The US Contact Center Decision-Makers’ Guide 2014

EXECUTIVE SUMMARY
produced for the membership of

CCNG
ABOUT THE REPORT

The "US Contact Center Decision-Makers' Guide (2014 - 7th 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 answered by 204 contact center managers and directors between January and February 2014. Analysis of the results was carried out in March and April 2014. The result is the 7th edition of the largest and most comprehensive study of all aspects of the US contact center industry.

You may download the full 350-page US Contact Center Decision-Makers’ Guide, free of charge from:

www.contactbabel.com/united-states.cfm

“The 2014 US Contact Center HR and Operational Benchmarking Report” is a sister report, detailing current, historical and projected key data points, segmented by contact centre size, vertical market, activity type and inbound/outbound activity, including:

HR Metrics

- Agent and management salaries & bonuses
- Agent attrition & absence
- Cost of agent recruitment

Operational Metrics

- Average speed to answer
- Call abandonment rates
- First-call resolution rates
- Service call duration
- Sales call duration
- Call transfer rate
- Agent activity (occupancy / idle / wrap-up, etc.)
- Cost per inbound / outbound call
- Budgets and expenditure

“The 2014 US Contact Center HR and Operational Benchmarking Report” is $495.

Members of CCNG can receive a 50% discount ($247.50) – please mention this when ordering.

More details are available here.
CCNG is a member Professional Peer Network (PPN) for Contact Center and Customer Service Executives, Managers, and Leaders.

Within the CCNG Member Network, Contact Center and Customer Service Professionals:

• Connect for networking and sharing best practices
• Interact to enhance their professional network and gain valuable insight into Contact Center and Customer Service best practices and technology.
• Share their experience and ideas contributing to the valuable discussion

All Call Center, Contact Center, Customer Care, Customer Service, and Customer Experience Professionals are invited to participate in the CCNG Member Network.

For more information about the CCNG Member Network and to gain access, please visit CCNG.com, email us at info@ccng.com, or call 855-599-CCNG. You can also find us on LinkedIn, Twitter, and Facebook.
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CONTACT CENTER PERFORMANCE

PERFORMANCE METRICS

One-third of respondents chose customer satisfaction rating as being the most important measurement that a contact center tracks. However, first call resolution and speed to answer are very close behind: both of these metrics are of huge importance to customer satisfaction (or the lack of it), and handling more calls effectively first-time is key to improving customer satisfaction and reducing repeat calls, which will impact positively upon queue lengths.

Figure 1: Selected performance metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Mean average</th>
<th>Median average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average speed to answer</td>
<td>43.3 seconds</td>
<td>24.0 seconds</td>
</tr>
<tr>
<td>Call abandonment rate</td>
<td>5.3%</td>
<td>4.0%</td>
</tr>
<tr>
<td>First-call resolution rate</td>
<td>74%</td>
<td>80%</td>
</tr>
<tr>
<td>Call duration (service)</td>
<td>381 seconds (6m 21s)</td>
<td>310 seconds (5m 10s)</td>
</tr>
<tr>
<td>Call duration (sales)</td>
<td>408 seconds (6m 48s)</td>
<td>325 seconds (5m 25s)</td>
</tr>
<tr>
<td>Call transfer rate (excl. receptionists)</td>
<td>8.5%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Cost of inbound call</td>
<td>$5.84</td>
<td>$4.50</td>
</tr>
<tr>
<td>Cost of outbound call</td>
<td>$6.34</td>
<td>$4.53</td>
</tr>
</tbody>
</table>

NB: as a few respondents may show extreme results, data are not distributed symmetrically. Median values show the midpoint and may demonstrate the truer picture of a ‘typical’ operation. If calculating an industry-wide amount (e.g. total cost of calls, or total time spent waiting to answer), the mean average is more appropriate.

Detailed analysis of all of the above performance metrics, including historical changes and segmentations by vertical market, contact center size and type of activity are available in the "US Contact Center HR and Operational Benchmarking (2014)" report.

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

The traditional outbound activity of trying to sell to prospective customers (rather than those who have already done business with you), is back in number one position, at 31%. It displaces proactive customer service, which is a strong brand builder as well as an effective call avoidance tactic. In total, the three sales related activities - to potential customers, cross selling and up selling to existing customers, and renewals to existing customers - account for almost half of outbound activity, compared to less than 40% last year. Debt collection decreases once again, having been much higher in the depths of the economic downturn.

Figure 2: Outbound activity
INTERACTION RECORDING

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 87% of this year’s respondents, 21% of which state that they wish to replace or upgrade their current system. Only 9% of respondents have no intention of using call recording.

Survey respondents are very positive about the effectiveness of call recording for quality monitoring and identifying agent training needs, including the demonstration of best practice to other agents. Recording is also seen by most as an effective tool in proving compliance. However, there is less enthusiasm for call recording’s effectiveness at getting feedback from customers and very few respondents considered that call recording was of any use for the learning about the competition, although it was seen as useful in gauging customer satisfaction.

CUSTOMER INTERACTION ANALYTICS

Against a virtual ubiquity of call recording, the penetration rates of interaction analytics are much lower, although almost one-quarter of this year’s respondents use it today, and 26% state that they have definite plans for implementation.

Respondents state that interaction analytics is extremely effective for quality monitoring, very effective at targeting agent training needs and compliance with regulations and of considerable use for understanding why customers call. Currently, users of interaction analytics are less enthusiastic about its capability for gathering feedback about products or marketing and very few considers effective at all for learning more about competitors.

CLOUD-BASED CONTACT CENTRE SOLUTIONS

CRM and call routing functionality were the most likely solutions to be cloud-based, and 46% of this year’s respondents had at least some contact centre functionality in the cloud.

78% of respondents stated that cloud-based solutions had given a cheaper overall cost of ownership of their contact center technology. 64% experienced more powerful extended functionality in a cloud-based environment, with only 2% disagreeing that this was the case. 53% of respondents stated that cloud made it easier to make changes to the system, with 12% disagreeing.
PROFIT MAXIMIZATION, CROSS-SELLING & UPSELLING

Survey respondents state that 39% of this service agents were able to cross sell and upsell. The greatest inhibitor is to increasing this number was the belief that service agents simply luck selling skills, and existing pressure to reduce queues in call lengths.

THE AGENT DESKTOP

93% of contact centers require their agents to use multiple applications within a call, and there are significant dangers around forgetting to key in information, not asking for the required information, starting the correct processes or failing to type in consistent data.

It is reasonable to suppose that not having to navigate through multiple screens or spend significant periods at the end of the call typing out notes or making changes to multiple databases, and being given access to dynamic scripting that provides the correct information without having to search for it will encourage shorter calls, improved agent availability, and lower call abandonment rates.

Figure 3: Selected performance metrics, by number of in-call applications used

<table>
<thead>
<tr>
<th>Metric</th>
<th>Respondents using 1 in-call application</th>
<th>Respondents using 4 or more in-call applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average speed to answer</td>
<td>16 seconds</td>
<td>58 seconds</td>
</tr>
<tr>
<td>Average call duration (service call)</td>
<td>4m 33s</td>
<td>6m 1s</td>
</tr>
<tr>
<td>Call abandonment rate</td>
<td>3.2%</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

VIRTUAL CONTACT CENTERS

85% of survey respondents who had virtualized their multiple contact centre operations reported that they handling of call spikes had improved; 81% said agent utilization in queue lengths were better and 74% stated that the range of agent skills available to callers was wider.

The main inhibitors to virtualizing multiple sites were concerns about management of teams at multiple locations and the fear that there are too many different systems are each site for them to be integrated successfully.
HOMEWORKING

39% of respondents are already using homeworking, with 4% running a pilot scheme. 24% of respondents have not acted either way on homeworking, although 1 in 5 state that they have made a firm decision that homeworking is not for them.

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. Currently, around 11% of agents are based at home.

IP AND CONVERGENCE

60% of respondents report using a pure IP infrastructure, with 30% using a hybrid IP/TDM environment and only 10% using traditional TDM.

CALL ROUTING

Only 19% of respondents keep call routing simple by using a single level in their DTM IVR menu. Large contact centres report offering customers an average of 13 options in the IVR menu.

PAYMENT CARDS AND SECURITY

This year, 59% of respondents’ operations handle card payments from customers over the telephone, although the public sector, insurance, manufacturing and TMT vertical market respondents are less likely to do so this year. Payments are normally taken by agents, although vertical markets such as finance and entertainment & leisure often provide a fully-automated as well as a human payment option to their customer base.

CUSTOMER IDENTITY VERIFICATION

63% of calls require caller identification, which is carried out by using an agent in 91% of cases. It takes an average of 28 seconds to authenticate caller identity, which mounts up to an overall industry-wide cost of $10.6 billion per year.
CUSTOMER EXPERIENCE

FACTORS IN ACHIEVING CUSTOMER SATISFACTION

By a clear distance, the most important factors in achieving customer satisfaction are stated to be first call resolution, short queue times, and polite and friendly agents.

CUSTOMER SATISFACTION BY CHANNEL

Of the 49% of respondents that measure the different levels of customer satisfaction by channel, 63% say that the phone channel achieves the highest customer satisfaction score against only 12% who believe that email creates high-level is of customer satisfaction. The remainder do not notice a major difference between these channels.

COMPLAINTS

A median average of 4.9% of calls are complaints, with 77% of these calls being about the wider business rather than the contact centre. This year, respondents from the medical sector report the highest level of complaints, while those in the public sector report the lowest.

VIRTUAL QUEUE MANAGEMENT

32% of respondents offer customers a callback option within the phone queue, and a further 20% offer a callback via website call me button. Only one in six respondents announce the position of the caller within the phone queue.
The proportion of inbound interactions by telephone has not changed greatly since last year - almost identical at 70.4% against last year’s figure of 70.2% - but the proportion of telephony self-service interactions has reversed its recent decline, growing once again to reach double digits.

Recent years’ growth seen in the email channel pauses this year as this channel drops back from 12.4% to 11.7%. However, it is far too early to say whether this is a structural change, or simply a statistical blip based only on data from this year’s respondents.

Web chat, which had risen to 2.7% last year, falls back very slightly to 2.5%.

Figure 4: Inbound interactions by channel
EMAIL MANAGEMENT

The retail and technology/media/telecoms sectors receive the greatest proportion of emails.

Respondents estimate that it costs an average of $3.82 to handle an email, compared to $3.16 to carry out a web chat session. The equivalent cost of a phone call is reported to be $5.84 this year.

The proportion of emails are answered successfully and completely has increased once again this year, with 30% answered in less than one hour and a further 53% within one day.

MULTIMEDIA BLENDING

85% of contact centres allowing multimedia blending (that is, agents answering both telephony and multimedia queries). Respondents from small and medium-size contact centres are much more likely to allow this.

Multimedia blending in a formal universal queue environment seems to greatly improve average email handling time.

Figure 5: The effect of multimedia blending on average email handling time
WEB CHAT

Web chat seems to be experiencing growth in the US, with the proportion of interactions rising to between 2-3% on average, although this is over 5% in the TMT sector, almost 4% in the entertainment and leisure vertical market, and over 3% in retail.

SELF-SERVICE

Overall, a mean average of 18% of calls that go into the self-service option are “zeroed-out”: instances where the customer decides that they in fact wish to speak with an operator, which is up once again on the previous year’s figure of 13%.

The rapid growth in smartphones has meant that it is now possible to offer a visual representation of IVR menus on a device which will then be used to call the business, helping the caller self-diagnose where in the organization they need to be going, rather than having to speak to a front-line agent who will then have to ask them the same questions in order to route the call to the appropriate resource.

SOCIAL MEDIA

45% of social media customer service is handled by a team actually outside of the contact center’s remit, very probably as a result of the social media budget and responsibility being held by the marketing Department in 85% of respondents cases.

Survey respondents state that monitoring what is being said about the company, products and marketing campaigns - as well as acting directly upon negative comments and complaints about the company - is what social media is most useful for. There are still considerable disagreement with social media is providing a fully supported customer service channel, with 1 in 5 survey respondents disagreeing strongly with this assertion in their own cases.

THE MOBILE CUSTOMER

Almost half of respondents provide customers with the mobile version of the website, although only around 1 in 5 have a smartphone app. There is usually a significant disconnect between the mobile customer service channel and other, more well-established channels. If customers need to escalate the query from the mobile channel into a live environment, the options are usually limited. 83% of respondents provide a telephone number, and 56% and email address within their mobile website or app, but only 29% provide an automatic callback request and 25% a web chat option.
MULTICHANNEL WORKFORCE MANAGEMENT

1 in 6 of respondents that use workforce management systems are actively looking to replace it, often because they acknowledge that they need better multichannel scheduling and forecasting capabilities.

Large contact centres in particular are more likely to state that their existing workforce management solution does not handle multichannel interactions effectively enough.

HR AND STAFFING

AGENT ATTRITION

The mean average agent attrition rate remains at 27% in 2014, although the median has dropped very slightly to 19%. This masks a very wide spread of attrition rates: while 13% of respondents have attrition rates in excess of 50% per annum, the same proportion have an attrition rate below 5%.

The outsourcing and telemarketing sectors are as usual by far the highest, although the entertainment and leisure sector is also very high this year. The medical, public sector and manufacturing vertical markets are amongst the lowest attrition rates. There is a very significant positive correlation between the size of the contact centre and agent attrition.

AGENT ABSENCE

This year’s mean absence rate is a rather worrying 10.4%, although the median - the typical midpoint average - is a more manageable 7%. Those respondents in the outsourcing, medical, insurance and entertainment and leisure sectors are experiencing higher-than-average rates of absence this year, with those in finance, TMT, public sector and manufacturing having absence rates significantly below the industry-wide median average.
CONTACT CENTRE SALARIES

Figure 6: Contact center salaries

<table>
<thead>
<tr>
<th>Role</th>
<th>2014 mean average salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>New agent</td>
<td>$27,542</td>
</tr>
<tr>
<td>Experienced agent</td>
<td>$34,777</td>
</tr>
<tr>
<td>Team leader / supervisor</td>
<td>$43,977</td>
</tr>
<tr>
<td>Contact center manager</td>
<td>$67,580</td>
</tr>
</tbody>
</table>

Figure 7: Changes in contact center agent salaries in past 12 months

Change in contact center agent salaries in the past 12 months

- Have increased by more than 5%: 13%
- Have increased by less than 5%: 44%
- No change: 40%
- Have decreased by more than 5%: 2%
- Have decreased by less than 5%: 1%

More detailed analysis of salaries and bonuses, including historical patterns and segmentation by vertical market, contact center size and activity type is included in “The US Contact Center HR and Operational Benchmarking Report (2014)”. 
FUTURE TRENDS

TECHNOLOGY USAGE AND PLANS

The following chart shows respondents' current and future use of specific contact center solutions. Telephony infrastructure and call recording systems are the most likely to be upgraded or replaced in the next year. In terms of new implementations, multimedia in general seems to be a focus, with web chat and mobile customer service being singled-out in the short term, with interaction analytics and workforce management also receiving attention. In the longer-term too, web chat, speech analytics and mobile customer service solutions were seen as likely investments, which is a pattern very similar to last year, perhaps showing that businesses are serious about these solutions.

Figure 8: Technology penetration and implementation plans

PRESSING MANAGERIAL ISSUES

Survey respondents were asked to rank nine managerial issues in the order of their importance to them. Improving customer satisfaction was rated in the top 3 by 60% of respondents, with increasing revenues and achieving set metrics not far behind. Decreasing costs was found in fourth place, with staff attrition and maintaining headcount being seen as relatively unimportant by most respondents.
APPENDIX: ABOUT CONTACTBABEL

ContactBabel is the contact center industry expert. If you have a question about how the industry works, or where it’s heading, the chances are we have the answer.

The coverage provided by our massive and ongoing primary research projects is matched by our experience analyzing the contact center industry. We understand how technology, people and process best fit together, and how they will work collectively in the future.

We help the biggest and most successful vendors develop their contact center strategies and talk to the right prospects. We have shown the UK government how the global contact center industry will develop and change. We help contact centers compare themselves to their closest competitors so they can understand what they are doing well and what needs to improve.

If you have a question about your company’s place in the contact center industry, perhaps we can help you.

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