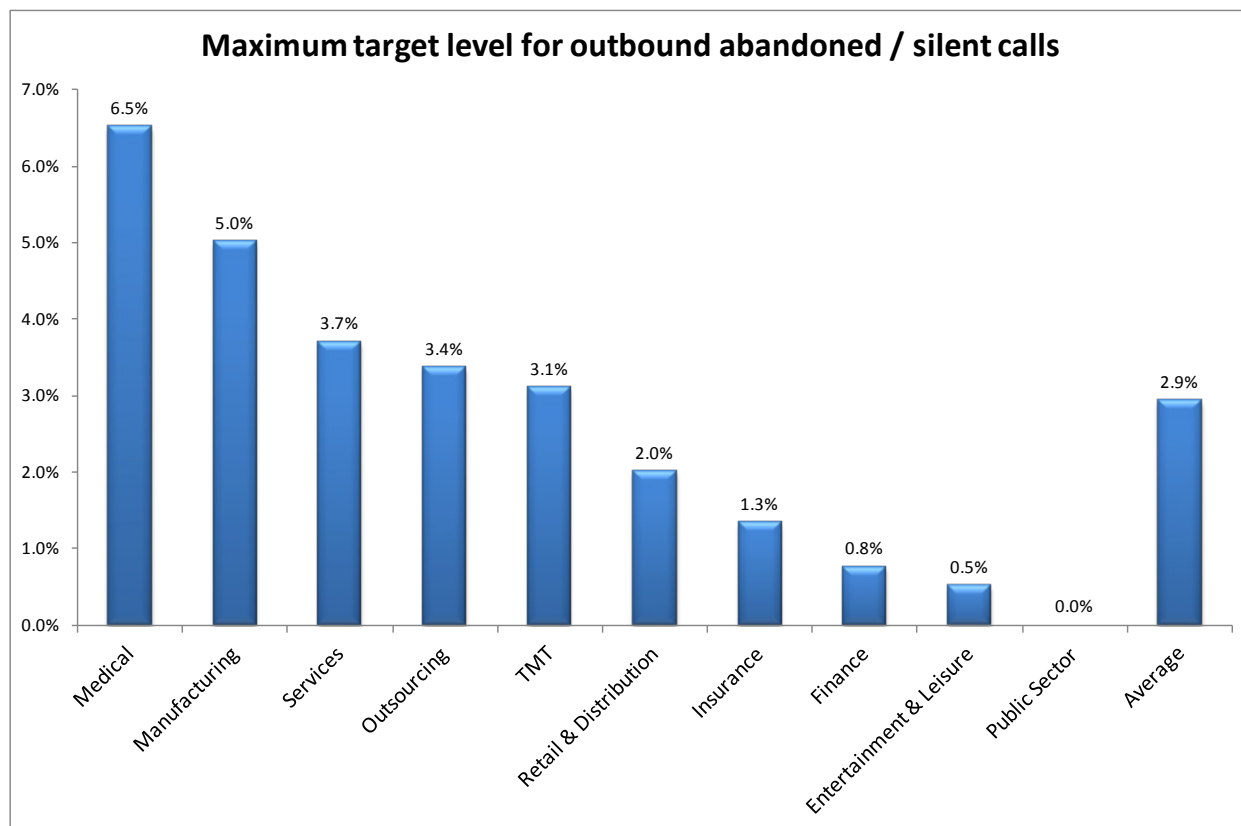


FCC regulations state that "telemarketers must ensure that predictive dialers abandon no more than 3% of all calls placed and answered by a person. A call will be considered "abandoned" if it is not transferred to a live sales agent within two seconds of the recipient's greeting."<sup>8</sup>

<sup>8</sup> <http://www.fcc.gov/guides/unwanted-telephone-marketing-calls>

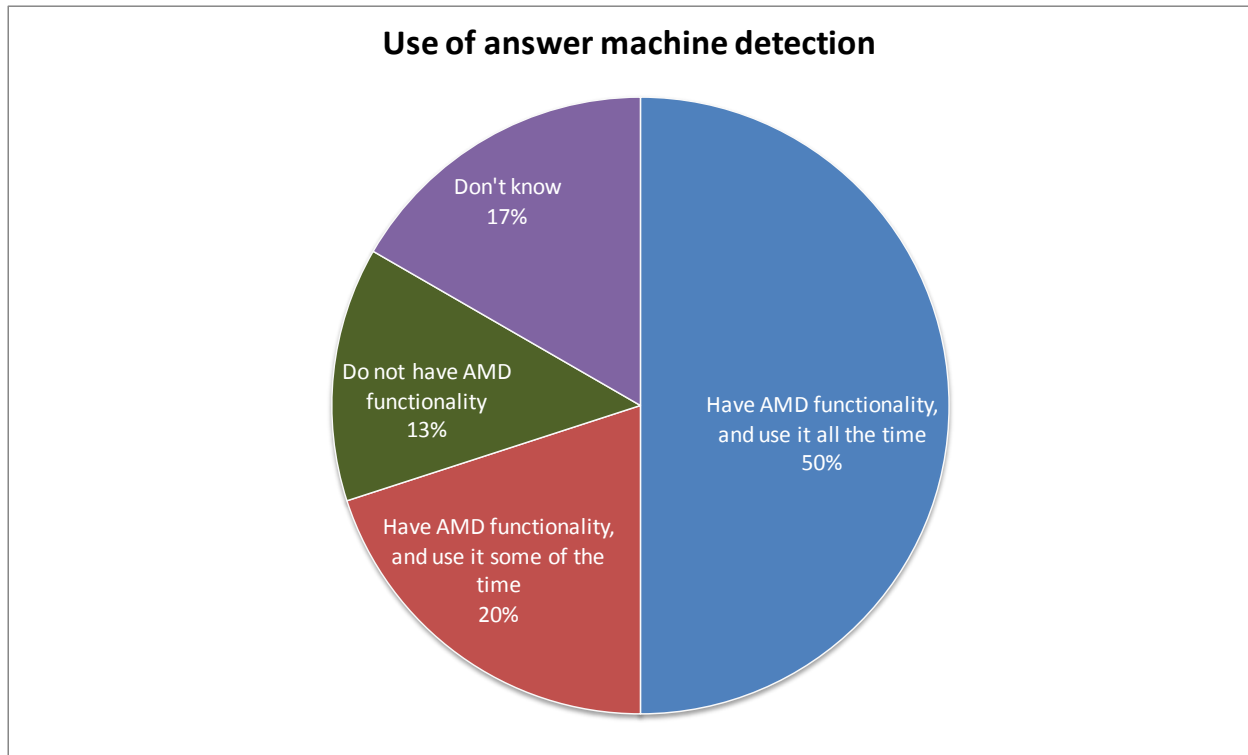
Bearing this in mind, it is not clear whether having five vertical markets reporting a target maximum abandoned call level of over 3% is a cause for alarm, or simply a case of misunderstanding the question (as 'abandoned calls' also has a meaning for inbound-focused operations, of course). If the former, it is a case for serious concern: next year's questions will address any possible misinterpretation of the question, although the public sector's zero target seems to be a very realistic response for this vertical market.

Figure 123: Maximum target level for outbound abandoned / silent calls



Half of respondents that use dialers keep their answer machine detection on permanently, with 20% using it occasionally and 13% not having this functionality at all.

Figure 124: Use of answer machine detection (AMD)



# IMPROVE YOUR CONTACT CENTER TECHNOLOGY

CONNECTING  
**to** CUSTOMERS  
by Vocalcom

HERMES  
NET

Innovative Multichannel  
e-Contact Center Solution

HERMES  
CARE

Increase productivity and  
optimize your Agents by  
intelligently allocating tasks.

HERMES  
EAGLE

Renowned for its innovative  
and exclusive features.  
Are you aware of the latest advancements  
in predictive dialing performance?

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

☎ 1 888.622.5266 – 188VOCALCOM

✉ [Sales@vocalcomusa.com](mailto:Sales@vocalcomusa.com)

## VOCALCOM

Connecting to Customers

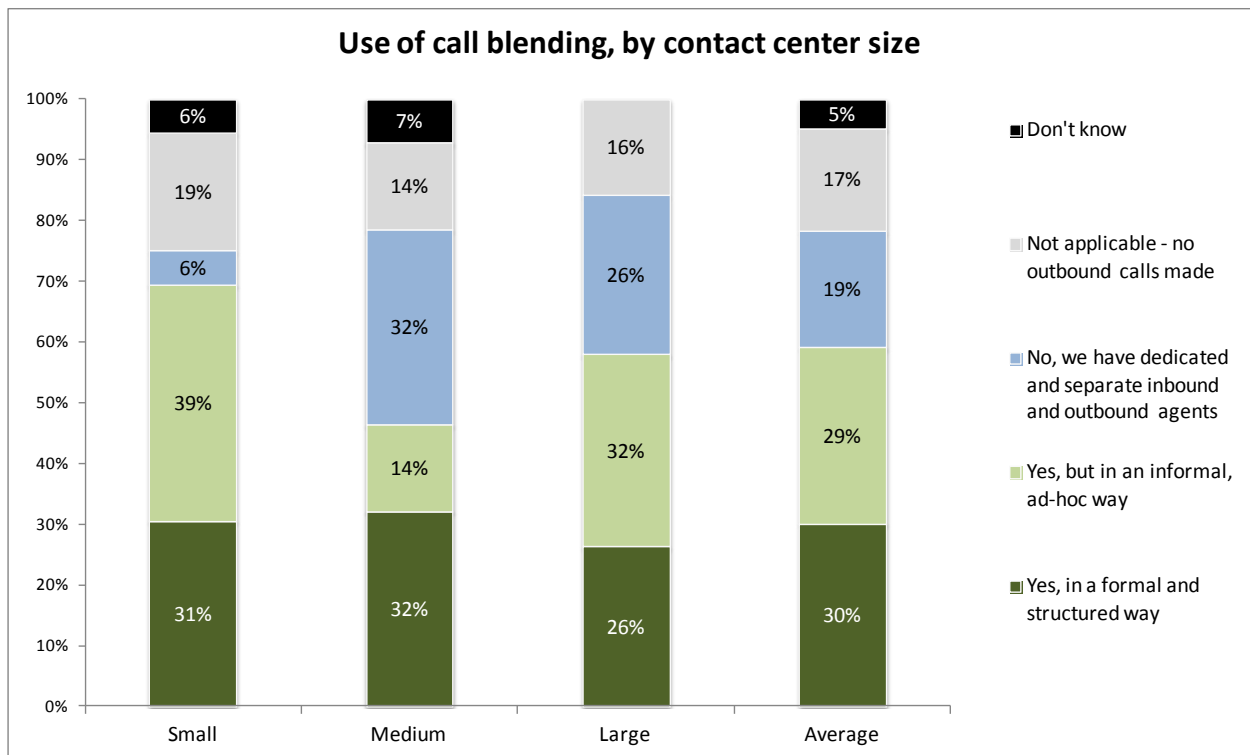


**CALL BLENDING**

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 30% of respondents' operations - a slight drop on last year's figure of 37% - although medium and large contact centers are far more likely than smaller operations to use dedicated outbound agents. Small operations will also be more likely to operate blending on a manual, ad-hoc basis.

**Figure 125: Use of call blending by contact center size**





Vocalcom's multi-media call blending features gives agents a chance to diversify their talents and improve their job satisfaction. The desktop can handle inbound, outbound, email, live chat, video chat, SMS and social media interactions feeds.

It is interesting to put the use and type of call blending against key contact center performance and operational metrics, such as annual attrition rate and average speed to answer.

As with previous years, the attrition rate in contact centers using blending is lower than in those that do not, as perhaps the variety of work may have a positive impact. There are other variables at play that affect attrition, such as contact center size, location, salary, working conditions and type of work, and although attrition is currently a serious problem for only a small proportion of operations, the use of blending as a palliative for attrition should be considered for the future.

The average speed to answer is considerably less in formal, blended environments than in dedicated and less-flexible environments, with agents moved between tasks seamlessly.

Figure 126: Average speed to answer, by call blending environment type

Call blending environment	Average speed to answer (seconds)
Dedicated and separate inbound and outbound agents	44
Blending used in an informal, ad-hoc way	27
Blending used in a formal and structured way	26
Not applicable - no outbound calls made	29

---

## THE ROLE OF MOBILE TELEPHONY ON OUTBOUND CALLING

In around 40 countries, mobile telephony analysts have put out seemingly counter-intuitive mobile phone penetration rates of well over 100% - that is, there are more phones than people.

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 16% of their outbound calls to cellphones, an increase on last year's figure of 13%. Respondents report paying an average per-minute rate of 3.9c to call a cellphone, against 3.1c 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.



Vocalcom is able to assist the contact center industry now with the ability to configure campaign activity using SMS from the agent desk top to reach customers on their mobiles. Inbound, outbound, email, video chat, SMS, social media - it's all at your fingertips with Vocalcom.

## TACTICAL & PROJECT-BASED OUTSOURCING

This section looks at the use of outsourcing, whether being served by domestic operations, looking further afield to offshore contact centers, or increasingly a mixture of both (sometimes referred to as rightshoring: restructuring a company's workforce to find the optimum mix of jobs performed locally and jobs moved abroad).

As the respondents to the survey are either in-house operations, or outsourced contact centers themselves, they are by definition excluded from the experience being a customer of full-service outsourcing/BPO. As such, this section looks at project-based or otherwise limited outsourcing to meet a specific goal, or plug gaps in functionality or service delivery.

A judicious use of outsourcing can assist a contact center with its operational goals:

- hitting performance targets (through helping with call spikes)
- providing a better customer service (through offering an out-of-hours service)
- quickly ramping up to assist with outbound sales campaigns
- measuring customer satisfaction with regular outbound surveys.

However, outsourcing also offers a strategic alternative to running an in-house contact center, with BPO (business process outsourcing) companies also providing a back-office outsourcing function in alignment with the front-office contact center as well. The international reach of these BPOs allows them to distribute work and functionality to the most cost-effective locations, reducing the risk of providing lower levels of service to the ultimate customer.

Outsourcing allows businesses to focus on their core business, and to benefit from the experience and knowledge of specialist contact center operators. It is a sector which has been hit in recent years by the increase in outbound legislation and the competition from offshore, but which still accounts for well over 10% of US agent positions, and has been growing more rapidly than any other sector.

There are three main types of outsourcer: traditional, diversifying and emerging.<sup>9</sup>

- Traditional outsourcers have some of the best-known players in the sector. A large part of the traditional outsourcing sector in the US consists of large, multiservice companies which may deal with telephone calls, email and query fulfillment (e.g. sending out brochures or bills). It may well be part of a multinational group, whether US- or foreign-owned. Additionally, the large number of smaller telemarketing companies should also be considered, which take on *ad-hoc* outbound sales contracts to both consumer and business sectors.
- Diversifying outsourcers include large system integrators, consultancies and telcos.
- Emerging outsourcers include businesses involved in hosting or hoteling, which are often venture-capital funded, and are often found offshore. However, some of the largest offshore-founded companies have bought up domestic outsourcers to provide a full-service rightshoring solution, which includes offering analytics and business insight, as well as telephony-focused activities such as customer care, billing and collections, sales and transaction processing. By matching activity with the location, the outsourcer is able to keep costs low while still offering a high-quality, profitable level of service to specific segments of the customer base.

---

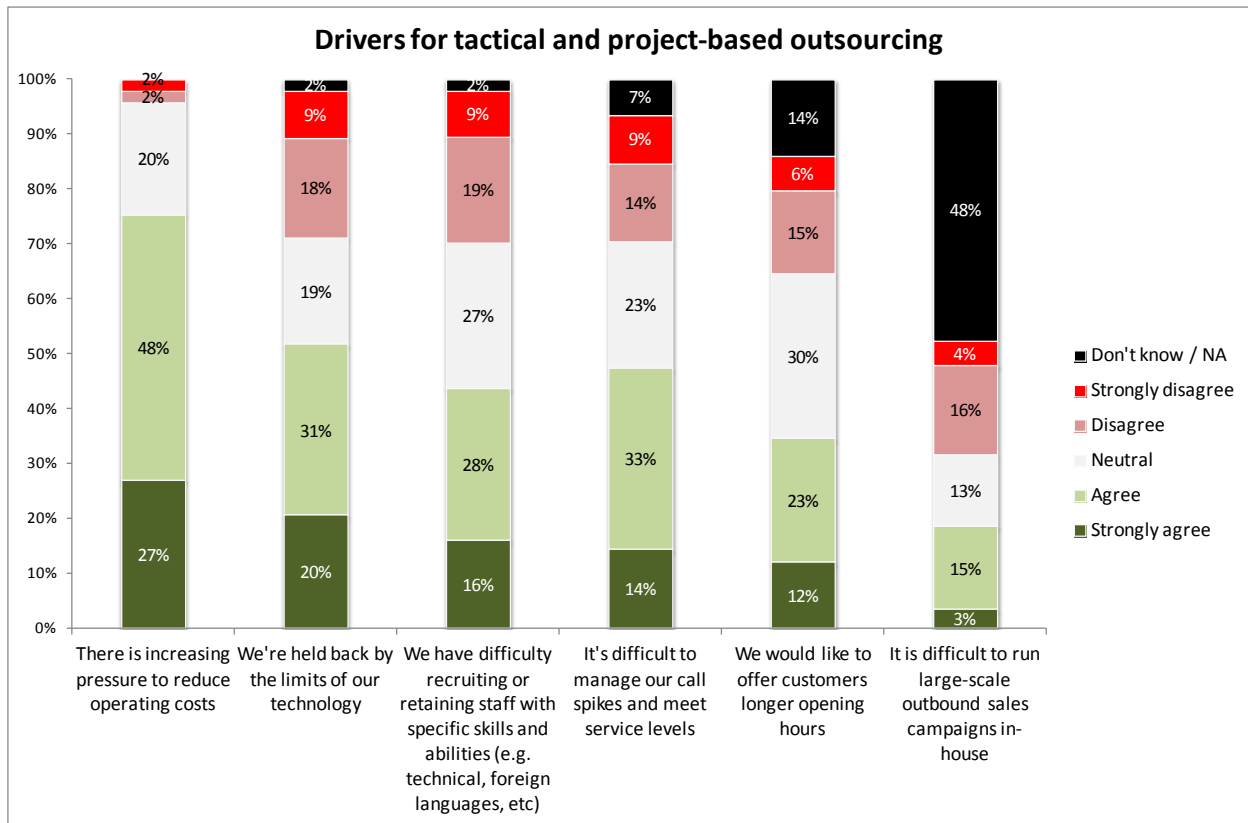
<sup>9</sup> Source: CM Insight



## DRIVERS FOR TACTICAL AND PROJECT-BASED OUTSOURCING

This question addresses the drivers for tactical outsourcing - do businesses move away from in-house activity because of cost, inflexibility or lack of skills? (This question does not look at the drivers for strategic outsourcing, as the question is answered by in-house contact center managers, who by definition, have not seen their contact centers outsourced in their entirety).

Figure 127: The importance of drivers for tactical and project-based outsourcing



### ***“Pressure to reduce operating costs”***

For contact centers of all sizes, the pressure to reduce ongoing operating costs continues to increase. Outsourcing can reduce some of this pressure by passing overflow or out-of-hours calls to a third-party, reducing the maximum number of agents required and also reducing the need for extra space. 75% of respondents report increasing pressure to cut costs.



---

***"We are held back by our technology"***

51% of respondents agree that their business and operational performance is restricted by the technical capabilities of their contact center. Outsourcing can provide assistance with this, for example, through handling multimedia or social media enquiries while the contact center focuses upon what it is set up to do - answering calls.

***"Difficulty in recruiting or retaining agents with particular skills"***

Small and medium contact centers are more likely than their larger counterparts to admit to lacking specialist abilities which may be difficult and time-consuming to recruit. Very large outsourcers will have a pool of labor of all levels of education, and international outsourcers will also be able to draw on language skills from almost any country in the world. To a lesser extent, large operations also use outsourcers to augment their existing operations on a long-term basis, especially when the contact center is located in a hot-spot where any sort of major recruitment is a very difficult proposal. Over time, the outsourcer becomes virtually a part of the client organization, with its management and agents reflecting the brand and values of the client.

***"It is difficult to manage call spikes and maintain service levels"***

Over-staffing wastes money, and understaffing risks a service level meltdown if call spikes occur outside the forecast. The use of outsourcers to handle overflow is well-established, although it is used by only a small minority of respondents.

***"We would like to be open longer hours"***

Customers expect longer opening hours, but it is difficult to staff a contact center outside of core opening hours, especially if staff rely on public transport links. Operations risk the higher levels of attrition associated with anti-social hours, and may prefer to let an outsourcer handle out-of-hours operations (perhaps in association with homeworking). Businesses may also avoid the cost of keeping buildings open outside of normal working hours. Only 35% of respondents consider this an issue though.

***"It is difficult to run large-scale outbound campaigns in-house"***

It is almost impossible and certainly not cost-effective to recruit and train hundreds of agents almost immediately, only to let them go after a few months when the campaign has ended. Yet that is the flexibility that outsourcers can provide to their clients, with a partial shared-risk scenario based on results encouraging the outsourcer to achieve the greatest level of success. For many respondents, this ability is not relevant.

---

## CHOOSING AN OUTSOURCER

Whatever the scope of your project, there are some questions you should ask yourself and your team before picking up the phone to any potential partners:

- Are we outsourcing a process or a problem?
- Why are we outsourcing this process? (Or – why are we thinking of changing our outsourcer?)
- Are we clear what the brief is?
- Do we have specific objectives?
- Would we consider offshore?
- What management information will you need from them?
- How will you want them to monitor quality and customer satisfaction?
- Do your calls need to be recorded?
- What are the technology requirements?
- What type of contract do we want with this partner?

You also need to ask yourselves how difficult your project is. For example: attempting to direct sell a product or service worth \$100,000 to CEO's of Fortune 1000 companies is hugely more difficult than an exact repeat of a past campaign selling services worth less than \$500 to existing residential customers. Depending on the complexity of your project, you may now produce a written brief to send to potential partners – again before you start a serious search. Apart from the fact that they will ask you for one, it will assist you greatly in defining your expectations and objectives.

### a) Logistics around the set-up:

- Location: where will the project be sited and why?
- Please describe the management processes and activities that will take place during set-up
- How will you keep all key stakeholders informed and engaged?
- What types of contract are you willing to enter into?
- Who will be working on the project?
- What resources will you need from us?
- Assumptions around agent productivity, allowing for leave, sickness, training, etc

### b) Operations:

- Are the targets and KPI's achievable?
- How do you forecast your resource needs?
- How much flexibility is there for a changes in call volumes?
- How will you report on a daily/weekly basis? (with example)
- What will be the split of responsibility in terms of data management, including dependencies, restraints, exceptions etc
- Overview of the outsourcer's IT and telephony systems and infrastructure, detailing age of equipment and average time in operation
- Outsourcer's key IT supplier relationships and length of these relationships



- 
- Method of capturing contact history for each customer record?
  - (If outbound) Describe the functionality of dialer technology
  - Business continuity: describe contingency plans, in terms of buildings, personnel, IT, telephony
  - How is call quality monitored (possibly including the validation of sales or appointments made)
  - Capabilities of your call recording system?
  - Complaint management process

c) Management and staff:

- Management team structure that would be allocated to this project, including ratio of staff to team leader, staff to managers etc
- How will project be managed on a daily basis?
- Processes for change control, issue resolution etc
- Processes for selecting, recruiting and training the staff for our project
- Current attrition rates for both inbound and outbound staff?
- Approach and processes for managing individual and team performance

d) Pricing:

- Set-up costs, covering project management, IT and telephony, processes, recruitment, training, and any other costs
- Ongoing costs, covering telephony costs, commission on sales, conversion rates, additional training if the scope changes, data cleaning, etc

One other consideration must not be forgotten: the people you will be working with, perhaps for a long time period, and maybe through some difficult phases. Do you need a large multi-national with a proven track record world-wide, or would you prefer an owner-managed company, where you know you can pick up the phone to their director and get an immediate, responsible reply?

Are you prepared to treat your new partner as you would like to be treated yourself? We suggest that a partnership will work better than a client-supplier relationship. This implies honest and open communication, teamwork, and equity. It will take an investment of time and energy from all parties to ensure a successful relationship. If you are about to embark on finding and appointing an outsourcing partner company for a long-term project – say 3-5 years, where many millions of dollars will change hands, there will be many further questions, crossing over into the due diligence your own organization will insist upon.



---

**Organizations able to help with Increasing Profitability:**



CallCopy is a leading provider of innovative workforce optimization to organizations across the globe.



Enghouse Interactive develops the world's most comprehensive portfolio of interaction management solutions, delivering technology and expertise to maximize the value of every customer interaction.



Fonolo's cloud-based call center solutions provide companies with visual dialing and virtual queuing services, improving customer satisfaction and lowering call center costs.



inContact's cloud-based call center solution provides the ability to dramatically improve customer service delivery, add new revenue streams, enhance call center efficiency and reduce operational costs.



RightTime makes idle time productive by filling it with off-phone activities to improve productivity, performance, and profitability.



Nuanace can help you deliver the best possible customer service experiences backed by smart automation.



Driving better business results for clients through superior people intelligence and decisions



Vocalcom gives you the tools to deliver new profit to your bottom line with increased contact center productivity, performance and flexibility.



Zeacom's off-the-shelf and custom designed Business Process Automation solutions can lower your transaction times and reduce errors for a better bottom line.

## 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.

## 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 placing massive stress on those agents who remain at work.

For many years, attrition has been one of the greatest challenges facing the industry, and one which has rarely been addressed with much in the way of a truly radical approach. The recession has reduced attrition greatly over the past two years, but contact 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 50 to 60% 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.



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:

- Increased recruitment and training costs
- Decreases the average agent competency as there are so many 'learners'
- Can decrease the quality of the customer experience, as the agent may not know how to answer the query correctly first-time
- Adverse affect on contact 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.

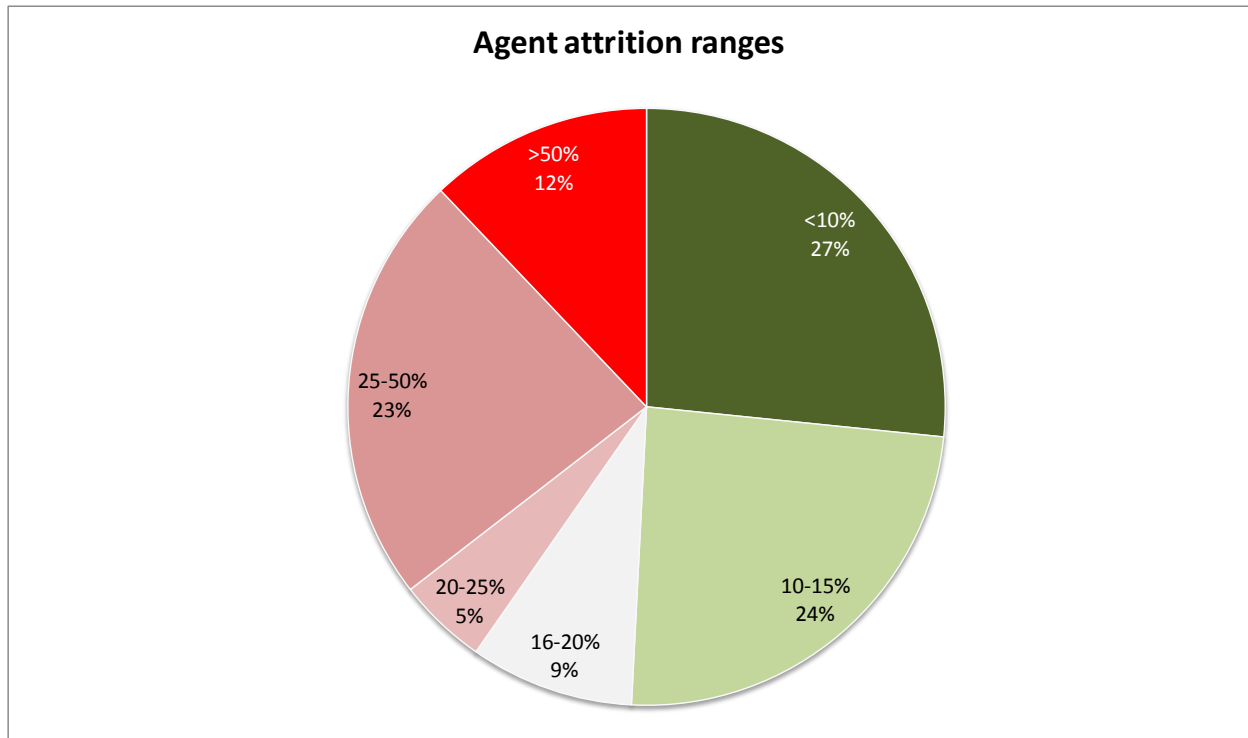
**Attrition rate:** *the total number of agents leaving the contact center in a 12-month period, divided by the average number of occupants during the same 12-month period, expressed as a percentage.*



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%.

This year's figures continue to drop, to a mean of 27% and a median of only 16%.

Figure 128: Agent attrition rate ranges



As the previous graph shows, 60% of respondents have an annual agent attrition rate of under 20%, with a small number of very high attrition operations pulling the mean average up to 27%.

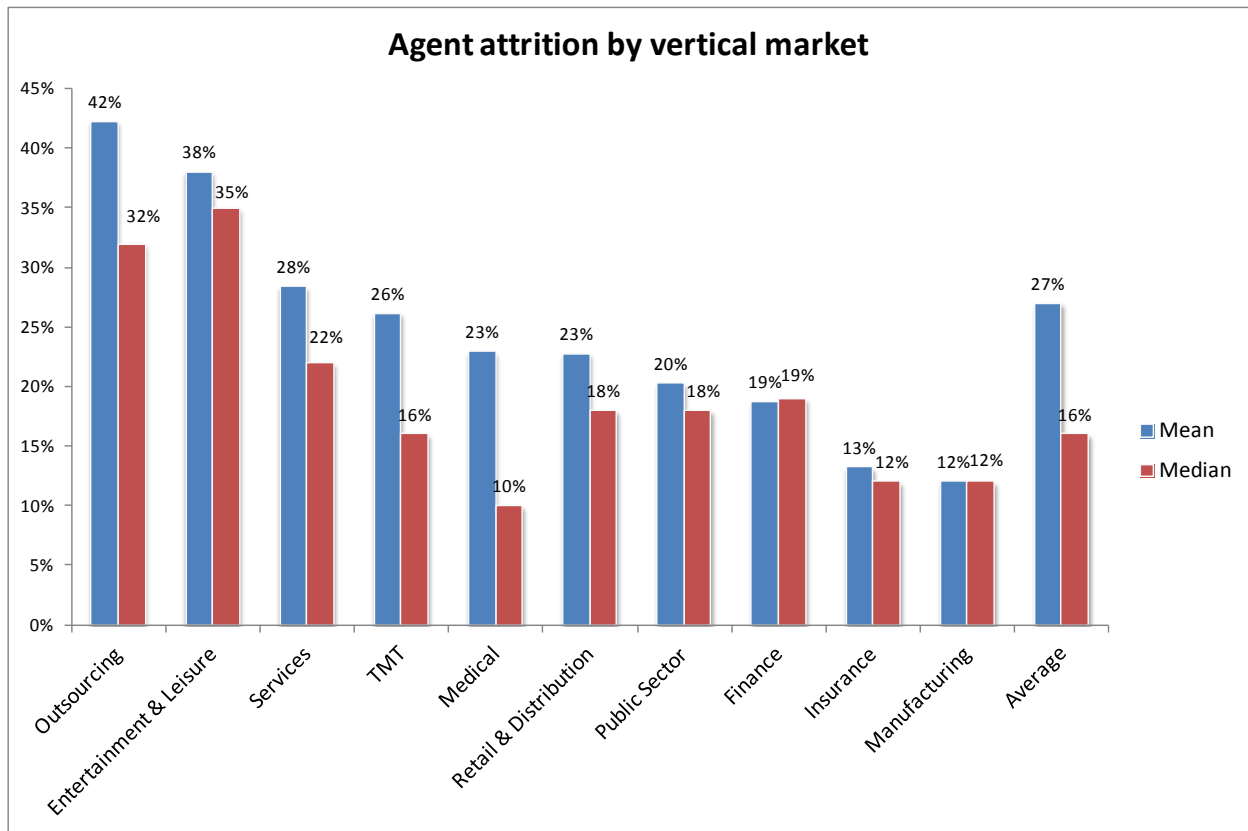
There are numerous factors that impact upon a contact center's agent attrition rate, including vertical market (or the type of business that agents are involved in); contact center size; whether the work is inbound or outbound; the location type; and the region in which the contact center is based, many of 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 42%, far higher than most other sectors. However, the median is lower, at 32%, reflecting the fact that a small number of respondents had very high attrition rates.

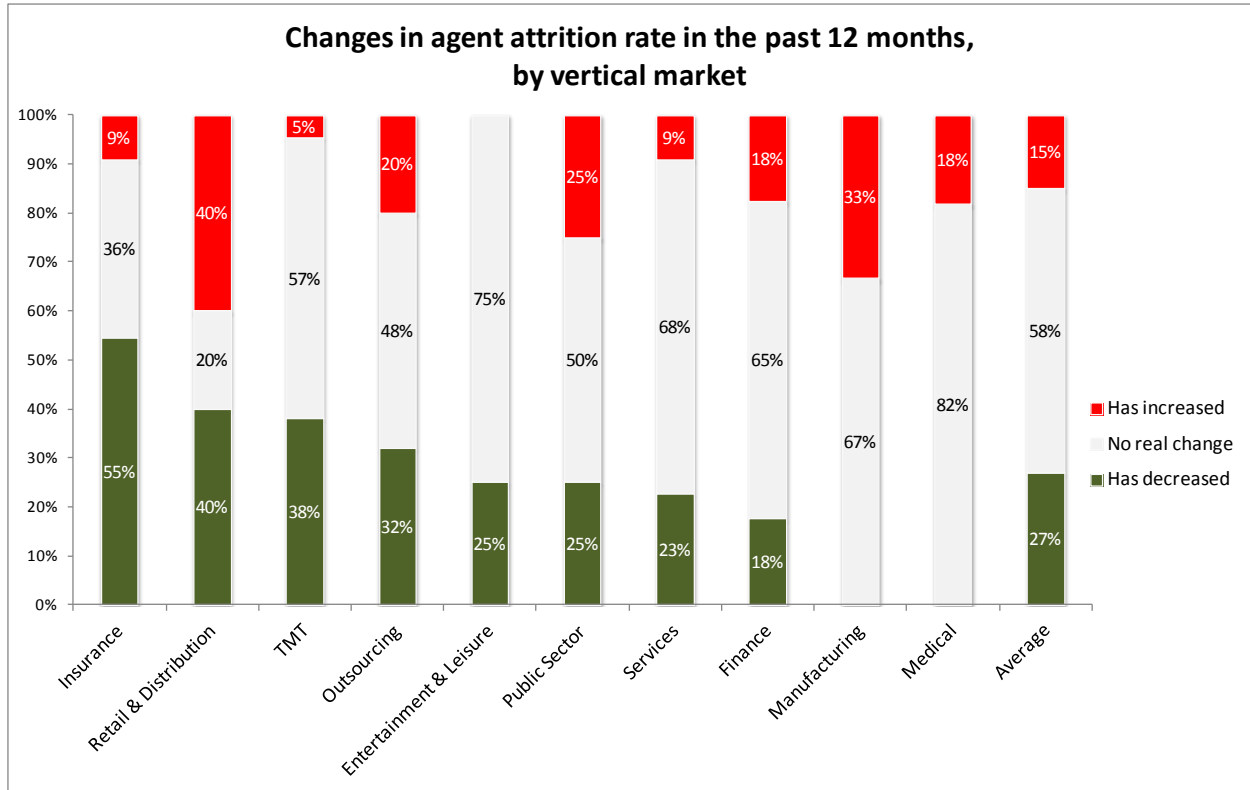
The manufacturing and insurance sectors had low mean attrition rates of around 10-15%, and the medical sectors median of 10% shows the general reality of this sector's attrition.

Figure 129: Mean and median agent attrition by vertical market



Over one-quarter of contact centers have seen a decline in agent attrition over the past year, as people become more fearful for their jobs, and opportunities elsewhere dry up, particularly the case with insurance respondents.

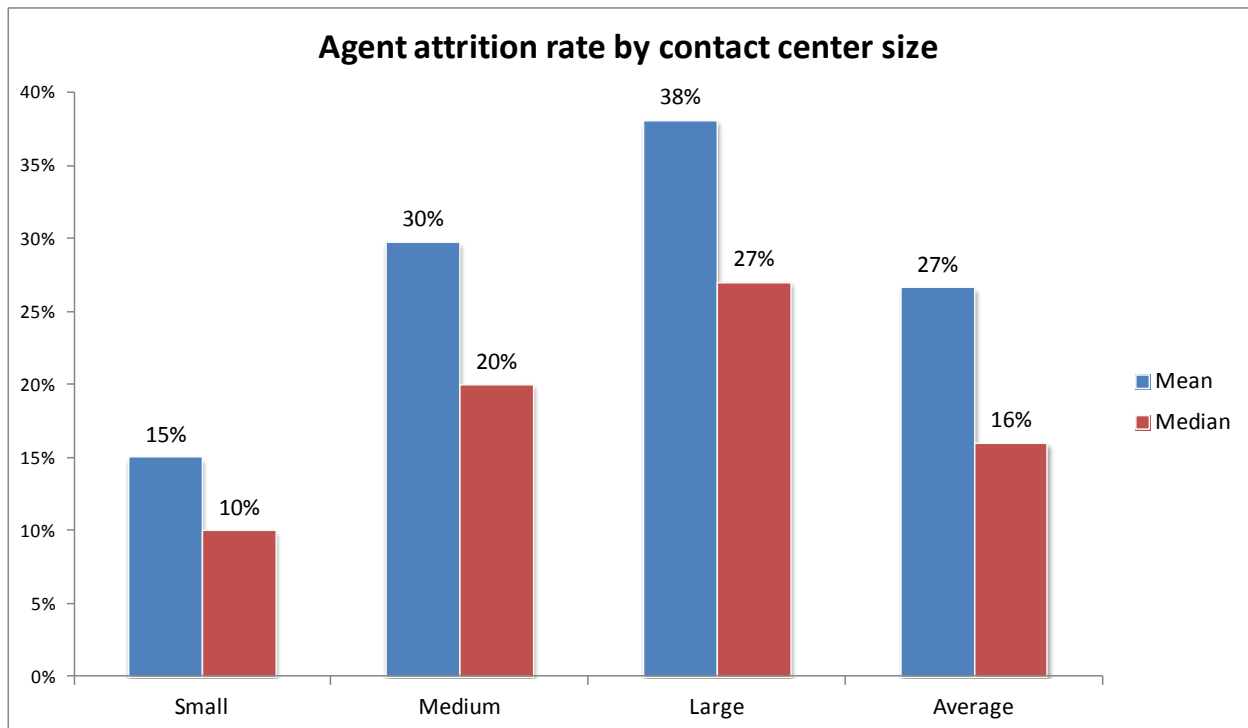
Figure 130: Changes in agent attrition rate in the past 12 months, by vertical market



## AGENT ATTRITION BY CONTACT CENTER SIZE

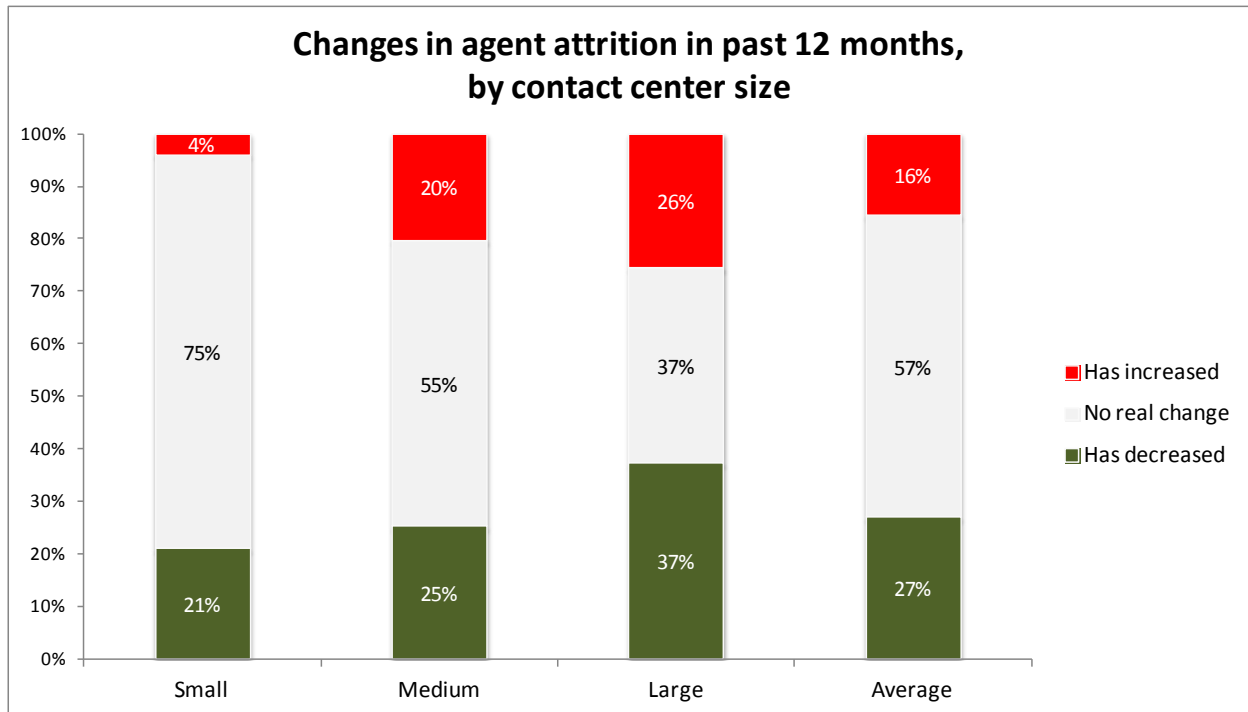
Previous ContactBabel studies carried out in the US and UK have shown that larger contact centers are more likely to have high attrition rates, and this is the case this year as well, with respondents in large operations experiencing mean staff attrition rates of 38% on average, compared with 15% for the sub-50 seat operations.

Figure 131: Agent attrition rate by contact center size



While 37% of large operations have seen a decline in staff attrition over the past 12 months, 26% have seen an increase. In small operations, the picture has been that of a general decrease or stabilization.

Figure 132: Changes in agent attrition in past 12 months, by contact center size

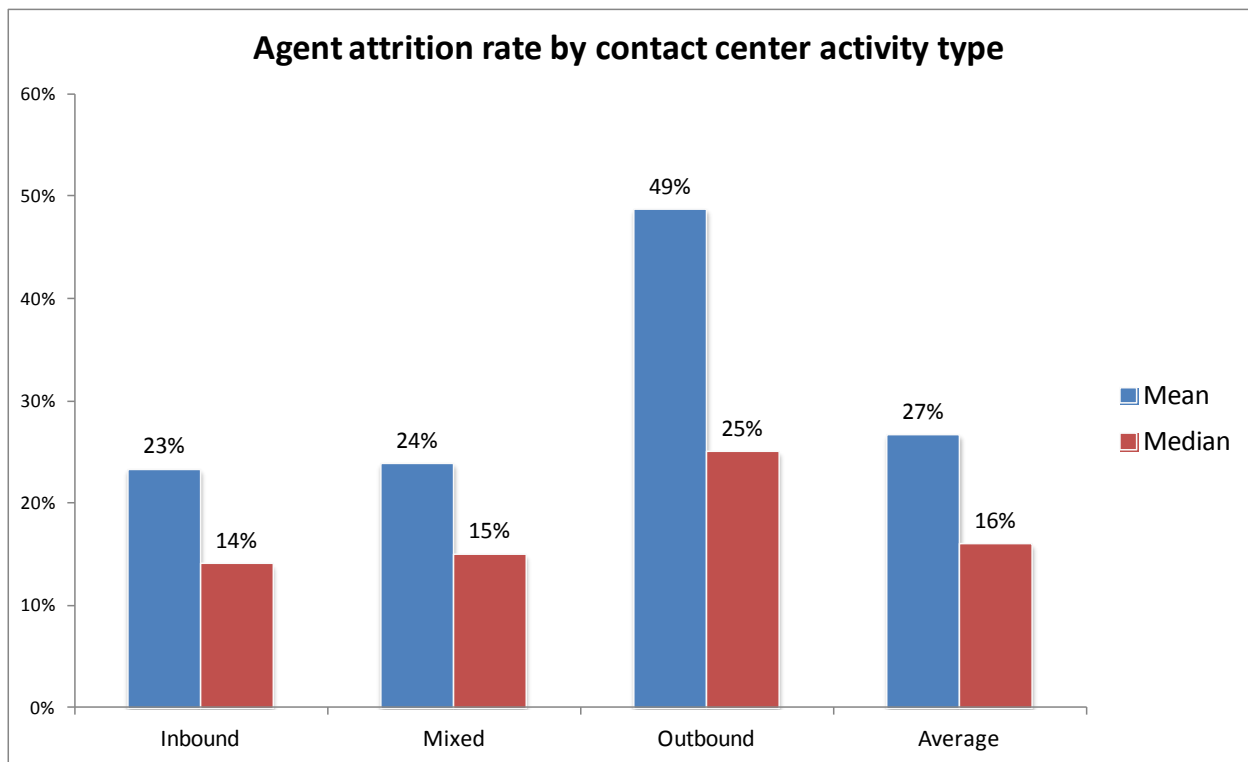


AGENT ATTRITION BY CONTACT CENTER ACTIVITY TYPE

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. It certainly seems as though outbound operations suffer more from staff attrition, with the predominantly-outbound respondents having a mean staff attrition rate of 49% (down from 56% last year).

To a large extent, 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 outbound respondents will tend to be more geared-up to cope with high staff turnover.

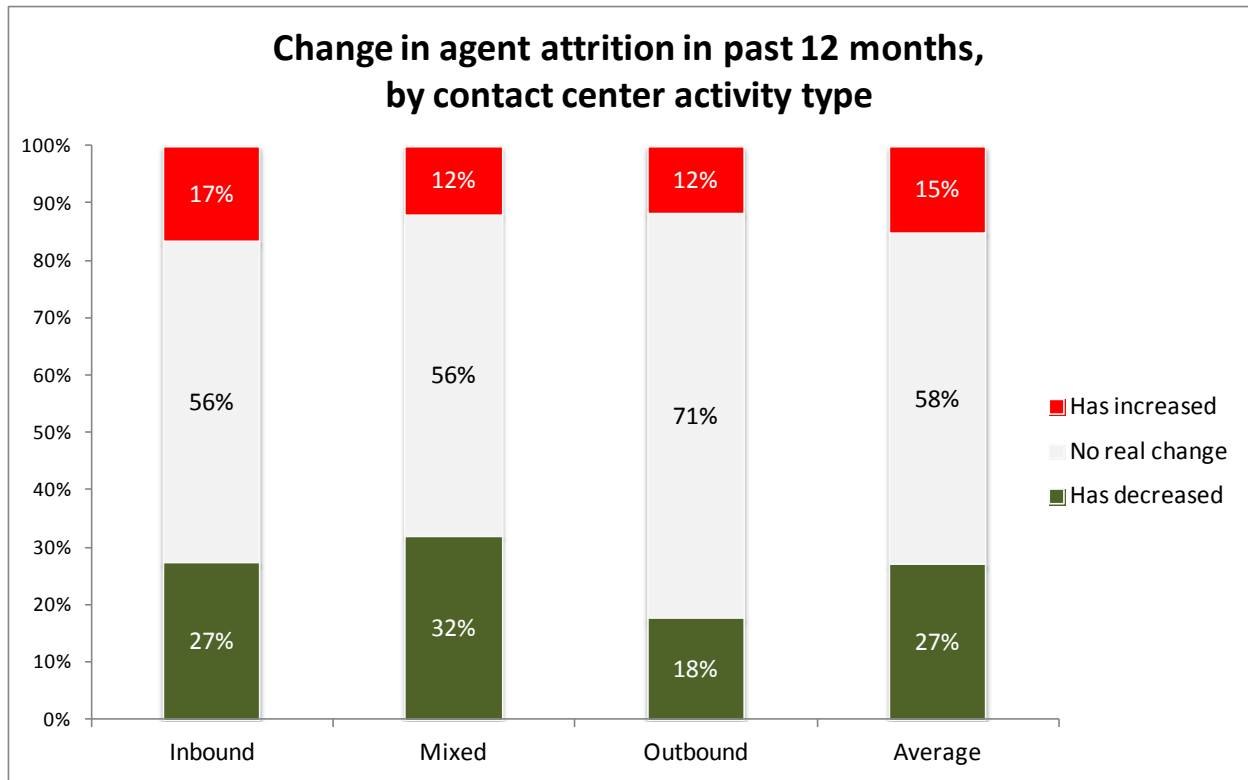
Figure 133: Agent attrition rate by contact center activity type





The inbound sector has experienced the greatest proportion of instances of growing attrition rates, although the picture here is not particularly clear.

Figure 134: Change in agent attrition in past 12 months, by contact center activity type



## CAUSES OF STAFF ATTRITION

In previous years, 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 this year they remain important, ranked second and fourth most important. 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.

As a later section will show, 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 135: 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

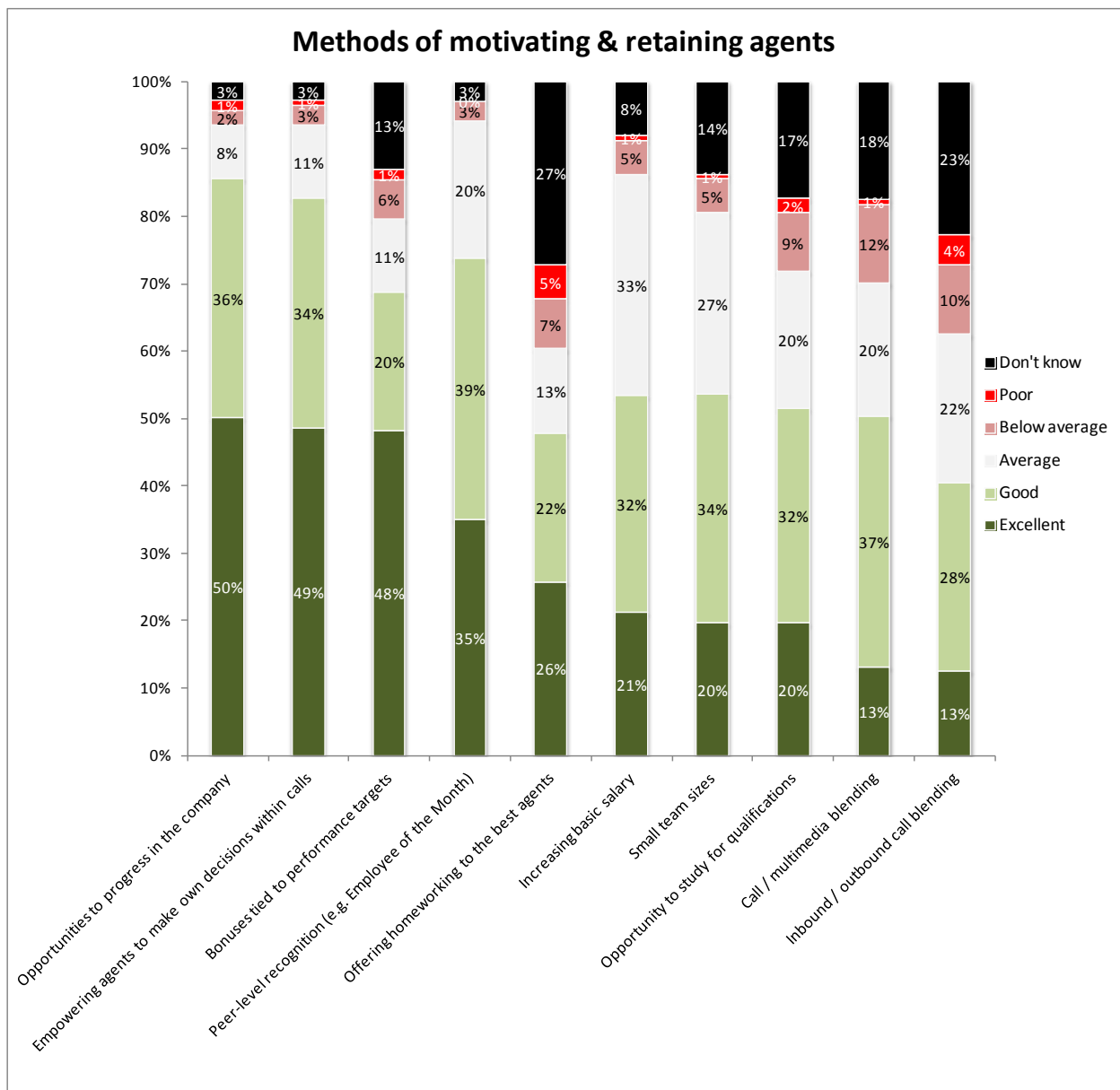
Interestingly, in a industry which outsiders often deem as a dead-end job, the lack of opportunity to move up the career ladder is marked on average as being the third-greatest cause of staff attrition.

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.

**METHODS OF MOTIVATING AND RETAINING AGENTS**

The most effective ways of motivating agents was felt to be to empowering agents to make their own decisions, as the agent takes on more responsibilities and challenges if they do not just feel like a tiny part of a machine, which is one of the problems of working within a large contact 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 136: 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.

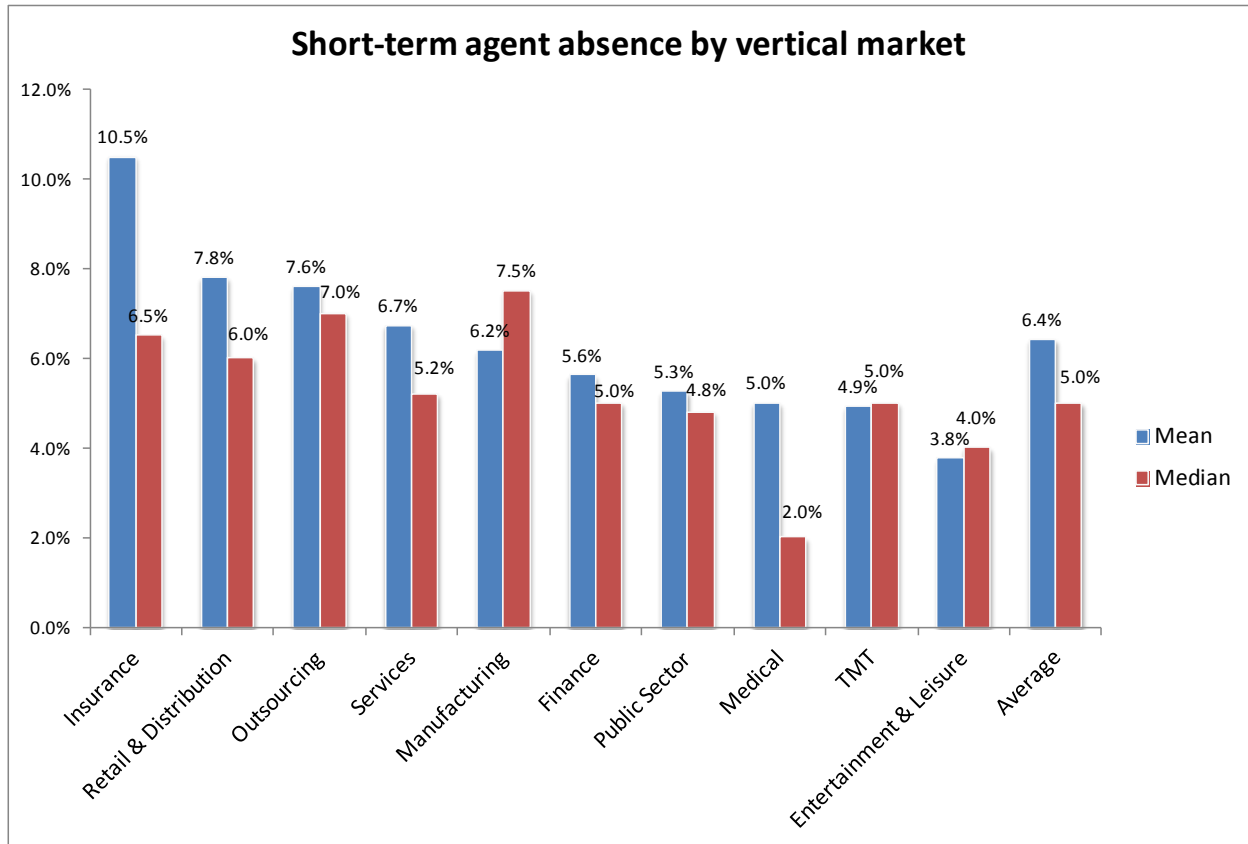
**Short-term (no-show) absence** - this is the average number of agent days lost through short-term sickness and unauthorized absence as a percentage of contracted days annually. This is included in this year's report.

**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 medical and outsourcing sectors are currently experiencing the highest levels of absence, with finance, utilities and the public sector having the least.

The average is down considerably on last year's 8.2%, with the 2008 figure being 8.9%.

Figure 137: Short-term absence by vertical market



As with previous years, smaller contact centers seem to experience far lower rates of staff absence.

Figure 138: Short-term absence by contact center size

Contact center size	Agent absence rate (mean)	Agent absence rate (median)
Small	4.8%	4.0%
Medium	6.7%	5.3%
Large	8.3%	6.0%
<b>Average</b>	<b>6.4%</b>	<b>5.0%</b>

Sales-related contact centers have a slightly-higher absence rate, probably as a result of these operations undertaking more outbound work, which usually has a definite effect on absence.

Figure 139: Short-term absence by contact center activity

Contact center activity	Agent absence rate (mean)	Agent absence rate (median)
Sales	6.0%	5.0%
Mixed	7.9%	6.0%
Service	6.1%	5.1%
<b>Average</b>	<b>6.4%</b>	<b>5.0%</b>

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, although to a much lower extent than in previous years. It is possible that the pressure of the recession and limited alternative opportunities means that staff are less likely to take unnecessary time off for fear of losing their job.

Figure 140: Short-term absence by contact center activity type

Contact center activity type	Agent absence rate (mean)	Agent absence rate (median)
Inbound	6.0%	5.1%
Mixed	7.3%	5.3%
Outbound	7.5%	5.0%
<b>Average</b>	<b>6.4%</b>	<b>5.0%</b>

## 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-learned. Through judging competencies objectively, and using a combination of processes (for example, telephone and face-to-face interviews, with upfront psychometric analysis to determine the likelihood of the prospect being a long-term



success in the contact 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.

# Service Center Managers spend less time but *hire better employees*

## Challenges

Blue Cross Blue Shield of North Carolina (BCBSNC) is an independent health insurer that employs thousands of service center agents to support its more than three million members. With many demands on their time, the service center managers needed to reduce any processes that took attention away from operations. The most pronounced time drain was continually hiring to fill vacated positions, an effort that required the processing of many poorly qualified applicants to find the “keepers”. BCBSNC turned to SHL to help them improve both their hiring procedures and the quality of newly hired employees.

## Solution

SHL’s goal was to develop the optimal selection solution for hiring customer service representatives and claims specialists — identifying those most likely to learn faster and stay on the job longer. First, to learn more about the specifics of the position, SHL’s consulting team of industrial-organizational psychology professionals observed, interviewed and surveyed all those that had a stake in the position, including current employees, their supervisors and the department managers. Using study results, SHL determined the specific knowledge, skills and abilities most critical to on-the-job performance in the BCBSNC service center. They then pulled together a solution of both hard and soft skill assessments that could measure candidates for the traits most closely correlated to success in the position.

## Results

Since implementing SHL’s employee selection solution, the service center’s interview-to-hire ratio has reduced — managers now spend 20 percent less time interviewing. Internet-based assessment of the specific qualities needed for the job eliminates having to process the less-qualified applicants, improves efficiencies and enables BCBSNC to hire the same number of new employees in less time. In fact, the hiring process has improved so much that managers are talking about it with their counterparts in other departments within the company.

## Challenges

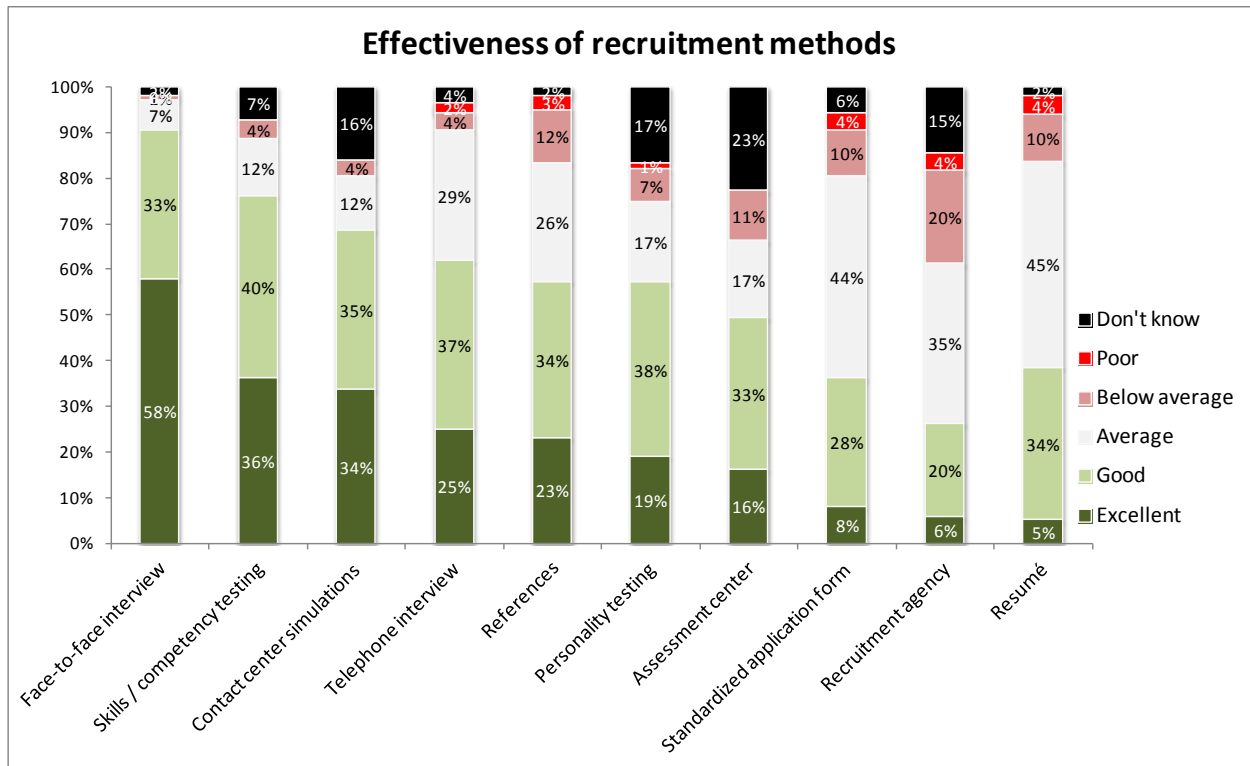
- High interview-to-hire ratio
- Excessive interview costs

## Results

- Interview-to-hire ratio down 20%
- Compliant and legally defensible hiring system is based on job-specific requirements



Figure 141: The effectiveness of recruitment methods



THE COST AND PURPOSE OF RECRUITMENT

On average, it costs \$2,525 to recruit a new contact center agent, with a median cost of \$1,150. The 1<sup>st</sup> quartile cost is \$3,400 and the 3<sup>rd</sup> quartile is \$525.

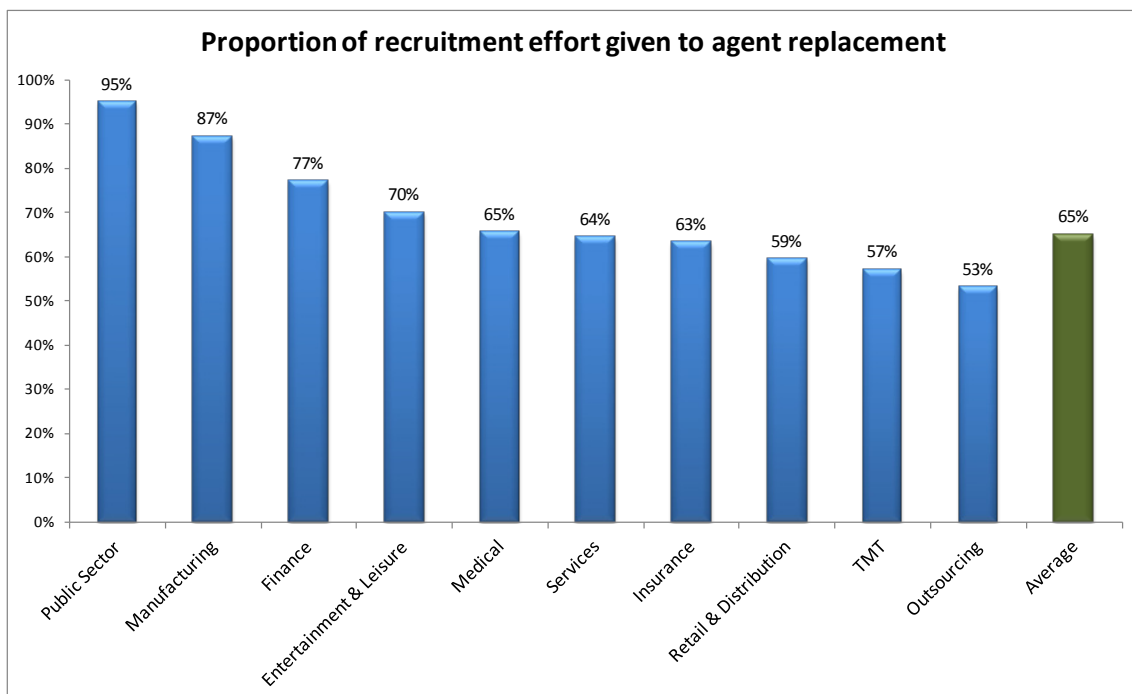
It may seem an odd question to ask "what is the purpose of recruitment?", but it's important to know, as there are two types of recruitment: the replacement of staff who have left (caused by attrition), and new staff positions (caused by contact center growth). In the case of the former, much of this 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.



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 manufacturing and public sectors believe that they spend the greatest amount of effort on replacing agents who have left, with outsourcers stating that they spend the least. In all, 65% of recruitment effort is spent by contact centers just to stay where they are.

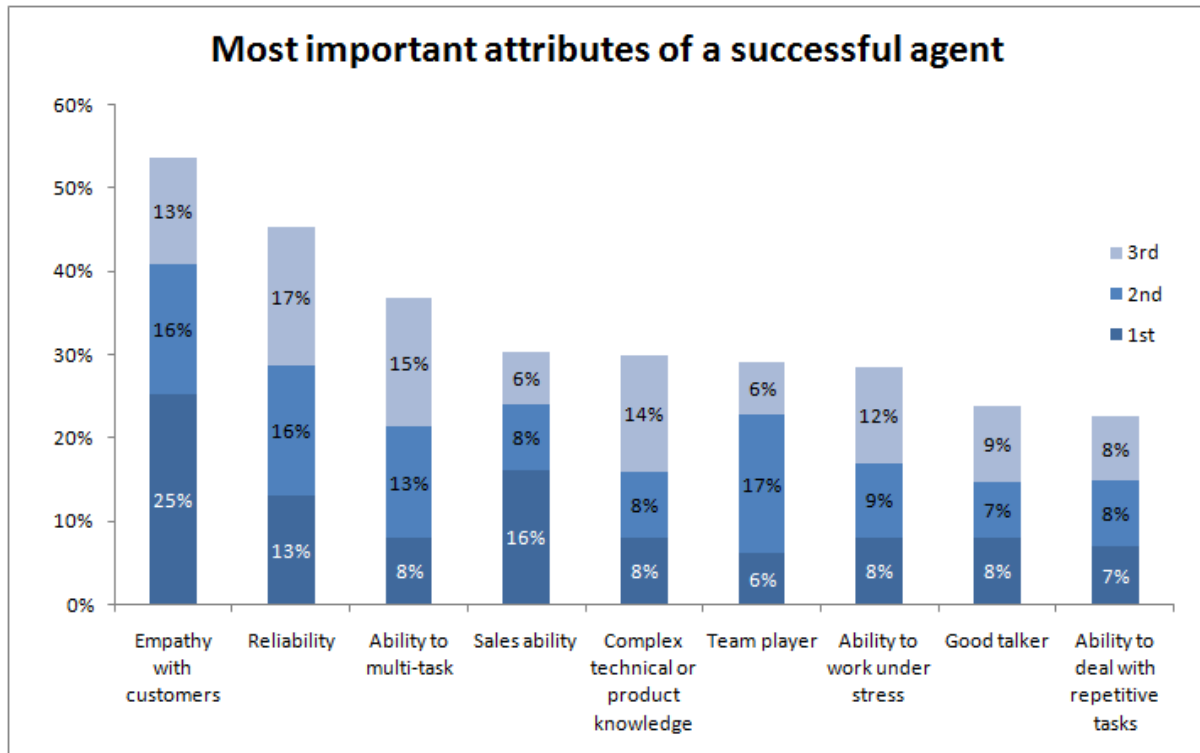
Figure 142: Proportion of recruitment effort given to agent replacement, by vertical market



**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 143: 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 2<sup>nd</sup> or 3<sup>rd</sup>. 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.



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.

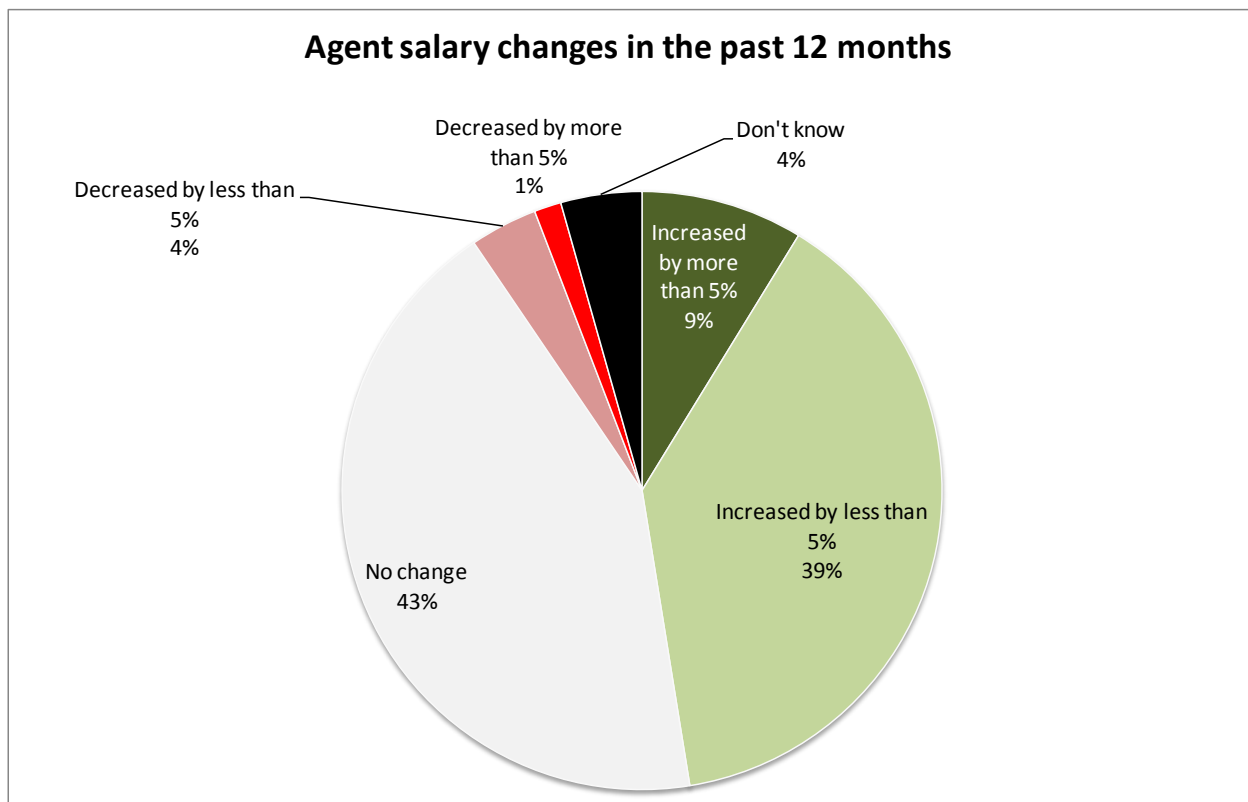
The picture painted of key attributes of successful contact center agents is one of a versatile, reliable good listener - nothing flashy or highly-strung, nor a simple automaton which is happy to plod on doing the same thing for hours. An observer untrammelled by the requirement to be politically correct 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

The human element to contact centers is usually at forefront of any conversation around the industry, and with around three-quarters of most operations' cost attributable to the human element, this is unsurprising.

Against a backdrop of economic gloom and with considerable redundancies across the board, contact center salaries have generally been stagnant at best. As respondents to this survey can change from year to year, the question was asked to this year's respondents how their own salary patterns had changed in the past year. The answer supported the wider findings that agent salaries had picked up slowly after the economic downturn.

Figure 144: Agent salary changes in the past 12 months



## SALARIES BY VERTICAL MARKET

This year, the insurance, retail & distribution and public sectors report average starting salaries for agents in excess of \$30,000.

At a management level, retail, finance and medical managers are paid the highest, and outsourcing and entertainment & leisure being paid the least.

Figure 145: Salaries by vertical market by job role

Vertical market	New agent	Experienced agent	Team leader	Contact center manager
Insurance	\$30,933	\$35,033	\$45,344	\$63,222
Retail & Distribution	\$30,600	\$34,200	\$50,600	\$77,500
Public Sector	\$30,393	\$34,067	\$39,333	\$62,500
Entertainment & Leisure	\$29,667	\$33,333	\$41,667	\$52,500
Medical	\$29,638	\$37,889	\$46,625	\$66,111
TMT	\$27,395	\$33,095	\$40,125	\$58,588
Manufacturing	\$27,167	\$34,667	\$45,833	\$62,500
Finance	\$26,451	\$30,428	\$39,050	\$67,125
Services	\$25,763	\$32,182	\$39,668	\$63,896
Outsourcing	\$20,154	\$24,237	\$30,445	\$51,363
<b>Average</b>	<b>\$26,552</b>	<b>\$31,806</b>	<b>\$40,224</b>	<b>\$61,934</b>



## NEW AGENT SALARIES

Mean average starting salaries for agents at year-end 2011 are up 2.2% since last year and are back around 2009's level.

Figure 146: New agent salaries

New agent salaries	2011	2010	2009	2008	2007
1st quartile	\$30,000	\$30,500	\$30,500	\$30,650	\$31,120
Median	\$25,900	\$25,800	\$26,000	\$25,750	\$26,650
3rd quartile	\$21,840	\$21,000	\$20,900	\$20,000	\$22,000
<b>Mean average</b>	<b>\$26,552</b>	<b>\$25,983</b>	<b>\$26,455</b>	<b>\$26,067</b>	<b>\$27,946</b>

## EXPERIENCED AGENT SALARIES

Average salaries for experienced agents are 20% higher than those received by new agents, although the average salary for an experienced agent has grown by only 0.5% on average since last year.

Figure 147: Experienced agent salaries

Experienced agent salaries	2011	2010	2009	2008	2007
1st quartile	\$36,500	\$39,000	\$40,100	\$35,300	\$36,000
Median	\$30,000	\$30,200	\$30,500	\$30,800	\$32,500
3rd quartile	\$24,900	\$24,000	\$25,080	\$25,600	\$26,000
<b>Mean average</b>	<b>\$31,806</b>	<b>\$31,644</b>	<b>\$33,319</b>	<b>\$31,686</b>	<b>\$33,693</b>

## TEAM LEADER SALARIES

Team leaders will be in day-to-day charge of a team of around 8-15 agents, and fulfill coaching and supervisory activities, as well as listening-in and being the first contact for any issue that the agents may have.

Team leader salaries have increased slightly in 2011 (2.9%) in mean average terms.

Figure 148: Team leader salaries

Team leader salaries	2011	2010	2009	2008	2007
1st quartile	\$46,750	\$50,000	\$50,020	\$47,500	\$48,000
Median	\$39,900	\$36,000	\$37,440	\$38,000	\$39,000
3rd quartile	\$32,000	\$29,120	\$31,600	\$32,000	\$34,000
<b>Mean average</b>	<b>\$40,224</b>	<b>\$39,314</b>	<b>\$40,202</b>	<b>\$40,005</b>	<b>\$42,489</b>

## CONTACT CENTER MANAGER SALARIES

Large operations may have more than one contact center manager, who may be in charge of a number of teams (e.g. the inbound or outbound operation, or sales-side or service-side). There may be a senior contact center director in overall charge.

Average contact center manager salaries reported an increase of 4.3% this year after 2010's decline.

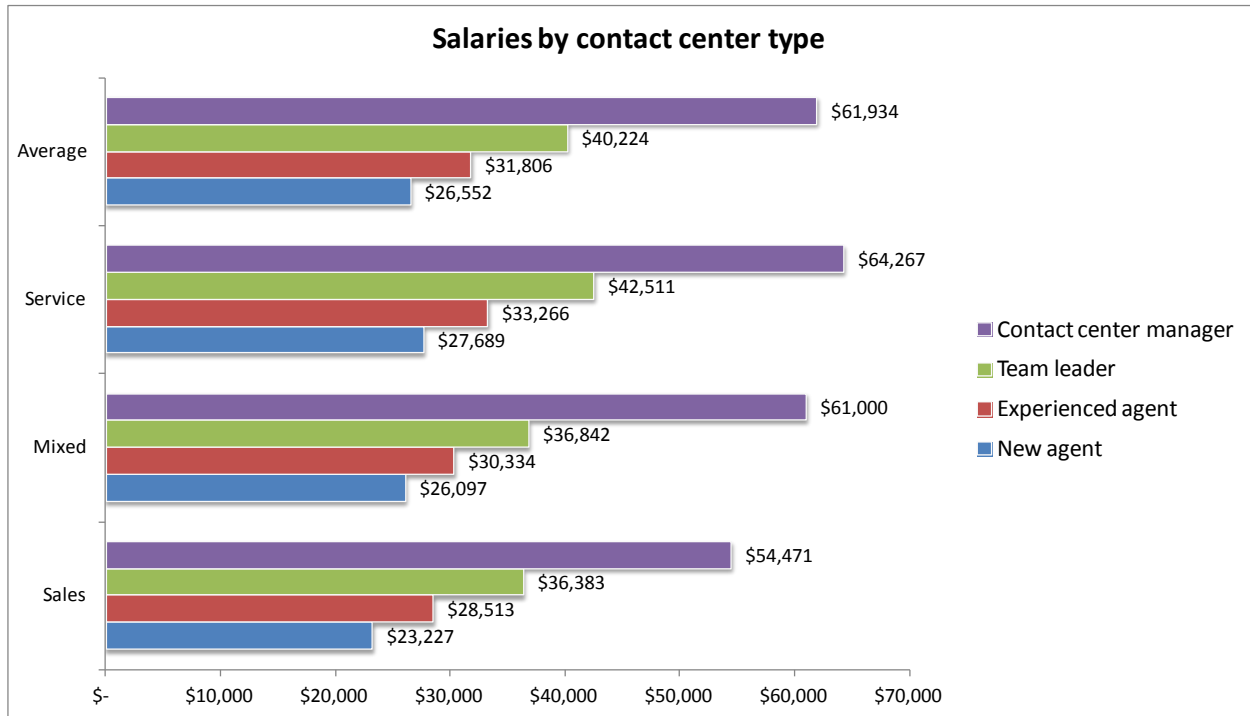
Figure 149: Contact center manager salaries

Contact center manager salaries	2011	2010	2009	2008	2007
1st quartile	\$76,500	\$72,000	\$71,676	\$74,000	\$69,000
Median	\$62,500	\$58,000	\$63,000	\$60,200	\$60,000
3rd quartile	\$49,500	\$47,000	\$48,000	\$48,200	\$50,000
<b>Mean average</b>	<b>\$61,934</b>	<b>\$59,353</b>	<b>\$62,824</b>	<b>\$60,716</b>	<b>\$62,702</b>

SALARIES BY CONTACT CENTER ACTIVITY TYPE AND SIZE

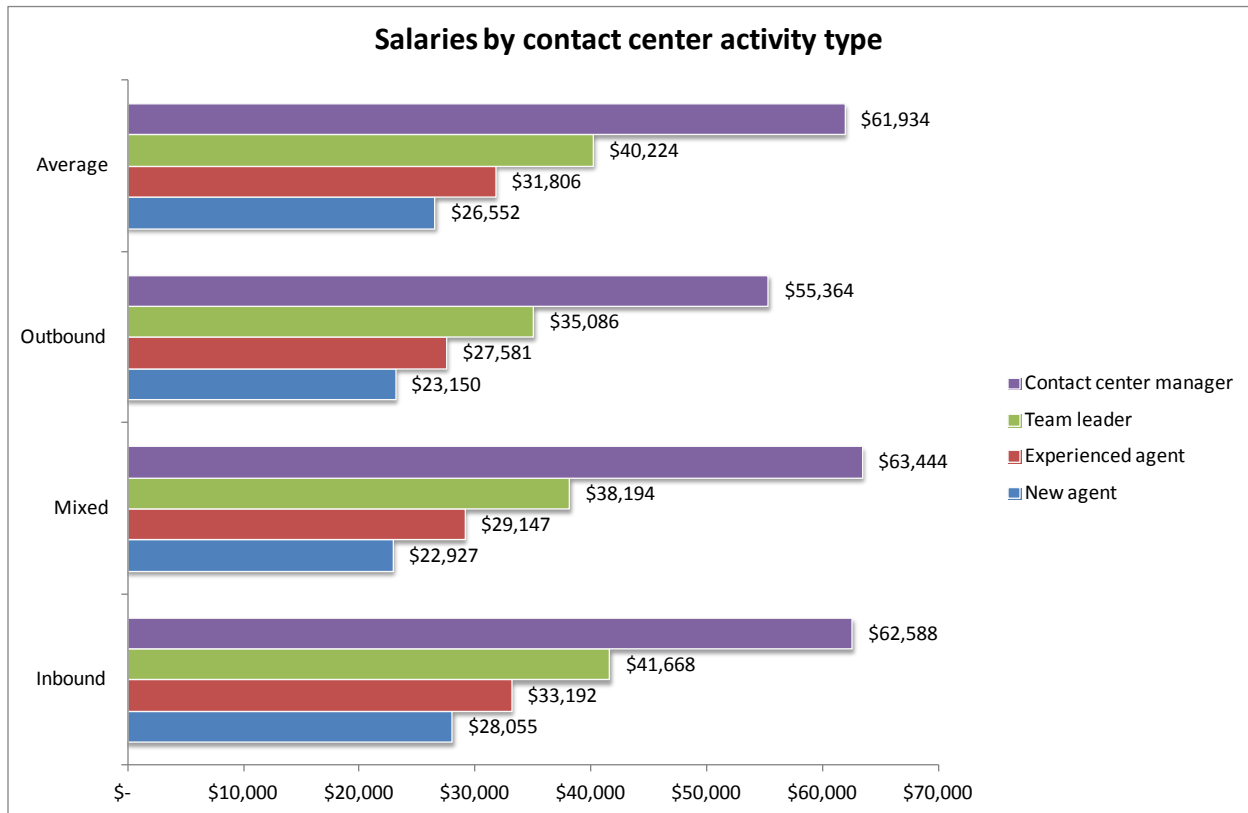
Generally, there is a significant difference between sales and service agent and management basic salaries, with service agents earning around 19% more than their sales-focused counterparts, although the differential at management level is smaller at around 13%. This is explainable by the fact that sales staff, by definition, have a significant part of their overall pay determined by commission, which will be investigated in more detail later in this section.

Figure 150: Salaries by contact center type



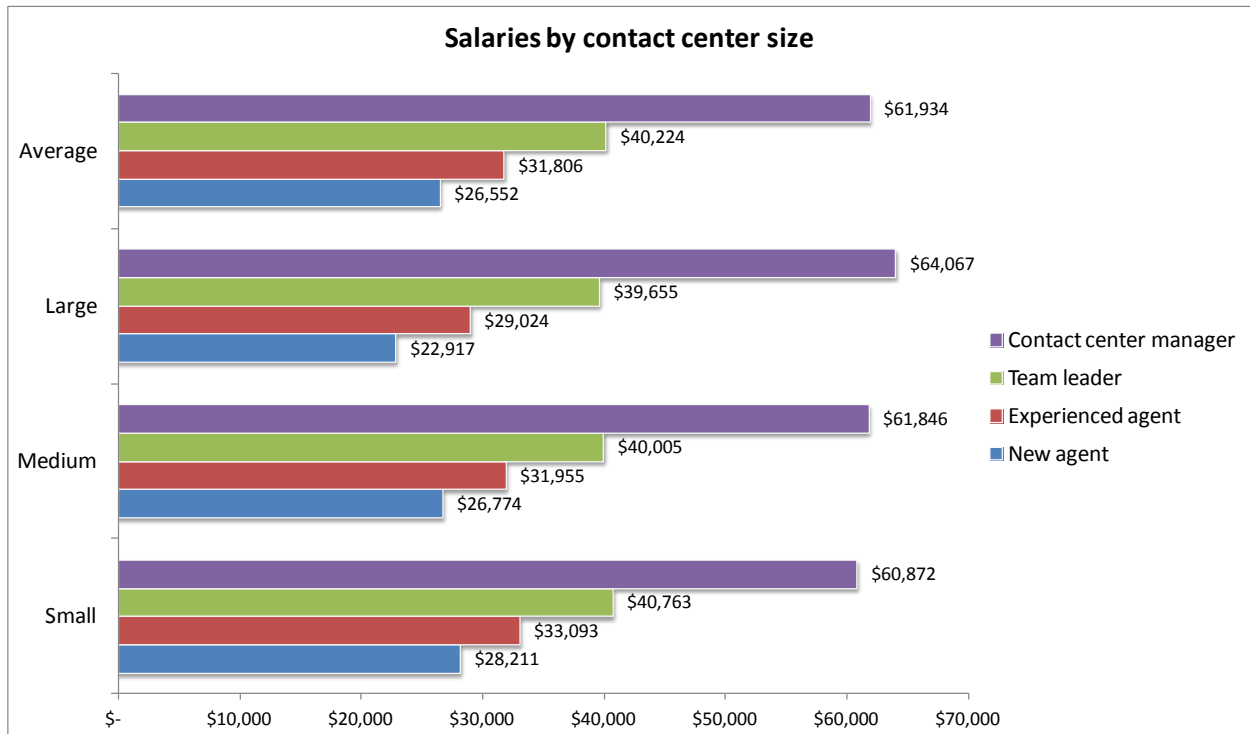
Outbound contact center employees tend to get paid relatively less than their inbound equivalents, mainly because the former will tend to receive a much higher performance-related bonus, and this is certainly the case with junior and operational management in these contact center types.

Figure 151: Salaries by contact center activity type



Small contact centers tend to pay significantly better salaries to agents than do large contact centers, where a small increase in each agent’s salary makes a big change to bottom-line costs. As in past years, this does not follow through to the management level however, where managers of large operations tend to earn more.

Figure 152: Salaries by contact center size



## BONUSES

The mean average sales-related commission is 30%, but this varies greatly. Service agents, as they tend to get paid a little more, will receive less performance-related bonus (around 15% on average). 35% of service-focused contact centers don't pay agents any performance-related bonuses at all.

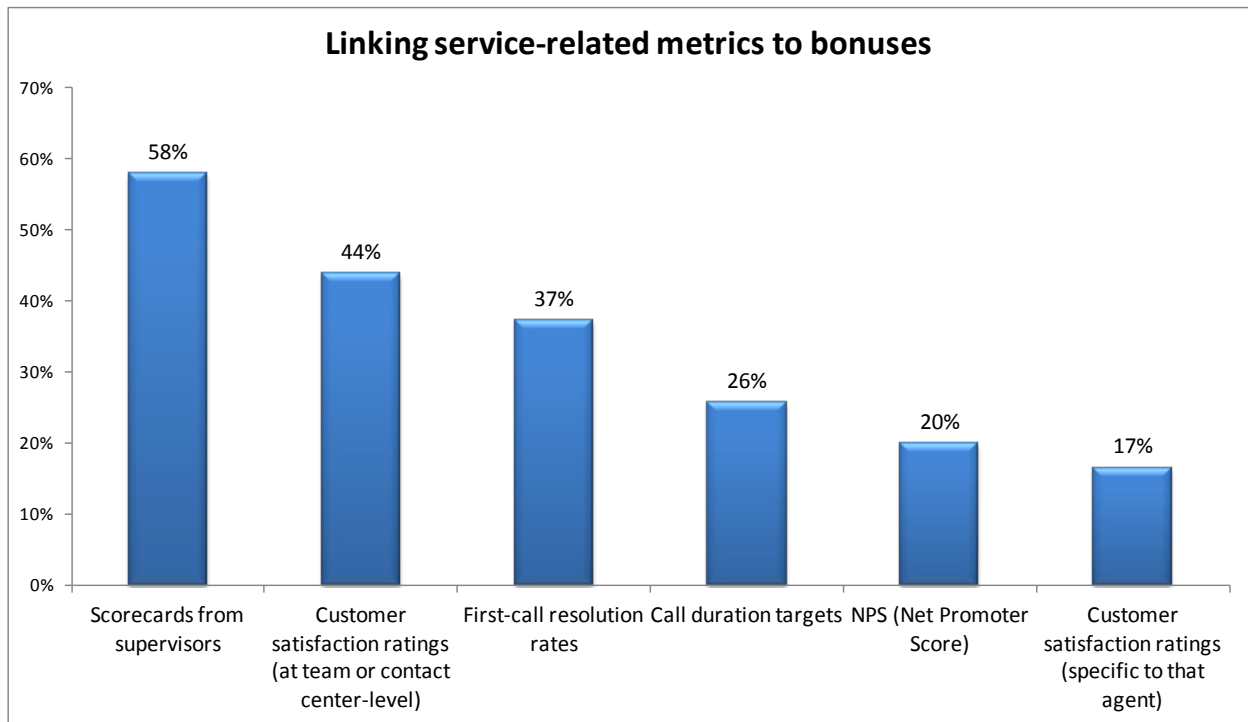
Figure 153: Annual bonus for service and sales agents

	Bonus/commission for sales agent	Performance-related bonus for service agent
1st quartile	35%	30%
Median	20%	15%
3rd quartile	10%	5%
<b>Mean</b>	<b>30%</b>	<b>15%</b>

NB: all figures in this table only apply to respondents which pay bonuses

Service agents are most likely to be measured against their supervisor's scorecard which covers a variety of performance and behavioral targets, as well as customer satisfaction scores, which is a good mix of internal and external measurements. First-call resolution rates are used only in 37% of cases, this is probably more to do with the difficulty of tracing this fairly than any feeling that FCR doesn't matter. Call duration - which can change dramatically depending on the customer's requirements and the agent's capabilities - is used in 26% of cases.

Figure 154: Service-related performance targets used for bonuses



Amongst the 'other' section, service agents were rewarded based upon:

- behavior competencies
- call volumes
- attendance
- sales
- company performance
- conversion metrics for cross-selling and up-selling
- adherence
- team performance
- agent utilization.



---

**Organizations able to help with HR issues:**



Enghouse Interactive develops the world's most comprehensive portfolio of interaction management solutions, delivering technology and expertise to maximize the value of every customer interaction.



Driving better business results for clients through superior people intelligence and decisions



Vocalcom's unified agent work space and supervisor dashboard provide real-time insight into every aspect of agent contact center activity.





Zeacom's clever desktop tools improve job satisfaction and reduce attrition by making your agents more efficient and effective.

## 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 over 40% of an agent's time is spent doing something other than talking to customers. Agent desktop optimization – 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.

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.

From this...

...to this.



 inContact®

CUSTOMERS WANT A SIMPLE WAY TO STAY IN TOUCH.  
BUT SOMETIMES SIMPLE IS SO HARD TO DO.

» inContact gave a leading equipment manufacturer the power to streamline communication with its thousands of dealers in North America. They went from 25 different numbers - each for a different purpose, causing confusion and frustration in their customer base - to just one. The result: a big increase in dealer satisfaction with the bonus of improved metrics. It was so simple - and so easy to do with the cloud.

At inContact, we're the cloud experts, with more happy customers than any other vendor. And as the cloud market leader, you'll get the benefit of our know-how and expertise so you can stop worrying about your technology and focus on taking care of your customers.

Want to make life simpler for your customers? View our new video and learn how the cloud makes managing your contact center easy at [www.incontact.com/CCStrategy](http://www.incontact.com/CCStrategy).

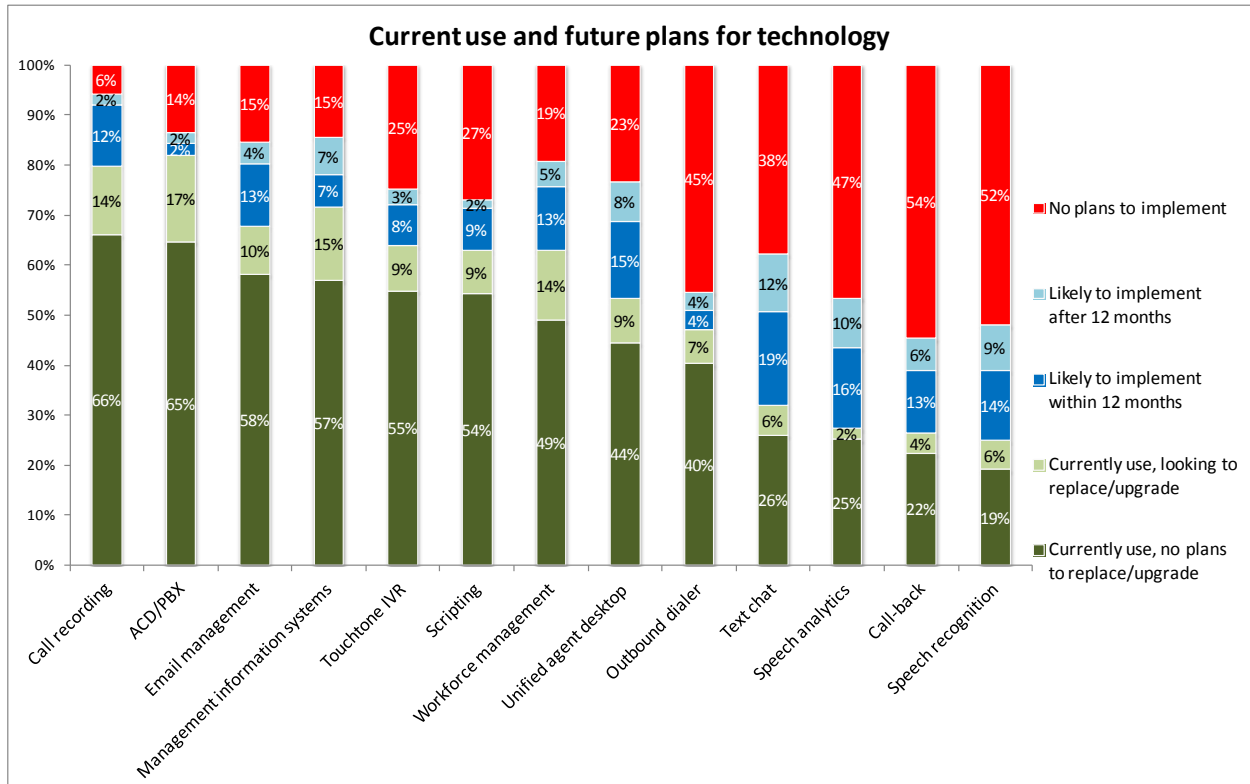
[INCONTACT.COM/CCSTRATEGY](http://INCONTACT.COM/CCSTRATEGY) »

 inContact®

WE GET THE CLOUD

## TECHNOLOGY USAGE AND PLANS

Figure 155: Most important areas of IT expenditure in the next two years



	Currently use, no plans to replace/upgrade	Currently use, looking to replace/upgrade	Likely to implement < 12 months	Likely to implement > 12 months	No plans to implement
Call recording	66%	14%	12%	2%	6%
ACD/PBX	65%	17%	2%	2%	14%
Email management	58%	10%	13%	4%	15%
Management information systems	57%	15%	7%	7%	15%
Touchtone IVR	55%	9%	8%	3%	25%
Scripting	54%	9%	9%	2%	27%
Workforce management	49%	14%	13%	5%	19%
Unified agent desktop	44%	9%	15%	8%	23%
Outbound dialer	40%	7%	4%	4%	45%
Text chat	26%	6%	19%	12%	38%
Speech analytics	25%	2%	16%	10%	47%
Call-back	22%	4%	13%	6%	54%
Speech recognition	19%	6%	14%	9%	52%

NB: Responses of 'Don't know' have been removed from this table. As such, figures may not exactly match those found elsewhere in the report and these statistics should be taken as measures of relative use and interest, rather than as absolutes.

The preceding table and chart show respondents' current and future use of specific contact center solutions. Call recording and ACD/PBX technology lead the way, with 17% of respondents stating they are looking to replace their current telephony system in the next year. Telephony infrastructure, call recording and management information systems are the most likely to be upgraded or replaced in the next year, with more than 1 in 10 also expecting investment to be made in workforce management and email management.

In terms of new implementations, multimedia seems to be a focus, with text chat and email management being singled-out, with speech recognition, call-back, speech analytics and unified agent desktop also receiving attention. In the longer-term too, text chat and speech analytics 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 156: Most important areas of IT expenditure in the next two years

Expenditure type	1st	2nd	3rd
ACD / IP telephony	15%	9%	15%
CRM / Customer management systems	12%	12%	7%
Increasing channels / multimedia	10%	0%	0%
Workforce management	9%	5%	7%
Cloud / hosted solutions	9%	2%	2%
Unified agent desktop	7%	2%	5%
Quality assurance & monitoring	6%	7%	0%
Call recording	6%	5%	7%
Self-service / IVR / Speech recognition	4%	5%	17%
Customer satisfaction management / measurement	3%	5%	2%
Hardware upgrade	3%	4%	5%
Homeworking and virtualization	3%	2%	2%
Speech analytics	1%	7%	2%
Instant messaging / web chat	1%	5%	5%
Social media	1%	5%	0%
Management information systems / reporting	1%	4%	5%
PCI / security / compliance	1%	2%	0%
Outbound dialer	1%	2%	0%
Disaster recovery	1%	0%	2%
Recruitment tools	1%	0%	2%
CTI / call routing	0%	9%	0%
Training & eLearning	0%	4%	5%
Knowledge base	0%	4%	5%
Queuing and callback	0%	2%	2%

As has been the case for many years now, moving to an IP environment has been the most popular priority amongst respondents, with 15% of respondents stating that upgrading their telephony system was the most important area of expenditure, with a further 9% putting it as their second priority.



---

CRM (taken to indicate an improvement to the core customer management systems as well as company-wide CRM) is a very definite no.2 to IP investment, with 31% of respondents putting it as one of their top 3.

The movement to support multimedia - perhaps made more urgent by the enthusiasm for social media management, which itself appears high on the list for the first time - looks likely to attract the required funding, with 10% of respondents putting this as the no.1 priority, although specific solutions (such as text chat) were more likely to be found in positions 2 or 3.



"Companies should have inContact on the shortlist of hosted contact center service providers." **Ovum**

"inContact is the top rated supplier for reliability in our Agent Performance Management 2010 Value Index." **Ventana Research**

Cloud and hosted solutions has risen from 7% to 13% of respondents' top 3 choices and speech analytics has risen from 3% to 10%.

Although self-service maintains its importance in this year's survey, only 4% of respondents put this as their no.1 IT investment priority (down from 9% last year), although a further 22% rate it as no.2 or no.3.

Investment areas that have slipped include outbound (from 11% to 3%) and virtualization and homeworking (from 17% to 7%).

# TRIMBLE NAVIGATION

## Improves Customer Service, Adds Revenue Stream and Enhances Call Center Efficiency

» As one of the largest global providers of GPS, laser, optical and positioning technologies, Trimble Navigation is transforming the agricultural, engineering, construction, public safety, utility and fleet management industries with leading-edge location solutions that translate positioning to productivity. To streamline its service and support response on a global scale, Trimble recently transformed its own workflow, adopting the inContact cloud-based contact center solution to power service and support across 16 global offices. By bringing its call center management functions together under the inContact umbrella, Trimble has been able to **»dramatically improve customer service delivery, »add new revenue streams, »enhance call center efficiency and »reduce operational costs across its growing global footprint.**



### Business

GPS, laser, optical and positioning solutions  
[www.trimble.com](http://www.trimble.com)

### Challenges

- Inefficient, expensive call routing
- Excessive hold times
- Distributors and end-users competing for limited support resources
- Multiple disparate legacy call management systems
- Support was a cost center—no revenue potential

### Results

- Improved customer service delivery
- Integrated, streamlined call management on a global scale
- Optimized call routing
- Value-added revenue stream with premium paid support options
- Reduced outsource operator routing costs by \$20,000+ per month
- Reduced hold times from 4 hours to less than 30 minutes

### Call Center Demands Outpace Legacy Systems

As its global distribution has grown, so too has Trimble's call center demands. With a business presence in just about every country in the world, its support and service functions were tasked with handling all types of service for its B2B and B2C customers, including repair support, warranty claims, product refurbishment, spare parts, installations and distributor and end-user training. Prior to inContact, each function was a separate entity operating on various call center management systems, including disparate legacy IVR and basic ACD systems.

Aiming to reduce what Trimble calls “customer leakage” (end-users who call the support line rather than seek support from their Trimble dealer) and improve service delivery for its distribution partners, the company tried both another cloud vendor and an on-premise system prior to inContact.

[READ MORE ABOUT TRIMBLE »](#)



## 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 cost reduction and revenue increase (i.e. improving profitability) of course still important. Although staff attrition reduction has fallen off the radar entirely for many of the report's respondents, it is interesting to note that the desire to improve staff morale and perhaps the quality of service provided as a result has gained greatly in relative importance this year.



“When we looked at other solutions in the cloud and looked at how well they'd be able to integrate with our technology in the terms of passing data and connectivity, inContact was fairly superior to anyone else.” **Paul Vaillancourt, VP Customer Care, support.com**

While most respondents have a strong focus on decreasing costs, it is particularly noticeable in the public sector, which is feeling the budget cuts most severely, as well as manufacturing. The outsourcing and entertainment & leisure sectors are particularly keen to increase their revenues, with these sectors marking this as their no.1 priority, even above customer satisfaction.

The insurance and public sectors are keenest to improve first-call resolution rates - which of course link to cost and customer satisfaction - with this aim being perhaps the no.1 priority of the public sector.

Public sector and services respondents seem in buoyant HR mood, wanting to increase headcount, and are also most concerned about reducing attrition.

Figure 157: Most pressing managerial issues

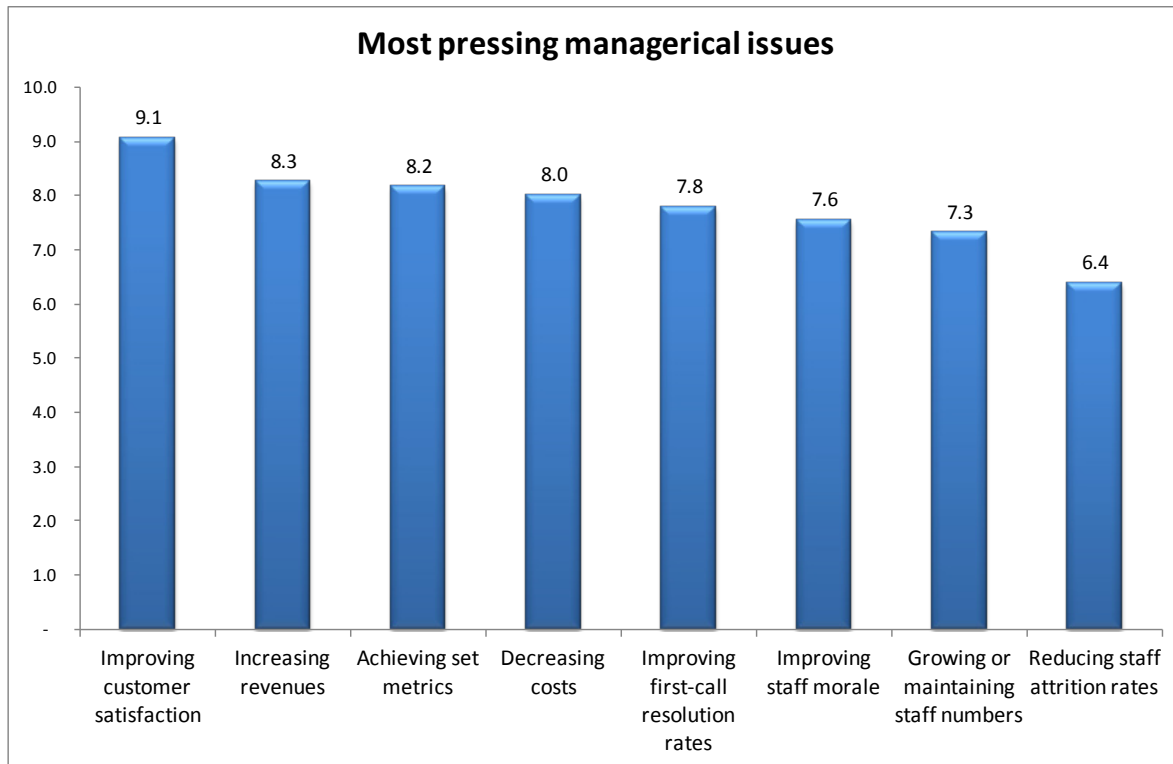


Figure 158: Most pressing managerial issues, by vertical market

Vertical market	EL	FIN	INS	MAN	MED	OS	PS	RD	SVCS	TMT	Average	% of respondents scoring this as a maximum
Improving customer satisfaction	9.3	9.9	9.4	9.0	9.0	8.4	9.5	8.3	9.1	9.1	9.1	51%
Increasing revenues	10.0	8.1	7.7	6.5	5.6	9.6	5.0	6.7	9.0	8.3	8.3	41%
Achieving set metrics	9.3	8.3	8.4	8.8	7.6	8.7	10.0	6.8	8.1	7.2	8.2	33%
Decreasing costs	8.7	7.0	8.0	9.2	7.2	8.4	9.0	7.5	8.3	7.7	8.0	26%
Improving first-call resolution	7.3	7.8	8.7	7.2	6.2	7.4	9.5	7.0	8.4	7.8	7.8	34%
Improving staff morale	8.3	6.8	7.0	6.8	8.6	7.4	9.0	7.5	8.9	6.8	7.6	24%
Growing or maintaining staff numbers	7.0	6.4	6.6	4.8	6.8	8.5	9.0	6.5	8.4	6.9	7.3	24%
Reducing staff attrition rates	6.0	5.8	6.6	3.6	6.8	6.8	8.3	6.8	7.6	5.8	6.4	17%



“It’s taken a tremendous amount of pressure off of my shoulders by streamlining our system and optimizing our workflow to reduce cost per call and overall operational costs.” **Ron Quan, Global Services Division, Trimble Navigation Limited**

As last year, revenue generation is more important to larger contact centers, although profitability in general is sought-after across all contact center sizes. Staff attrition is far more important in larger operations than smaller, but this year, morale is seen as generally important in all size bands. Customer satisfaction is once again no.1 in every size segment.

Figure 159: 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	9.1	9.1	8.9	9.1	51%
Increasing revenues	7.8	8.7	8.5	8.3	41%
Achieving set metrics	8.1	8.6	7.7	8.2	33%
Decreasing costs	7.8	8.1	8.0	8.0	26%
Improving first-call resolution rates	7.4	7.8	8.0	7.8	34%
Improving staff morale	7.4	7.9	7.3	7.6	24%
Growing or maintaining staff numbers	7.4	7.1	7.5	7.3	24%
Reducing staff attrition rates	5.7	6.9	6.9	6.4	17%

## INDUSTRY TRENDS

Respondents were asked how important specific industry trends would be to them in the future. The focus on customer experience improvement, as in previous years, rated the highest, and this year extends its lead considerably. This strong showing indicates that many other issues, concerns and trends within the contact 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”.

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 the public sector and insurance. 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.

Issues around compliance with legal regulations maintains its importance, with 25% of respondents scoring this as a maximum. As we would expect, finance companies are very focused on compliance, and the public sector is also particularly concerned about meeting legal obligations and being seen to do so.

Improving the desktop to make it easier for agents to do their job was rated as the third most-important trend. 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.

Entertainment & leisure and retail & distribution respondents show a greater-than-average interest in virtualization, which has already occurred, or has been investigated already in the more mature verticals such as finance.

Figure 160: The importance of industry trends

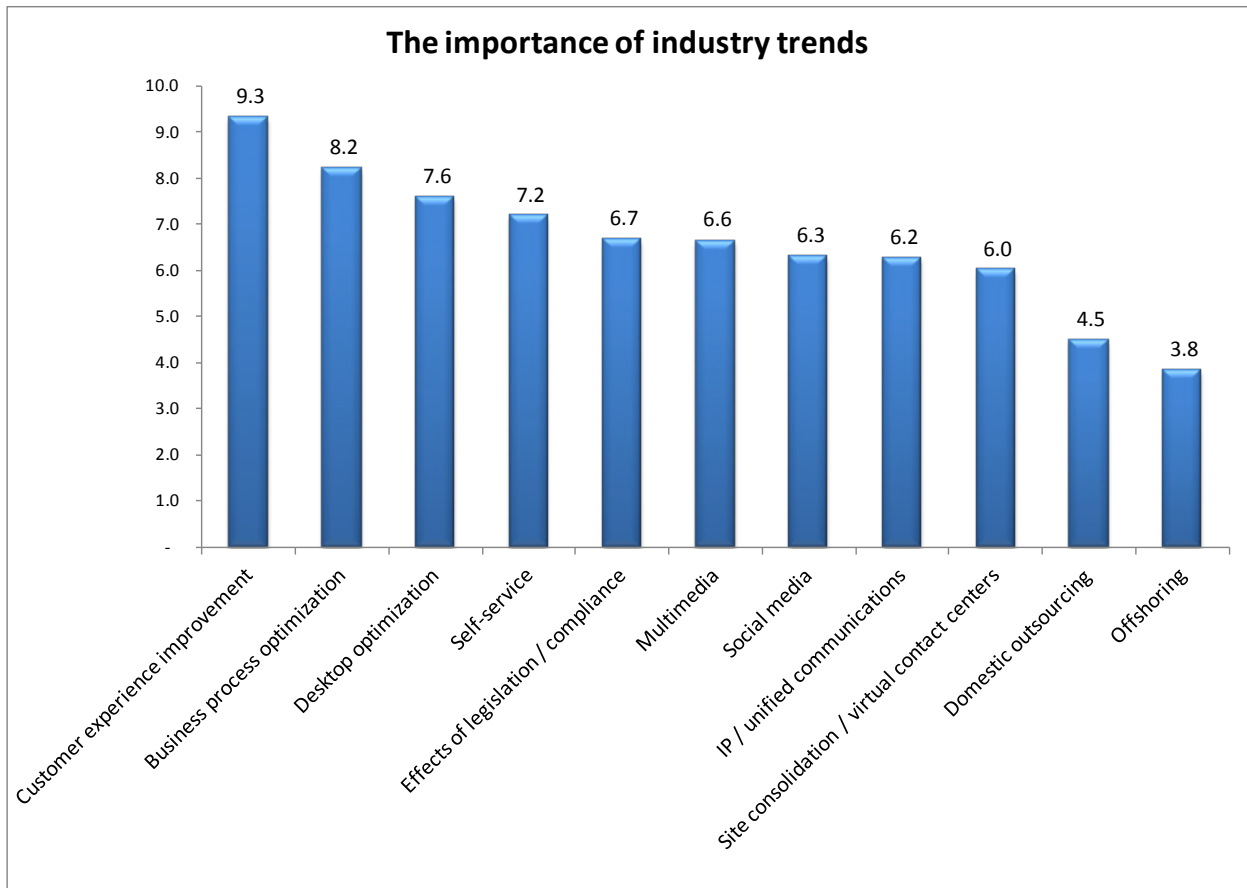


Figure 161: The importance of industry trends, by vertical market

Vertical market	EL	FIN	INS	MAN	MED	OS	PS	RD	SVCS	TMT	Average	% of respondents scoring this as a maximum
Customer experience improvement	10.0	10.0	9.3	9.8	9.2	9.1	9.8	9.5	8.9	9.0	9.3	64%
Business process optimization	9.0	7.8	7.7	8.8	9.0	8.2	8.8	7.7	8.4	7.9	8.2	32%
Desktop optimization	8.5	8.3	7.9	7.0	8.4	7.2	8.3	6.0	8.0	6.9	7.6	33%
Self-service	6.0	7.8	8.1	9.0	9.6	6.3	6.8	7.7	5.9	7.2	7.2	26%
Effects of legislation / compliance	7.0	7.5	5.7	7.7	7.2	7.2	8.0	4.5	5.9	6.0	6.7	25%
Multimedia	10.0	6.2	7.1	8.0	7.4	6.8	6.3	7.0	6.7	5.8	6.6	13%
Social media	8.0	5.7	5.9	7.3	6.4	6.1	6.3	6.7	7.4	5.6	6.3	11%
IP / unified communications	7.0	5.3	6.1	7.0	5.0	6.5	6.8	6.3	6.9	6.1	6.2	12%
Site consolidation / virtual contact centers	10.0	3.5	5.2	7.0	3.8	6.7	7.3	8.0	6.8	5.9	6.0	18%
Domestic outsourcing	1.0	2.3	2.7	6.7	1.5	7.2	1.0	2.0	4.7	4.8	4.5	9%
Offshoring	1.5	1.3	1.3	4.7	1.3	6.2	1.0	1.0	4.9	4.9	3.8	8%

Looking at data segmented by contact center size, self-service is - as would be expected - more positively thought about by mid-sized and large operations with a potentially greater cost saving, with the same logic applying to virtual contact center functionality as well.

Generally, across the board, respondents from large operations are more enthusiastic about almost every industry trend than they have been for years, signifying perhaps a re-emergence of opportunity and ambition after some years of difficulty and stagnation.

Figure 162: 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	9.2	9.3	9.3	9.3	64%
Business process optimization	8.1	8.2	8.3	8.2	32%
Desktop optimization	7.2	7.8	7.8	7.6	33%
Self-service	6.8	7.4	7.4	7.2	26%
Effects of legislation / compliance	6.5	6.5	7.3	6.7	25%
Multimedia	6.4	6.7	6.9	6.6	13%
Social media	6.1	6.1	6.7	6.3	11%
IP / unified communications	6.2	5.9	6.7	6.2	12%
Site consolidation / virtual contact centers	5.3	6.0	7.0	6.0	18%
Domestic outsourcing	3.3	5.0	5.6	4.5	9%
Offshoring	2.6	3.7	6.0	3.8	8%

---

## THE CONTACT CENTER AND THE WIDER BUSINESS

This section looks to understand how the contact center is integrated into the wider business, and the extent to which the insight and experience within the operation could benefit business decisions made at the highest level.

Only 58% of operations state that they report broken processes that they discover in the course of their customer-facing activity, despite the contact center usually being the one to deal with any ensuing fall-out. The TMT sector's low levels of feedback about broken processes is particularly notable, as many customers of telecoms companies have experienced being passed around various departments - billing, provisioning, technical, etc - and may have themselves wondered why these departments and processes don't work together better.

49% of respondents say that their contact center provides feedback about marketing campaigns, despite having an ideal opportunity when talking to customers to gather any commentary or even to gauge the level of awareness of the campaigns.

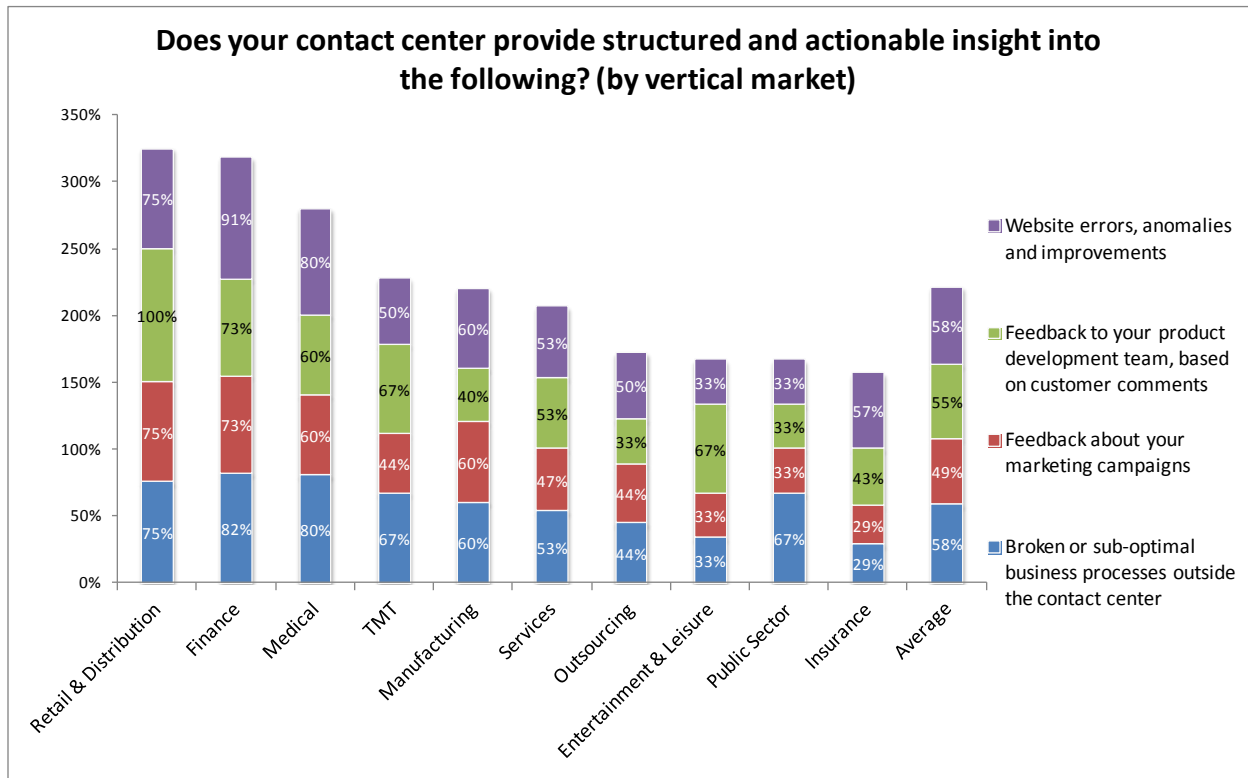
55% feed back product information based on customer comments, with retailers, insurers and manufacturers most capable of doing this.

Only 58% of respondents report that they pass website errors onto their web team, yet the ability to know in almost real-time if there is false information or something stopping a sale that is being broadcast to any customer visiting the site is surely vital.

The following chart really shows that if the contact center is geared-up to provide information to the wider company, then it is likely to pass over business process, website and product improvement information, as well as to a lesser-extent, marketing feedback. However, there are a large number of businesses that are simply not set up to listen to what their contact center can tell them.

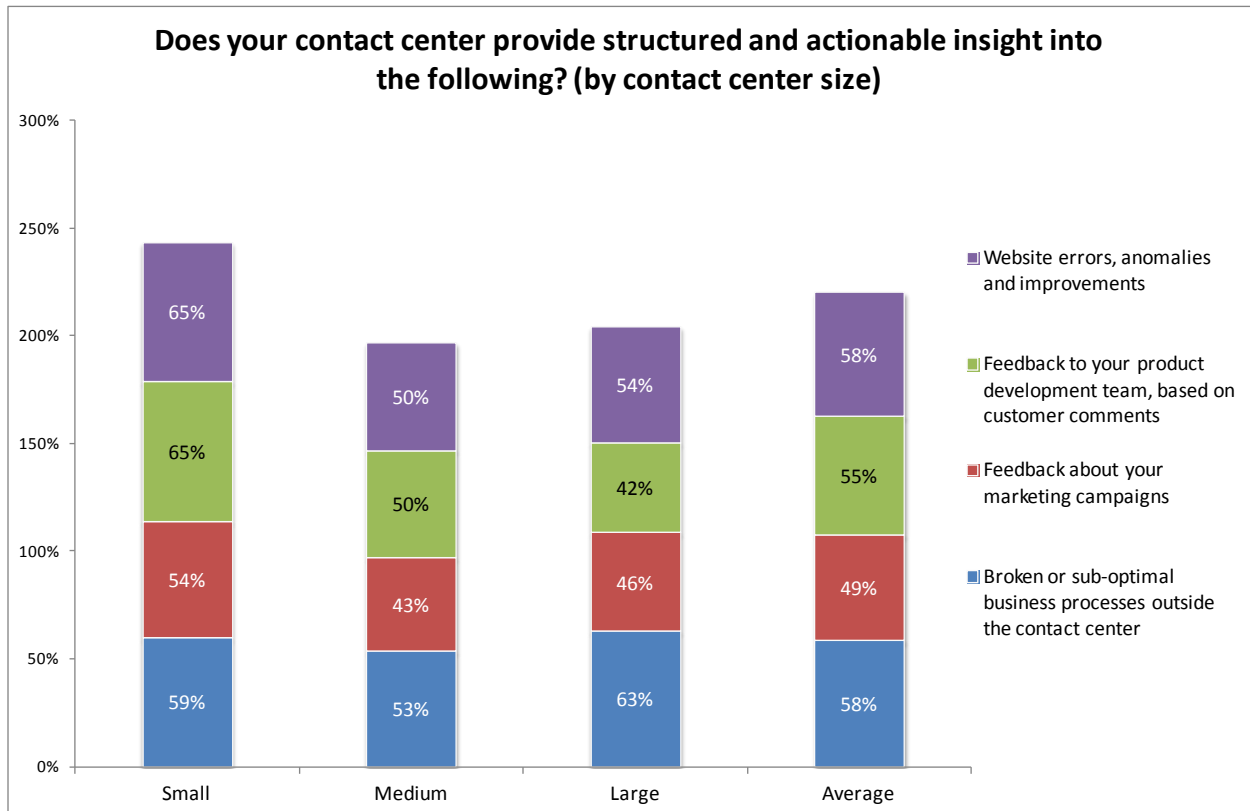


Figure 163: Does your contact center provide structured and actionable insight into the following? (by vertical market)



At a contact center size-band level, we can see that smaller businesses are just as likely to be able to gain from the contact center's experience especially where product development or marketing improvements could be made and website failures reported quickly. Larger operations may have more resources to create a workflow for such matters, but smaller operations may have fewer hierarchical levels to go through to reach the necessary business teams.

Figure 164: Does your contact center provide structured and actionable insight into the following? (by contact center size)



There is a 61-39 split between whether contact centers are seen as strategic assets or operational cost centers by the organization's executives, which is roughly the proportion which share their insight with the wider business. Entertainment & leisure, outsourcing, finance and TMT contact centers are most likely to be seen as strategic, and this view is far more likely to be taken if the contact center is sufficiently large to have a very real physical and cultural presence as can be seen from the table following this one.

Figure 165: Does your executive board see the contact center as a strategic asset or operational cost center? (by vertical market)

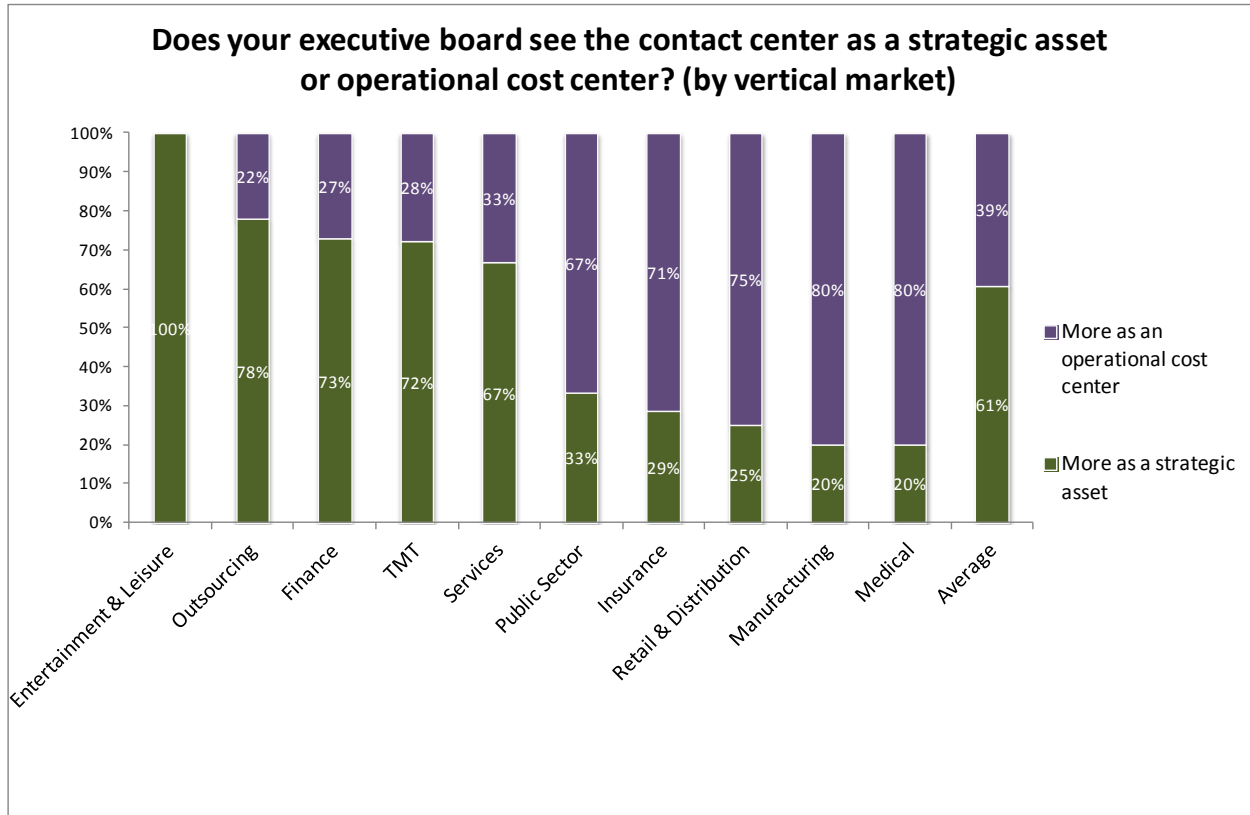
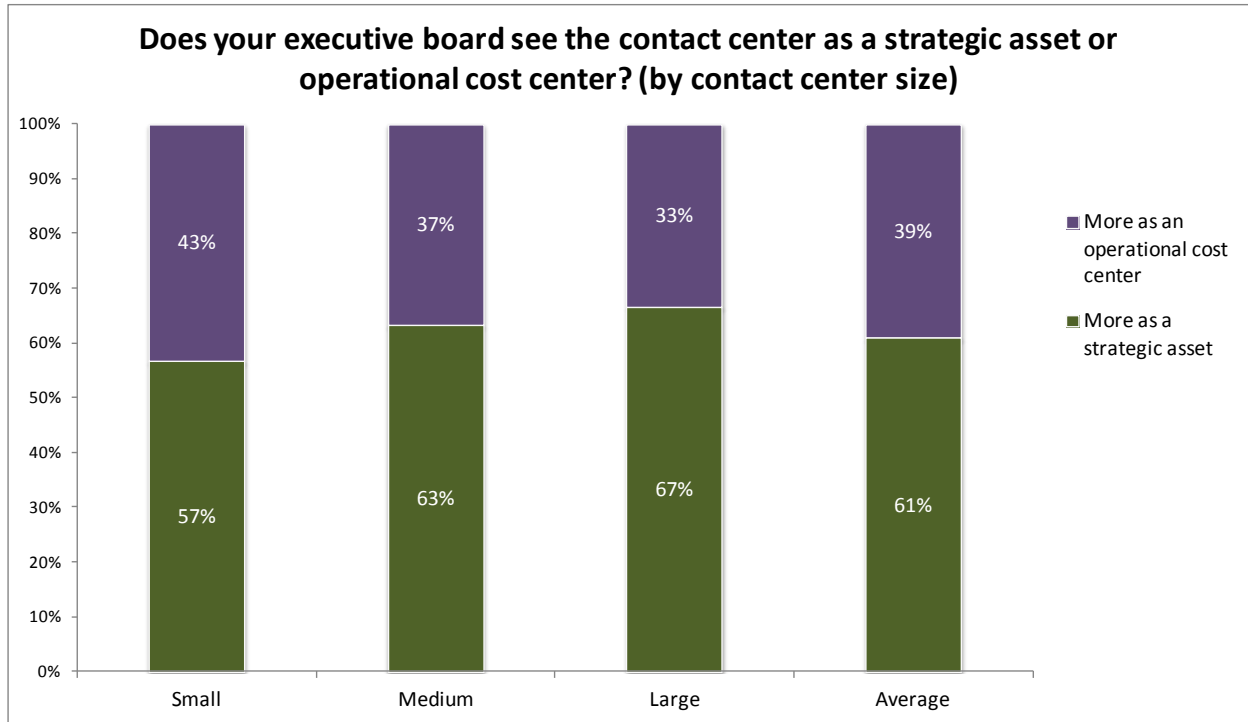


Figure 166: Does your executive board see the contact center as a strategic asset or operational cost center? (by contact center size)



**Organizations able to help with Strategic Directions:**



Enghouse Interactive develops the world's most comprehensive portfolio of interaction management solutions, delivering technology and expertise to maximize the value of every customer interaction.



Nuance can help you deliver the best possible customer service experiences backed by smart automation.



Driving better business results for clients through superior people intelligence and decisions



---

# VOCALCOM

Connecting to Customers

Vocalcom's industry leading research and development means that we are always keeping your contact center one step ahead of the Customer of the Future.



Zeacom is committed to delivering its contact center solutions on your terms, whether it be in-house, private cloud or cloud based.



---

## 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.

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

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