2016

global contact centre benchmarking report

digital needs a human touch
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digital needs a human touch
Introduction

CX Strategy and innovation

Analytics

Digital channels

About us
Foreword
About GCCBR
Editor’s note
Executive summary

CX strategy and innovation infographic
Questions and answers
Analysis
2016 is all about the journey
Change is coming

Analytics infographic
Questions and answers
Analysis
Analytics in cycling - what we can learn from it in business

Digital channels infographic
Questions and answers
Analysis
Managing cross-channel resource models
Contact centre operations

page 78

Contact centre operations
infographic
Questions and answers
Analysis
The challenge of service expectation

Workforce optimisation

page 98

Workforce optimisation
infographic
Questions and answers
Analysis
Why your customers won’t be engaged unless your people are
WFO is key to the contact centre

Technology solutions

page 118

Technology solutions
infographic
Questions and answers
Analysis
The rising complexity of customer support and its impact on customer contact

Sample specification

page 138

Sample specification
infographic
Research methodology
Data collection
Participant benefits
Privacy and data security
Reference the benchmarking results
about us

About Dimension Data

Dimension Data harnesses the transformative power of technology to help organisations achieve great things in the digital era. As a member of the NTT Group, we focus on digital infrastructure, hybrid cloud, workspaces for tomorrow, cybersecurity, and network as the platform. With a turnover of USD 7.5 billion and offices in 58 countries, we deliver services wherever our clients are, at every stage of their technology journey. Accelerate your ambition.

For more information, please visit www.dimensiondata.com

About Customer Experience (CX)

Customer experience (CX) forms part of Dimension Data’s Customer Experience (CX) and Collaboration Business Unit and enables over 7 billion customer interactions a year. We have over 33 years’ experience in planning, designing, integrating, and managing contact centres for our clients globally.

Our consulting, professional, managed, and cloud contact centre services make complex customer engagement environments simple and effective, enabling organisations to differentiate and grow the value of their customer base.

Our omnichannel, workforce optimisation, and analytics solutions integrate the physical, digital, and contact centre worlds, enabling a seamless CX which creates organisational engagement and value.

For more information, please visit www.dimensiondatacx.com

About Merchants

Merchants – a Dimension Data company – is a leading customer management outsourcing solution provider specialising in business process outsourcing (BPO) that delivers customer experience (CX) and customer interactions. We focus on people, process, and technology to create exceptional CXs.

We are pioneers in the contact centre industry, with 35 years of experience in creating and managing contact centre operations around the world for blue chip clients. Our services and solutions are built on tried and trusted models, systems, and processes which are based on best practice standards.

We are passionate about people. Our ability to attract the best talent, coupled with our rich history of success and innovation across different industries around the world, is what differentiates us from our competitors.

For more information, please visit www.merchants.co.za
The customer is at the heart of this transformation. By focusing on CX, organisations recognise that they can drive revenue, improve loyalty, and reduce their costs through greater efficiency.

However, while digital technology is fast transforming the global contact centre industry, advancements in CX are often being slowed by people, and not the technology itself, which needs design, ownership, and especially a human touch to be effective.

As technology dependency deepens, most contact centres now support up to nine channel options. The focus for organisations is now on connecting customers’ journeys and on the architectures upon which new omnichannel capability are being crafted — and those organisations using hosted cloud technologies in their contact centres are reporting a powerful impact on their businesses.

Looking ahead, a deeper level of analytics is going to help organisations identify opportunities to pre-empt customer needs, and use automation to proactively personalise services. If applied effectively, it will revolutionise the future of CX and help differentiate services from competitors.

First published in 1997, the benchmarking research broadens Dimension Data’s understanding of emerging trends and challenges. It helps us drive our product strategy and develop innovative solutions and services for our clients, and to strengthen our position as world leaders of CX.

This comprehensive Report is crammed full of insights and guidance. I’m confident it will provide you with a single reference point on best practice CX approaches from across the globe.

Joe Manuele
Group Executive, CX and Collaboration
about the global contact centre benchmarking report

A comprehensive, global overview ... 

Frequently cited by industry analysts and quoted by the media, the Dimension Data Global Contact Centre Benchmarking Report is widely acknowledged as the most useful, authoritative, and comprehensive report of its kind. It's designed to provide a single point of reference on key aspects affecting customer management within today’s contact centres. We believe it’s the most extensive global overview of its type.

... based on relevant research 

Our Report is based on research conducted via a comprehensive survey. We refresh the survey each year to ensure we’re capturing the information that’s most relevant to our industry and its future.

... offering analysis and recommendations 

We go beyond other reports of this type. We observe trends and comment on the business impact, we also offer guidance on how to achieve best practice results. This Report will provide you with the latest industry trends, thought leadership insights from subject matter experts, hot topic quick tips, and an infographic overview. Result data is provided via chart or table content, each supplemented by structured commentary. For each research item, we:

• identify and then qualify the research trend results
• present recommendations on how you can plan, optimise, and differentiate your contact centre solutions for tomorrow’s needs
• summarise the highlights and main points

... supported by an online portal. Our online Benchmark Comparison Portal complements the Report and allows you to filter data at eight levels (including region and sector), export content, and build your own bespoke presentations.

You can access the portal here: http://portal2016.ccbmsurvey.com/launch.asp?t=ccbr

The 2016 Global Contact Centre Benchmarking Report

| Launched in 1997 by Merchants, Dimension Data’s subsidiary contact centre specialist | Annual global research study of contact centres operations, digital channel management and CX |
| 1320 contact centres | 700+ data points |
| 80+ research charts | 19 years of trends, performance analysis, and best practice techniques |
| Supported by over 40 of the world’s leading industry groups and associations | 6 core review areas providing analysis with context and recommendations on best practices |
The Global Contact Centre Benchmarking Report will reach its 20th anniversary next year. Its history accurately reflects the evolution of the customer journey. It’s helped Dimension Data anticipate our clients’ evolving needs to support and serve their customers. Moreover, it’s helped us develop our solutions accordingly throughout almost two decades. The results from the 2016 Report indicate a gravitational shift in mindsets and a transformation that will redefine the contact centre forever.

Organisations have begun to grasp the benefits of using better analytics, and leveraging technology capability to build new solutions that deliver better CXs. It’s a real-time learning curve for many and involves an increasingly complex solution journey. While the gaps at present are frequently human-based, rest assured that the intent to improve is there — it shines right through the entire report.

The signs are evident that customers can soon expect their contact experiences with service providers to be more proactive, personal, and positive. We’re seeing a maturing of digital service capability, supported by the appreciation of CX as a differentiator and closer attention to the overall customer journey. In fact, CX is dominating a services revolution that’s leaning heavily towards digital. As the lines between the traditional contact centre and the enterprise evaporate, the contact centre has become an integrated part of an organisation’s CX strategy.

Our special edition 20th anniversary report in 2017 will see us mark that change by expanding our review beyond the traditional realms of the contact centre to span across all elements of CX. However, we’ll do so with a clear understanding that, for many, the contact centre will remain at the heart of CX.

The 2016 Report is based on research responses from 1,320 organisations in 81 countries. The sample representation is split by 14 industry verticals. It contains more than 700 data points and over 80 charts.

What sets our approach apart is that we don’t just observe: we explain the context as well as provide answers and advice. Dimension Data has market-leading abilities and experience in delivering communications, collaboration, CX, and contact centre solutions to organisations around the world. We combine the expertise of our Customer Experience (CX) and Collaboration Business Unit with Merchants’ 30-year history in contact centre delivery.

Finally, I’d like to express my gratitude to all of the participants who provided their time and input to our research. I’d also like to extend a sincere thank you to the 40 association groups working hard for the good of our industry. They help us broaden the reach of our research, improve awareness, and facilitate best practice learnings for their own membership base through the sharing of our research.

Enjoy the Report!

Andrew McNair
Head of Global Benchmarking
Dimension Data
Digital needs a human touch

Digital technology is fast transforming the global contact centre industry. Organisations now recognise CX as a key differentiator. It’s become the top indicator of strategic performance in the boardroom — it’s also the top driver for self- and assisted-service contact channel options. Yet this year’s Global Contact Centre Benchmarking Report highlights that digital channels could be more powerful if shown more of a ‘human touch’.

CX transformation: evolution of the contact centre

<table>
<thead>
<tr>
<th>1990s Call</th>
<th>2000s Contact</th>
<th>2010s Multichannel</th>
<th>2016-2020s Personalisation &amp; proactive CX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call</td>
<td>Channel migration for <strong>cost reduction</strong> Broadening channel access</td>
<td>Focused on resolving user issues ‘in-channel’ Providing assisted support for integrated digital channels</td>
<td><strong>Personalisation &amp; proactive CX</strong> Digital analytics Automated contact technology</td>
</tr>
<tr>
<td>Replacing <strong>face-to-face</strong> Provide improved <strong>customer access</strong></td>
<td><strong>2000s</strong></td>
<td><strong>2010s</strong> Part of a multiple channel experience Supporting other channels - not always first choice</td>
<td><strong>2016-2020s</strong></td>
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</tbody>
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Telephone-primed CX Digital-primed CX
2016 key findings

Digital interactions dominate
The Report shows that digital volumes handled by contact centres remain on track to exceed phone contacts by the end of 2016. Growth in almost every digital channel contrasts with a 12% shrinkage of phone in the split of interactions handled by contact centres. It’s emerged that CX is now the top reason for offering self-and assisted-service channels, ahead of cost. However, two in five respondents say digital technology isn’t meeting business needs.

CX recognised as a clear differentiator
CX dominates the service revolution as organisations mature their approaches, and develop better quality migration paths towards digital. Some four in five organisations recognise CX — and the contact centre — as a competitive differentiator. It’s also the most important indicator of strategic performance for boardrooms, as analytics help organisations better link the impact of CX back to sales revenues, cost reduction, customer loyalty, and employee engagement.

The Report shows that digital volumes handled by contact centres remain on track to exceed phone contacts by the end of 2016

Connecting the customer journey ... by design
The demand for a seamless CX is the top industry trend affecting contact centres in 2016. As customer journeys span a combination of the nine different contact channels now being offered by most contact centres, organisations are intent on connecting the journey, and improving consumer experiences. Full channel integration (i.e. omnichannel capability) is set to treble within the next two years. Customer journey mapping has emerged as a top five-year trend, alongside analytics, that will reshape the industry. But for now capability is lacking and just 17.4% of respondents can locate problem hotspots that affect the CX.

Proactive automation
It’s clear from the Report that digital channels will drive proactive outbound activity, pre-empting customer needs and reducing costs — 31.0% of respondents have capability now, but this is set to rise to 57.2% by the end of 2016. Proactive automation already comes in third, behind phone and email, for initiating contact on service enquiry updates (17.2%), sales and marketing (21.1%), and default notifications (24.8%).

The Internet of Things emerges on the horizon too, as customer journey analysis identifies opportunities for automation that will help reduce contact propensity.
Analytics and service personalisation

The power of data analytics is helping organisations offer an enhanced choice that’s tailored to the customer to deliver a more personalised CX. Personalisation of services will become even more important and this will be enabled by analytics. It was voted the top trend that will change the industry in next five years. However, some 79.4% of organisations still have no big picture view of interactions across service channels.

The ability to pre-identify and segment customers has increased for a third year in a row.

Cloud and hybrid solutions

Motiving to the cloud, in one form or another, is fast becoming an industry standard, as contact centres recognise its value in providing one seamless customer touchpoint. They’re also experiencing powerful business benefits, including cost reduction, access to new functionality, and speed to market.

We see that plans to locate technology in the cloud are trebling, with a majority of organisations leaning towards a hybrid cloud solution that blends legacy systems with new solutions.

2016 results at a glance...

- 82.5% of companies recognise CX as a competitive differentiator
- 77.5% recognise CX as the most important strategic performance measure
- Personalisation of services will be key and enabled by analytics – voted top trend that will change the industry in the next 5 years – 79.4% have no big picture view
- 77.0% can evidence cost savings via improved CX
- 74.1% say it increases company revenue/profits
- Omnichannel top trend for 2016
  - Integration capability set to triple from 22.4% to 74.6% in next two years
  - CX is now top reason for offering self-/assisted-service channels (ahead of cost reduction)
  - But digital channels being hindered by absence of focus
- Mobile apps
  - A top 3 choice for customer service with everyone under 55 yrs
  - 2 in 5 say digital tech not meeting business needs as demand soars
- Connected customer journeys, CX, and contact resolution top focus as most contact centres head to 9 channel options
- Cloud in some form now a must for contact centres
  - 60.5% planning for it. Just 23.1% to retain technology on-premise
  - Hybrid solutions set to treble and enable a single integrated platform
CX Strategy and innovation

Innovation shapes expectation. Old ways of doing things are now unacceptable. We’re seeing business transformation reshaping the way companies do business, driven by the power of the consumer, and by new, disruptive, but innovative organisations that have unsettled many established markets. Digital isn’t yet to transform how we consume services and engage with organisations; it has done so already. It can also do more. And our research shows that digital channels are often failing as a result of a missing human touch.

Omnichannel CXs – based on a clear understanding of where a customer journey can be personalised, when appropriate – are the future, with technology solutions developing so swiftly, that the future is now. Zero-defect, end-to-end encounters across connected interaction points are a core expectation. The solution’s design and effectiveness are the differentiators, and it’s here that people are often failing the technology.

Visionaries have already initiated a mind shift in which digital technology is enabling the art of the possible.

Organisations are acknowledging that, by focusing on CX, they can drive revenue, improve loyalty, and reduce their costs through greater efficiency. As organisations use improved data analytics to prove these points more frequently, their intent to deliver CX becomes a reality.

CX now has a significant impact on the value of an organisation’s brand. It’s also a stated differentiator for 82.5% of businesses. The omnichannel ideal leverages technology that creates a well-designed dynamic customer journey that’s personalised, proactive, and informed by real-time data.

‘Good’ CX is designed by people, with people in mind. ‘Good’ is not a standalone technology channel. ‘Good’ is a CX that provides customers with highly productive choices that are impressively easy to access and deliver.

CX recognised as a clear differentiator
It’s dominating the service revolution as organisations go beyond...‘go digital or die’
Analytics

Contact centres are adopting personalisation techniques based on analytics and known preferences across their customer base. This represents significant progression and forms part of an imminent service revolution that will transform CX and service delivery.

Customer analytics – and along with that, the personalisation of services – is, in general, being crafted around mass service segmentation strategies. Analytics, enabled by the digital revolution, has the power to translate commonly available big data into personal, actionable ‘small data’. This, along with connected customer journeys and optimised workforce solutions, will revolutionise business.

Organisations appreciate this and have voted analytics as the top trend that will change the industry in the coming five years. At this stage, however, the data relationships aren’t connected, nor fully understood by most companies.

For those organisations that risked taking a leap of faith and engaged with new, ‘deep-dive’ analytics there’s an almost immediate return, both financially and in terms of better customer engagement.

Analytics is creating a new level of informed decision-making. When applied well, the value is compelling across all aspects of the operation. Information is power, and will be the key to unlocking a differentiated solution for an organisation’s service users. The impact of data analytics hasn’t yet been experienced fully in our industry, but the next five years promise to bring a new age of data-driven CX. The challenge for organisations is to engage with this change and define an outcome.

It’s all fast-paced, with rapid development, rapid insights, and real-time changes to propositions. Increasingly, it will require a dedicated team to provide the focus it deserves. Organisations need to turn intelligence into insight and use it to not only to close service and proposition deltas, but also drive predictive planning and investment for the future.
Digital services

For the first time, we’re seeing CX cited by an overwhelming majority of organisations as the primary reason for offering digital channels.

We’re seeing digital channel strategies mature – from purely reactive responses to customer demands, or as cost reduction exercises, to being increasingly proactive and driven by CX. That’s translating into digital capability that’s based on closer attention to the design of the customer journey, which will ensure greater personalisation. For the customer, this personal touch increases emotional engagement and will promote loyalty in a world that’s otherwise progressing away from the human touch.

Digital interactions to dominate

Digital volumes on the rise, but needs better design and closer management

Mobility and automation are a major trend. Proactive interactions can offer easy solutions that benefit the consumer when the organisation has used analytics to pre-empt their needs. The challenge here will be to ensure the contact is personal and not viewed as spam.

Digital’s promise to the customer is speed, efficiency, and – to a degree – a sense of control. This means that digital channels must deliver on these requirements. However, there remains a lack of clarity around who ‘owns’ digital channels. This is carrying forward to a lack of management in some areas that’s impacting the effectiveness of the digital solution, its design and, by consequence, user uptake levels.

At the same time, organisations are having to keep one eye on developments to existing systems, and the other on new innovation that could change everything instantly. One certainty is that the future of this environment will be more engaging, personal, and fulfilling.
Contact centre operations

As we move closer to the point when digital channels will overtake voice in the overall percentage of interactions handled, it’s a mixed report card on how well contact centre operations are adapting.

Too many organisations ignore the lessons learnt from optimising voice operations. It’s as though digital channels are being viewed as a separate challenge, despite the fact it’s the same customers using both digital and voice. Omnichannel might be where we’re heading in terms of technology, but contact centre operations are lagging far behind in ensuring the same management disciplines and, along with that, service experience across all channels.

We’re also seeing a misalignment of targeting priorities at different levels of the organisation. Agents are being targeted in different ways than the operation as a whole which, in turn, isn’t aligned with the strategic objectives of the business.

Of significant concern is the fact that performance indicators used within contact centres, especially when targeting agents, are still formed around productivity and contact handling time, rather than making sure customers’ issues are resolved and that they’re left happy.

Improvements in the performance of contact centre operations don’t happen through tighter management, increasing targets, and a ‘carrot-and-stick’ approach anymore. Improvements happen because engaged and loyal people want to do the best for their customers and feel knowledgeable and empowered enough to do that.

On a positive note, first contact resolution is judged to be the top indicator of operational performance (just ahead of CX), and is the third most popular target at agent level. It’s part of facilitating ease of resolution – which is assessed as the main factor impacting CX, keeping mind that CX is the top goal for organisations strategically. This progress during a time of increased complexity is a positive reflection of executive commitment to CX and indicates the beginning of a service revolution.
Workforce optimisation

The priorities of workforce optimisation (WFO) are still predominantly focused on contact centre performance and agent productivity. The risk is that organisations aren’t aligning quickly enough to the voice of the customer and ensuring that agents are resourced, skilled, motivated, and empowered to a level in line with the company’s overall CX strategy.

Organisations today are still assessing how to use and optimise their digital-assisted channels such as email, web chat, social media, and more. As they procrastinate, they’re not being clear on targeting and this is ultimately affecting how they manage resource requirements too.

Indeed, there appears to be a lack of accountability with digital channels that wouldn’t be tolerated in traditional phone operations. The lack of WFO measuring and management goals across digital channels is inexplicable and should be an important focus area.

Competency and knowledge management will be a key focus as organisations further empower their employees. The incorporation of CX analytics into WFO and across all channels will require that contact centre leaders pay more attention to the nuances of a new type of contact centre agent. The hiring, support, and development of agents for channels such as SMS or social media, have nuances that merit performance measurement attentions that stretch beyond the practices used for traditional telephone.

Organisations could also do more to relate the effectiveness of post-learning reviews to agent effectiveness, when measured against their desired CX. The measures currently in place don’t align to strategic and/or operational performance objectives, creating a misalignment among different functions about the requirements for success.

In short, WFO needs to be more evenly applied across the board and be configured to meet the needs of a multitude of operating models. We’re seeing a blending of skills, and cross-channel activities, alongside other teams that are still dedicated to specific transaction types. If the models are fluid, then WFO systems need to be fluid too.
Technology solutions

Technology solutions are providing the backbone to innovative new service options – the challenge is the ability for the organisation to see the big picture and execute on solutions at the speed required.

Connected – that is, omnichannel – customer journeys will prove a differentiator, but only when solution design dominates. We know the technology exists but, without the design, it doesn’t always work. Creating seamless transitions between channels, and between self-service and assisted service, is the ideal.

The challenge is that some of the existing channels are based on legacy technologies that aren’t keeping pace with the next generation. This causes many problems and an inability to integrate. Traditional technology approaches are struggling to support the business needs for CX.

A requirement to expedite access paths to critical technologies is going to fast track the adoption of cloud-based technology services. Our research highlights a progressive change in attitudes towards technology location and/or ownership solutions.

Hybrid cloud solutions are helping to combat legacy infrastructures and are transforming call centres into contact hubs, typically now providing up to nine service channel options. Digital choice is strengthening the focus on integration, as analytics alerts organisations to customers’ use of newfound freedom to hop across channels, as they conclude their enquiries.

Cloud solutions will allow organisations to evolve in the same way that new digital business models are emerging and allowing organisations to transform radically.

All evidence from users points towards hosted/cloud technologies as providing access to integrated contact platforms, emerging functionality, speed to market, flexibility, and cost modeling that’s more in line with the organisation’s needs. There’s clear evidence that cloud is now a ‘must-have’, at least in a hybrid form. It’s not a choice anymore.

The focus now has to be on the customer journey and end-user experience, and not the infrastructure it runs on.
Why benchmarking?

Benchmarking provides a vitally important reference point. It helps organisations gain insight into future trends, the ways in which their customers are likely to behave, and the performance levels they need to attain or aspire to. But it’s also more than that …

Here are five ways in which contact centre benchmarking can help transform your performance and improve your customer and employee experience:

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**Business planning**

The Benchmarking Report provides a single point of reference on the core elements that form the contact centre strategy. It acts as a catalyst for business improvement.

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**Pinpoint problems**

By using data insights on operational metrics, it’s possible to spot areas that are falling above or below regional or industry sector averages.

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**Identify best practices**

Access to benchmarked data provides an excellent way of identifying whether you conform to top quartile performance in over 50 key metrics. It helps establish a vision for your performance strategy.

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**Validate performance**

Comparing your operations regularly to benchmark data ensures that there’s an objective yardstick for tracking ongoing performance. It indicates trends and directions taken by peers.

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**Get buy-in for change**

Using externally referenced data such as benchmarking helps validate a business case, new spend, and/or justify a contact centre initiative (for example, a new product or channel offering).

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Solutions

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01
CX Strategy and innovation

CX strategy and innovation infographic
Questions and answers
Analysis
2016 is all about the journey
Change is coming
**CX Strategy and innovation**

**Organisations buying into benefits of CX**

- 82.5% recognise CX as a competitive differentiator (a rise of 30.3% since 2012)
- 77.5% of boardrooms recognise CX as their most important strategic performance measure; focus on costs drops to sixth position as organisations buy-in to the benefits of CX

CX now top factor driving digital channel presence

**The power of CX in clear evidence**

- 77.0% can evidence cost saving benefits via improved CX
- 74.1% say it increases company profits/revenues
- 75.6% say it promotes employee engagement

**Connecting the customer journey - by design**

- **Omnichannel** top trend for 2016
- **Full channel integration** levels set to treble from 22.4% to 74.6% in next two years
- **Connected customer journeys, CX and contact resolution** now the top focus

**Top industry shapers – next 5 years**

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<th>#1</th>
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<th>#3</th>
<th>#4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer analytics</td>
<td>Integrated customer journeys (i.e. omnichannel)</td>
<td>Digital capability</td>
<td>Personalised service offerings</td>
</tr>
</tbody>
</table>

**Average of 9 channels for most by 2017**

Channel planning – stated intent for year ahead

- **Web chat** from 44.3% to 81.1%
- **Proactive automation** from 31.0% to 57.2%
- **Mobile apps** from 41.6% to 75.4%
- **Social media** from 52.4% to 76.1%

**Expected evolution of CX**

- 67.8% forecast overall interactions will increase
- 76.0% say digital assisted (agent supported) will increase
- 81.0% say digital self-service will increase

**Solution design | CX management | Customers | Employee engagement**

- 68.3% of agents remain dedicated to telephone
- 31.7% supporting digital assisted services

it all needs the human touch
Organisations are acknowledging that, by focusing on CX, they can drive revenue, improve loyalty, and reduce their costs through greater efficiency. As organisations use improved data analytics to prove these points more frequently, their intent to deliver CX becomes a reality. It's this progression that resonates throughout our 2016 findings.

As mindsets change and technology empowers people, the status quo is increasingly the enemy. This means some well-established businesses may struggle to survive. It's important to understand the value of CX in quantifiable terms other than cost. The deep-seated connection to integrated channel and business models is a necessity.

As far back as 1997, cost has always determined how we steer the ship. It's still fundamental, but the maturity of understanding on the aspects that drive cost – such as productivity, first contact resolution and self-service – creates wins for the organisation and its customers.

Digital isn’t yet to transform how we consume services and engage with organisations; it has done so already.

Q Explain in a nutshell what the 2016 research is telling us about CX strategies and innovation within contact centres?

Viva la revolution! We’re seeing business transformation reshaping the way companies do business, driven by the power of the consumer, and by new, disruptive, innovative organisations that have unsettled many established markets. Digital isn’t yet to transform how we consume services and engage with organisations; it has done so already. It can also do more. And our research shows that digital channels are often missing the human touch. The 2015 Report, themed ‘Go digital or die’, was a prophecy; this year’s Report describes transformation that redefines the contact centre forever.

Q Tell us what surprised you?

Organisations are acknowledging that, by focusing on CX, they can drive revenue, improve loyalty, and reduce their costs through greater efficiency. As organisations use improved data analytics to prove these points more frequently, their intent to deliver CX becomes a reality. It’s this progression that resonates throughout our 2016 findings.

Of all organisations, 82.5% regard CX as a competitive differentiator. Organisations currently focus on CX as a principal strategy, not only to delight their customers, but also to make CX the central measurement of their performance and the very reason they exist. Technology is bringing a new dawn. But technology is only as good as the people who control it.

Digital business wasn’t born in silos. The role of the contact centre is now an integrated part of an organisation’s CX strategy.

Organisations will experience customer retribution or redemption, depending on their approach to the CX service revolution. Visionaries have already initiated a mind shift in which digital technology is enabling the art of the possible. That’s why it’s important organisations now need to work on a strategy to raise the bar.

Robert has been part of Dimension Data since 1994 and has more than 20 years’ experience in contact centres and ICT. Prior to joining our Global team, he performed a variety of roles for Dimension Data in both Australia and South Africa, and worked for Merchants, Dimension Data’s contact centre subsidiary, in the UK. He is motivated to drive CX innovation and best practices within and beyond the contact centre environment.
Consumer behaviours, in conjunction with technology, are forcing operating models to transform. Organisations that maintain the status quo will stagnate, or lose relevance.

**Q** 
**Service offerings are going digital, fast. How is that affecting CX or evolving customer expectations?**

Innovation shapes expectation. Old ways of doing things are now unacceptable. The impact of disruptive businesses like Uber is being felt everywhere and the digital revolution will see all but the fittest survive. It’s a digital Darwinism in which customers dictate the speed of adoption required for organisations to prosper.

Digital capability has broken the mould of traditional CX, and has quickly become an entry level fundamental for modern business. Omnichannel CXs – based on a clear understanding of where a customer journey can be personalised, when appropriate – are the future, with technology solutions developing so swiftly, that the future is now. Zero-defect, end-to-end encounters across connected interaction points are a core expectation. The solution’s design and effectiveness are the differentiators, and it’s here that people are often failing the technology.

Customers are beginning to expect same-day delivery, which requires significant commitment, thought, and investment. An integrated CX that spans across marketing, sales, service, and distribution, influences buying and retention patterns profoundly. The enabling operations and technologies have to be ‘match fit’ for organisations to flourish.

**Q** 
**What trends should be on our radar and which do we need to stay abreast of?**

**Connecting the customer journeys:**
A customer-centric design is core to the success of this approach. Seamless CX across an increasing number of channels requires a greater understanding of the emotional and process blockage points that hinder, or improve, results for each transaction spanning a combination of different channels. Effective design will drive marketing plans and underpin contact management strategies.

**Internet of Things and proactive automation:**
Automation improves service and helps to better manage reactive contact propensity. Applied across all relevant digital channels, it’s already enabling proactive outbound activity, to intelligently pre-empt customer needs and, by default, reduce costs. The Internet of Things, alongside automated message push, is advancing to a tipping point of 57.2% within all organisations by the year’s end. We predict that this will have a significant impact on satisfaction and NPS® performance.

**Analytics and service personalisation:**
We’re now living in the era of personalisation and proactivity for effective CX. The power of data analytics helps organisations to offer their customers an enhanced choice which is tailored to their needs and delivers a more personalised CX. Many organisations still don’t segment and personalise, yet mass personalisation will increasingly be a core expectation of consumers. The mega trend of big data needs translation into personal, actionable ‘small data’; small data will deliver big returns.

**Cloud and hybrid solutions:**
The success of cloud technologies now depends on how they fit with, and leverage, current infrastructure, and the ability to integrate effectively into the wider organisation. It’s now more about the ‘why’ and the ‘how,’ rather than ‘if’.

Of all organisations, 60.5% plan to locate technology in the cloud, only 7.6% of which is public cloud. Existing cloud users offer compelling case study evidence: 88.8% say it enables access to new functionality, 83.8% say it reduces cost; over two-thirds (67.1%) say it provides better security.
What does ‘good’ CX look like?

CX now has a significant impact on the value of an organisation’s brand. It’s also a stated differentiator for many businesses.

Progressive organisations possess an effortless ability to eradicate siloed services, functions, and technologies. Siloed thinking and behaviour is foreign to successful digital businesses.

The term contact centre, or call centre, now forms part of an omnichannel engagement centre. The omnichannel centre connects technology to create a well-designed dynamic customer journey that’s personalised, proactive, and informed by real-time data.

‘Good’ is designed by people, with people in mind. ‘Good’ is a CX that provides customers with highly productive choices that are impressively easy to deliver.

What else is different this year?

The definition of the contact centre is very much open to interpretation.

The breadth of contact channels now supported by organisations is expanding to nine channels as the norm. This has created opportunity across multiple business functions to drive growth, the ease of doing business, and productivity, and not simply service.

The debate of whether a contact centre is a profit centre or a cost centre is dated. The depth of integrated touchpoints has never been greater – both for consumers and for employee cooperation. The danger is that new channels will exacerbate knowledge silos, instead of improving ease of business. It may create more barriers than it breaks down.

Knowledge empowerment is crucial as complexity grows. Artificial intelligence and collaboration tools can facilitate how colleagues from the contact centre, and expertise from the wider business, can both contribute to providing superior service, continuously improve product offerings, and grow the value of the customer base. In the digital revolution, mobilising the organisation’s assets for the benefit of the customer creates a customer-centric culture that liberates the business.

How will these new CX trends affect people or contact centre operating models?

The increased power of the consumer, aligned with the megatrends of social, mobile, analytics and the Internet of Things, will continue to drive a digital revolution and resulting in environments which benefit the customer. The demand for proactive personalisation will become a critical success factor, and yet digital business dehumanises the engagement. It’s now about design for ease and advocacy. The power of its customer journeys is the litmus test for the success of an organisation’s operating model.

Failed management techniques and operating models, which created many issues for the traditional call centre, must not be reapplied to omnichannel CX. Breaking down operating silos between the business, its channel, and the intelligence that informs dynamic decisions and innovation is critical to the effectiveness of operating models.

The leadership of the CEO or Chief Customer Officer towards driving the CX capability is critical in helping the organisation live up to the customer challenge.
What does the future look like for CX strategy and innovation?

It’s looking positive. The constrained custodians of the status quo will either be liberated or deemed irrelevant. There’s evidence of progress in terms of organisational transformation, and the customer is at the heart of these strategies. The omnichannel contact centre forms a key part of the organisation’s CX strategy. This Report now clearly shows that CX is the underlying and common base on which 82.5% of companies are framing their contact management strategies. For sales-focused businesses, the technology opportunity also serves as a vehicle for digital change. But across the board, CX is deemed the most important strategic performance measure for 77.5% of company boards or executive teams. It replaced cost reduction as the top reason for offering digital services, even though 77.0% can show cost savings as a benefit of their CX. Three-quarters of organisations relate CX performance to growing company revenue or profit.

What are three insights from the 2016 Report that we can’t afford to ignore or need to take action on?

1. This year’s findings provide clear evidence that CX is driving higher productivity, a reduction in costs, and growth. The contact centre is now an integrated part of a wider CX strategy. This year’s Report stretches beyond the contact centre, as the research highlights a much wider service transformation taking place across the entire enterprise.

2. The requirement for automated, proactive communication, triggered by design, an event, or an influencing factor, needs to be embraced and incorporated at every appropriate opportunity. To do so, customer journeys must be much better understood than they are today, so that organisations are able to locate the right opportunities that will be best received and add most value.

3. Omnichannel is here, and digital channels are becoming a first choice. The complexity of managing omnichannel requires greater capability and understanding of the customer’s journey. Analytics is required to manage modern operations and realise the opportunity for building relationships.

The increased power of the consumer, aligned with the megatrends of social, mobile, analytics and the Internet of Things, will create a digital revolution and resulting environment which benefits the customer.
83% view the contact centre as key differentiator

Reflects a positive 30% upswing in opinion since 2012

But 11% retain a cost centre mentality

What’s happening?

In ever-increasing numbers, organisations continue to recognise the impact of their contact centres on their market positioning and CX which, in turn, are directly linked to revenue and profits.

Over four in every five organisations (82.5%) now view the contact centre – and along with it, the CX – as a competitive differentiator in the marketplace. This acknowledgement has increased by 10.6% in the last year alone. Indeed, it increased each year, since 2012. This is clear evidence that the contact centre is becoming more crucial as a business intelligence hub that spans across all aspects of traditional and digital consumer services.

Just 10.7% of operators hang on to a cost centre mentality, a number that diminishes further with every passing year. There’s little place for what’s rapidly becoming an antiquated approach.

Service as a competitive differentiator

Which means that … service experience has developed into a critical differentiator in finding, acquiring, and retaining customers, as well as growing the value of the customer base. Analytics and improved business intelligence will increasingly provide more solid evidence for business case spend, which will ultimately improve focus and ensure a service revolution for the good of the customer and the business alike.

Does your organisation view CX/the contact centre as a competitive differentiator?

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
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<td>74.6</td>
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</tr>
<tr>
<td>Not sure</td>
<td>6.8</td>
<td>12.0</td>
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</tr>
</tbody>
</table>

What you should do:

1. CX requires an integrated organisational approach to achieve differentiation. Ownership and consistency of leadership are required across business functions and technology channels.

2. Customer-centric design is critical to break down the traditional siloed methods of engaging with customers. Ensure the solutions are designed around what your customers want, in addition to servicing the organisation’s goals.

3. Status quo is the enemy. Doing the same, just better, won’t create differentiation or allow the required culture of innovation to form. Be prepared to think differently and explore new paths.
Over 2/3 operate multisite contact centre operations

More than 30% of businesses manage sites as silos

Of those operating multisite solutions, 83.9% have some form of virtualisation

What’s happening?

Of the 69.5% of contact centres functioning as part of a multisite solution, just a third (34.0%) are fully virtualised. The 16.1% of organisations running a multisite operating structure do so with no virtualisation whatsoever.

Approaches vary quite considerably by industry, with the technology sector leading the way at 50.0% of multisite operations fully virtualised.

Some sectors are also much more likely than others to manage their contact centres as a stand-alone operation. Compare government’s (public sector’s) 59.4% or leisure and hospitality (71.4%) with the global standard of 30.6% that run stand-alone operations. Service providers and communications organisations are at the other end of the scale with just 13.3% managing stand-alone centres.

Virtualising multiple-site operations

Which means that ... 49.9% of multisite solutions have partial virtualisation; 16.1% have nothing at all. This presents a fantastic opportunity to increase efficiency, improve services, and reduce cost. Virtualisation should be a key focus for executives with enterprise-level responsibilities. The CX revolution will make this a prerequisite and will see only the fittest survive.

What you should do:

1. It’s crucial that solution silos be eradicated across every operation and channel. A broadening of choice will either create chaos – or seamless experiences that satisfy – depending on your approach.

2. Customer journey mapping is critical to identify logical organisational integration points and areas that will cause emotional engagement with your organisation, both positive and negative. Understanding the best customer approach will allow greater productivity: the organisation’s form should follow the required customer function.

3. Always set benchmarks. Understand what’s working well across your organisation and which capabilities can be used to improve. Do other organisations have capabilities that you want to implement? What would your organisation look like with an integrated, progressive CX strategy in place?
Average of 9 channels for most by 2017

**Mobile app** offerings up 61% from 2015

**Automated services emerging** as a dark horse game changer

**What’s happening?**

Organisations are rapidly going digital, as forecast in our 2015 Report. Within the last 12 months we’ve once again witnessed significant digital expansion in contact centres.

Automated services incorporating the Internet of Things and proactive contact has emerged from nowhere and will soon be a capability for the majority. Other notable movement includes web chat, which experienced a year-on-year rise of 33.8%. Social media offerings are up 21.3% in the same period, as are mobile application capabilities: up 60.6%.

Within the next year, the majority of consumers will typically come to enjoy a choice of up to nine different contact channels when they engage with organisations.

In future, plans for video chat deployments will see almost a third of contact centres gain this capability. Other automated services, incorporating the Internet of Things and proactive automation, will establish a new generation of services available to an increasingly connected and digitally aligned customer market.

**Services supported by contact centre**

Which means that ... more than ever, today’s contact centres are about digital choice and engagement techniques. Expansion of choice means growing complexity. Contact centres still struggle to achieve cross-channel integration or, as we now know it, omnichannel capability. Improved analytics and service consistency will help define the optimal channel paths for each party. We’ve turned a corner, and if afforded the same management disciplines as for phone, technology-enabled services will benefit everyone. A service revolution is imminent.

**What you should do:**

1. Design customer journeys – that is, establish the guiding principles for your CX – and build them into related technology design protocols. Base them on feedback from customers. Don’t simply build the journey around what you believe will work for the business.

2. Understand the ‘as is’ use of channels, customer and organisational hotspots, and current channel gaps and then articulate the opportunity cost of these gaps.

3. Develop future-state (‘to be’) customer journey maps that incorporate the management of hotspots and re-engineered business processes, supported by the relevant, optimised use of channels.
2016 is all about the journey

By Sheila McGee-Smith, founder and principal analyst, McGee-Smith Analytics  www.mcgeesmith.com

In December, I had more than a hundred interactions with two different airlines, as I tried to track five pieces of family luggage that had gone missing during an international trip. As I told my story over and over again, how I wished that the airlines involved understood my customer journey and were able to pick up from the last call and not start all over. And that the website reflected the latest information that I’d given an agent. And that the baggage people at the airport were empowered to text me when they’d found the luggage.

When a customer calls a contact centre these days, it’s increasingly not the first step they’ve taken to solve their problem or get an answer to a question. They’ve typically tried some kind of digital service, like visiting the company’s website, using a web chat facility, or sending an email. They may also have reached out on social media or tried using a mobile application.

In 2015, the importance of these non-voice channels became clearer than ever. For almost a decade, contact centre pundits have forecast that email, web chat, social media, and – most recently – mobile application interactions would irrevocably change the contact centre landscape. It turns out that it’s not any one of these digital channels on its own, but a combination of them all that’s heralding a new era in customer care. After years of steady change, the tipping point is here.

In my opinion, the most thought-provoking prediction from Dimension Data’s 2015 Global Contact Centre Benchmarking Report was that digital interactions will overtake voice calls by the end of 2016. And solution providers and customers are scrambling to create offers and deploy applications that match this reality. Projects that had been on the ‘some-day-soon’ list of things to do for many companies – for example, to add web chat or SMS channels to their customer care operation – are suddenly becoming top priorities.

But 2015 was also the year when the word ‘context’ entered the contact centre lexicon. Customers want agents to understand what steps they’ve already taken when they call or, increasingly, digitally contact an organisation. Delivering that context will improve the ability of companies to more accurately optimise a customer’s journey.

In speaking engagements in 2015, I found contact centre managers resonated with the term ‘customer journey’ more than the more technical lingo of ‘omnichannel’. As one senior executive with a Fortune 50 financial services firm said to me: ‘Omnichannel is vendor-speak; customer journey is a term both companies and their customers can understand.’

What I like about the customer journey paradigm is the implication that contact centres aren’t in the business of handling interactions, that is, ‘one-and-done’ events. Every chat, email, call, or SMS is part of a task that a customer is trying to complete, which is not over until the task is done. And that a contact centre’s goal should be to identify the journey the customer is on and work to decrease the number of steps to complete it.

I look forward to doing business with companies as they begin to operationalise context and customer journeys in their customer care operations. Maybe next time I’ll even have my lost luggage back in three days, instead of five.
Over 1/5 have omnichannel capability

It’s on the horizon for another 52%

Clear focus on achieving full, not partial, integration across channels

What’s happening?

Improving the levels of integration across service channels is now a massive focal point for contact centres. While just 22.4% can claim full integration and, by default, an omnichannel capability across service channels, another 52.2% plan to have it in place within the next two years. Partial integration levels are therefore predicted to shift at a similar rate, even though they’ll move in the opposite direction.

There’s not too much variance across regions, but capabilities and plans fluctuate considerably by sector – with financial services (banking/investment), alongside consumer goods and retail, as having some of the most ambitious plans.

Right now, a fifth (19.5%) of contact centres operate with no integration across service channels. Another 58.1% have partially introduced seamless CXs.

Omnichannel integration

Which means that … consumers can enjoy a choice of contact channels, but will inevitably reach a blockage as channel hopping is restricted while service processes and/or journey management designs remain unconnected. What should be providing a positive experience through more options will, until connected, simply frustrate and limit the effectiveness and value of these new solutions to consumers and businesses alike.

What you should do:

1. Ensure an integrated technical architecture assessment is included into your customer journey mapping review plan.

2. Phased returns and quick wins can be achieved by prioritising the highest value and volume of interactions.

3. Customer journey mapping will fail if it’s a static representation of a dynamic situation. Examine the organisation’s or partner’s capability to deliver an integrated approach across current and new technologies. The skillsets and approach are key to moving forward through innovation.
68% of agents continue to be dedicated to telephone

27% handle multiple channels

37% have multiple skills

What’s happening?

While contact centres are rapidly going digital, 68.3% of agents are still dedicated to the telephone. A further 19.2% will split their time between the phone and assisted-service support (for example, web chat, social media, and more). The division is relatively similar between in-house and outsourced operations.

While almost a third (31.7%) of agents are now skilled to support assisted digital services, just 12.5% of the workforce have no phone duties whatsoever. That’s set to change as consumer demands and business continue the move to digital channels.

Of agents handling telephone transactions, 35.8% are dedicated to a single skill group, 42.3% are skilled across telephone multiple interaction types; and 21.9% will combine phone duties with non-voice digital support work.

Dedicated versus cross-skilled agents

Which means that … the recruitment mix is changing but, for a while, core competencies will continue to include phone-based skills. Certain situations will merit single-skill groups and complexity will mandate differing levels of blending. Either way, it’s apparent that contact centre roles are becoming more interesting and will develop further to attract a new breed of specialist. As indicated elsewhere in our findings, it’s also a massive platform for career development – both upwards and into the wider enterprise – with significant positive attrition in those directions.

What you should do:

1. Better empowerment of the workforce is a natural follow-on to increasing complexity. A broader scope of skills will be needed across channels and business functions, and greater authorities at agent level will be required to drive a successful customer-centric organisation.

2. It’s not just about the agent. Executive and management capabilities need to be re-shaped, and strategic intent has to be consistent across the organisation and aligned with customer objectives.

3. Improvement of agent tools is critical. Automation of content and context derived from other channels, real-time analytics recommendations, and dynamic knowledge management capability will accelerate their performance, productivity, and ability to unify experiences with the organisation.
CX again top strategic indicator of performance

Focus on cost to serve drops to 6th spot as organisations buy into benefits of CX

What’s happening?

This is the fourth consecutive year in which CX is selected as the most important performance measure for company boards and/or executive teams. CX is gaining more importance everywhere and, at 77.5%, represents an important uplift against 2015’s results. It’s now selected by almost double the percentage of any other strategic performance measure.

Notably, we’re seeing a change in actual performance too, as CX scores rose for the first time in five years and to their highest level in three years.

Further evidence of a commitment to improving CX is the rise of first contact resolution into second place. Organisations recognise that getting it right first time is what customers want in terms of ease of resolution.

Most other measurements remain on a par with previous reviews, with one notable exception. Cost focus via management of productivity drops from the second highest priority in 2015 to sixth place this year.

What are the top three most important strategic performance measurements according to your company’s board/executive team?

What you should do:

1. Establishing enterprise-wide metrics that ensure line of sight for customer-centricity is key and a balanced scorecard across all functions is critical. It’s great to see employee engagement scores increasing in significance, indicating a culture that’s synonymous with providing a service-orientated organisation. Closed-loop activities measured on actions against these metrics is essential to ensure progress.

2. First contact resolution (FCR) continues to gain prominence. An effective omnichannel engagement centre will provide greater visibility of whether this is genuinely happening, or whether organisations have been reporting on fragmented FCR per channel.

3. It’s critical to understand the hotspots of activity and the key activities for retention and sales. Understanding what options of organisations your customers have is key to determine the different ways in which they now do business. Prepare for, execute, or lead disruptive innovation that will differentiate you in your industry.
Connected (omnichannel) customer journeys taking precedence

More so than migration of traffic to alternative channels

What’s happening?

In every region globally, the top trend affecting contact centres’ CX capability is the drive to provide more connected CXs through the establishment of omnichannel strategies that will facilitate frictionless customer journeys between channels.

This desire to create the correct process mechanisms has now overtaken the rush to simply migrate traffic onto digital platforms that aren’t yet optimised or integrated. By default, these affect the CX negatively, while the investment was actually meant to improve it.

Keeping pace with changing user behaviours and the complexities that the digital age of contact centres has created are the other main trends that earn the top spots.

Industry trends affecting contact centre

Which means that companies are prioritising omnichannel strategies to drive the uptake of self- and/or assisted-service digital alternatives to the telephone. In general, the top four priorities have remained consistent for the last three years, although they’re now in a more logical and pragmatic sequence. The same four items present a uniformity of approach across all sectors and regions, which highlights the overwhelming influence digital and omnichannel has on our industry’s evolution.

What are the top three industry trends affecting your CX capability?

<table>
<thead>
<tr>
<th>Industry Trend</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Omnichannel strategies (connected customer journeys)</td>
<td>49.1</td>
</tr>
<tr>
<td>Migrating traffic to digital</td>
<td>36.5</td>
</tr>
<tr>
<td>Changing user behaviours (mobile, social etc.)</td>
<td>34.6</td>
</tr>
<tr>
<td>Multiskilling/increased complexity</td>
<td>32.2</td>
</tr>
<tr>
<td>Interaction optimisation/automation</td>
<td>31.8</td>
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<tr>
<td>Commitment to customer experience as a differentiator</td>
<td>31.8</td>
</tr>
<tr>
<td>Data analytics (incl. big data)</td>
<td>29.9</td>
</tr>
<tr>
<td>Security risks and compliance</td>
<td>21.1</td>
</tr>
<tr>
<td>Access to new technologies (incl. hosting etc.)</td>
<td>15.5</td>
</tr>
<tr>
<td>Speed of change – can’t keep up</td>
<td>12.3</td>
</tr>
<tr>
<td>Other</td>
<td>4.3</td>
</tr>
</tbody>
</table>

What you should do:

1. Connected customer journeys, omnichannel, and migration to digital mapping should follow the recommendations made on customer journey mapping in page 28 (Services supported by contact centre).

2. Establishing a customer-centric culture, with organisational leadership and structure to support change, is essential for success. Management by iteration won’t achieve the objectives identified in our research.

3. The development of analytics capability is key to understanding customer propensity to engage, as well as their behaviour when doing so. Analytics links together so many facets of the modern service organisation, from performance to returns on activities. Improving the understanding of customer behaviours has been identified as strategic, but there remain too many gaps in actual capability and, if left unaddressed, these will draw into question the actual focus applied to the stated strategy.
Customer loyalty recognised as top benefit of CX

Over ¾ can show cost savings from improved CX

76% say it promotes increased employee engagement

What’s happening?

Over four in every five contact centres (82.1%) can evidence improved customer loyalty and value as being directly related to their CX capability.

Another 77.0% can demonstrate a reduction in costs, with 74.1% highlighting CX effectiveness will increase company revenue and profits.

It also leads to happy employees, as three-quarters (75.6%) of organisations acknowledge the impact of good CX delivery on employee engagement. Getting it right first time will also positively impact contact propensity.

The results are so compelling that we question why accelerating market-differentiating CX isn’t attracting even more board sponsorship, as business success so clearly depends on it. A shift in thinking about CX is underway. It will become the standard when the benefits can be proven to interested stakeholders.

Improved CX: benefits

Which means that … contact centres are becoming more proficient at being able to relate investments in CX infrastructures to sustainable business benefits. Through effective measurement and communication, contact centres can promote their value and establish a foundation for continued investment to sustain their position as CX champions. It allows them to build on a solid base, rather than be pushed to only reduce costs.

What you should do:

1. The tangible return of improved CX makes it important to have a modern and comprehensive CX strategy. A move to digital channels independent of this will diminish returns.

2. Understand your current CX maturity in terms of intent and ability to execute.

3. You need to define your ‘as is’ state, and develop a plan with a roadmap to chart the change and initiatives required to enable your progress towards the desired ‘to be’ position. The returns are now becoming easier for organisations to prove, even though the gaps on operational measurements for digital means that the opportunity assessments are probably conservative.
Interaction levels continue to rise

76% of centres anticipate a growth in digital agent-assisted transactions

Full-time equivalent requirements will increase

What’s happening?

There’s a fundamental shift in the modelling of contact centre operations. Globalisation and an increasing level of support needs, facilitated by easier access to service touchpoints, are resulting in continued growth, despite automation and advancing technology self-services. Contact centres are expecting to see a small increase in overall headcount during the next two years.

The growth will be necessary, as digital channels develop and attract contact volumes through ease of access and more active engagement from customers. At the same time, many digital technologies have yet to reach their full share of the interactions. As a result, 81.0% of contact centres forecast a growth in digital self-service solutions. Another 76.0% anticipate an increase in agent-assisted digital transactions.

However, agent-led telephone traffic is forecast to decrease in 38.8% of contact centres within the next two years. Allowing for the 28.5% that expect an increase, this represents a 10.3% (net) drop overall.

Evolution of contact centre in next two years

Which means that... the vast majority of contact centres will see an increase in total interactions. Headcount will grow too, but not at the same rate, due to the efficiencies that digital and self-service will introduce. The ongoing shift in customer expectations will drive changes in service channel design, while also affecting the roles of contact centre employees.

What you should do:

1. Analyse the operating model structures and workforce optimisation capabilities required to move forward. The accountability of the phone-based contact centre provided significant efficiencies in the past – these disciplines and capabilities should not be lost, and they should be applied with the same consistency across digital channels. This will increase their efficiency and effectiveness.

2. Ensure that the correct metrics are in place to support performance and culture, and that there’s due operational and strategic accountability for delivering stated objectives. This is often missing with today’s digital solutions.

3. Automation is key to ensure that customers can engage with the minimum of effort. Investment in automated knowledge management tools can provide greater, more consistent return than expanding the workforce to cope with the increased scope of activity.
The industry anticipates growth

Small increase expected in outsourcing

Attitudes to offshoring and reshoring relatively static

What’s happening?

All four operating models indicate future growth. The global position remains relatively consistent across regions.

Of all contact centres, 27.6% expect outsourcing work to increase. This represents a small increase from the 25.5% in our last review. At the same time, 8.6% forecast a reduction in outsourced work. Service providers and communications (at 40.4%) are the sector that expects to see the largest increase, with manufacturing at the other end of the scale at 17.9%.

The reshoring focus is strongest in the media and entertainment sector but, at 12.0%, there’s little variance across the other sectors.

Of in-house operations, 41.7% expect to see expansion within the next two years. Conversely, 15.2% plan a decrease in activity.

Evolution of operating model in next two years

Which means that … the industry will continue to develop despite a migration of traffic to digital and, in some instances, self-service solutions. The ease of contact via smart mobile devices, the surge in service needs, and the deepening of markets to serve new customer types all contribute to rapidly changing solution models.

What you should do:

1. Offshoring and outsourcing can be a particularly attractive option when cost pressures are high and skill levels are stretched. It can also offer flexibility and access to new technology expertise that you may not have in-house. It will remain a key consideration for any business experiencing high growth, handling seasonal volumes, or entering new markets.

2. Decisions on in-house versus outsource contracting shouldn’t be determined purely on cost savings. The strategy should be aligned with, and complement, the organisation’s own strategic goals.

3. Make the following five-point checklist part of any decision about the right service partner:
   - a shared focus, objectives, and drivers
   - emotional engagement and inclusion
   - multichannel capability
   - geographical legacy
   - contractual flexibility
Change is coming

By Jens Butler, Principal Analyst, Ovum www.ovum.com

The procurement world has shifted dramatically, as digital transformation, cloud, cognitive computing (or artificial intelligence), and mobility – among other factors – force themselves into the organisational mindset. This is true not only from a technology services standpoint, but also, increasingly, as fundamental business support initiatives and drivers. And these shifts aren’t the small tweaks to existing legacy environments with a shiny new toy or tool we’ve traditionally experienced.

They’re changing many fundamentals of how organisations provide services to their customers and how, and from whom, they buy services to deliver on these promises. More specifically in the contact centre space, we’ve seen the likes of home agents, automation, especially web chat, social media and, increasingly, analytics create some of the value that customers are demanding in this brave new world.

As the market experienced these substantial shifts, one of the key factors in servicing customer markets, the actual location, has shifted a little from its traditional core selection criteria of the past 20 years (price, stability, incentives, training, and more). The reasons which helped to differentiate these locations and the multi-year investments associated with them, are at risk of being bypassed or even becoming obsolete, as the world itself becomes increasingly location, service, and technology agnostic.

The classic criteria of governmental support (tax incentives and so forth), infrastructure investment, locational stability, transparency rankings, cost of labour, and education or training standards will still have a key role to play. These remain a major function for buyers looking to ‘get the ticks in the boxes’ and gain support for their investments. However, enterprises are doubling down on CX – it’s increasingly the most important criteria from a strategic sourcing perspective – and retention. This points to a rapidly shifting delivery model that will impact the associated location demands.

So, how much do location providers need to adjust their offerings and capabilities to address these disruptions, and how much will this influence the overall selection process?

The reality will be that, as automation, analytics, and customer interconnectivity improve, we’ll move beyond the laws of comparative advantage on a pure numbers and skills basis. We’ll need to consider that integrated value-add components will play a far larger role in the customer decision criteria and subsequent location factors.

Recent survey data points to customer satisfaction, supporting the business, flexibility, and working with partners becoming more important than just cost, skills, and a global footprint.

What does this really mean? Essentially, many roles will become automated, skills will become more transferable, and organisations will become less bound by location. Therefore, those providing customer service skills and offerings will need to build an increasingly multifaceted engagement model. Not only will the core skills, languages, competencies, capabilities, and offerings still need to be offered, but additional flexibility will need to be built into the contract agreements. These should be shorter-term, with more specific commitment requirements, greater variability, more outcomes-based modelling, and greater pricing dynamics. There will also be a need for easier, more proactive access to newer technologies and expanded products, tools, and services, as they become available.

One area is the growing need for ‘seamless’ omnichannel transfer capabilities. This often involves contact blending at an international, and/or follow-the-sun level. There’s also a need for shifting offerings with a ‘swipe’ across locations, in line with customer requirements. This is likely to drive growth in virtual locations, as well as better-aligned and multifunctional global offerings, including greater connections, and transfers across (and the integration of) remote sites.

In essence, even though clients will still need stability, access to skills and capability, and industrial-scale delivery, they’re demanding greater customer awareness, flexibility, and customisation. These historically qualitative factors have become a critical component of today’s CX and retention model.
Availability of suitably skilled resources at the right cost dominate location decisions

Travel convenience deemed a top consideration for just 1 in 5

What’s happening?

The availability of skilled resources, as selected by 70.8% of respondents this time, has by some margin been the most important driver influencing contact centres’ location strategies in our last four benchmarking reviews.

The concept of securing the right people at the right price certainly holds firm, as labour costs remain at the forefront as the second most important factor influencing the availability of employees and associated skills. However, in some regions such as the UK, Australia, and New Zealand, proximity to the head office or other key sites is regarded as more important than cost. Some sectors adopt a similar view.

Slightly more than a quarter (27.2%) of operators rate cultural alignment to their customer base as a top-three priority in location decisions. Another fifth (20.6%) will consider travel convenience.

Government incentives and funding, often treated as a bonus and excluded from the core business case, is again in the last place.

Strategic considerations for location strategy

Which means that … organisations are primarily basing location decisions on access to skilled resources, cost, and how logistics will impact relations with head office and customers. The effect on the employees is deemed less important with travel falling in a low eight position. Given the impact that travel time and location can have on employee engagement, this could merit more attention.

What are the top three strategic considerations influencing the location of your contact centre(s)?

<table>
<thead>
<tr>
<th>Top Three Strategic Considerations</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of skilled resources</td>
<td>70.8</td>
</tr>
<tr>
<td>Labour costs</td>
<td>45.0</td>
</tr>
<tr>
<td>Proximity to head office/other key sites</td>
<td>33.0</td>
</tr>
<tr>
<td>Cultural alignment to customer base</td>
<td>27.2</td>
</tr>
<tr>
<td>Data protection/security/compliance regulations</td>
<td>26.4</td>
</tr>
<tr>
<td>Brand image</td>
<td>25.3</td>
</tr>
<tr>
<td>Lease duration/building costs</td>
<td>24.5</td>
</tr>
<tr>
<td>Travel convenience</td>
<td>20.6</td>
</tr>
<tr>
<td>Government incentives/funding</td>
<td>10.2</td>
</tr>
<tr>
<td>Other</td>
<td>14.5</td>
</tr>
</tbody>
</table>

What you should do:

1. Maintaining the balance of productivity versus cost versus risk continues to remain absolutely relevant, despite the emergence of market disruptors with brave new operating models. Operating model structures will also impact the complexity of sourcing needs, and determine whether alternate locations will allow you to achieve the right mix of people. Certain locations may meet certain needs for certain transaction types – but not always all.

2. The people element of a successful CX strategy will continue to be fundamental to the organisation’s success, as the employee engagement code remains consistent across many forms of digital interaction. The location needs to provide access to people with the competencies that align with your brand positioning.

3. The requirement for more highly skilled resources places greater demands on the planning of resourcing and its alignment to strategic objectives. People-related operational measurements need to reflect the CX imperatives pursued by organisations, regardless of the location.
Analytics again voted top factor that will reshape industry

Personalised service offerings fall right behind architecture capability as top CX enabler

What’s happening?

A desire to better understand customer behaviours and the consequences of their interaction experiences across channel offerings has again resulted in customer analytics being voted as the top factor to reshape the contact centre industry (and CX) during the next five years.

Analytics is helping organisations better understand the customer journey, and there’s still a strong focus on integrating user experiences via connected omnichannel strategies. These are designed to provide the consumer with a choice of channels to use in any sequence they desire to complete their service needs.

Another crucial focus for many is creating a way to provide service personalisation solutions, offering a simpler step closer to realising the aspiration of full personalisation.

What are the top three things that will reshape the contact centre industry (and CX) during the next five years?

- Customer analytics: 50.2%
- Integrated customer journeys (i.e. omnichannel): 47.5%
- Digital channel service capability: 43.8%
- Personalised service offerings: 37.6%
- Changing user demands/behaviours: 27.1%
- Availability/access to new technology: 21.6%
- Executive commitment to the CX: 19.9%
- Service via social media: 17.1%
- Better training and agent empowerment: 15.9%
- Enhanced security (i.e. fraud): 7.5%
- Service via video on demand: 5.5%
- Public scrutiny of service provision: 4.2%
- Other: 1.7%

What you should do:

1. A shift has taken place, and it’s being driven by customers. A move from mass service solutions towards mass personalisation is underway in many organisations. Relevant proactive and automated experiences tailored to the individual are the current objective, while a digital concierge is looming on the horizon. Small data will soon merit much closer attention. It’s the detail that matters.

2. Focus on customer-centricity. Customer journeys aren’t about swim lanes of technologies and channel hopping. They need to reflect an organisation’s CX principles and how your brand is represented, facilitate simple services, and produce outcomes for both the customer and the organisation. The customer has to be central to the objectives and the design.

3. Harness new capability to change mindsets. There are many examples of organisations that have introduced new digital capabilities and still have similar contact centres in place, with interactions increasing in volume. The customer and digital revolution demands a proactive, simple, easy experience with choice. Service design and ongoing management are key to building on, or breaking, a legacy.
Analytics in cycling - what we can learn from it in business
Personalisation being enabled by analytics

**Today:** supporting mass service personalisation techniques

**Tomorrow:** small data will drive micro-level personalisation of CX

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### The impact of analytics

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>71.5%</td>
<td>Say analytics enables better agent performance</td>
</tr>
<tr>
<td>69.1%</td>
<td>Say it drives better CX</td>
</tr>
<tr>
<td>75.1%</td>
<td>Gather feedback from customers</td>
</tr>
</tbody>
</table>

---

### Better understanding the customer journey

- 52.1% agree analytics will help improve customer journeys
- BUT 79.4% have no big data analysis capability
- AND just 36.4% can track a customer journey that spans multiple channels
- ONLY 17.4% can locate problem hot spots that impact CX

### Analytics voted top factor to re-shape industry in next five years. Current capability:

- 34.2% use analytics to personalise solutions and services
- 23.0% can provide a customised CX based upon user profile/analytics
- Segmentation has increased for 3rd consecutive year; channel prioritisation and customer groupings top methods in play

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### Knowledge share remains an opportunity

- 49.3% don’t share customer intelligence outside of the contact centre
- 22.4% enjoy full collaboration with the wider enterprise to optimise process design

---

### Data analysis variances by channel

- Only 42.6% can compare sales revenues by contact channel
- Conversion rates comparisons by channels even lower at 35.2%
- 83.0% track it for phone but only 66.4% for web chat and 59.2% for email

### Management focus and accountability is still lacking on digital transactions
It’s surprising how relatively small an impact digital analytics has had on contact centres so far.

Tell us what surprised you?

It’s surprising how relatively small an impact digital analytics has had on contact centres so far. Some basic disciplines for digital channels are missing, despite the obvious changes in customer behaviour and channel preferences. It’s clear that many contact centres are struggling to keep up with the demands of their customers and their own businesses.

How is customer analytics affecting CX going digital or evolving customer expectations?

Organisations that risked taking a leap of faith and engaged with new, ‘deep-dive’ analytics are seeing almost immediate return, both financially and in terms of better customer engagement. Mining data for sentiment contact, content and channel preference reinforces strategies that aim to shift customers to lower-cost channels and to facilitate their becoming proactive. It’s a no-brainer!
Q What don’t I know about customer analytics that I need to consider?

The number of analytical tools is growing exponentially. Technology is enabling the move from tracking transactional and behavior-based experiences to evaluating emotional and sentiment-based real-time encounters.

New channels bring a whole new set of challenges for the analytics element of our business, for instance – how will we evaluate, report, and analyse the quality of video interactions?

My advice would be to find a technology adviser you trust, brief them, and get them to find integrated channel solutions for you.

Q What trends should be on our radar and which do we need to stay abreast of?

For a number of years we’ve talked about ensuring that we attain the ability to create big data to gain analytical insight. It’s now becoming crucial to use this big data to develop and action ‘small’, but perfectly formulated, data. Macro data needs to be increasingly manipulated to attain personalised micro content, reflecting interest and suitability while being deployed via the most appropriate medium, at the optimum time. The switch from reactive to proactive and predictive analytics with tailored or personalised messaging to customers and prospects will become the standard for many businesses.

The ideal is to have an almost obsessive focus on the mining of customer journeys and behaviour data that generate insights that can be actioned in near real-time

Q What does ‘good’ look like?

The ideal is to have an almost obsessive focus on the mining of customer journeys and behaviour data that generate insights that can be actioned in near and increasingly real-time. ‘Good’ is also enhancing the CX and promoting loyalty, as organisations use analytics to pre-empt customer needs via proactive contact. Lastly, I’d say that ‘good’ also means understanding the links between your cross-channel contact management strategy and the outcomes of each and every transaction type. This will help you refine what paths to promote to whom, for which reasons, and when to intervene.

Turn intelligence into insight and use it to not only close service and proposition deltas, but also drive predictive planning and investment for the future.

Q What are the typical blockage or failure points?

This may not be a very popular answer, but the biggest barrier is normally internal business-IT relationships. Contact centres need to be involved in the design of new solutions and, at the same time, state their case about the deliverables and/or business insights they’d like to gain from analytic technologies.

In addition, analytics across traditional channel interactions and segments often falls short of the requirement to gain complete insight across the ever-expanding data types and classifications. Segmentation needs to drill down into individual actions and behaviours across a far more complex interaction landscape. This will continue to require a mix of segment- and sentiment-evaluated data. A key challenge with this is the mapping of entity relationship modelling (where each component of available data is defined), the technology solutions deployed to achieve it, and how the organisation is restructured to use the outputs to drive tangible, measurable value in an increasingly real-time, adaptive environment.
Finally, I also think too much focus is still placed on sales- and campaign-driven analytics, for example, the use of next-best-offer and activity, rather than personalised service coordination that leverages mutual value for customer and business through an advice-based approach to relevant interactions.

How can they be countered?

In terms of traditional research and analytics, organisations often ask customers what they want to know, rather than what they need to hear. Rather ask where you’re not meeting expectations, as well as how well you’re currently delivering.

With the trend for organisations to move from voice and assisted-service to proactive, community-based, and self-care models, it’s vital that analytics is equally recalibrated, and increased, to unlock the benefit of the CX revolution.

Are there any quick wins?

Explore your existing technologies and ensure you’re fully extrapolating the data insights that these may offer. We frequently see organisations that are still unaware of their existing systems’ capability. Alternatively, there are several cloud solutions you can try before you buy. Use these to build momentum.

What does the future look like for customer analytics – from a business or contact centre perspective?

Consumer thinking and expectations are often moving faster than the businesses that serve them – try to stay ahead of the curve. Gathering data both internally and externally is difficult. Interpreting this insight and translating it into understandable and actionable business intelligence is clever. Driving actionable and real-time change to deliver value is smart.

It’s all very fast-paced, with rapid development, rapid insights, and real-time changes to propositions. Increasingly it will require a dedicated team to provide the focus it deserves.

What are three insights from the 2016 Report that we can’t afford to ignore or need to take action on?

1. There’s still a huge gap between traditional analytics and the kind of customer analytics derived from digital channels: only 13.6% are using sentiment analysis.

2. Customer interaction is increasingly online and mobile. Only 14.7% are gathering customer data via these devices – it’s an incredible, untapped resource.

3. We’re in the omnichannel age, but only a third of organisations are tracking customer interactions across all channels. Omnichannel requires an omni insight-focused approach across all touchpoints, which is joined up to identify all trends and failure points.
79% have no big data capability

Deep-dive analytics also absent in most contact centres

Headline performance tools now the norm, but don’t show the big picture on CX journeys

What’s happening?

The top three business intelligence tools – agent scorecards, customer surveys, and business performance dashboards – haven’t changed as data sources for several years. They provide the basis for most mature contact centres’ business intelligence and perform a vital role in ensuring the quality of service.

However, analytics in the digital domain is still a minor activity in contact centres. Harnessing the potential of personalised offerings; as well as spotting trends and behaviours available from big data, the web, sentiment, and voice analytics, are still not mainstream. While larger organisations are often better equipped to access big data, operation size is no indicator for deep-dive web or voice analytics technologies. Indeed, smaller organisations adopting digital strategies are more likely to use, and benefit from, these newer analytical techniques in the short term. Innovation comes easier to them than for larger enterprises.

Another view of the data reveals that sales operations, at 27.7%, tend to fair better than service operations and IT helpdesks when it comes to deploying big data analytics systems.

Business information tools available

Which means that … basic information tools are frequently in place and used, but contact centres aren’t benefitting yet from access to their enterprise data stores in order to generate more detailed customer analytics intelligence. Contact centres can learn a great deal from the approach adopted by many digitally based organisations that treat analytics as a central pillar of their business intelligence strategy. Piecing it all together using big data analytics will become a differentiator, and will help to promote the value of contact centre operations across the entire organisation.

What you should do:

1. Think about designing a business intelligence strategy that aligns to your customer journey. What data is available at each touchpoint and how could it be used to improve CX and agent productivity and engagement, as well as provide insights for product and service teams.

2. As you implement your strategy, ensure new technologies and tools adhere to open standards, and ensure they can be integrated into your chosen data analysis system.

3. Don’t stall. Analytics is voted the top factor to positively change the industry. Information is power. It will inform your business solution, and help you create a more customised offering that will develop your CX positioning.
Reactive approach evidenced through data collation in place

1/3 capture data from social media

Just over 1/4 qualify information via a demographic split

What’s happening?

The top three sources of improvement for service offerings remain consistent across all regions, with the exception of the UK, where social media data and customer behaviours are reversed as third and fourth factor.

Almost a third (32.7%) of organisations now mine social media data, clearly highlighting the value of sentiment, preference, and habits, despite its relative immaturity as a customer service channel.

Surprisingly, just a quarter (26.5%) look at demographic data, which means knowing the age, status, and similar customer factors, and correlating this to their behaviours. Demographic data may be perceived as less dynamic than customer feedback and behaviour sources, but it’s nonetheless valuable to determine appropriate service offerings and product preferences.

Data types collected

Which means that ... data analytics is here to stay. Combining sources and using more sophisticated means to dissect and produce insights in real-time, or as near as possible to it, is becoming the norm. The impact of data analytics hasn’t yet been experienced fully in our industry, but the next five years promises to bring a surge in data-driven CX. The challenge for organisations is to engage with this change and define an outcome.

<table>
<thead>
<tr>
<th>Data type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer feedback streams</td>
<td>74.4</td>
</tr>
<tr>
<td>Customer relationship management data</td>
<td>62.7</td>
</tr>
<tr>
<td>Customer behaviours</td>
<td>45.4</td>
</tr>
<tr>
<td>Social media data</td>
<td>32.7</td>
</tr>
<tr>
<td>Demographic data</td>
<td>26.5</td>
</tr>
<tr>
<td>Other</td>
<td>15.3</td>
</tr>
<tr>
<td>Mobile device user-generated data</td>
<td>14.7</td>
</tr>
<tr>
<td>Data generated by connected devices and sensors (Internet of Things)</td>
<td>10.6</td>
</tr>
</tbody>
</table>

What types of information do you regularly collect to improve service offerings?

What you should do:

1. Create a roadmap: examine the mix of sources you use for collecting information and determine which will deliver the outcomes you need in the short to medium term.

2. Examine the way customer analytics is being used to determine changes in service and product offers. Is there a clear alignment and can you connect the collected results to measureable improvements in customer and employee experience?

3. Customers are increasingly living and working on mobile and social platforms. The technology available to leverage data from these platforms is improving daily. Consider how you can exploit these social and mobile tools to create proactive and self-help interactions.
7 in 10 say analytics enable better performance management and develops CX

Over 1/2 use it to improve customer journeys

Nearly 1/2 are seeing cost savings as a benefit

What’s happening?

Analytics is changing its focus rapidly. Two years ago, the dominant benefits were operational efficiencies and, to a lesser extent, CX or product. The picture is very different today, with almost the same number of organisations deriving benefits for agent performance (71.5%) as for developing CX (69.1%).

Even in the last 12 months, there’s been an approximate 25% increase in both agent performance and CX benefits.

The results for Asia Pacific, Middle East & Africa (MEA), and the UK show that a little more emphasis is placed on using analytics to improve CX, rather than agent performance, although they both go hand in hand towards creating a hassle-free customer journey.

It’s good news that just over half (52.1%) of respondents are also using analytics to improve the customer journey. Another 46.8% acknowledge the impact on reducing operating costs. Providing an insight into the longer-term influence that analytics will have, is the 34.2% of organisations using customer data to personalise solutions and services. This number will grow as analytics capability matures.

Impact of analytics

Which means that … analytics is creating a new level of informed decision-making. When applied well, the value is compelling across all aspects of the operation. Information is power, and will be the key to unlocking a differentiated solution for your service users.

What you should do:

1. Focus on how analytics will deliver a monetary benefit. This will help you justify investments in tools and technology to continually improve the value of the insights you generate.
2. Get the balance right: consider where analytics is being deployed. A good balance of operational improvement, versus the CX, versus monetary value is vital for your CX strategy.
3. Ask your technology provider to give you regular reviews of how technology solutions are delivering analytics. The landscape is changing daily, so make sure you don’t miss out on the latest tools and techniques available now and in the near future.
I’ve been a fan of the sport of cycling for many years. But it’s only in the past 12 months that I’ve been able to get behind the scenes and start to understand what a complex sport it really is.

Perhaps the biggest surprise has been the depth of investment that the cycling teams have made in the use of analytics to assist individual and team performance. Data analytics also provides valuable insight into injury prevention, talent identification, and long-term performance sustainability.

It seems like many years since British Cycling, under the leadership of Sir Dave Brailsford, coined the term ‘marginal gains’ in cycling. They operated with a philosophy that, if you focused on improving each aspect of your performance by only 1–2 %, the overall improvement, when consolidated, would be significant. This philosophy has been widely documented and – perhaps more significantly – adopted by sporting organisations around the world, many that aren’t related to cycling at all.

The underpinning of the ‘marginal gains’ concept is the reliance on quality data to be available to assist in making informed decisions. When you get behind the scenes in cycling, you realise that very detailed and complex data is available across many channels, yet it’s often necessary to manually manipulate that data to make it relevant to the overall picture.

So what? Well, the most striking impact that cycling has had on me in the business sense is the effort made to understand those different data sources. That’s because the impact of that effort can lead to significant insight. This in turn leads to marginal gains, and marginal gains lead to optimised performance, which ultimately leads to success. The very same principles count for the application of data in business.

Dimension Data recently announced the title sponsorship of an up-and-coming team from South Africa, called Team Dimension Data for Qhubeka.

But back to the ‘so what?’. The point is, if an organisation wants to truly compete in the modern world, historical and real-time analytics are no longer just a consideration, they’re a necessity. I’d also add that historical data is potentially more important than real-time information, as it allows for a truly informed opinion – fact, not gut.

Cycling doesn’t have the funding of A-list sports such as football, soccer, rugby, and more. What it does have is access to rich and diverse information which it uses to assist performance. I’m sure that many businesses could benefit from some time behind the scenes of cycling, as we have. You’ll be surprised what you can learn.
**Personalisation** capability rising to new heights

**Number of organisations** pre-identifying and segmenting customers increases for 3rd year

**What’s happening?**

One in five (21.1%) contact centres still can’t segment or pre-identify their customers by telephone, versus a quarter in 2015. The number is slightly higher in digital channels, at a third (32.9%).

Personalised service offerings are rising fast. The two most common being channel paths offered and menu option selections – for example, interactive voice response (IVR) – have risen by 47.5% and 35.4% in the last 12 months. Completing the top three approaches are segmentations based on user profile, which are up for the fourth year in succession, and by 24.9% overall in the same period.

Digital footprints offer an easy inroad to service personalisation, and adoption levels are rising fast. Only a third (32.9%) of solution providers don’t attempt to pre-identify their customer enquiries. Surprisingly, but undoubtedly, linked to the relative immaturity of these new channels, is the fact that companies have not yet applied the same intensity to personalisation on digital as they have to telephone.

**Personalisation: how customers are identified/segmented**

Which means that … services are becoming increasingly tailored. Organisations are phasing in ways to personalise the CX. However, they must be able to offer channel choice first and, secondly, they need to understand the customer journey and focus on a seamless experience. Analytics capability aligned to desired outcomes is next.

An opportunity to capitalise on customer information as a differentiating factor is evident, and it’s crucial in delivering a coherent CX strategy.

<table>
<thead>
<tr>
<th>How do you identify and/or segment customers interactions?</th>
<th>Telephone</th>
<th>Digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profile information</td>
<td>47.7</td>
<td>36.6</td>
</tr>
<tr>
<td>Membership number/card (e.g. airline gold card)</td>
<td>30.6</td>
<td>24.5</td>
</tr>
<tr>
<td>Telephone number/channel path available to them</td>
<td>56.8</td>
<td>20.7</td>
</tr>
<tr>
<td>Menu options selected (e.g. IVR for voice, footprint for digital)</td>
<td>49.3</td>
<td>19.4</td>
</tr>
<tr>
<td>Via other advanced analytics (e.g. existing trouble ticket open)</td>
<td>16.0</td>
<td>18.8</td>
</tr>
<tr>
<td>We don’t segment or can’t pre-identify customers</td>
<td>21.1</td>
<td>32.9</td>
</tr>
</tbody>
</table>

**What you should do:**

1. If you’re in the group with no segmentation or an inability to identify customers, consider very carefully the cost and opportunity it offers for enhancing CX, as well as reducing cost to serve.

2. Examine digital footprint groupings. How are systems being used? Use that intelligence to adapt systems to improve engagement and service quality.

3. Consider an impact analysis. There are many benefits to pre-identifying customers, and they should be applied per the analysis across all relevant channels and communication touchpoints.
Service personalisation mainly achieved via channel prioritisation and establishment of customer groupings

Almost 1/4 can provide a customised CX, based on user profile/analytics

What’s happening?

Contact centres are adopting personalisation techniques based on analytics and known preferences across their customer base. This represents significant progression and forms part of an imminent service revolution that will transform CX and service delivery. Already, 23.0% of respondents can offer a customised experience based on the information and analytics they have about their customers.

Personalisation won’t be appropriate for all contact centre providers, but management would be amiss not to consider it in commercial enterprises. Our 2016 results again show a link between improving CX levels and growing revenue or profit. Yet, 17.4% of contact centres are unable to offer a personalised service at this time. As personalisation evolves towards becoming a mainstream capability, this percentage will continue to rise as the number of companies saying it isn’t relevant for their business decreases.

Personalisation of service offerings

Which means that … for those with a maturing CX strategy, there’s a move towards improved personalisation based on increased levels of intelligence about customer behaviours. Organisations still need to balance investment with efficiencies gained through the use of thoughtfully deployed technology solutions. Whether it’s through evidence of productivity gains, or enhanced customer value, or spend, the data that’s now available should be interpreted and used. Organisations that don’t act and incorporate personalisation into their solutions will fall behind.

<table>
<thead>
<tr>
<th>Service offering</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prioritised service channels</td>
<td>Not asked</td>
<td>44.4</td>
<td>43.3</td>
</tr>
<tr>
<td>Prioritised service for specific campaigns/events</td>
<td>18.2</td>
<td>34.8</td>
<td>36.5</td>
</tr>
<tr>
<td>Specific customer groups (e.g. high-value/gold card customers)</td>
<td>35.1</td>
<td>42.7</td>
<td>41.9</td>
</tr>
<tr>
<td>Customised CX based upon customer’s profile/analytics</td>
<td>Not asked</td>
<td>Not asked</td>
<td>23.0</td>
</tr>
</tbody>
</table>

What style of personalised service can you offer?

| n | 1230 |

What you should do:

1. Determine the value that personalised services and propositions may offer your organisation, to define whether you should personalise by channel.

2. Consider the technology options for any personalisation initiative very carefully to ensure measurable CX metrics and that sustained benefits can be derived from the chosen solution.

3. Ensure personalisation includes CX goals aimed at helping customers to self-serve or use lower-cost channels.
Just **36%** can **track** a customer journey that spans multiple channels

Just **17%** can **locate problem** hotspots that impact CX

**What’s happening?**

Connecting CXs across contact channels is the top trend affecting contact centres in 2016. Once linked, the natural next step is to understand the journey in order to improve the user experience and maximise the business potential of the interaction.

Our findings show that seven out of 10 (69.6%) contact centres have some ability to track customer journeys. But just over half of that figure (36.4%) can gain full insight into customer behaviours by tracking customers as they traverse multiple channels. The intelligence gathered is providing vital insights for improving CX.

More concerning is that less than one in every five (17.4%) organisations can identify blockage points in their processes that have a direct impact on CX. Additionally, just over a quarter (27.7%) can can identify key decision points or hotspots.

**Tracking customer journeys**

**Which means that ...** of all organisations, 82.6% are lacking the most basic principle for the streamlining of processes, improving efficiency, and ensuring the well-being of customers: they’re unaware of critical problems in their systems. Compounding the issue is the 72.3% of organisations that are blind to the decision-making stages of customers using their services. This directly impacts revenue and profit opportunities.

<table>
<thead>
<tr>
<th>What you should do:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ensure your CX strategy highlights the need for tracking customer journeys as a ‘must have’.</td>
<td></td>
</tr>
<tr>
<td>2. Undertake customer journey mapping to identify potential hotspots which can be improved through process and systems changes, be clear that journey mapping extends far beyond traditional process map exercises.</td>
<td></td>
</tr>
<tr>
<td>3. Set up monitoring systems to track customer journeys in real-time so that mitigating actions can become a regular activity in the contact centre.</td>
<td></td>
</tr>
</tbody>
</table>
Just **50% of contact centres** have systems to share **customer intelligence** outside of the contact centre

**Collaboration at an enterprise level is worsening**

**What's happening?**

For the third year in succession, we’re seeing a fragmented and relatively unchanged approach to disseminating customer intelligence internally, and a glaring lack of supporting processes to enable the sharing of information across organisations. This is occurring during a time when the scope of contact centre services and user expectations continue to grow. The need for enterprise-wide collaboration should be broadening, not narrowing.

Just 53.8% enjoy full or partial collaboration at an organisational level to improve processes. Only 50.7% report an enterprise-wide capability for sharing intelligence (versus 55.9% and 48.3% respectively in 2015).

Those able to report full collaboration has also reduced by a few percentage points. Incredibly, almost a third (28.9%) of organisations admit to having no effective procedures in place at all to review and consequentially improve processes. And quarter (24.2%) have no procedures to share intelligence.

The results are reasonably consistent across regions, sectors, provider types, and so forth.

**Business intelligence and process improvement**

Which means that... inevitably, opportunities to form a closer appreciation between the enterprise and the contact centre are being missed. Customer intelligence, or feedback, provides valuable insights into upcoming trends or demands in the market. If the relevant business function captures and interprets these in a meaningful way, business processes can be re-evaluated, and the likelihood of positive outcomes increases.

**What you should do:**

1. Explore whether your organisation is collaborating across functions to improve CX processes and to what extent the benefits are tangible.

2. Create a collaboration framework that identifies all customer touchpoints, channels, and stakeholders. Set objectives that align with your CX strategy.

3. Put cross-functional measures in place for collaboration; track and report these at regular intervals.
82% have a single desktop system for phone

Assisted transactions via digital channels fair much worse at just 55%

What’s happening?

A significant 82.0% of contact centres have implemented a single desktop system to process customer interactions via the telephone. The results for digital agent-assisted channels is much lower (55.2%). Many of these channels are relatively immature and often span end-user and in-house applications, hence the likelihood that there may be multiple systems. The technology sector appears the most mature in terms aligning digital to voice systems: 71.0% have a single system to deal with agent-assisted digital interactions.

For those operating without a single system, the year-on-year figure for the number of systems used for digital channels has dropped marginally from 3.1 to 3.0. Curiously, the telephone has increased from 2.7 to 3.4. It suggests a new focus on digital that’s perhaps now impacting the phone channel.

Overall, this suggests that organisations are realising the need to invest in their technology solutions, or find new suppliers that can provide single systems to service the channels they provide.

Number of software systems

Which means that ... additional channels will only compound the challenge of maintaining a single desktop for cross-skilled agents. As analytics take a firmer hold, the value created by having a single, complete view of your customer can become a crucial differentiator, particularly if it’s accessible by all interested divisions across the organisation.

<table>
<thead>
<tr>
<th></th>
<th>Telephone channels</th>
<th>Digital agent-assisted channels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>82.0</td>
<td>55.2</td>
</tr>
<tr>
<td>No</td>
<td>18.0</td>
<td>44.8</td>
</tr>
<tr>
<td>If No, how many applications were required per typical transaction</td>
<td>3.4</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Do you have a single system to process customer interactions?

n | 1225

What you should do:

1. Review the systems used in your organisation at the agent desktop level, for both voice and digitally assisted channels. Speak to the users and get their input and then act upon it based on your impact assessments and the business case it creates.

2. Determine the cost-benefit ratio for consolidating channels into a single interface. Create an incremental change strategy.

3. Prioritise and execute changes to align to a single desktop interface strategy. It’s vital this is a collaboration between different business stakeholders: end users, IT, operations, and the business itself.
Manual customer identifications fall 12%, verifications drop 8%

Voice biometrics ID still at the early-adopter stage, but grew 58% in 12 months

What's happening?

There’s a reduction in the manual identification and verification of customers, as automated solutions continue to yield efficiencies and cost benefits.

Agent-led verbal questioning to confirm identity has fallen from 88.6% in 2014, to 72.4% in 2016. This represents an 18.3% reduction. Verification via manual processes has also fallen from 77.0% to 70.7% in the last 12 months.

While voice biometric systems are still at the early-adopter stage for the most part, it’s showing some growth. There’s a 56.0% year-on-year increase in the application of this technology to identify customers, and a 30.3% rise in deployments for verifying customers. It’s especially popular in MEA, which leads the way with 9.0% of respondents using voice biometrics for identification, and 10.0% for verification. It’s also gaining traction in the banking and service provider sectors, as it’s seen as an effective method for combatting fraud.

Identify and verify customers

Which means that ... as we progress further into the digital age, there will be an ever-increasing need for contact centres to meet their organisations’ security policies. They will do so by incorporating foolproof systems when structuring their online or automated identification and verification processes. Manual process will no longer be good enough.

What you should do:

1. If you haven’t started automating identification and verification, now’s the time to start evaluating options. Begin by assessing which transactions can or can’t be automated.

2. Define a set of requirements and engage technology suppliers to create proof-of-concept trial use solution for your consideration.

3. Create a business case for change, deploy it, measure its success, and report to the business.
Only **43%** can track and compare sales revenue across all channels

**Measurement of conversion** rates even lower at **35%**

**What’s happening?**

As expected, sales-focused contact centres pay far more attention to measuring sales revenues and conversion rates, and 87.1% have data available across all or most channels.

A deeper review of the sales primary operations shows that outbound operations are much better equipped to track both revenue and conversion penetration than their inbound counterparts. Somewhat surprising is that 14.3% have no revenue data available at all.

While sector level variances are to be expected – and some show broad variances – it’s hard to understand why we’re seeing such a wide range of performance management activity at regional level. For example, 52.5% of UK contact centres have data available for revenue generated across all channels, versus just 32.5% in Europe.

**Measuring revenues/conversion rates across channels**

Which means that ... the absence of sales measurements suggests an absence of sales targets. No target means no objective, and this results in an absence of direction and purpose. Where revenues and sales form part of the organisational objective, this will simply create a lose-lose situation. You get what you measure, so if you measure nothing, you’ll accomplish little.

<table>
<thead>
<tr>
<th>Sales revenues</th>
<th>Conversion rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.0</td>
<td>15.2</td>
</tr>
<tr>
<td>42.6</td>
<td>18.5</td>
</tr>
<tr>
<td>22.2</td>
<td>20.8</td>
</tr>
<tr>
<td>25.5</td>
<td>35.2</td>
</tr>
</tbody>
</table>

**Do you measure sales revenues and conversion rate penetration levels across each contact channel you offer?**

n | 814

**What you should do:**

1. If you sell through contact centre channels, you need to measure sales and conversions. If there’s no measurement, start by prioritising which transactions on which channels need to be measured and how.

2. Evaluate your technology options for tracking performance versus target – there are a number of cloud-based solutions worth considering, which can be implemented alongside your CRM systems.

3. Track and report performance at regular intervals, and perform robust data analysis reviews in order to maximise the efficiency of your sales channels.
Measurement of cost and time has improved slightly, but still widely neglected

Outsourcers more likely to track costs than in-house centres

Remains an opportunity for contact centre managers

What’s happening?
Measuring the cost and time of interactions has steadily increased over the last few years. It’s perhaps understandable that the telephone channel receives the most financial scrutiny: tracking time and cost here has grown from 66.2% in 2014 to 83.0% in 2016 – an increase of 17 percentage points. We’re seeing other channels starting to follow suit. Every channel, with the exception of SMS text, has progressed in the last 12 months.

Outsourcers are far more adept at tracking such information, especially on email, social media, and video, where there’s a 17–26 percentage point difference in those that do measure cost and time, versus in-house operations.

The government (public sector) and manufacturing (including automotive) verticals are often perceived as being heavily focused on strict process efficiency. But only 43.3% (government) and 37.1% (manufacturing) of contact centres measure the cost and time of interactions when results are averaged across all channels.

Measuring cost and time per interaction, per channel

Which means that ... the lack of cost management, particularly on the newer, emerging digital channels, suggests that there may be little accountability and ownership. It means many contact centres aren’t conscious of the time it takes for transactions to be completed across different media. This, in turn, means that they’re in the dark about the true cost to serve customers, and the value returned (or not) by routing customers towards particular touchpoints and channels.

Do you measure the cost and time of customer interactions on each channel that you provide?

n | 1179

<table>
<thead>
<tr>
<th>Channel</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone</td>
<td>83.0</td>
</tr>
<tr>
<td>Web chat (incl. instant messaging, co-browse)</td>
<td>66.4</td>
</tr>
<tr>
<td>Email</td>
<td>59.2</td>
</tr>
<tr>
<td>IVR (touch-tone/speech)</td>
<td>54.2</td>
</tr>
<tr>
<td>Video chat</td>
<td>47.3</td>
</tr>
<tr>
<td>Social media (Facebook, Twitter, etc.)</td>
<td>43.9</td>
</tr>
<tr>
<td>Service kiosk support (i.e. branch walk-ins)</td>
<td>42.1</td>
</tr>
<tr>
<td>SMS text</td>
<td>41.0</td>
</tr>
<tr>
<td>Mobile application (smartphone, tablet apps)</td>
<td>38.3</td>
</tr>
<tr>
<td>Internet website (incl. knowledge portals, peer-to-peer systems, etc.)</td>
<td>36.6</td>
</tr>
<tr>
<td>Automated services (e.g. push messages, auto updates etc.)</td>
<td>34.1</td>
</tr>
</tbody>
</table>

What you should do:

1. Map your channels and identify to what extent you’re able to measure time and cost.
2. Quantify the benefit of measuring the time and cost of transactions and interactions in each channel to prioritise where you need to measure and monitor.
3. Track time and cost per channel and consider the cost benefit, or define strategies for shifting customers to lower-cost, lower-effort channels.
03 Digital channels

Digital channels infographic
Questions and answers
Analysis
Managing cross-channel resource models
Digital volumes on the rise, but needs more management attention

Digital on track to overtake phone interactions by end of 2016

Current channel split versus desired channel split

- **via phone**
  - Current: 57.7%
  - Desired: 42.9%
- **via self-service**
  - Current: 18.7%
  - Desired: 37.3%
- **via assisted-service**
  - Current: 23.6%
  - Desired: 19.8%

Contacts by phone drop again, by **12% year on year**
Traffic increases across almost every digital channel in past year

Popularity of channel type by age group

- **Mobile apps** now a top 3 channel choice for everyone under 55 years old
- **Social media** top choice for those under 25 years old
- **Email** preferred channel for those aged 25-34
- **Phone** remains preferred channel for everyone above 35.

Mobile apps
- 58.3% services can be ordered/amended
- 45.6% personal information can be updated
- 53.5% include FAQs

Social media
- 53.2% centres supporting social media, will do so via a dedicated response team
- 29.3% will simply redirect customers to another channel

Proactive outbound
- 17.2% use proactive outbound for service enquiry updates
- 21.1% apply it for sales and marketing
- 24.0% use it for default notifications

IVR
- 80.9% of calls are routed via IVR systems
- 56.6% will then fall out to an agent
- 48.1% pass zero information to agent when customers drop out of self-service

Digital channels suffering from absence of process review

- **75.9% review phone processes annually or better**
- **52.1% review assisted-service processes annually or better**
- **53.8% review self-service processes annually or better**

Digital channels
Channel presence now more about CX than cost

- 73.7% vote CX as a top reason for offering self-/assist-ed-service channels
- Versus 67.9% that are motivated by cost reduction

59
What surprised you?

CX finally topping cost reduction as the primary reason for providing digital channels is a welcome surprise, and exemplifies a new organisational intent. This underscores the industry-wide and global recognition that CX is the battleground on which organisations will compete in the future.

I expected a stronger surge this year in analytics capability. Particularly given the recognised benefits for agent performance, CX, cross- and upsell opportunities, and cost reduction. Analytics will become a key differentiator, empowering agents, creating a more personalised service, and improving CX.

I’m also surprised to see web chat lose some favour as a preferred channel, although, this may be a symptom of a more measured evaluation of the most appropriate use for the channel.

The digital revolution is already here. Consumer channel choice is growing and it’s all moving towards digital. As older generations become more tech-savvy, this trend will continue and undoubtedly gain even more speed.

For the first time, we’re seeing CX cited by an overwhelming majority of organisations as the primary reason for offering digital channels. There’s been a mind shift about what really matters.

This is clear throughout the Report, and not least of which in the fact that CX has been voted the most important strategic performance measure – by far – for company boards and senior management.

We’re seeing a maturing of digital service capability, supported by the appreciation of CX as a differentiator and a closer attention to the customer journey.

Looking to the future, greater personalisation of service will be enabled by digital, supported by analytics and will require a customer-centric service design.

I think it’s a natural evolution. Digital started with the multichannel rush to establish presence. Then digital disruptors provided a catalyst for omnichannel CX, where customers could seamlessly transition between channels within a single journey.

Organisations have recognised that analytics – or at the very least, a consistent, single customer view – is key to omnichannel capability. So, organisations are, to an extent, running foundational programmes to get their customer data to a starting point for omnichannel engagement.

Assessments of CX across channels is also an issue. Only 17.4% of those who can track a customer’s journey spanning multiple channels are able to locate CX blockages or ‘hot spots’.

The digital revolution is happening, but why so slowly?

Q Explain in a nutshell what the 2016 research is telling us about digital service capability and its impact on CX?

The digital revolution is already here. Consumer channel choice is growing and it’s all moving towards digital. As older generations become more tech-savvy, this trend will continue and undoubtedly gain even more speed.

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Q Questions and answers with our expert

Consumer channel choice is growing and it’s all moving towards digital

Senior Strategy Consultant, Dimension Data CX (Australia)

Jude is responsible for CX business consulting for Dimension Data in Australia. With over 19 years in ICT, he’s held various roles in contact centre design and delivery and is passionate about improving the way organisations and customers can communicate. Jude believes that while transformation to a truly customer-centric operating model can be a formidable challenge, it’s an absolute necessity for survival in the digital age.

about the author – Jude Carter

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However, creating integrated (omnichannel) customer journeys is now the second most critical trend cited as affecting the contact centre after CX itself. Measurement of CX across the journey needs to mature significantly so that the benefits to CX, as well as the bottom line, can be effectively demonstrated.

**Q** Are contact centres suffering from a lack of ownership and accountability across digital channels – there seems to be less management discipline than with the traditional phone?

Yes. To start with, there's a lack of clarity around who 'owns' digital channels. A cross-functional and customer-centric approach is required to deliver an omnichannel CX. The contact centre has much to bring to the management of digital channels, given that rapid growth requires a solid performance focus and the contact centre has decades of experience delivering a consistent CX across a large resource pool, via mature workforce management practices.

Even where the contact centre does manage digital channels, we’re still not seeing enough rigour in measuring the time and cost of digital interactions, compared with the voice channel – albeit there are signs of improvement from previous years. Our results also show that over half of organisations have no targets in place to measure the effectiveness of workforce planning for digital interactions. So, we certainly have some way to go to ensure the same productivity focus is applied to digital. This will only become more critical as the ratio of digital interactions continues to increase.

**Q** What trends should be on our radar and which do we need to stay abreast of?

I mention this often, but omnichannel, and servicing connected customer journeys will become even more critical this year. We’re seeing digital channel strategies mature – from purely reactive responses to customer demands, or as cost reduction exercises, to being increasingly proactive and driven by CX. This is great. The next step is to recognise that a completely customer-centric view is required in order to better personalise CX.

Mobility and automation will also be a major trend. Proactive interactions will offer easy solutions that benefit the consumer when the organisation has used analytics to pre-empt their needs. The challenge here will be to ensure the contact is personal and not viewed as spam.

The maturation of CX-focused analytics will provide the insights to bring these personalised and proactive services to the customer. For the customer, this personal touch increases emotional engagement and will promote loyalty in a world that's otherwise progressing away from human interventions.

**Q** Integration of digital channels seems to be an ongoing issue. Why is that?

This is a result of multichannel rather than omnichannel thinking, which is viewing each channel in isolation and then trying to integrate new with existing channels. You don’t need to integrate all channels with your back-end CRM systems immediately. But you do need a contact management solution that can provide a centralised and readily available contact history to the agent. A universal queuing solution also allows for workforce planning and reporting across all channels and allows a simplified agent desktop experience. All the major contact centre platforms provide this functionality now.

So, it really boils down to a strategic conversation about solution options, as there's often a need to spend money to get to a solution that will deliver the omnichannel experience required to stay competitive. There are, of course, as-a-service models that can help work around traditional funding constraints, and their popularity is growing exponentially. Now is not the time to pause.
What are the quick wins to typical blockage or failure points?

Our results show that around 36.4% of organisations can track journeys across multiple channels. However, only 17.4% can identify CX blockage points, or ‘hot spots’, within that process. To me, that means the journey mapping is simply not customer-centric enough.

A quick win here is to review your current customer journeys with a focus on current CX ‘hot spots’, and identify opportunities for proactive outbound digital interaction. Perhaps you’ll find that delays in a particular back office or fulfilment task are impacting the CX. Send an automated, proactive SMS at this point to advise the customer on status. This will both increase CX and may reduce inbound ‘status check’ calls.

The promise to the customer of digital is one of speed, efficiency and – to a degree – a sense of control. This means that digital channels must deliver on these requirements. A web chat that’s replied to immediately will support this but, by comparison, an over-utilised chat team will result in customer frustration when they have to wait for a reply. Consider making chat available based on agent availability to ensure you’re delivering on the promise of a connected digital experience.

How will these new digital trends affect contact centre operating models?

Customers are engaging more through digital and are increasingly content with self-service, too. However, far from dying out, contact centres will completely reshape.

The value and importance of the contact centre will increase, as agents facilitate a moment of truth for organisations to either save or lose a customer relationship based on a customer enquiry that has progressed through previous digital interactions. Coupled with the insights and proactive service that advancing analytics will provide, it will ensure that the contact centre remains a vibrant customer engagement hub.

Organisations will need to start hiring problem solvers. There are also specific skills required for specific digital channels, so resourcing profiles and training programmes should also take this into account.

While some agents may remain dedicated or cross-skilled to support phone interactions, the mix of employees within the contact centre will increasingly not be using the phone, but supporting analytics, customer journey processes, and digital.

How will these new digital trends affect contact centre IT models?

Everyone knows the story of digital disruption at the hand of examples such as Uber or Airbnb. Traditional suppliers needed to completely rethink their offerings, and they’re doing so rapidly.

Digital disruption isn’t going away, and all industries should be wary of the unseen disruptor. A strategy of wait and see will no longer do. Speed to market and agility are key components of delivering customer service in a rapidly evolving world.

The transition to an as-a-service model is inevitable. Migrating responsibility for different parts of the technology solution to a provider helps keep the organisation focused on the delivery of their core service. It frees up the IT department to have an outcomes-based conversation with the business, elevating IT to the role of strategic partner, rather than a subordinate technology maintenance function.

These hybrid, but connected, solutions will be the future standard.

How will new digital channel innovation impact CX management approaches? What are the key technologies in this space?

Today mobility and, tomorrow, the Internet of Things will provide opportunities for better and more personal proactive service and subtle sales. A grocery retailer in the US, for example, has a mobile app that will notify shoppers, as they walk through an aisle, of specials available in that aisle. Smart appliances can ‘phone home’ if a fault is detected and software updates can be delivered automatically, or a proactive service visit from a technician can be arranged.
Intelligent assistants, such as virtual, avatar-based chat functions, could have a large impact on contact centres. Smart virtual assistants, integrated with back-end systems can bring a raft of new digital self-service opportunities and provide a truly seamless experience for customers across self- and assisted-service.

I’ll also be watching for improvements in big data ‘omnichannel analytics’. By this I mean the merging of website analytics with speech and text analytics from the contact centre, combining journey actions, sentiment, and outcomes. This will be a natural evolution, as more organisations develop omnichannel capability and begin to appreciate the wealth of connected data that come with that. This will provide ‘always on’ insights into the customer journey, informing the next round of customer contact strategies and service design.

What does the future look like for digital within customer contact and CX – from a business or contact centre perspective?

It’s imperative that organisations should become truly customer centric. This is an enterprise-wide cultural change that needs to happen. Many organisations have now created the Customer Experience Officer (CXO) or similar executive roles, where the entire remit is CX. Even without a central executive role, a cultural recognition of CX will be required to break down organisational silos that can be a barrier to success.

From an operational perspective, I think an increased move to automated service will elevate agent profiles even further to become relationship managers, rather than a transactional human interface to back-end systems.

Finally, I think the huge volume of data that will start coming into the contact centre environment will require significant focus. Solid data science and data analysis will become crucial for the masses of data to be transformed into tangible and productive insight.

In three words, the future of this environment will be more engaging, personal, and fulfilling

Q What are three digital revolution insights from the 2016 Report that we can’t afford to ignore and need to take action on?

1. Customer-centric omnichannel engagement is critical.
2. Analytics will still be a huge differentiator in solution design and the mass personalisation of service. It will also drive proactive contact strategies that leverage digital channels and, in time, the Internet of Things. I think analytics must soon come of age, providing more actionable data insights in real-time to empower agents and personalise the experience. If you don’t have an active strategy for your use of analytics in the world of digital engagement, you should start now.
3. Finally, look after your people. The role of the agent will become increasingly critical in the complex world of customer engagement. Your agents need to espouse the brand values of your organisation, they need to be problem solvers, armed with access to information and empowered to resolve customer interactions.
CX now top factor driving digital channel presence

Almost half are progressing digital paths as part of omnichannel strategy

Cost pressures lessen after a 44% surge over previous 2 years

What’s happening?

Improving CX has risen three positions, and by 38.0%, to be recognised as the main reason cited by contact centres for offering digital self- and assisted-service channels.

Cost reduction may have been knocked off its top place, but remains a key factor for more than two-thirds (67.9%) of those reviewed. It’s still a massive factor in some verticals, and was selected by 83.8% of financial services and insurance organisations as their top reason for providing digital contact channels.

While less than a quarter (24.1%) see digital channel capability as a mechanism for improving sales opportunity/revenue generation, sector analysis is crucial, as the variance is considerable across industries, most notably, within the leisure and hospitality industry where the commercial benefits offered via channel choice is recognised by 71.4% of organisations.

Reasons for offering self-/assisted-services

What are your main reasons for offering self-assisted-service channels?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve CX</td>
<td>73.7%</td>
</tr>
<tr>
<td>Cost reduction</td>
<td>67.9%</td>
</tr>
<tr>
<td>Customer appetite for digital</td>
<td>55.9%</td>
</tr>
<tr>
<td>Part of an omnichannel strategy (creating seamless customer journeys across channels)</td>
<td>45.5%</td>
</tr>
<tr>
<td>Extends service coverage hours</td>
<td>45.4%</td>
</tr>
<tr>
<td>Improve sales opportunity/revenue generation</td>
<td>24.1%</td>
</tr>
<tr>
<td>Improve employee engagement</td>
<td>19.5%</td>
</tr>
<tr>
<td>Other</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Which means that … the appreciation of CX as a top influence in determining channel offering capability reflects an improved organisational awareness of the increasing importance of digital channel engagement for customers. The digital revolution has made this an imperative and a basic standard that’s expected by today’s service consumers.

What you should do:

1. Identify your top 10 digital customer journeys. Map the current state, looking for CX ‘hot spots’, and then design your future-state journeys to resolve these problem areas.

2. Ensure that the business case for digital includes quantifiable improvements to CX. In other words, know what your CX is now, and forecast the degree of improvement based on the provision of digital channels.

3. A single platform for customer contact enables the omnichannel future. Ensure your technology supports the flow of contextual data across channels to support an integrated omnichannel experience.
Integration of systems is the top blockage

Stretch on IT resources a growing problem

What’s happening?

Integration of systems is again the most common challenge faced by contact centres in developing the effectiveness of their digital channel capabilities. The issue is becoming greater: it’s a problem for 28.7% more contact centres than it was in our last review.

Nearly half (47.8%) of all organisations cite the stretch on IT support resource as a key challenge, and it’s our second most common issue overall. The digital revolution is forcing contact centres into new areas in which they frequently have little experience. In some instances, the technologies themselves are still new and continue to evolve at pace. Organisations are having to keep one eye on staying abreast with developments to existing systems, and the other on new innovation that could change everything instantly.

Security is a concern for a quarter (25.3%) of companies, more so for those within perceived high-risk/high-impact sectors, such as financial services – banking and investment (37.3%). This is an area we’ll keep a close watch on as digital attacks raise a new and increased threat to some organisation types in particular.

Challenges in establishing self-/assisted-services

Which means that … the level of complexity within contact centres is growing. IT managers are now expected to operate upwards of nine channels, versus the standalone telephone paths of the past. Adoption of a clear contact channel strategy will help ensure solutions are designed with expansion and flexible standards, taking cognisance of lessons learnt and ensuring consistency of best practices.

What you should do:

1. Implementing a new, single omnichannel platform rather than trying to integrate existing channels will vastly reduce technical complexity.

2. Investigate non-traditional alternative commercial models, including as-a-service, for omnichannel technology. This has the dual benefits of mitigating some of the funding constraints that traditional full-technology ownership requires, while also reducing the strain on IT support resources.

3. Ensure your strategy and business case for digital channels incorporate the implementation of measures for CX, time, cost and – where applicable – revenue benefit for digital interactions.
Performance improves, but falling short

48% of customers abandoning self-service are blind-transferred to agent

15.4% are now tracking dropout points

What’s happening?

For all of the efforts towards offering digital service, as well as business commitment to CX, almost half of customers dropping out of automated self-service solutions still do so with none of their information passed to the receiving agent. Progress is being made, albeit far too slowly.

The customer’s name will now be passed to the agent on over a third (33.5%) of calls that drop out of the self-service system. Another 30.9% will have account details and customer history included, while 18.4% will have been validated through relevant security checks.

The 15.4% of contact centres that are able to track the customer’s journey and where the call fell out of the self-service system, will gain huge insights into improving what’s often been a neglected aspect of digital solution sets.

Information passed to agent following self-service dropout

Which means that … massive opportunity still exists to enhance CX and, along with this, clear up common misperceptions of the usefulness of self-service systems. New insights will become readily available with improved analytics, but it’s an area that still seems to suffer from a lack of focus.

What information is passed to the agent when a customer drops out of self-service?

What you should do:

1. There are massive CX, commercial gains, and agent experience benefits that can be easily demonstrated by empowering agents to continue, rather than re-start, a customer’s journey. Build all three factors into business cases for improved computer telephony integration (CTI).

2. CTI doesn’t necessarily require CRM integration. If you just need the basics, capture the customer’s phone number and pass this to the agent, who can then copy and paste this information into another system to bring up account details.

3. Similarly, capture digits entered into the IVR and map these to appropriate codes or reasons, so as to provide at least some basic customer intent to the agent.
**Noticeable uplift** of intensity in process reviews

**Digital activity** still lags phone significantly

**Compare 48%** reviewing assisted-services less than yearly, 46% on self-service to 21% on phone

**What’s happening?**

**Telephone:** to try improve CXs, over three-quarters (75.9%) will review telephone processes annually or better. Just 3.8% won’t ever conduct reviews, and 20.3% will do so only when the system is implemented or by exception (for example, when a breach is reported).

**Assisted-service:** 47.9% will conduct process reviews less than annually. The majority are either ignoring the customer’s experience of the process completely (23.0% still don’t review, although it’s better than last year’s 42.9%), or paying some attention only when there’s a problem, or when implementing new systems.

**Self-service:** 46.1% will perform process reviews less than annually (improving on 2015’s 60.1%); 19.3% won’t ever review versus last year’s 33.8%. Another 16.8% will do so only by exception and when an issue has been reported.

**Frequency of service process review**

Which means that ... after many years of highlighting the need for attention to this, organisational focus is increasing. That is, certainly in terms of review frequency, as organisational commitments to improving CX take hold. But we’re still astounded at the opportunity missed.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Telephone</th>
<th>Assisted-service (e.g. web chat)</th>
<th>Self-service (e.g. IVR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least quarterly</td>
<td>53.5</td>
<td>30.8</td>
<td>29.7</td>
</tr>
<tr>
<td>At least annually</td>
<td>30.8</td>
<td>22.4</td>
<td>21.3</td>
</tr>
<tr>
<td>Only when system is implemented</td>
<td>24.1</td>
<td>4.7</td>
<td>10.4</td>
</tr>
<tr>
<td>By exception (e.g. complaints, breaches)</td>
<td>10.0</td>
<td>15.6</td>
<td>14.5</td>
</tr>
<tr>
<td>We don’t review</td>
<td>24.1</td>
<td>3.8</td>
<td>23.0</td>
</tr>
</tbody>
</table>

How frequently do you review processes in order to improve the CX? n | 1100

**What you should do:**

1. Apply the same rigour to digital channels as you would apply to the phone channel. Do you have defined escalation processes for chat? Are there process owners, written guidelines for email, and so on?

2. In order to improve processes, you need a baseline. Carefully consider the metrics that you wish to use to measure the success of your digital channels, and include these in your planning and ‘as-is’ customer journey mapping.

3. Consider analytics to help review in a continuous improvement loop. For example, correlate a customer’s path taken through the IVR with the NPS® or satisfaction score that the customer provides for the overall experience.
Contacts by phone drop again, by 12% year on year

Supports our forecast that digital to surpass phone by end 2016

Desired split still some way to go before actual target numbers achieved

What's happening?

In our 2015 ‘Go digital or die’ edition of the Global Contact Centre Benchmarking Report, we predicted that digital volumes would outweigh agent-led phone interactions by end of 2016. The results indicate that the trend remains on track. There’s growth across almost all digital channels, and a 12.2% shrinkage in the telephony channel.

Individually, most other channels appear almost insignificant against the telephone but, collectively, they now represent 42.3% of all interactions. Call deflection targets aren’t yet being achieved as organisations confirm that they’d prefer 57.1% of contacts handled digitally.

Regionally, the results look relatively similar, but there are some wider variables across sectors, with some channels used significantly more than the global benchmark – in particular, web chat is used considerably within some verticals, and so is video.

Contact by channel: Actual split versus desired split

Which means that … organisations now have a wealth of contact channels available to them. It’s crucial that they understand the cost and value available from each interaction, and use this to validate the business performance of each channel. Equally, they should review appetites for channels, per transaction type. No solution will fit all, but until full personalisation can be accomplished, groupings based on solid analytics will promote CX, reduce costs, and increase revenues when relevant.

What you should do:

1. Proactively educate customers about which transactions can be self-serviced to drive adoption of digital channels. For example, advertise your mobile app in IVR queue messages, create banner messages and instructions on your ‘contact us’ web pages, let your agents offer to transfer callers back to an IVR for appropriate transactions (for example, balance enquiries), but at the customer’s discretion.

2. Solid measurement and big data trend analytics will be key to recognising the most appropriate channel to use for each type of interaction. Use this to adjust your desired split of customer interactions by channel. Taking it a step further, customer analytics will help tailor this per customer segment and, ultimately, on a personal choice basis.

3. Recognise the impact and new skills requirements that assisted-service channels have on your front line staff. Resourcing profiles should be aligned with the unique skills required for each channel.
Mobile apps a top 3 choice for everyone under 55

Social media top choice for those under 25

Email preferred option for those aged 25 – 34 years

What’s happening?

As next-generation customer bases, who are increasingly comfortable with technology, continue to grow, the 2016 results filtered by age profile provide a telling insight into the future of CX management.

For customers aged 55 and older, the telephone is the predominant channel of choice for upwards of 87.0%. However, that number falls quite dramatically to just 51.7% for customers aged 35–54 years. It will soon become a minority, as this group too follows the younger age-groupings in preferring the immediacy and convenience of digital channels to traditional phone services.

Mobile apps have come from nowhere three years ago to become a top-three choice for everyone under 55. This is significant. Social media is still a first choice, as it was in 2015, for customers under 25. It has yet to gain the trust and acceptance of other age groups.

Popularity of channel type by age group

Which means that ... the gaps are becoming smaller, and digital will continue to be increasingly accepted as a primary contact channel. Phone will eventually be provided mainly for escalations and to resolve problems encountered within the digital processes.

<table>
<thead>
<tr>
<th>Percentage of centres that do track channel popularity by age profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
</tr>
<tr>
<td>Social media</td>
</tr>
<tr>
<td>Mobile application</td>
</tr>
<tr>
<td>Email</td>
</tr>
<tr>
<td>Telephone</td>
</tr>
<tr>
<td>Web Chat</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>

Which contact channel is most popular with the following age groups?

n | 787

What you should do:

1. You need a social media strategy for the upcoming generation. Start by listening. Social media is also a very open conversational forum. If you’re stuck on how to start, why not simply ask your customers how they would like to engage via social media?

2. Ensure you have a mobile strategy that enables a seamless transition to other channels. Chat can be embedded to the app. A mobile click-to-call option should call in to the contact centre, bypassing the IVR and authentication, and providing contextual information to empower the receiving agent.

3. Looking at the spread of preferences, it’s clear that an omnichannel strategy is required, and that measurement of CX and the performance of each channel requires equal attention.
Small drop in web chat deployments by existing users

Those evaluating further usage areas have more than doubled

What’s happening?

Of all contact centres, 44.3% now support a web chat capability. Another 36.8% are planning to support a solution within the next year.

Usage levels have reduced slightly on service and sales websites in the last 12 months. In tandem with that, we’re now also seeing double the proportion of organisations and a third of current users evaluating where, and when, web chat interventions should be used. Service deployments still outweigh sales deployments.

Almost one in five companies (17.1%) have integrated their web chat capability into smart or mobile device apps, representing a small increase from 2015. One in eight (14.2%) have it integrated into social media platforms.

Web chat deployment

Which means that … web chat was previously forecast as a major channel for growth – with more than a doubling in capability across the board planned for 2015. Results indicate that a more focused deployment is now being adopted as that rush is subsiding. There have been challenges, both in resourcing web chat, and in delivering to customer expectations. Solid management discipline, and an integrated solution is most definitely required. Looking ahead, new technology like visual IVR may pose a threat and a very attractive lower-cost option.

What you should do:

1. A CX issue with web chat is over-utilised agents. Web chat provides an inherent promise of a prompt response. Apply solid workforce management and utilisation models to ensure that you can deliver this CX promise.

2. Another common problem appears to be with non-integrated web chat. Just like any other assisted-service channel, web chat needs to be implemented with a holistic view of the customer journey. The chat agent needs to have cross-channel contact histories available to them, and be able to add to that history from the chat session.

3. Consider proactive chat for sales opportunities, for example, when items have been placed in a shopping cart, but the customer has stalled, perhaps because he/she is researching the competition.
28% drop in centres with dedicated social media response team

Yet, 2/3 recognise social media as a customer service channel

Over 1/2 use it as marketing vehicle

Social media approach

What's happening?

Over half (52.4%, up from 43.2% in 2015) of all contact centres now claim some form of social media capability. A further 23.7% are planning for it. Almost two-thirds (64.2%) of current users have implemented service-based functionality. Over half (54.7%) are leveraging it for sales and marketing purposes.

Of all contact centres 53.2% operate a dedicated social media response team. That’s a 21.2 percentage point drop from last year. The leisure and hospitality industry bucks the trend with 81.8% running dedicated teams. Other than the reductions in dedicated teams, most other practices remain consistent with previous reviews.

Social media solutions are most common within sales-based operations. Business to consumer comes next and is followed by business to business. Then there’s a drop-off down to the usage levels of IT helpdesks.

Which means that … social media is becoming much more mainstream and integrated into contact centre operations. At the same time, the business world is still trying to establish where and how it should pitch the social media solutions. Some are actively encouraging it as a service channel, others will provide a token response and try to redirect. Each can work in the right situation, but as the next generation of users come through, a fuller service may have to become the norm. Thus far, we’re noticing a maturity in the way social media is being deployed.

What you should do:

1. Don’t underestimate the importance of having a CX-focused team managing social media. Social media will continue its growing trend as a preferred contact channel, especially for those aged under 35. If your contact centre is not engaged – alongside marketing – in the management of social media, now is the time!

2. Measurement is just as critical in social media as with other digital channels. Capture NPS® and customer satisfaction scores following social media interactions and compare with your baseline scores.

3. Build your profile: be active, follow conversations, be conversational, post pictures and videos to capture attention, know the best time to increase engagement and resources, and post accordingly. Most importantly develop a strategy that will provide CX value.
Organisations still learning how to use social media

Costs to manage increasingly a blockage point – up 65% on last year

Security remains concern for almost 1/3 of social media users

What’s happening?

Continued uncertainties about solution-fit and security concerns are still causing social media to stall its journey towards becoming a more mainstream interaction channel for organisations. It’s a growing demand and an important part of many people’s lives. But a plethora of media types is compounding procrastination on best deployment practices, as those unsure of what social media channels to use also rises by 45.4%.

Consumer goods and retail contact centres, at 48.6%, are most unsure of how and where to use social media. Interestingly, security concerns aren’t a larger challenge for financial service sector operators than the global benchmark.

There’s also some evidence that outsourcers haven’t taken the initiative to develop expert capability, and that their competence levels are only equal to their in-house counterparts.

Cost is increasingly viewed as a preventative factor, and is now seen as a reason to pause by nearly one in five (18.6%) of contact centres.

Challenges to offering sales and service via social media

Which means that ... organisations seem keen to develop social media capability, but seem equally nervous about where it will fit, and what it can do. This is much like the public at large. In the interim, it should be ignored at your peril, as you’ll risk alienating your future customer base.

Users: What prevents you from offering full sales and/or customer service solutions via social media?

<table>
<thead>
<tr>
<th>Reason</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Still learning how and where to use social media</td>
<td>36.3</td>
<td>43.0</td>
</tr>
<tr>
<td>Security concerns</td>
<td>43.0</td>
<td>31.5</td>
</tr>
<tr>
<td>Social media is managed outside of the contact centre</td>
<td>32.6</td>
<td>32.6</td>
</tr>
<tr>
<td>Cost to implement and maintain</td>
<td>26.1</td>
<td>32.9</td>
</tr>
<tr>
<td>Customer reluctance for this channel</td>
<td>18.6</td>
<td>11.3</td>
</tr>
<tr>
<td>Unsure what social media channels to use</td>
<td>17.6</td>
<td>14.4</td>
</tr>
<tr>
<td>Other</td>
<td>15.7</td>
<td>10.8</td>
</tr>
<tr>
<td>Nothing</td>
<td>15.1</td>
<td>15.1</td>
</tr>
<tr>
<td>Nothing</td>
<td>7.5</td>
<td>18.9</td>
</tr>
</tbody>
</table>

What you should do:

1. The social media channel is intimate and conversational. Use this to your advantage by simply asking customers what services they’d like available via social media.

2. Collect and analyse what people are actually saying about your brand online. How many online statements about your brand actually require a response, and how quick should you be with those responses? When is your online user base most active in social media? This will help drive resourcing and social media service decisions.

3. Actively market via social media, if your brand doesn’t feature enough in online conversation. An engaged online community of customers and fans is a massive opportunity. The reverse is also critical: an online community of detractors receiving little to no customer service-based response can be very damaging.
Managing cross-channel resourcing models

By Paul Smedley, Founder & Chair, The Forum  http://theforum.social

Fewer and fewer contact centres are voice-only as strategies catch up with changing customer behaviour. From an operational and resourcing perspective, efficiency and effectiveness are two central risk factors which good resource planning teams need to understand quickly. One third of contact centres are focused on digital workforce management, ahead of the global adoption curve. Drawing on their experience, here are some important questions to address and pitfalls to avoid.

When digital channels are young, many organisations start with ring-fenced teams and informal or flat-level staffing. Yes, demand and usage can rise rapidly if it works for customers, and efficiencies or service levels won’t be anything like what you might expect from mature phone operations. Demand is variable, the drivers are often understood less, and many organisations don’t have the economies of scale they’re used to in telephony. Ownership can vary by channel, and between marketing and operations, too. When this is the case, how do you manage the customer across channels and get the right balance between cost and quality?

Blending work across channels can dramatically increase both efficiency and service performance. For this reason, almost 40% of our UK members say they’ve started cross-skilling, although, not always for every digital channel. You may need different recruitment profiles, with appropriate channel ‘empathy’ and some different skills and motivation.

From an effectiveness perspective, these channels aren’t the same as incoming calls or back office process. Resourcing may be more ‘optional’ in a social forum, for example, if customers don’t expect a response, but your business may wish to actively engage. How can we do that if we resource during fixed or published opening hours? With social media or web chat, do you resource reactively when you have resources available or demand on other channels is low? Or do you resource proactively, to pre-empt a customer’s need and enhance their perceptions of your CX?

A fruitful approach is to pilot at scale. This laboratory approach allows you to ramp up or down based on predetermined criteria, to mitigate risks of resourcing and cost, when these aren’t known yet. Implementation can be dynamic and fast, yet new channels remain ‘in pilot’ as the business refines how the channels will best meet strategic need, how the business engages customers to interact at the right scale, and how it can batch the ‘right’ skills and channels together.

Other challenges emerge through experience. With each new channel comes a new stream of data, sometimes on a different operating system. We need to understand demand and how it affects demand on existing channels. Is it new demand and incremental volume or deflection from other contact paths? How do you forecast? What volatility is there? How do those managing digital teams do so in a way that aligns to new agent profiles?

Demand is variable, the drivers are often understood less, and many organisations don’t have the economies of scale they’re used to in telephony

These are only some of the questions you’ll come across as you experiment with new channels and resourcing models. Experience, however, is key. Learn through taking action and figuring out what works best for your business.

Our annual best practice programme is supporting members to address challenges such as this during 2016 and our Leadership Forum members are establishing a digital hothouse programme for pioneers. Our belief is that we’ll all go further, faster if we work together as a community of professionals.
**Smart app services** are broadening

**17% increase** in order/amend/cancel functions

**Almost half** now allow user to update information

**What's happening?**

These results provide strong evidence of how mobile apps are being deployed as self-service mechanisms. Offerings are up by 61% from 2015, and customer usage, accepted as still being proportionately small, is up 41.7%.

From an existing user’s perspective, the most notable advancements are around the 17.1% uplift in capability for ordering/amending/cancelling services. There’s also a 17.8% increase in ability to update personal information via the mobile app. At a development level we’ll be watching how visual IVR (visual navigational IVR trees within mobile apps) develop in the coming period.

Mobile apps also offer a unique opportunity for blending proactive digital interactions with the physical world to deliver a personalised experience in real-time. Leaders in this area are offering rewards, or advertising specials, to customers based on that customer’s location, for example, in or near stores. Mobile apps will become lucrative customer service tools in the future Internet of Things. Critical to this will be the mining of data from those devices and action on the insights gathered.

**Smart app functionality**

Which means that … mobile solutions are surging and could replace web chat and/or social media as the next big thing that will change the shape on an ever-fluid digital expansion. As the apps are developed, expect to see more integration of the apps services to social media, as well as more incorporation of web chat-like instant communication capabilities for those instances where the self-service capability isn’t enough.

<table>
<thead>
<tr>
<th>Functionality</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact us (web chat/launch phone call, etc.)</td>
<td>49.8</td>
<td>67.6</td>
</tr>
<tr>
<td>Services can be ordered/amended/cancelled</td>
<td>49.8</td>
<td>58.3</td>
</tr>
<tr>
<td>Frequently asked questions</td>
<td>40.0</td>
<td>53.5</td>
</tr>
<tr>
<td>Personal information can be updated</td>
<td>31.1</td>
<td>45.6</td>
</tr>
<tr>
<td>Provides shortcuts to smartphone-configured website pages</td>
<td>38.7</td>
<td>45.6</td>
</tr>
<tr>
<td>Visual IVR (glass-tap-guided menus)</td>
<td>11.1</td>
<td>23.6</td>
</tr>
</tbody>
</table>

Users: What smartphone or tablet application functionality is available to customers?

n | 441

**What you should do:**

1. Mine your mobile apps for insights. Ensure this data is captured and used, both to inform future app releases, and for customer journey analysis.

2. Ensure that the ‘contact us’ option enables a frictionless transition for the customer. Don’t simply drop the caller to the top of your IVR. If they’re authenticated and have reached a certain point in the app, then pass that context though to the contact centre to empower your agents to resolve problems, and to reduce customer effort.

3. Don’t underestimate the value of the omnipresent mobile device. Create a cross-functional team with the mobile app developers to eventually provide proactive, personalised, and location-specific content.
Broad spectrum of channels in use for all interaction types

Proactive automation 3rd top method to initiate outbound contact

Digital now a norm for sales, marketing, and default notifications

What’s happening?

This picture will change for each sector, but the global view provides a good overview of the widening channel spread now used to proactively initiate interaction across differing contact types.

Proactive outbound is already being used by 24.0% of centres to nudge affected customers along on default notifications/collections. Unsurprisingly, a fifth (21.1%) are also using it to support sales and marketing efforts, but it clearly has a role to play on service enquiry updates and complaints, too.

Social media is most commonly used for sales and marketing but, to a certain degree, also as a proactive service channel.

Preferred channels for initiating contact

Which means that ... mobility is making customers more accessible than ever. Organisations are actively pre-empting inbound contacts via targeted outbound interactions. The new channels also help sales efforts, particularly where the phone was being hampered by bad practice and bad press.

What channels do you most commonly use to initiate contact with customers in the following situations?

<table>
<thead>
<tr>
<th>Situation</th>
<th>Telephone</th>
<th>Email</th>
<th>Social media</th>
<th>Proactive outbound (incl. SMS)</th>
<th>White mail</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service enquiry updates</td>
<td>74.6%</td>
<td>33.3%</td>
<td>41.0%</td>
<td>22.8%</td>
<td>17.2%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>42.9%</td>
<td>39.2%</td>
<td>39.2%</td>
<td>24.0%</td>
<td>16.2%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Default notifications/collections</td>
<td>8.6%</td>
<td>6.5%</td>
<td>8.5%</td>
<td>6.4%</td>
<td>3.3%</td>
<td>22.8%</td>
</tr>
</tbody>
</table>

What you should do:

1. If a customer complained via email, respond in email. You may of course follow this up with an outbound phone call, or SMS, but ensure you have responded ‘in channel’ first.

2. Proactive service is improving and will be a differentiator in the coming years. Look for rescue/save opportunities when mapping your current customer journeys.

3. SMS as a channel to elicit customer feedback is a great option. The request is immediate, personal and direct, and the customer effort to respond is vastly reduced compared to a response via email or post-call survey.
5% increase in calls channeled via IVR

IVR call time has almost halved to average of just 75 seconds

More than 1/2 still drop out to agents

What’s happening?

For service enquiries processed via an IVR, customers can expect to encounter three IVR levels, each containing an average of 3.4 menu options. It’s slightly less for sales. The top quartile operate at a tighter two levels and two menu choices on the service queue. It’s two levels and three menu items on sales.

Of those able to offer an IVR facility, 80.9% initially route their inbound calls via the IVR. That’s a rise of four percentage points since last year. More than a third (34.9%) of those calls are completed/resolved by the IVR system, maintaining the 10.8% improvements achieved against 2014 results.

Users will spend an average of 74.7 seconds in the IVR, with 56.6% of calls dropping out to an agent, which is relatively on a par with results seen over the last three review periods. Of all calls, 8.5% will be abandoned, with average abandonment time at the 41.5 second mark.

IVR call statistics

Which means that ... IVR systems are still providing a valuable service to contact centres. The number of levels and menus encountered suggest they’re not the maze they once were. It’s a cost-effective solution, which can work well in the right situation, if designed and reviewed properly. Visual IVRs accessed online and via mobile devices can learn from the past mistakes of phone IVR systems.

What you should do:

1. Simple hygiene applies here. Ensure your IVR provides sufficient information to agents when a caller does drop out to the contact centre.
2. Regularly review and monitor the CX within the IVR. Improved CX in the IVR provides easily quantifiable financial benefits in terms of call avoidance.
3. It’s standard stuff, but providing additional IVR self-service options is always an easy win for organisations looking to increase self-service and should be a simple business case.
04
Contact centre operations

Contact centre operations infographic
Questions and answers
Analysis
The challenge of service expectation
Disconnects in targeting affecting approach
Evidence of performance uplift despite bypassing of core disciplines on digital channels

Contact centre operations

Performance indicators

CX is the top strategic performance measure
Ease of resolution is the top operational factor that will impact customer satisfaction with the organisation
First contact resolution (FCR) is top indicator of operational performance
Yet: Top agent target is on productivity (calls/contacts handled)

First contact resolution is improving; phone still outperforms digital

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone</td>
<td>74.8%</td>
<td>77.3%</td>
</tr>
<tr>
<td>Digital assisted-service</td>
<td>67.9%</td>
<td>68.6%</td>
</tr>
</tbody>
</table>

Customer satisfaction falling short of target – gaps increasing

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>76.3%</td>
<td>78.3%</td>
</tr>
<tr>
<td>Target</td>
<td>79.9%</td>
<td>85.3%</td>
</tr>
</tbody>
</table>

Similar story for loyalty indicators

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer NPS®</td>
<td>33.7%</td>
<td>13.3%</td>
</tr>
<tr>
<td>Employee NPS®</td>
<td>13.3%</td>
<td>13.3%</td>
</tr>
<tr>
<td>BOTH</td>
<td>46.9%</td>
<td>26.6%</td>
</tr>
</tbody>
</table>

Identifying sales opportunity

18.1% phone agents unable to identify sales opportunities

For digital assisted-service agents it’s 40.5%

Drop in quality control + digital channels being neglected

89.4% measure quality on phone interactions – down from 91.1% last year

Versus 49.6% on digital interactions – down from 61.4% last year

Less again (37.3%) on back office functions – down from 50.7% last year

A day in the life of an agent

<table>
<thead>
<tr>
<th></th>
<th>Inbound</th>
<th>Outbound</th>
</tr>
</thead>
<tbody>
<tr>
<td>Handling interactions</td>
<td>65.4%</td>
<td>67.9%</td>
</tr>
<tr>
<td>Waiting (for customers)</td>
<td>10.6%</td>
<td>10.8%</td>
</tr>
<tr>
<td>Scheduled breaks</td>
<td>7.5%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Unscheduled other</td>
<td>5.5%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Meetings/briefings</td>
<td>5.7%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Coaching</td>
<td>5.3%</td>
<td>5.7%</td>
</tr>
</tbody>
</table>
Tell us what’s surprised you?

I’m surprised that in 2016 average handling time (AHT) is still viewed as a more important target for an agent than customer satisfaction or CX. It shocks me that organisations rank CX as the number one strategic priority, yet contact centre operations are still focusing agents on productivity and AHT, rather than making sure customers’ issues are resolved and that the customers are left happy.

As long as this misalignment between organisational priorities and agent targets persist, closing the gap will remain impossible.

Managing Director, Merchants BPO, a Dimension Data Company

Since 2007, George has held various roles at Merchants, Dimension Data’s contact centre subsidiary. In the UK, he worked as an international consultant, responsible for training and development and customer management for an outsourced financial services client. In South Africa, he was responsible for a client’s offshore contact centre. In his current role, George is responsible for day-to-day operations and ensuring profitable growth. A certified Net Promoter Score (NPS®) Associate professional, he successfully implemented one of the world’s leading NPS® contact centres in Cape Town, South Africa.

Questions and answers with our expert

In a nutshell, contact centre operational practices are definitely improving, however they’re not keeping pace with increasing customer expectations.

Of significant concern is the fact that performance indicators used within contact centres, especially when targeting agents, are still formed around traditional productivity and quality measures, with CX scores only ranked sixth and Net Promoter Score (NPS®) ninth.

As we move closer to the point when digital channels will overtake voice in overall percentage of interactions being handled, it’s a mixed report card on how well contact centre operations are adapting.

Service offerings are going digital – fast. How is that affecting the contact centre operation?

Interestingly, when it comes to the shift towards digital, too many contact centre operations are ignoring the lessons learnt from optimising voice operations. It’s as though digital channels are being viewed as a separate challenge, despite the fact it’s the same customers using both digital and voice. Omnichannel might be where we’re heading in terms of technology, but contact centre operations are lagging far behind in ensuring the same service experience across all channels.

Explain in a nutshell what the 2016 research is telling us about contact centre operational practices and its impact on CX?

In a nutshell, contact centre operational practices are definitely improving, however they’re not keeping pace with increasing customer expectations. The rate of change is too slow. In many cases there has even been a widening of the gap between customers’ expectations and the quality of experience they’re having – particularly on new digital services which, in the haste to implement, are falling short of potential.

Questions

What’s your opinion on the shift towards digital in the contact centre? How do you think this will affect the future of the industry?

Managing Director, Merchants BPO, a Dimension Data Company

Since 2007, George has held various roles at Merchants, Dimension Data’s contact centre subsidiary. In the UK, he worked as an international consultant, responsible for training and development and customer management for an outsourced financial services client. In South Africa, he was responsible for a client’s offshore contact centre. In his current role, George is responsible for day-to-day operations and ensuring profitable growth. A certified Net Promoter Score (NPS®) Associate professional, he successfully implemented one of the world’s leading NPS® contact centres in Cape Town, South Africa.

Contact centre operations

Managing Director, Merchants BPO, a Dimension Data Company

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What changes have you seen as a result of more focus on CX?

The one factor that’s only beginning to have an impact, but will be the single biggest change for the future, is the recognition of the link between employee engagement/happiness and customer happiness. This is reflected in the 13% of operations that are now using employee NPS® to track employees’ happiness. The recognition that demotivated and disengaged front-line people can’t and won’t deliver the level of experience required by the customer of today is a huge shift.

Improvements in the performance of contact centre operations don’t happen through tighter management, increasing targets, and a ‘carrot-stick’ approach anymore. Improvements happen because engaged and loyal people want to do the best for their customers and feel knowledgeable and empowered enough to do that.

Organisations have recognised that analytics – or at the very least, a consistent, single customer view – is key to omnichannel capability

Office workspaces and environmental technology have developed tremendously in the past few years, and the trend is not slowing. Yet, most contact centres are, for their users, functionally identical to 10 years ago … even 20 years. However, that’s changing in a few organisations that realise the next revolution for the contact centre is to have environment and design at its core, fueled by the current technology revolution. Follow this trend now and you can get a head start on your competitors.

What trends should be on our radar and which do we need to stay abreast of?

Contact centre technology and analytics available today can do things we could only dream of five years ago. If you’re still using the same technology platform as five years ago, you’ll never stay ahead of your customer’s service expectations. And it’s highly likely that your competitors will be positioned to take advantage. No matter how well you run your operations, you can’t compete when others are exploiting the full power of the technology available today. Remember, the pace of change is increasing, so traditional technology procurement models will always be a short-term fix.

What are three quick wins to typical blockage or failure points, that is, where do most operations fall short?

1. Stop using AHT as an agent-level measure. It’s an indicator statistic for leadership, but it has no place in performance measurement for individual agents.

2. When implementing digital channels, apply all the learnings and experience from voice channels. These different channels have lots in common. It’s the same customer, the same issues, the same expectations. Make life easy for yourself, not hard!

3. Make sure your CX programme and measurement uses a comprehensive and robust closed-loop process to learn the lessons our customers are offering to teach us when they respond to a customer satisfaction or CX question.

But this discomfort must be overcome by the executives and leaders who own the contact centre, along with their colleagues across the organisation, by embracing CX as a primary measure of success. An easy starting point is to introduce disciplines to regulate the alignment of objectives to the organisation’s goals.

You’ve mentioned that performance management at an operational and/or agent level often seems at odds with the strategic focus. Why is that?

I believe it’s because we as human beings are creatures of habit and find it easiest to do what we know, especially in times of change. Contact centre operations really do behave like people, with the same adherence to habit when things change, such as during the shift to a CX-focused world. When the going gets tough, we fall back on what’s known and comfortable for us. Executives may be talking about CX, but if that’s not embraced throughout the enterprise, it seems easier for contact centre operations to focus on greater productivity and efficiency, because that’s what they know. Having performance measured against fallible human opinion is uncomfortable and challenging.

Organisations have recognised that analytics – or at the very least, a consistent, single customer view – is key to omnichannel capability
How are management approaches evolving, for example, to meet a more demanding workforce, customer base, and so forth? Tell us about the key developments in this area?

I’ve mentioned above the changes are as much revolutionary as evolutionary. Most management approaches of the last decade focused on making operations more efficient and productive, lowering costs, and deriving more value and return from the front line agents. These agents were units of ‘resource’ to be maximised.

However, if the outputs we’re now looking for are engagement, dedication, problem solving, empathy, responsibility, integrity, and so forth, directing ‘resources’ just doesn’t work anymore. Instead, leadership is now about enabling, supporting, creating the right emotional and physical environment, helping our agents succeed by removing barriers and providing the means to drive their self-directed efforts.

You can’t change directly from the old approach to the new and expect overnight success. Many of our agents have become ‘institutionalised’ in the old approach. Successful leadership and transition of this change is about guiding a path that links the two worlds without any huge behavioural leaps.

What are three operational management insights from the 2016 Report that we can’t afford to ignore and need to take action on?

1. Most of all, customers want to have a positive experience with an engaged agent who makes them feel valued, and by whom their issue is resolved effortlessly. When this is done well, it will reflect in high CX scores and happy customers. Make that type of service easy to deliver for your agents. Customers should be the number one priority for all contact centre operations leaders.

2. The digital channel juggernaut isn’t slowing down and will soon overtake voice. These channels can’t be treated like pilot or pet projects anymore. They must be executed with the same effectiveness, professionalism and, importantly, accountability that we’ve perfected in the voice channels over the past 30 years.

3. Technology has already begun revolutionising contact centre operations. If it isn’t revolutionising yours yet, you need to have a plan for how it will. If you don’t plan rapidly and execute, your operations – and perhaps even your entire organisation – may not survive.
Ease of resolution matters most

Ease of contact gaining importance

What’s happening?

Ease of resolution was voted the top factor that impacted user experience in service-based contact centres in 2015. Sales operations placed it in third place after agent knowledge and ease of contact. The 2016 results show that ease of resolution is now a common factor for all.

Preventing repeat contacts is once again ranked relatively low in sixth place and a key concern for just 20.1% of contact centres. Recognising the negative perception of ease of resolution this will create (not to mention the cost it generates), it merits greater attention.

The feedback from customers remains clear: focus on the quality of the service above all else. Customers want positive outcomes, and for the interaction channel to meet their service expectations.

Factors impacting customer satisfaction

Which means that … it’s important to remember that ‘ease of resolution’ is a subjective measurement and will be influenced by many things in the customers’ experience – including, for example, the impact of being forced to use a channel other than their preferred, or having to weed through pages on online FAQs to find a telephone number to call.

What you should do:

1. As ease of resolution continues to have an increasing impact on overall customer satisfaction, consider adding an effort metric such as customer effort score (CES) into your multichannel CX programme.

2. The factor that increased the most is agent knowledge/empowerment, growing by almost 25% since 2015. Make sure your agents have the knowledge they need, but also that they’re empowered to resolve your customers’ issues. Limited authority might satisfy your risk department, but it’s driving away your customers.

3. The results show that ease of resolution, agent knowledge, accessibility, and willingness to help are more important to customers than traditional quantitative measures, including wait time or misnomers such as agent location. Management objectives should include accountability for delivering against these strategic influencers, with performance targets aligned accordingly. You need to know where to aim if you’re to hit the target.
CX steadies after a 4-year drop

Gap between actual and target has widened

Services not keeping pace with consumer expectations

What’s happening?

Customer satisfaction scores have steadied for the first time in five years. While still beneath levels seen at the turn of the decade, it does suggest that a positive foothold has been gained.

We believe this indicates the start of a new service revolution, particularly as organisations’ executive management place an ever increasing focus on CX. Stated intent is now taking hold. Organisations are getting real with CX.

In tandem with this, we’re seeing customer knowledge increase, and with that, their expectations also heighten. Customer satisfaction target levels have increased from 79.9% to 85.3% in one year. While some sectors demand more than others, the range remains relatively small.

Customer satisfaction performance levels

Which means that … mobility is creating more demanding customers and customer satisfaction targets are rising. While the performance scores have steadied, the gap between actual and target has widened, as contact centres are stretched harder to keep pace.

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Customer satisfaction % – Actual</th>
<th>Customer satisfaction % – Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>78.3</td>
<td>85.3</td>
</tr>
<tr>
<td>2015</td>
<td>76.3</td>
<td>79.9</td>
</tr>
<tr>
<td>2013/14</td>
<td>77.6</td>
<td>Not asked</td>
</tr>
<tr>
<td>2012</td>
<td>80.4</td>
<td>Not asked</td>
</tr>
<tr>
<td>2011</td>
<td>82.1</td>
<td>Not asked</td>
</tr>
</tbody>
</table>

What is your average versus targeted customer satisfaction score?

What you should do:

1. Make sure you have a closed-loop process in place to identify drivers of customer dissatisfaction and then resolve them. The happiest, most loyal customer is the one who had an issue, raised it, and had it resolved.

2. On its own, the actual number achieved is somewhat irrelevant. Only when we compare it to a target can we judge whether it’s a positive result. What does ‘good’ look like? A means of tracking conformance to that standard is more valuable than a number.

3. Ensure your customer satisfaction measurement processes span the full spectrum of services, and that they’re consistent in design. User feedback will otherwise be impossible to compare effectively.
One in three contact centres using NPS® to help assess CX

Just under one in eight using it to help review employee engagement

What’s happening?

A third (33.7%) of contact centres have adopted NPS® as an indicator of their services’ CX. Top adopters include financial services (insurance) at 47.3%. Government (public sector) are least likely to adopt, with an average of just 6.3%. Regionally, its popularity is quite consistent with two exceptions at either side of the spectrum: Australia and New Zealand’s adoption is at 43.4%, versus 25.5% in Asia Pacific.

Of all contact centres, 13.3% are now using NPS® to help gauge employee satisfaction. Outsourcers, as they are for customer NPS®, are more likely than in-house operations to use NPS® to help monitor employee engagement.

As with more traditional customer satisfaction metrics, actual performance is falling short of target. A few sectors do buck the trend, though, and are delivering experiences beyond targeted levels. Leisure and hospitality, education, and consumer goods and retail are leading the charge.

NPS® performance levels

Which means that … the popularity of NPS® and other related service metrics demonstrates that the CX and feedback have never been more important in measuring success and driving positive change. However, it’s important that targets are realistic for your vertical, geography, and organisation. Chasing levels achieved by case study companies won’t benefit your organisation and will demotivate your people.

What you should do:

1. The most important NPS® measure is improvement or change over time. Don’t focus on an absolute target, but on moving the dial in manageable point increments – that will provide a tangible benefit for your customers and your people.

2. eNPS® is a great measure of staff happiness, but on its own it is of limited use. As with customer NPS®, it must have a closed-loop programme in place to identify root causes and address them. Only then will it help to make your people happier.

3. Transactional NPS® can provide valuable insight into identifying hotspots within the customer journey. By designing transactional NPS® to identify and tag these key risk areas within the customer journey, the business can seek user feedback first on the problems encountered and then on the redesigns towards remedy. This is where NPS® will provide penetrating results beyond an overall indication of the organisation’s performance.
The challenge of service expectation

By Ann-Marie Stagg, Chair of European Confederation of Contact Centre Organisations (ECCCO)

http://www.eccco.org

Customer expectations continue to change rapidly – not least because the computing power in their own pockets often far exceeds what organisations they deal with can deliver. We observe our member organisations moving forward with digital transformation at different speeds … and they’re also experiencing varying levels of success.

Customers’ main gripes with contact centres haven’t changed for years and, on the face of it, these problems seem relatively simple to fix:

• Stop passing me around.
• Keep your promises.
• Stop putting obstacles in my way – make it easy for me to do business with you.

So why do organisations struggle to deploy tried and tested technology solutions?

There’s much talk of automation in the contact centre and, no doubt, this will be a game changer for some organisations. But has this led to some organisations being in denial – avoiding the difficult fixes and hoping that future automation will remove the need to fix basic process failures. Others are sitting tight and waiting for the ‘next big thing’ so that, instead of following the crowd, they can overtake their competitors with the latest and greatest tech solution. Many of the right technologies are out there now and, with no obvious ‘leapfrog’ solution around the corner, inaction will quickly see some organisations fall behind, if not fail completely.

Technology solutions need to be programmed, monitored, and updated just as frequently as traditional telephony-based processes.

Clearly, there is (and always has been) a lag between what technology capability a customer can access personally, versus the capability of a large corporate. This difference can only be overcome by making a major technology investment. It’s clear that legacy systems and complex data management are both major obstacles that aren’t easily overcome. In many cases robust technology solutions exist, but an absence of attention to data integration across all channels results in inconsistency in maintaining the content information that users require. It’s this strategy we observe too often – the sidestepping of processes that will drive the effectiveness of digital tools. Technology solutions need to be programmed, monitored, and updated just as frequently as traditional telephony-based processes.
Some organisations are successfully building their analytics capability to understand their customers better. They’re also looking for technology solutions to help them to deliver a more personalised service. There are innovative solutions out there now but, again, they rely on having robust, accurate, and timely data to deliver real benefits.

We also observe members who frequently encounter organisational issues or other challenges that prevent them from transforming successfully. Perhaps this is due to too much collaboration and having too many stakeholders to please (and, clearly, also a lack of pre- and post-implementation project structure).

Disappointingly, members often tell us that their businesses still see the contact centre as a cost centre, but those who are investing in supporting technologies are already reaping the benefits.

Digital transformation is a long-term project and is certainly not easy to implement. It requires vision, innovative thinking, capability, patience … not to mention common sense and good judgement.

Transformed CXs are the most visible and the most exciting aspects of the digital transition. Yet, companies are also realising very strong benefits from revolutionising internal processes through process digitisation, worker enablement, and performance management.

Contact centre advisors are beginning to benefit from the collaborative tools they use to source help from experts and get questions answered in real-time. They’re also increasingly gaining access to a single, global view of the company’s interactions with each customer.

Organisations in all industries are experimenting with — and benefiting from — digital transformation. Whether it’s in the way individuals work and collaborate, the way business processes are executed across the organisation, or in the way the organisation understands and serves its customers, digital technology provides a wealth of opportunity. CX will start to improve in next two to five years and will emerge as a massive differentiator as businesses turn the corner and begin to get it right. The key starting point is to determine whether your organisation is digitally equipped to orientate a CX capability that’s aligned with the service expectations created by your brand position/commitment. Technology isn’t an excuse for strategy. Instead, it can provide a huge platform for positive change as well as for services that deliver against a new age of expectation.
Large inconsistencies in measurement of quality

89% measure quality of voice contacts

Versus 50% on digital (down from 61% last year)

What’s happening?

Quality measurement on everything other than phone interactions continues to be neglected.

For some reason things are actually getting worse. In the last year, measurement of digital has fallen from 61.4% to 49.6%. Back office process reviews are now only 37.3% versus 50.7%, and it’s a similar picture for follow-up actions. While small, 5.6% of contact centres have no quality control measurement tracking in place at all.

Sector performance varies dramatically. Compliance regulations undoubtedly force the issue for many. Similarly, the robustness and disciplines of contract management leads outsourcers to be significantly more attentive to quality levels than their in-house counterparts.

Measurement of quality

Which means that … the lessons and good practices around the management of traditional phone interactions and the impact of associated processes aren’t being learned nor applied to other areas of the business. This indicates a lack of focus and accountability, with the impact of failure elsewhere just as damaging to the organisation’s reputation. It may become even more damaging as digital transactions are much easier for customers to record and hold organisations accountable to.

What you should do:

1. Digital interactions are predicted to overtake voice interactions in the next year. Customers can also store them. Comprehensive measurement of their quality is a must if you’re to avoid social media storms and brand damage.

2. Make sure your digital technology platform is fit for purpose. It might seem a good idea to quickly introduce a web chat solution to satisfy channel demand, but if it doesn’t link to your quality management system then consider investing more time and money in doing it right the first time.

3. Improving the impact of your follow-up actions or call backs will have a major impact on CX in the long term. Make them part of your quality management programme – the benefits will be significant.

Where do you measure quality levels?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone interactions</td>
<td>89.4</td>
</tr>
<tr>
<td>Digital interactions (e.g. email, web chat)</td>
<td>49.6</td>
</tr>
<tr>
<td>Business processes (e.g. back office administration)</td>
<td>37.3</td>
</tr>
<tr>
<td>Follow-up actions (e.g. promised call-backs)</td>
<td>33.9</td>
</tr>
<tr>
<td>None of the above</td>
<td>5.6</td>
</tr>
</tbody>
</table>

n | 1030
Over 3/4 can link quality assurance to improved CX

Less than 1/2 leverage it as part of agent performance reviews

What’s happening?

More than three-quarters (77.4%) can link quality assurance to driving improvements to CX.

Another 60.8% acknowledge the value for coaching/training. A fifth (22.6%) even correlate quality assurance scores with customer feedback scores, indicating an advanced and rounded approach to evaluating the user journey.

Just under half (48.8%) of contact centres are combining quality reviews with agent performance evaluations. Another fifth (21.7%) are using business intelligence on quality to inform and provide insights to other parts of the organisation.

Benefits of quality assurance

Which means that … noting the widespread neglect of quality on most customer touchpoints other than the phone, it’s difficult to gauge whether organisations fully appreciate the benefits of quality assurance (QA) procedures within the contact centre. It seems that contact centres accept the value of quality, but most often neglect it on anything other than the phone.

What are the top three benefits of quality assurance in your contact centre?

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drives improvement to the CXs</td>
<td>77.4</td>
</tr>
<tr>
<td>Provides a trigger for coaching/basis for learning and skills development</td>
<td>60.8</td>
</tr>
<tr>
<td>Help identify failing in our processes</td>
<td>58.3</td>
</tr>
<tr>
<td>Evaluation of agent performance</td>
<td>48.8</td>
</tr>
<tr>
<td>Correlating QA scores with customer feedback surveys</td>
<td>22.6</td>
</tr>
<tr>
<td>Provides insights for use within the organisation</td>
<td>21.7</td>
</tr>
<tr>
<td>Other</td>
<td>5.7</td>
</tr>
</tbody>
</table>

What you should do:

1. There’s a massive opportunity to correlate quality scores with customer feedback scores. Calibrate your quality assurance processes in this way, and you’ll go a long way towards supporting and driving the right agent behaviours that produce happy customers.

2. Recognise the benefit of using quality assurance to identify agents who are doing well and recognising them for it. The power of a confident and motivated agent to make happy customers is unmatched. Use quality assurance as a trigger for recognition as much as coaching.

3. Your quality assurance data is a huge mine of information that can benefit any area of your business that touches a customer (directly or indirectly). In spite of that, only 21.7% of respondents currently see this as a benefit. Build business-wide monitoring into your quality assurance processes.
FCR is top operational focus

Indicates disconnect in targeting, as CX top strategic focus

Productivity measures deemed more important than employee satisfaction

What’s happening?

First contact resolution (FCR) has become top ranked indicator of operational performance.

The demotion of CX into second place in 2016 suggests a disconnect with indicators of strategic performance, where CX remains the highest ranking contributor to the business objectives. Besides that, it’s encouraging that the top two focus areas at operational level are both designed to enhance services and the overall CX. The continued positioning of employee satisfaction (beneath productivity), and as seventh ranked focus area in 2016, remains a surprise.

Drilling down into the industry vertical results provides interesting nuances that can probably be linked to the business type supported.

Operational performance indicators

Which means that … contact centre managers are failing to recognise the relationship between performance and employee satisfaction. All six of the measures ranked higher than employee satisfaction will be positively impacted by happy, engaged, and motivated employees. Tighter controls, monitoring, and management intervention can only deliver so much. In today’s modern workplace, the most successful operations are those in which CX is optimised at the core and via the promotion of employee satisfaction.

What you should do:

1. Explore the link between employee engagement and CX, and leverage it through a focus on making your people happy. This one factor has the potential to revolutionise your contact centre performance and, as a result, your CX.

2. While FCR is the top operational focus, doing so at the expense of a holistic focus on CX/happiness is dangerous. A customer whose problem is solved the first time round might still feel the service was negative, or abrupt due to poor agent behaviour. Yet, a CX-focused agent can keep a customer happy through all elements of the interaction.

3. Move away from time to answer service level agreements – they mean nothing on their own. Your customer satisfaction metrics will alert you to any issue that’s impacting your customers negatively, such as excessive wait times.

<table>
<thead>
<tr>
<th>Ranking</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>First contact resolution (FCR)</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>CX performance</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Time to answer SLAs</td>
<td>Not asked</td>
<td>3</td>
</tr>
<tr>
<td>Agent productivity</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Quality control/process adherence</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Net Promoter Score®</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Employee satisfaction</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Cost to serve</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Sales revenue/leads generated</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Agent schedule adherence</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Other</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Contact deflections (usage of non-voice channels)</td>
<td>12</td>
<td>12</td>
</tr>
</tbody>
</table>

What does your contact centre consider as being the top three indicators of operational performance? 

n | 1030
Further disconnects in targeting – CX relegated further when managing agent performance

FCR only 3rd choice for agents, despite being top priority of ops performance

What’s happening?

There are three clear results to this question. The first is that there’s a misalignment of targeting priorities at different levels of the organisation. Agents are being targeted differently to the operation as a whole which, in turn, isn’t aligned with the strategic indicators.

Secondly, there’s still a heavy emphasis on traditional operational measures at an agent targeting level. Thirdly, customer satisfaction/CX scores are only sixth on the list.

Results compare evenly at an outsourcer versus in-house review. Sectors show enormous variances in their approach, likely formed around their specific business objectives.

What are the top three performance indicators used to target agents?

<table>
<thead>
<tr>
<th>Rank</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Productivity – calls/contacts handled</td>
</tr>
<tr>
<td>2</td>
<td>Quality control/process adherence</td>
</tr>
<tr>
<td>3</td>
<td>First contact resolution (FCR)</td>
</tr>
<tr>
<td>4</td>
<td>Quality</td>
</tr>
<tr>
<td>5</td>
<td>AHT</td>
</tr>
<tr>
<td>6</td>
<td>Customer satisfaction/CX scores</td>
</tr>
<tr>
<td>7</td>
<td>Schedule adherence</td>
</tr>
<tr>
<td>8</td>
<td>Sales (incl. upsell/cross-sell)</td>
</tr>
<tr>
<td>9</td>
<td>Net Promoter Score®</td>
</tr>
<tr>
<td>10</td>
<td>Other</td>
</tr>
</tbody>
</table>

What you should do:

1. Caring about your customers and their happiness must reflect in agent targeting. Their number one target must be CX. It’s also the best way to keep your people motivated.

2. You don’t get engaged, motivated agents by targeting them on productivity. If they’re allowed to focus on making customers happy, they’ll naturally be more efficient and waste less time during or between contacts. Crucially, they’ll also be more likely to resolve problems to the customer’s satisfaction and reduce repeat contact rates.

3. AHT is an indicator metric to be used by leadership staff to spot problem areas. It’s very useful when looking at comparisons across your centre and with other centres. It shouldn’t be an agent objective. Any productivity benefit will be massively overshadowed by poor staff engagement and a poorer CX.
First contact resolution statistics

FCR on voice contacts
at highest level in 5 years

Assisted-service resolution rates continue to lag behind telephone

What’s happening?

FCR rates on telephone-based enquiries are at their best level in the last five years, and progression has now been maintained for two consecutive years. Data on digital results is only available for the last two years, and while results still lag behind the effectiveness of the telephone, it too shows an upward trend.

Best practice, that is, upper quartile, results indicate 88.0% of customers can expect to have their enquiry resolved when calling in to the contact centre; 85.0% can expect the same when accessing the digital channels of the top-performing organisations.

Business-to-business (B2B) customers are most likely (78.7%) to have their phone contacts resolved. IT helpdesks (71.9%) are least likely. For digital, Business-to-consumer (B2C) are at the top, and IT helpdesks are again at the bottom of the scale. Perhaps unexpectedly, sector results remain relatively flat.

First contact resolution statistics

<table>
<thead>
<tr>
<th>Percentage</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone</td>
<td>73.1</td>
<td>74.8</td>
<td>77.3</td>
</tr>
<tr>
<td>Assisted-service</td>
<td>Not asked</td>
<td>67.9</td>
<td>68.6</td>
</tr>
</tbody>
</table>

Which means that ... FCR is judged to be the top indicator of operational performance, and is the third most popular target at agent level. It’s part of ease of resolution – which is assessed as the main factor impacting CX – and CX is the top goal for organisations strategically. This progress during a time of increased complexity is a positive reflection of executive commitment to CX and the beginning of a service revolution.

What you should do:

1. If your organisation’s FCR levels are below these benchmarks, you’re failing your customers, and competitors will be all too happy to take them off your hands. Look at your customer contact processes and procedures and find the blocks in your agent’s ability to resolve your customers’ issues.

2. Increasing targets in isolation will not drive sustainable FCR gains. Increasing agent knowledge and authority levels will. Those are investments that will pay back hugely, both in happy customers and lower repeat contact rates.

3. Benchmark your FCR levels against industry peers. You may find the global benchmark will not work for your organisation/industry, or you may find you’re patting yourselves on the back for 75%+ FCR, when your peers are achieving 85% or more.
Automated process systems to drive sales much improved

41% of assisted-digital service transactions have no systems at all

What’s happening?

There have been solid advancements in contact centres’ use of technology and processes to better seize sales opportunities.

In the last three years, an average of just 12.5% of contact centres have had automated, system-driven processes in place to help agents identify sales opportunities via specified triggers. Good progress has been made, as seen in the 2016 rise to 21.4% for telephone, and 30.1% on assisted digital services.

The majority or organisations continue to rely on manual process. That said, nearly one in five (18.1%) have no systems in place at all for identifying phone-based sales opportunities. The picture is much worse for assisted digital, where more than two in five (40.5%) have no procedure at all.

Identifying sales opportunities

Which means that … contact centres are embracing the idea that customers will welcome good advice. The concept of sales-through-service can build consumer loyalty. It’s all about doing the most you can to assist customers and looking after their best interest during each and every engagement. With this in mind, enabling your agents through automated support systems and best-next-action prompts can be an important differentiator.

What you should do:

1. Any process is better than none at all. Higher revenue per customer and greater ‘stickiness’ for your organisation via improved loyalty makes it a must. If you’re doing nothing right now, do something. Your customers and your agents will thank you for it.

2. Design your reward and recognition programme to motivate and incentivise. Get the agent reward component right and let them share in the benefit the company gets from these sales. They’ll reward you with conversion rates far higher than before.

3. Are your current technology or analytics systems supporting you? If not, you might find that the benefits from increased average revenue per customer and increased loyalty (lifetime customer value) will allow what you’ve spent on the right technology to pay for itself very quickly.

Can agents identify sales opportunities through specified ‘triggers’ that may occur during customer contacts?

n | 696
Organisations understand the value of retaining customers – at last!

Customer retention surges 4 places to 2nd top sales measurement

Quantity prioritised over quality as productivity focus

What’s happening?
Conversion rate to sale is consistently selected as the highest ranked performance metric for tracking the effectiveness of outbound efforts within contact centres, in all of our recent reviews.

Critically, organisations have begun to realise how important retaining customers is to the success of their businesses. Its ranking has surged from fifth into second place, with dials per hour going in the opposite direction. This maturity in approach is an excellent development within an industry that needs to continually refine its model if it’s to be accepted by a weary customer base.

From a productivity perspective, more evidence of an advanced attitude to the value of outbound contacts is provided by the rise of decision-maker contact success into third place. There’s little value in tracking dials per hour if you’re struggling to reach the right person.

Outbound sales measurements

Which means that ... organisations are no longer restricted to just using the telephone for initiating outbound contacts. New channels are creating new opportunities, many of which are keenly embraced by customers, rather than flatly blocked as commonly happens with many telephone attempts. A maturity of targeting can only help enable how new digital paths solutions are structured.

If you make outbound contacts, what are the top three measures that provide most value?

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conversion rate to sale</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Customer retention</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Decision-maker contact success</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Sales volumes/revenues (incl. payment recovery)</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Dials per hour</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Contact resolution levels</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Cross-sell/up-sell opportunities secured</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Sales leads generated</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Cost per sale/contact</td>
<td>7</td>
<td>9</td>
</tr>
</tbody>
</table>

What you should do:

1. Outbound activity shouldn’t be excluded from your CX programme and measurement. Include customer satisfaction/experience/happiness into your list of outbound metrics. Without it, you can’t clearly assess the impact of your outbound activity on your current and potential customer base, nor any brand damage.

2. The technology in this area is becoming increasingly powerful in maximising performance opportunities. Do you have access to this kind of technology? Perhaps you should.

3. Consider how you can tailor digital media activity in this area in future, via proactive automation systems leveraging a wealth of new opportunity across channel types.
75% of calls answered within 20 seconds

7% will abandon

15% will have their call transferred

Handle times nudge 5 minutes

What’s happening?

Average call handle time including hold and wrap has remained relatively steady for a few years now. The 2016 result of over four and a half minutes typically incorporates 37 seconds of hold time and 63 seconds of after-call administration work. This leaves the actual talk time average at 183 seconds, compared with 165 seconds last year.

Over three-quarters (76.2%) of calls are being answered within 20 seconds. Of the other 23.8% who are waiting longer, it’s sometimes much longer. It’s those customers who end up with a very damaged perception of the contact centre. Encouragingly, signs of progress are evident there too, as the overall percentage of calls abandoned are down to just 6.5%.

Almost one in seven (14.9%) customers can expect to have their call transferred when calling the contact centre.

Call handle time statistics

Which means that ... organisations are benefiting from reduced handle times and, at the same time, are providing better experiences to their customers via reducing frustrating hold time. Calls are also being answered faster and less are abandoned. While appreciating the unique intricacies of each individual organisation, we suggest that these figures should be used for indicative purposes only, and not to set your own targets.

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average speed to answer (to speak with a live agent) – please exclude time spent in the IVR</td>
<td>29.9 seconds</td>
<td>38.7 seconds</td>
<td>33.5 seconds</td>
</tr>
<tr>
<td>% of calls abandoned</td>
<td>Not asked</td>
<td>7.3%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Call transfer rate</td>
<td>Not asked</td>
<td>Not asked</td>
<td>14.9%</td>
</tr>
<tr>
<td>Average call handle time – by human agent (incl. hold and wrap)</td>
<td>169 seconds</td>
<td>194 seconds</td>
<td>283.2 seconds</td>
</tr>
<tr>
<td>Average hold time</td>
<td>37.7 seconds</td>
<td>50.6 seconds</td>
<td>36.8 seconds</td>
</tr>
<tr>
<td>Average wrap-up and administration time after each inbound call</td>
<td>79.6 seconds</td>
<td>78.8 seconds</td>
<td>63.1 seconds</td>
</tr>
<tr>
<td>% of inbound calls answered within 20 seconds (once the call has exited the IVR and been connected to a human agent queue)</td>
<td>70.0%</td>
<td>76.4%</td>
<td>76.2%</td>
</tr>
</tbody>
</table>

In your contact centre, what are the call time statistics for: n | 733

What you should do:

1. While the percentage of inbound calls answered in under 20 seconds is a useful performance indicator, it hides the problem of the extended wait times for contacts not answered within that period. The results highlight almost 25% of customers experiencing wait times of minutes, not seconds. Focus on reducing the gap between the average and the longest wait times. Aim for a consistent experience for your customers.

2. Over one in seven (14.9%) customers is being transferred when they call. Get your routing systems right and give agents more knowledge and authority to handle a wider range of customer issues/requirements to avoid passing customers around your organisation.

3. Hold time usage and requirement should be explored. Can you provide evidence of how it enhances the overall experience? At 36.8 seconds per call, it needs to be understood.
Digital response times improving fast

Email least responsive at 5 hours

Web chat improves to much more acceptable level of 4 minutes

What's happening?

The results here provide a clear indication of an industry in transformation. One that's very quickly awakening to the importance of CX and the concept of 'go digital or die'.

Web chat requests are being responded to within four minutes, but this medium can probably still find room to improve further as customer patience levels continue to fall. Email hasn’t progressed at the same speed, but is now at more manageable turnaround level of just under the five-hour mark.

Just two years ago, social media customers would have to wait seven or eight hours to hear from organisations. That’s now down to just 78 minutes. Expect it to improve further still.

Response times by digital assisted-service channel

Which means that … these results show that organisations are powering forward, but a simple year-on-year improvement is not enough. Leveraging data analytics, organisations need to first establish customer expectations and confirm patience thresholds on each transaction and for each channel. If service users drop off web chat after two minutes and decide against progressing a sale, that’s the benchmark that should be met. Customer convenience is paramount. Digital traffic volumes will increase exponentially when the service capability matches the responsiveness levels customers have come to expect.

<table>
<thead>
<tr>
<th>Average (nearest minute)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td>864</td>
<td>321</td>
<td>299</td>
</tr>
<tr>
<td>Web chat</td>
<td>732</td>
<td>45</td>
<td>4</td>
</tr>
<tr>
<td>SMS</td>
<td>414</td>
<td>135</td>
<td>46</td>
</tr>
<tr>
<td>Social media</td>
<td>462</td>
<td>122</td>
<td>78</td>
</tr>
</tbody>
</table>

How quickly do you respond to assisted-service channels?

n | 550

What you should do:

1. It is important you establish your customers’ expectations and patience thresholds per channel and thus be able to identify trouble spots.

2. Consider using technology to allocate blended digital tasks to agents as a work item in the same way as a voice call. This will allow you to bring down email, and other channels, response times to minutes not hours. If the work item delivery can be weighted by channel response time expectations – even better!

3. It’s a long time to wait 78 minutes for a negative comment about your organisation to be floating around the social ‘ether’, not responded to. In that time, it could go viral and do irreparable damage. The response target on social is not only about customer patience, it is about minimising potential damage. Get to it first, not after it has been shared countless times.
Productive time handling interactions down by 8%

Reductions to available time, indicates more effective WFM approach

6% of time spent on ‘unscheduled other’ a concern

What’s happening?

When in the workplace – that is, not absent as a result of illness or approved vacation, as explained on page 105 (Training and vacation time) – an inbound agent will spend 65.4% of his/her scheduled work week handling customer transactions. This is down from 70.4% in 2015. A further 10.6% is spent ‘waiting’ and ‘available for work’, representing an improvement from last year’s 12.1% and highlights improved forecasting and scheduling efficiency.

Regionally, live contact handling time ranges from 62.3% in Asia Pacific to a high of 67.4% in the Americas. This isn’t a massive difference in percentage, but potentially large in cost impact when every point gained or lost can significantly influence your commercials and/or services.

Unknown or unaccounted activity is causing 5.6% of all agent’s time to be lost via ‘unscheduled other’. This is an improvement from 2015, but still provides an opportunity for improved efficiency.

Agent productivity levels

Which means that … productivity generally appears to be at a good level. What’s not known is how these results compare to individual organisation’s targets, assuming they have targets in place, for each of the category areas. For example, are scheduled breaks at 7.6% overall within, or running above, allowances? This is often an area of unexplainable neglect.

<table>
<thead>
<tr>
<th>Percentage per week</th>
<th>Inbound operations</th>
<th>Outbound operations</th>
<th>Blended operations</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Handling customer contacts/interactions</td>
<td>65.4</td>
<td>67.9</td>
<td>63.3</td>
<td>64.5</td>
</tr>
<tr>
<td>Available (waiting for customers)</td>
<td>10.6</td>
<td>10.8</td>
<td>10.7</td>
<td>10.7</td>
</tr>
<tr>
<td>Scheduled breaks (coffee breaks)</td>
<td>7.5</td>
<td>6.7</td>
<td>7.8</td>
<td>7.6</td>
</tr>
<tr>
<td>Team meetings/briefing sessions</td>
<td>5.7</td>
<td>6.0</td>
<td>6.3</td>
<td>6.0</td>
</tr>
<tr>
<td>Unscheduled other (miscellaneous)</td>
<td>5.5</td>
<td>2.9</td>
<td>5.8</td>
<td>5.7</td>
</tr>
<tr>
<td>Receiving coaching/one-to-one with manager</td>
<td>5.3</td>
<td>5.7</td>
<td>6.1</td>
<td>5.6</td>
</tr>
</tbody>
</table>

What percentage of an agent’s week is spent:

n | 826

What you should do:

1. Consider productivity stats against outcome effectiveness, for example, employee engagement, FCR, sales conversions, and so forth. A fully rounded, three-dimensional view of your agents’ performance will allow you to find the sweet spot between productivity and optimised effectiveness.

2. Review contact types and the changing shape of content to evaluate agent competency requirements. Focus on empowering your contact centre to work smarter, not harder, and target accordingly.

3. Regularly assess the allowances being fed into your workforce management systems. The power of data should let you understand, and then align, actual needs relating to each component of the workday to forecast inputs, and more effectively manage against them.
Workforce optimisation

Why your customers won’t be engaged unless your people are

WFO is key to the contact centre
### Operating models in transformation

1 in 3 supporting digital channels, but same challenges remain

### Workforce optimisation

#### Managing complexity

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>68.3%</td>
<td>68.3% of agents dedicated to telephone versus 56.7% in 2015</td>
</tr>
<tr>
<td>31.7%</td>
<td>31.7% support digital versus 43.3% in 2015</td>
</tr>
<tr>
<td>19.2%</td>
<td>19.2% combining phone and digital support versus 34.6% in 2015</td>
</tr>
</tbody>
</table>

#### Flexibility drives resourcing models

- **81.4%** of agents enjoy a permanent contract, as temp staff levels rise 40.9% in last 2 years
- **Average vacation allowance is 20.7 days per annum**
- **Average team size is 13 agents**
- **Coaching allocation ratios are now 20:1**

#### Operating budgets

- Resource related costs = 73.1% of budget
- **6.3% reserved** for recruitment and training costs
- **12% rise** on building infrastructure investment

#### New hire training

Allowances are falling

<table>
<thead>
<tr>
<th>Year</th>
<th>Phone agent</th>
<th>Assisted-service agent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>18.7 days</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>17.6 days</td>
<td>15.6 days</td>
</tr>
<tr>
<td>2016</td>
<td>14.4 days</td>
<td>12.4 days</td>
</tr>
</tbody>
</table>

### Role competency

- **85.4%** of role profiles are defined
- **80.0%** competency profiles are aligned to the actual role

### WFO missing the technology opportunity

- **34.9%** of contact centres still without WFM systems
- **46.4%** without agent analytics systems
- **36.7%** operate without knowledge management systems
- **20.0%** don’t measure the benefits of training

### Traditional challenges remain

Agent absenteeism is down by 23.8%, but remains double that of any other role. Agent attrition also twice that of support and management roles.

### Top 5 areas that will improve employee engagement

1. Engagement initiatives
2. Career development opportunities/pathing
3. Staff empowerment
4. Strength of management
5. Clear goals/common purpose
That's simply not sustainable, and all aspects of WFO need to be reviewed in order to make a significant difference. Ultimately, this will affect CX too.

It was interesting to see significant increases in the use of temporary staff, and that training allowances seem to be reducing in spite of more complicated roles. I’m also puzzled at the discrepancies and lack of application of tried and tested WFO tools across new digital channels. As interaction preferences continue to shift towards digital pathways and voice becomes a channel of last resort for a growing group, organisations will increasingly find the need to acquire and train their contact centre agents to be relationship managers. They should also accommodate the preference for multimodal interactions for today’s connected customers. This is a significant investment and has to be balanced with the need for part-time employees with workplace elasticity.

The absence of disciplines in deploying WFO technologies for digital will also leave these channels more exposed and less likely to achieve their full potential.

Customer service and ease of doing business is becoming a competitive differentiator

**Q** Explain in a nutshell what the 2016 research is telling us about workforce optimisation capabilities and its impact on CX?

In 2016, organisations still focus the priorities of workforce optimisation (WFO) predominantly on contact centre performance and agent productivity. The risk is that organisations aren’t aligning quickly enough to the voice of the customer and ensuring that agents are resourced, skilled, motivated, and empowered through the company’s overall CX strategy. Ensuring that these universal agents, with skills to handle complex inquiries, are trained, retained, and continuously developed will be important. Our research shows that the attrition and absence of agents occur at double the frequency of other roles in the contact centre.

**Q** Tell us what surprised you?

The presence of disciplines in deploying WFO technologies for digital will also leave these channels more exposed and less likely to achieve their full potential.

**Q** How is WFO changing to meet the challenges of the digital revolution?

Customer service and ease of doing business is becoming a competitive differentiator. Also, the cost of acquiring and training contact centre agents to handle digital channels and more complex interactions is increasing. These factors make WFO an even more important tool to measure and manage the customer journey. It needs to be more evenly applied across the board and configured to meet the needs of a multitude of operating models. We’re seeing a blending of skills and cross-channel activities, alongside teams that are still dedicated to specific transaction types. The models are fluid; WFO systems need to be fluid too.
Are contact centres suffering from a lack of ownership and accountability across digital channels, as fewer disciplines seem to be in place for WFO than for the traditional phone?

Yes, there does appear to be a lack of accountability with digital channels that wouldn’t be tolerated in traditional phone operations. The lack of WFO measuring and management goals across digital channels is inexplicable and should be an important focus area. If anything, the impact will become greater as contact propensity shifts to digital. It also presents a great opportunity, as the lessons we learnt from telephone would easily translate. It will also ensure a more consistent experience for customers regardless of the contact channels they used.

The optimisation of digital channels seems to be an ongoing issue particularly at a WFM level, why is that?

Organisations today are still assessing how to use and optimise their digital-assisted channels such as email, web chat, social media, and more. Because they’re procrastinating, they’re not clear on targeting, and this is ultimately impacting how they manage resource requirements, too.

What else is different this year?

It’s interesting to see that technology is playing a much greater role in overall operating cost. The need to support digital channels along with incorporating customer insight analytics to enable and deliver a personalised CX demonstrates the digital transformation that’s taking effect.

What innovative technologies are on the horizon, or are already making a difference in WFO?

Customer journey analytics are playing a big part in orchestrating and managing customer reach organisations. This will also cascade into WFO, as organisations make a conscious effort to differentiate the services they provide for their high-value and low-value customers. Additionally, I see WFO increasingly expanding beyond the front line call centre agents, being applied to assisted-service teams, and pushing through to the traditional back office areas as standard.

How will technology and pervasive Internet connectivity affect WFO?

Intuitive ‘virtual assistants’ will soon help deflect calls away from the contact centre. These virtual agents will have learning capabilities and can be continually optimised to provide self-service, allowing contact centres to scale without the need to employ additional agents. Contact centre agents can also leverage the virtual assistants internally to reduce talk time and produce consistent answers.
How will digital or service innovation impact management approaches? Tell us about the key WFO practices in this space.

Competency and knowledge management will be a key focus as organisations better empower their employees. The incorporation of CX analytics into WFO and across all channels will require that contact centre leaders pay more attention to the nuances of a new type of contact centre agent. The hiring, support, and development of agents for channels such as SMS, and even social media, have nuances that merit performance measurement attentions that stretch beyond the practices used for traditional telephone. Contact centre leaders must also recognise that their agents are performing relationship management roles in addition to answering enquiries, where agent empowerment and empathy are just as important when interacting with customers.

Looking at findings from the 2016 Report, what are the three insights about WFO that we can’t afford to ignore and need to take action on?

1. Organisations can’t continue to ignore digital channels in their WFO strategies, as digital interactions shift to be the customer’s channel of preference.

2. As contact centre interactions with customers become increasingly complex, organisations will need to better understand agent competency requirements specific to each role. This will affect training and skills development, which puts pressure on the use of temporary employees, as well as recruitment and retention. A balance of flexibility of resource versus continuity and experience needs to be struck.

3. Organisations that use CX as a competitive differentiator must also incorporate CX metrics into their overall WFO performance and management goals. The WFO systems need to move operational management techniques in the right direction.
Average team size remains 13 agents per supervisor

Main variance in sector and regional approach is coach allowances

What’s happening?

Global team sizes have remained stable at 13 agents per supervising manager across each of our last three review periods. The results show greater movement when viewed by contact type. Operations focussed on inbound interactions operate at a ratio of 12.9 agents to one manager. Outbound operations run more aggressively at 14.8 agent to one.

Coaching allocations have dropped back down to the levels recorded in 2014. Geographically, there’s a small curve in allocations, with MEA the most aggressive at one coach per 21.6 agents, compared with the UK on the other end of the scale at 18.5.

In-house operations provide marginally more management and coaching support than outsourced contact centres.

Management ratios

What means that … it’s crucial that ratios aren’t applied in isolation from any other information. Each circumstance and requirement will vary, with individual dynamics of each operation. For example, centres with a high team leader ratio may counter that with a low coaching resource structure. Cost will also affect benchmarks, particularly at offshore operations where resources may be more affordable. Such allocations may not be viable locally.

<table>
<thead>
<tr>
<th>Ratio</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of agents per team leader/supervisor</td>
<td>13:1</td>
<td>13:1</td>
<td>13:1</td>
</tr>
<tr>
<td>Number of agents per coach</td>
<td>20:1</td>
<td>24:1</td>
<td>20:1</td>
</tr>
<tr>
<td>Number of team leaders/supervisors per manager</td>
<td>6:1</td>
<td>6:1</td>
<td>5:1</td>
</tr>
</tbody>
</table>

In your contact centre, what are the following ratios?

What you should do:

1. When determining your ratios, consider what’s right for your environment and the specific duties of your team. Don’t be afraid to make adjustments following close reviews of what mix delivers the best, most consistent performance results against your budget.

2. Allow for graduated support allowances whenever the operation encounters a growth phase. There will be a direct relationship to the split of experience levels within each team and the help they require.

3. Also consider and assess:
   - the complexity of interactions
   - the nature of the enquiries and escalation points to management
   - the authority of the agents
   - the effectiveness of systems to empower knowledge
   - maturity of the processes and product
Temporary contracts up 41% in 2 years

Significant variances across regions and provider types

Outsourcers least likely to provide permanent contracts

What’s happening?

Permanent contracts offered within contact centre operations have declined for five consecutive years. In 2011, 88.6% of agents enjoyed permanent contracts. That dropped to 81.4% in 2016, indicating a growing need for flexibility.

Conversely, the number of temporary contracts has increased by 40.9% on levels reported just two years ago, with almost one in five (18.6%) of all resources employed on a full or part-time temporary basis.

Outsourcers, living daily with commercial contract challenges, seek almost double the level of temporary workers than in-house operations. Compare 31.5% for the former with 16.5% for the latter.

Employment contract types

Which means that … the industry continues to maximise workforce efficiency through the increased adoption of part-time contracts and by employing greater numbers of temporary employees. The downside is that less permanency will affect your ability to attract and retain skilled workers. Employers should make a full cost comparison among contractual approaches across the sourcing, recruitment, training, and capability of the resources they attract, accepting that in certain instances seasonal peaks will make hiring temporary employees unavoidable.

What percentage of agents are employed on:

<table>
<thead>
<tr>
<th></th>
<th>Permanent contracts</th>
<th>Temporary contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>81.4%</td>
<td>18.6%</td>
</tr>
<tr>
<td>2015</td>
<td>82.5%</td>
<td>17.5%</td>
</tr>
<tr>
<td>2014</td>
<td>86.8%</td>
<td>13.2%</td>
</tr>
</tbody>
</table>

What you should do:

1. Review recruitment and training costs alongside attrition for each contract type and consider whether the workforce elasticity, and resulting efficiency it affords the organisation, may be lost and/or offset elsewhere?

2. Determine whether using an agency to recruit and maintain temporary workers is cost-effective for your business, and if this is already in place, whether it’s legacy process of which the terms may be improved.

3. Consider the interaction types and seasonality of your contact volumes. When using temporary agents, carefully assess what you want them to do and the training that will require. It may be unwise to train temporary employees to handle complex interactions across different media in the same way you’d train permanent staff. Mitigate that risk through intelligent contact-routing systems.
Average vacation allowance more than 4 weeks

Employees can also expect more than 2 weeks’ formal training per year

What’s happening?

Training allowances are at just over 10 days per year – the upper quartile is 12 – comparing favourably to a low 7.2 days provided in 2015. Regionally, there’s not much variance, and there shouldn’t be. That is, unless offshore businesses need to allow for additional cultural alignment sessions.

Results become much more relevant across sectors, where you’d expect that complexity and role competencies will cause formal training allocations to vary considerably. They do, but only really in the upper quartile. It seems that forward-thinking companies are experimenting beyond the norm to achieve their CX aspirations, while the majority conform to what they perceive as a general standard. This they’ve most likely inherited from legacy approaches, and carry-forward budgeting.

The difference between outsource and in-house allowances is negligible.

Training and vacation time

Which means that … paid time off, in particular, should be considered in terms of total cost of employment, when comparing the commercials of doing business in different geographies. For example, in offshoring, a small saving may easily be lost by a 10-day differential in vacation allowances between territories.

<table>
<thead>
<tr>
<th>Days</th>
<th>Global</th>
<th>Americas</th>
<th>Asia Pacific</th>
<th>Australia and New Zealand</th>
<th>Europe</th>
<th>MEA</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal training</td>
<td>10.2</td>
<td>10.8</td>
<td>9.9</td>
<td>9.3</td>
<td>9.8</td>
<td>12.3</td>
<td>9.2</td>
</tr>
<tr>
<td>(e.g. career development/ new processes, etc.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vacation (paid time off)</td>
<td>20.7</td>
<td>15.4</td>
<td>17.8</td>
<td>20.6</td>
<td>24.6</td>
<td>19.2</td>
<td>25.1</td>
</tr>
</tbody>
</table>

How many days are agents allocated each year for:

| Number | 790 |

What you should do:

1. When forecasting training needs, assess actual requirements versus planned allowances. Don’t simply accept that a standard norm will meet future needs. For example, how do historic needs compare with your planning? What was the trainee feedback and readiness level post training?

2. When determining vacation allocations, it’s crucial to understand the local norms and to compare your policy with your neighbouring employers – particularly if your employee retention is poor and your people are being attracted elsewhere.

3. Vacation within a contact centre is a crucial for employee well-being. It can also be a burden if lack of controls cause it to be carried over or processed ineffectively. Consider your processes, and ensure employees are encouraged to take their leave, and restricted in terms of what they can accrue.
Average of almost 16 weeks’ learning (incl. induction) before managers reach full competency

Phone agents need 13 weeks induction and on-job training

12 weeks needed for assisted-service agents

What’s happening?

There’s an increasing trend towards blending formal classroom training with live, on-the-floor and/or side-by-side shadowing of experienced agents. This could explain an apparent drop in induction training allowances across the last three review periods, while complexity is increasing.

What remains clear is that needs differ between phone agents and those handling assisted-service digital channels – for example, live chat, social media, and so forth – with phone advisors typically afforded a few extra days. Results also vary regionally, more drastically by sector, and also by service type (B2C requiring the most time).

Unless team leaders/managers are promoted from within, it’s interesting that they don’t require and receive more training than their own agents, as they should understand the agent role in addition to their own management duties. Proof of this is the time it takes for managers to become fully competent in their roles: almost 16 weeks including induction training, versus 13 and 12 weeks for phone and assisted-service agents respectively.

Induction training and time to full competency

Which means that … as the roles evolve to meet the digitisation of customer service needs, the time to achieve full competency should be considered in resource schedules. This shifting paradigm means that traditional approaches or allowances may now need to be reset.

How many days induction training is provided to those with a primary function of:

<table>
<thead>
<tr>
<th>Days</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone agent</td>
<td>18.7</td>
<td>17.6</td>
<td>14.4</td>
</tr>
<tr>
<td>Assisted-service agent</td>
<td>15.6</td>
<td>12.4</td>
<td></td>
</tr>
<tr>
<td>Team Leader/Manager</td>
<td>11.3</td>
<td>16.7</td>
<td>13.5</td>
</tr>
</tbody>
</table>

On average, how long does it take for new employees to become competent in their roles after they’ve completed induction?

<table>
<thead>
<tr>
<th>Weeks</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone agent</td>
<td>9.4</td>
<td>10.1</td>
</tr>
<tr>
<td>Assisted-service agent</td>
<td>8.5</td>
<td>9.9</td>
</tr>
<tr>
<td>Team Leader/Manager</td>
<td>Not asked</td>
<td>13.1</td>
</tr>
</tbody>
</table>

What you should do:

1. Adapt your training needs for new channels. As you implement new digital paths, the benefits of training and robust feedback systems should be in place to ensure the training content is actually relevant to the role. For example, will social media agents require similar attention as phone agents, dependent on the scope of their role?

2. Ensure that managers, who aren’t familiar with the activities of the teams they’ll be responsible for, are given the same opportunity to learn these role competencies.

3. Ensure that training budgets and workforce planning schedules allow for the variables in training periods and the time it takes to achieve competency in each skill type.
Inconsistencies between post-training review factors and operational performance measurements

Quality and productivity both deemed more important than CX

What’s happening?

On-the-floor training, that is, side-by-side with a live agent, is the most popular technique by some margin, alongside traditional classroom-based learning. The same applies across regions and sectors, albeit with some differences in which is ranked first.

Variances in approach are more pronounced when reviewed by service type. Sales operations lean towards classrooms; IT helpdesks prefer on-the-job, side-by-side training.

Almost four in 10 (39.6%) of contact centres now opt for a roving trainer resource to attend to support training needs. Another 38.5% provide a highly supervised learning, or incubation zone, to protect new agents as they learn their roles. E-learning continues to enjoy a prominent role in almost a third (30.3%) of training strategies.

Most effective training methods

Which means that … organisations could still do more to relate the effectiveness of post-learning reviews to agent effectiveness, when measured against their desired CX. The measures in place don’t align to strategic and/or operational performance objectives, creating a misalignment among different functions about the requirements for success.

<table>
<thead>
<tr>
<th>Training Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the floor (side-by-side live agents)</td>
<td>85.0%</td>
</tr>
<tr>
<td>Classroom based (with trainers)</td>
<td>83.2%</td>
</tr>
<tr>
<td>Roving trainer/coach – feedback on ad hoc basis</td>
<td>39.6%</td>
</tr>
<tr>
<td>Learning zone (replicating live environment)</td>
<td>38.5%</td>
</tr>
<tr>
<td>E-learning</td>
<td>30.3%</td>
</tr>
<tr>
<td>Use of external courses</td>
<td>10.6%</td>
</tr>
<tr>
<td>Other</td>
<td>6.5%</td>
</tr>
<tr>
<td>Open/distance learning</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

Please indicate the top three most effective training methods for your contact centre?

What you should do:

1. The 20.0% of operations that aren’t measuring the benefits of training in any form, should start doing so. Those with some controls in place should align their processes to the operational/strategic business objectives.

2. Training managers should be able to quantify the impact of training across an agreed period, as agents start to apply the learnings. Ideally, this should also provide a return on investment value, particularly for non-regulatory and optional training.

3. Training teams should consider the effectiveness of different learning types for different individuals, in different situations. While not always practical, agents may digest the learning better if choices that match individual preferences are available. It can also create more enthusiasm and, in turn, become more motivational. For example, as a side benefit, classroom-based sessions can also have a phenomenal team-building effect and create supporting relationships across functions.
**85% of role profiles defined**

**80% of profiles align** with actual role, and nearly 3/4 of centres review regularly

**Larger centres** most likely to have competency framework discipline

**What’s happening?**

Highlighting a stalling in progress – and little change from last year – 14.6% of operations still don’t have role profiles defined. Of those that do, 80.0% say skills and competencies are aligned with the role. In other words, only 68.3% of all operations have properly defined competency frameworks.

Only 73.1% of the skills and competency requirements relating to the role profiles are reviewed regularly for relevance, equating to 62.4% overall.

In terms of service type, IT helpdesks are the least disciplined at maintaining competency frameworks and lag behind all of the other groups – which are relatively similar – by as much as 15 percentage points.

---

**Competency frameworks for contact centre roles**

Which means that … CX environments are changing shape rapidly. Technology is changing, new channels are being introduced and supported, complexity is increasing, and expectations are growing. If your role expectations aren’t reviewed in line with these changes, your people may not do what you need them to do in the way that you need it done. You may also end up recruiting the wrong skills, as inaccurate role profiles invite inappropriate candidates.

---

### Percentage | 2015 | 2016
--- | --- | ---
Role profiles are defined | 86.8 | 85.4
Role profiles are aligned to actual role | 78.9 | 80.0
Skills and competency requirements are regularly reviewed | 74.0 | 73.1

Do you have role competency frameworks in place within the contact centre?

---

**What you should do:**

1. The value in matching role definitions is evident in recruitment effectiveness and in terms of attrition during training and the first three months of employment, when these risks are typically at their highest. If the role profile provides an accurate view of the job requirements, surprises are less likely and the recruitment team will be more effective in sourcing the right people.

2. Be sure to validate existing role profiles against actual job requirements. Do so particularly if you’re about to embark on a major recruitment drive, when the consequences of a discrepancy will be greater.

3. Determine who’s responsible for maintaining the accuracy of the role profiles. This is often fumbled between the operations and the HR function. It makes sense to collaborate proactively.
Visible commitment to employee engagement is the most powerful initiative

Opportunity, empowerment, good management come next

What's happening?

Being acknowledged and given an opportunity to express opinion is the simplest and most popular initiative to improve employee engagement levels.

Voted in the top three by 55.6% of organisations, engagement initiatives are rated alongside career development opportunities or pathing (at 55.2%) as the two major approaches to support employee satisfaction. Selection percentages then drop sharply to 32.8% for employee empowerment.

Common factors centred on the realities of daily work activity, which should be core disciplines and easy to implement, take most of the top spots. Working hours, the physical work environment, and on-site amenities are seen as having the least impact on employee engagement. It would be interesting to hear if that matches the agents’ view.

Initiatives to improve employee engagement

Which means that … this list could serve as a checklist towards ensuring employee satisfaction. The sequence will vary, depending on what employees take for granted and what they perceive as lacking. Every aspect will contribute to a happier workforce, which is also been proven to mean happier customers.

<table>
<thead>
<tr>
<th></th>
<th>Ranking</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement initiatives (staff recognition, employee surveys)</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Career development opportunities/pathing</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Staff empowerment levels</td>
<td>5</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Strength of management (regular communications and engagement)</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Clear goals/common purpose</td>
<td>7</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Salary growth mechanisms (performance-related pay)</td>
<td>3</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Role variety</td>
<td>8</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Working hours/shift flexibility</td>
<td>6</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Physical work environment (office layout/site location)</td>
<td>9</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Recreational facilities (good amenities)</td>
<td>10</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>11</td>
<td>11</td>
<td></td>
</tr>
</tbody>
</table>

What are the top three initiatives used to improve employee engagement?

n | 999

What you should do:

1. The results highlight that employees are motivated by actions they know can be delivered simply and quickly. Sometimes the quick wins are the easiest, too. Understand that adherence and commitment to many basic processes – for example, meaningful one-on-one sessions, objectives, and performance updates – translate to an act of respect. This helps to ensure that the employee is valued. It doesn’t cost anything!

2. Don’t underestimate the impact of poor CX on your agents. They have to pick up the pieces when that happens, and it’s even more frustrating when it’s an easy fix overlooked by the organisation. Ensure there are systems in place to capture CX improvement opportunities highlighted by agents. Most importantly, act and provide feedback on the outcomes.

3. Similarly, work with your agents to ensure that technology systems empower their roles and that they have a voice in any system reviews or upgrades.
Why your customers won’t be engaged unless your people are

By Steve Hurst, Editorial Director, Engage Customer. http://engagecustomer.com

After a quarter of a century of being undervalued, the business world finally recognises contact centres for the pivotal role they can play in the success of an organisation. Advances in technology are also helping their development into channel-rich ‘customer hubs’.

Yet, a contact centre won’t succeed as an organisation’s customer hub unless it’s also recognised as the employee hub. A clear link should be made between employee and customer engagement within the culture of the organisation.

For more than 15 years, I’ve been stressing the point about the need for organisations to focus on the beneficial links between engaged employees, engaged customers, performance, and profitability. When we launched Engage Business Media seven years ago, our first-ever face-to-face event featured this very subject. I vividly remember a case study presented at that occasion by someone from a leading financial services organisation, with the job title: Director of Employee and Customer Engagement – almost unheard of at the time. It clearly signalled to me that this organisation understood the need for engagement. Unsurprisingly, to my mind, the business went from strength to strength in the seven years since, outperforming competitors and winning accolades for its performance.

Any organisation in any sector can achieve this – whether they have a shared equity scheme or not – by creating a clear link in agents’ minds between the work they do, the value it adds to the business, and the rewards – tangible and emotional – they’ll gain by striving for excellence.

A recent keynote address from Patrick Lewis, great-grandson of John Lewis from the John Lewis Partnership (JLP), highlighted for me the essence of the need for engagement throughout the organisation. Every single person working at the Partnership understands this and is committed to it. Every employee is a partner and has a say in the business. Cynics will say the real reason for engagement at JLP comes from the ‘partnership’ by which every employee owns a share and by default has a say in the business. I disagree. The entire culture at JLP is built on the need for mutual engagement in recognition of the business benefits this will deliver.

Any organisation in any sector can achieve this – whether they have a shared equity scheme or not – by creating a clear link in agents’ minds between the work they do, the value it adds to the business, and the rewards – tangible and emotional – they’ll gain by striving for excellence.

This level of employee engagement is the key that unlocks customer engagement and sustainable long-term success. When your people are properly engaged, and understand and buy into the narrative of your organisation, they’ll put in all the effort necessary to engage with your customers – and, of course, customers are the final arbiters of any organisation’s success.
Empowerment levels continue to grow

Automated decision-making grows 127% in 2 years

43% drop over same period in companies opting not to trust agents with financial decisions

What’s happening?

It’s clear that organisations are learning the value of empowering agents. Two years ago, 30.5% simply disallowed their agents to make any decisions about matters with financial consequences. That figure has almost halved to just 17.3%.

Organisations still restrict self-judgment parameters, much as they’ve done for the last three review periods. The wider empowerment levels now in place are managed through increased automation – which is up 127% over two years – and a rise in transactions that can be processed during the interaction, even though these still require supervisor override.

Outsourcers are less likely to be afforded the same permission as their in-house counterparts.

Results also vary across regions, particularly in terms of allowing agents to use their own self-judgement within agreed parameters. The UK leads the way with 60.1% of agents entrusted with a decision-making capability. In MEA, just 32.5% are enabled with the same vote of confidence.

Agent empowerment (financial decisions)

Which means that ... customers remain affected by the lack of agent empowerment. Automated solutions may be the safest solution for all, but there also needs to be due process for instances that fall outside of the norm. While acknowledging the financial risks of assigning authority to agents, there’s also a commercial consequence in doing nothing, as handle times lengthen and CX is impacted.

In what way are agents empowered to make decisions with a financial impact?

<table>
<thead>
<tr>
<th>Use own judgement within agreed parameters</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>n</td>
<td>999</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What you should do:

1. Step one is to understand the processes and hotspots within the customer journey that requires an element of financial decision-making. Step two is to gain a view of the commercial impact across each transaction type.

2. Assess the impact of allowing some authority levels against handle-time reductions. This may also help create a business case for an automated solution and, at the very least, improve agent and customer satisfaction levels.

3. In light of the uneven playing field between outsourcers and in-house operative permissions, organisations should ensure process consistency for the customer regardless of where their transaction lands.
35% operate without WFM systems

44% function without agent analytics tools – also top future focus

What’s happening?

Many contact centres continue to operate without performance, quality, and/or workforce management (WFM) systems. Yet, for each of these areas respectively, 21.5%, 25.5%, and 34.9% somehow manage to function without them. Last year’s plans to close some of the gaps haven’t been realised. It may be that the playing field has widened, increasing the challenges.

Scrutiny of the results by service type highlights clear gaps. For example, 70.3% of B2C operations will have WFM systems in place, versus just 41.9 of IT helpdesks. Conversely, of all systems, helpdesks are most likely to possess a form of knowledge management. It’s only the fifth most common system for B2C teams.

Outsourced organisations are more likely to have all types of WFO systems in place than in-house operations, as outsourcers gain from economies of scale and leverage technology to build their value propositions.

Workforce optimisation systems (current and planned)

Which means that … the CX focus emerging so prominently throughout the 2016 results has instigated a vigorous planning phase, in fact, it almost doubled in many instances. If implemented as proposed WFO capability levels should offer significant improvements in performance, competency, knowledge, and workforce management effectiveness within contact centres.

What you should do:

1. Consider each of the above tools and determine whether you have manual alternatives in place. If so, how efficient are they and could results be improved through a more automated solution? If not, what’s the cost in terms of risk and lost productivity?

2. Launch a project to assess your priorities and secure a free demonstration of an as-a-service solution, where the return-on-investment model should be easily quantifiable. It may even act as a catalyst for positive business transformation.

3. Information is now a critical factor in business success. If systems, data and, ultimately, analytic capability is lacking, your operation is compromised. Digital is growing the data available. You need to be able to access it, as well as act upon it.
WFO is key to the contact centre

by Fiona Keough, CEO, Auscontact Association www.auscontact.com.au

Being human is complex. Understanding and interacting with other humans is even trickier. Looking at the multiplicity of systems operating simultaneously in the human body – nervous, respiratory, and muscle to name a few – the human experience is nature’s most amazing data capture, data management, and data analysis programme ever. If you think about it, our bodies are the ultimate automated, integrated, omnichannelled, unified, and optimised ‘contact centre’.

While nothing can compare to the majesty of the human system, I often marvel at the complexity that is the modern day contact centre. In its own crude way, it’s like a human body. Not unlike the physical human system, the contact centre is alive with many ‘receptor sites’ for data collection, analysis, and integration – be that recording, quality monitoring, training, scheduling, speech analytics, work-flow intelligence, or social media integration to name a few – and each is integral to the CX as they touch your people.

For me, WFO is currently the closest we can get to a ‘whole-of-organisation’ approach for delivering the CX, as it brings together the activities and results into one set of actionable insights. An evolved WFO environment is one where everything is readily monitored and measured. More and more, we’re finding the need to take this discipline across organisations, enterprises, and the whole workplace community. In other words, taking it to your people and having everything working together.

I don’t know about you, but I prefer all my body systems working together too. In fact, I can’t think of one I’d like to do without, can you? In short, I’d like full integration, from my nervous system to my muscles – and the same applies for the contact centre!

The better an organisation has comprehensive data collection, analysis, management, and integration, the higher the likelihood of a better CX. The more a contact centre can behave like an ‘intelligent organism’ – in other words, a living, breathing, highly-responsive ecosystem – the better the completeness of vision and ability to execute for your people and customers alike.

Over the years, there’ve been some ‘false starts’ in integrating WFO, as it was seen to be just too challenging. It’s a big change that requires significant commitment, cultural shifts, and the recognition that existing business processes just might not cut it, especially as CX becomes the measure and currency of success both now and in the future.
Large disparity between phone and assisted-service channels in application of WFM process

More than 1/2 have no targets in place for non-voice agent-assisted services

What’s happening?

The lack of targets for assisted-service channels versus the traditional phone highlight a wide variance in accountability. Over half of teams (51.4%) assisting customers on digital channels have no workforce management targets in place, with inefficiencies directly impacting the bottom line.

While results for the telephone are, in general, at least double that of assisted service, activity levels have hardly changed from previous reviews. WFM remains a massive opportunity, if not a risk, to many contact centres.

One area that has progressed encouragingly against 2015 results is an acceleration of process controls to assess both management and agent satisfaction with the WFM process.

Workforce management effectiveness (targets and measurements)

Which means that ... WFM is a vital component of every contact centre. Efficient planning, scheduling, and management of resources can add several points to margins and make the difference between meeting or failing budget plans. The absence of due process will also impact return-on-investment assessments and make it difficult to prove the value of new digital assisted-service channels.

What targets are in place to measure the effectiveness of the workforce management team?

<table>
<thead>
<tr>
<th>n</th>
<th>998</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forecast accuracy – contact volumes</td>
<td>66.6</td>
</tr>
<tr>
<td>Forecast accuracy – resource requirements</td>
<td>57.3</td>
</tr>
<tr>
<td>Schedule adherence levels</td>
<td>52.9</td>
</tr>
<tr>
<td>Alignment of shift patterns to contact arrival pattern forecasts</td>
<td>49.8</td>
</tr>
<tr>
<td>Management satisfaction with workforce management process</td>
<td>35.3</td>
</tr>
<tr>
<td>Agent satisfaction with workforce management process</td>
<td>32.4</td>
</tr>
<tr>
<td>None of the above</td>
<td>21.4</td>
</tr>
</tbody>
</table>

What you should do:

1. Ask your WFM team to confirm the application level and consistency of resource planning practices across all channels. While inputs and allowances will vary per channel, a standard approach should be followed across all, regardless of whether agents provide traditional phone support and/or assisting with digital transactions.

2. Where processes are in place, it’s good practice to validate the scheduling assumptions used and whether accuracy can be improved, for example: does absence allowance match actual reality?

3. Ensure that there’s clear accountability for each objective, and the operational team understand their role, and where the lines of responsibility attributable to the WFM support function begin and end.
Agent attrition remains double that of other roles

Outsourcer attrition 11% higher than in-house

Large variances at sector level

What’s happening?

Agent attrition rates remain double that of every other role. However, the results have improved by a fraction over the last few years and are now at the lowest level since 2012. We’re also noting progressive increases in the volume of positive attrition, which include promotions and transfers to other parts of the organisation. That aside, approximately 20% of all attrition happens within the first three months of employment.

Attrition at a supervisory or management level worsened between 2012 and 2015, but has now stabilised at 10.2%. Support employee attrition levels have remained relatively flat around the 10% mark in recent years.

There’s some fluctuation at a regional level, but the general picture remains consistent – agent attrition is typically double that of management and support staff. Some industry verticals seem to suffer much more than others. Levels are also much worse in sales operations (25.0% for agents) compared to B2B (17.2% for agents).

Attrition: by role

Which means that ... high-pressure roles are known to generate high attrition. Despite that, agent attrition needs to be reduced to levels experienced elsewhere in the organisation. The impact on cost would be significant. The underlying reasons must be better understood and mitigated, or at least explained. For some, it may be an acceptable cost of doing business.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>2016 In-house</th>
<th>2016 Outsourced</th>
<th>2016 Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agent</td>
<td>21.2</td>
<td>23.5</td>
<td>21.5</td>
</tr>
<tr>
<td>Team Leader/Manager</td>
<td>10.0</td>
<td>10.9</td>
<td>10.2</td>
</tr>
<tr>
<td>Support staff</td>
<td>9.9</td>
<td>10.1</td>
<td>10.0</td>
</tr>
</tbody>
</table>

What is your annual attrition rate for the following roles?

n | 689

What you should do:

1. Consider the accuracy of recruitment postings, the alignment of the role description to the actual competencies, and feedback on agent preparedness as they exit training and throughout the high-risk first three months of employment.

2. Employee engagement and communication is critical. It needs to be of value and accepted as such by agents. Simply putting ticks in boxes won’t see matters improve.

3. As complexity increases, contact centres must also remain sure that salaries meet market rates on the skills developed and subsequently delivered by agents. Develop scale systems that reward appropriately. Otherwise, you risk becoming a training ground for the wider organisation or, worse, your competitors.
Absenteeism is down for all roles, and by 24% for agents

As with attrition, agent absenteeism is almost double that of other roles

Significant fluctuation across regions

What’s happening?

Absenteeism has reduced across all roles for two years running. Agent absence, in particular, has improved significantly and is down by 23.8% on 2015’s results. Rates for supervisors are down by 13.8% since 2014, and by 23.6% for support staff.

Despite the encouraging progress, agent absenteeism still remains almost double that of managers, as with attrition.

We notice that absenteeism levels peak in the smallest and largest operation sizes. Another interesting result is that absence levels are worse for in-house operations than outsourced centres, in contrast to attrition, but this is likely associated with benefit allowances.

Absenteeism: by role

Which means that ... absenteeism can significantly affect costs. Organisations need to understand it and manage it to an agreeable level. Similarly, it’s crucial that organisations accurately plan for the actual rates experienced and ensure that budget plans don’t differ from reality too greatly. Organisations should compare and plan absence forecasts at role, geographic, and sector level, taking cognisance of variances.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agent</td>
<td>13.8</td>
<td>13.0</td>
<td>9.9</td>
</tr>
<tr>
<td>Team Leader/Manager</td>
<td>5.8</td>
<td>5.4</td>
<td>5.0</td>
</tr>
<tr>
<td>Support staff</td>
<td>7.2</td>
<td>6.9</td>
<td>5.5</td>
</tr>
</tbody>
</table>

What level of absenteeism do you experience for the following roles?

n | 691

What you should do:

1. Evidence shows that root causes affecting attrition and absenteeism are intrinsically linked. Consider engagement levels, employee satisfaction, and whether there’s any link to job performance with those most affected by illness.

2. Building on the above, re-assess your training and what challenges your agents face in their daily duties. Are they empowered, or hampered by inadequate organisational service processes?

3. Ensure that you place adequate emphasis on disciplines that establish the reasons for absence through structured illness reporting and back-to-work processes. This will help identify at least some of the core issues that have been a challenge for contact centres in the past.
11% increase in **technology** budget provisions

**Resource costs** drop from 76% to 73% of full operating budget

12% rise in building infrastructure investments

What’s happening?

Employee salaries have always accounted for the bulk of contact centre operating costs. As we progress further into the digital age, there are signs that employee costs are taking a smaller portion of the operating budget. However, benchmarks at regional level should always be considered, too. For example, Australia and New Zealand spend the most on operational resources at 70.2%, which is generous compared with the 51.2% of Asia Pacific.

Evidence of the evolving digital impact is provided through the increase in the technology budget, both in percentage terms (up by 10.5%) and because it’s now the second highest cost allocation. Facility costs are also increasing, and have risen from 8.3% in 2013 to 10.1% in 2016.

As roles develop, skill sets need to adapt. Along with that, recruitment and training costs are increasing, with employers trying to secure the right calibre of agent who’s able to handle the increasing complexities involved in modern CX service management. In fact, the only budget line not to have increased is employee salary costs. Every other field has been allowed to grow in the last 12 months.

![Operating budget splits](image)

**What you should do:**

1. The operating model required to meet CX expectations from an increasingly demanding customer base is being re-shaped rapidly. Associated budget allocations need to be revised accordingly, too. What worked in the past will not work in future. Revisit these every year.

2. Organisations need to know what’s going on and where to focus attentions that may avoid inflated costs. Our research indicates a lack of cost-to-serve measurements and resource control systems across most channel paths. Budget controllers need to understand the effect on investment, if future funding is to be approved.

3. Customer bases are growing as we, as a society, become more dependent on products – the organisational commitment to the CX strategy therefore needs to be aligned with the growing cost of meeting those needs.
Technology solutions infographic
Questions and answers
Analysis
The rising complexity of customer support and its impact on customer contact
Connecting the customer journey now top focus
Enablement via some form of cloud solution no longer a discussion

Technology solutions

The top technology trend prioritised by contact centres is omnichannel (seamless movement between channels)

Top 4 technology challenges

<table>
<thead>
<tr>
<th>Challenge</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrating multiple technology systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legacy systems inhibit flexibility/progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stretch on resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securing budget/cost burdens</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Enterprise integration problems grow

Full integration of technology between contact centre and enterprise

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>47.4%</td>
</tr>
<tr>
<td>2016</td>
<td>43.2%</td>
</tr>
</tbody>
</table>

15.8% of contact centre technology remains completely separate

Integration of service channels

Omnichannel capability set to rise from 22.4% to 74.6% by 2018

Contact centres being left out of technology design

<table>
<thead>
<tr>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>47.2%</td>
</tr>
</tbody>
</table>

47.2% are only partially involved or have no say in solution design

Over half (55.5%) have minimal input on solution approvals

Still the biggest inhibitor to maximising system effectiveness

Technology systems falling short of business needs

2 in 5 say digital systems fail current needs

Less than 1 in 5 say digital channel systems will meet future needs

41.9% of analytic systems not meeting existing requirements

Proactive outbound capability on horizon for majority of IT teams

23.1% currently using proactive automation

25.2% planning to introduce it

Cloud gains popularity

On-premise IT solutions set to drop from 60.1% to 23.1%

Cloud solutions set to rise from 20.5% to 60.5%

Hybrid cloud solutions receiving the most attention

Existing users: Cloud making powerful impact

86.5% say it provides access to a single integrated customer contact platform

88.8% say it offers access to new functionality

83.8% say it has reduced costs

More than 2/3 also agree it provides better security
Tell us what’s surprised you?
The speed at which contact centres have embraced digital or at least the sudden realisation that it needs to be prioritised. Digital capability has quickly become the top focus and a critical dependency.

You’re saying service offerings are going digital – fast. How is that affecting contact centre technology in terms of managing multiple, new channels?
Many contact centres aren’t ready for digital and they’ll have to respond by adding to or replacing their environments. Our research shows that IT departments are being stretched to the limit.

The contact centre could become a problematic bottleneck for the business. The obvious danger is that the pressure may mean integration will get worse before it gets better as channel options continue to expand.

Vendors across the board are using this opportunity to broaden their offerings, each aspiring to hold the so-called silver bullet. Connected – that is, omnichannel – customer journeys will prove a differentiator, but only when solution design dominates. We know the technology exists but, without the design, it doesn’t always work. The planning of the ‘to be’ state needs to be at both a functional and strategic level, with the latter leading the former and, ideally, intrinsically linked to the technologies design.

Why does CX matter so much?
The new battleground is winning customers by delivering a great experience. Customers are dictating technology choice and want ease of resolution that’s seamless across the channels they use. Organisations need to manage technology-enabling strategies to respond and deliver on these CX needs at an ever-increasing pace.
What trends should be on our radar and which do we need to stay abreast of?

Mobility and digital is important, but it’s also a moving target. The speed at which these technologies is changing means a narrowing margin to either leap ahead or get left behind. Complement this by allowing agent access intervention at relevant and creative points in the journey, as a key to your success and differentiation.

Proactive outbound initiatives, enabled by the above, will offer massive opportunities.

Analytics will help IT focus resources and investment by identifying customer needs and prioritising problem management.

Cloud is going to provide opportunities to enable systems and features with greater speed. Virtual agent and knowledge systems are going to introduce greater levels of automation and further enhance CX as they become more accepted.

Integration should make it all come together, but this is often when things fall apart.

Integration of channels/IT seems an ongoing issue.

Why is that?

The challenge is that some of the existing channels are based on legacy technologies that aren’t keeping pace with the next generation. So this causes many problems and an inability to integrate. The interface between channels, the customer, the technology, and the content provided over a specific channel is at the centre of many variables.

Customer choice, different departments within the organisation, and different technologies further complicate the matter. Integration will always be a challenge and, as soon as a reasonable level of integration is achieved, it’s inevitable that a new channel will emerge on one technology which would mean that a new integration project will be required that may or may not include all the existing channels. Multiple platforms will increasingly become the norm, so it’s imperative that they’re designed to be connected.

A further complication is that, in many cases, an outside department or function instigates the emergence of a new channel. The contact centre is then frequently excluded from the discussion about design and solution requirements, particularly as the digital services spectrum broadens.

Analytics will help IT focus resources and investment by identifying customer needs and prioritising problem management.

How will cloud affect contact centre IT models?

In future, the models will have to allow for outsourcing and cloud service provider management. Hybrid management of IT is now unavoidable.

What does the future look like for contact centre technology – from a customer’s perspective?

The future should be much brighter. A new dawn awaits the consumer, as organisations get real on CX. The technology solutions are now the backbone and service-revolutionising technology is now available – the challenge is the ability for the organisation to see the big picture and execute at the speed required. Creating seamless transitions between channels, and between self-serve and assisted serve, is the ideal. But integration is not enough. The experiences should also be consistent, and that’s where a consulting-led approach to customer journey design can elevate your business to a different level.

What else is different this year?

The realisation and planning activity by organisations is providing clear evidence that cloud is now a must-have, at least in a hybrid form. It’s not a choice anymore.
What does the future look like for contact centre technology – from a business/contact centre’s perspective?

This has to be the most exiting time for contact centres. All areas of the business should be focused on the customer, and the contact centre has the potential to pull it all together. It needs to be at the core of the enterprise CX strategy.

Hybrid cloud solutions will allow organisations to evolve in the same way that new digital business models are emerging and allowing organisations to transform radically.

However, in order for organisations to meet their CX objectives, a much deeper level of integration will be required. Extending the operating philosophies perfected for telephone into both the back office as well as into specialist and expert digital groups will be required in order to meet the new dynamic of ‘zero time’ fulfillment and automation. Handling contacts, events, work items, messages, transactions, approvals, and policy items and decisions in such a way that the organisation meets CX criteria seamlessly and at pace will require an extended view of these processes, both internal and external to the contact centre.

What are three technology insights from the 2016 Report that we can’t afford to ignore/need to take action on?

1. Design your technology with CX at the core. Integrate your channel paths to deliver connected customer journeys by design, and aspire to personalise the experience based on your digital knowledge of the customer.

2. Use cloud as a means to move forward with speed, and implement systems that are crafted to accommodate growth and an omnichannel user experience.

3. Base new technology projects with specific business objectives in mind, and use analytics to quantify how they’ll facilitate CX capability.

The realisation and planning activity by organisations is providing clear evidence that cloud is now a must-have, at least in a hybrid form. It’s not a choice anymore.
**Omnichannel** the top priority technology solution

**Analytics becoming top business focus**, but rated 4th priority for tech teams

**Focus is on delivering more effective services**

### What’s happening?

Going digital has become a dominant trend. The digital revolution draws the majority of IT industry focus, albeit the focus on connecting customer journeys by design is now being prioritised. Omnichannel is now top of mind. Businesses task their contact centres to integrate technologies and create frictionless movement between customer contact channels, prior to migrating traffic via active marketing of the options.

The 2016 technology trends mirror the strategic focus of the organisation at large. This is progress, and represents much closer alignment than we’ve seen in our past research. There’s some variance in sequence across regions, even though the top six trends are a common theme.

The positioning of analytics as the fourth most important trend indicates the general appreciation of data-driven solutions and the importance technology will play as the primary enabler of future service propositions.

### Top technology trends

**Which means that...** technology has created a service revolution. Hybrid cloud solutions are helping combat legacy infrastructures and are transforming call centres into contact hubs, typically now providing an average of nine service channel options. Digital choice is strengthening the focus on integration, as analytics alerts organisations to customers’ use of newfound mobility to hop across several channels as they conclude their enquiries. Security is a common, albeit often secondary, concern. If not understood properly at the outset during the design, it will inevitably impact the available functionality and, with it, the success of the new digital channels.

<table>
<thead>
<tr>
<th>Ranking</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Omnichannel (frictionless movement between channels)</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Technology consolidation/integration</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Migration of traffic from voice to digital</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Analytics (incl. big data)</td>
<td>Not asked</td>
<td>4</td>
</tr>
<tr>
<td>High service availability/business continuity</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>System and data security</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Alternative technology models (hosted, cloud, pay-as-you-use, etc.)</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Proactive outbound</td>
<td>Not asked</td>
<td>8</td>
</tr>
<tr>
<td>Other</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Voice biometrics</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Video communications</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Sentiment/emotion technologies</td>
<td>Not asked</td>
<td>12</td>
</tr>
</tbody>
</table>

What are the top three technology trends as prioritised by your contact centre?

n | 983

### What you should do:

1. The consolidation and integration of technologies needs to span the entire enterprise and shouldn’t be limited to the contact centre. You’ll struggle to deliver a true omnichannel experience and achieve your CX aspirations without it.

2. Contact centres need to break from tradition, stimulate innovation, and introduce new leading edge customer-centric initiatives with great speed. Failure to connect the resulting technologies will simply create alternative channels to customers, with no visible improvements to the business model.

3. The organisation needs to have a clear vision for CX, and technology needs to have clear responsibilities and accountabilities to achieve that. Only then will the aligned efforts to design systems and processes, including those of the contact centre, deliver on the vision.
Integration the top inhibitor to improving technology systems

Legacy infrastructure challenges up by 23% and up from 5th to 2nd top issue

What’s happening?
The top challenges around integration of legacy systems remain. What’s different this year is the 37.8% of organisations that are suffering from a stretch on resources, that is, when they have too many competing priorities. Organisations now ask the technology team to support an average of nine or more technology channels. An inability to effectively fulfil and complete core project management disciplines impact over a fifth (21.2%).

Of all contact centres, 28.7% highlight that technology is suffering through a lack of common strategy, as organisations continue to create solutions in silos. This is a recipe for disaster and at complete odds with organisations’ top strategies.

The scale of the difficulties faced by technology teams as they try to meet the demands of the digital age is that 27.7% say they don’t have the required technologies, and another 27.0% admit they can’t keep up with requirements.

Challenges of technology systems

Which means that ... contact centre environments have become increasingly technology dependent. The integration and spread of offerings will only get more complex as even the most basic of technology solutions will need to be connected to the omnichannel solution set. If you always do what you’ve always done, you’ll always get what you’ve always got.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrating multiple technology systems</td>
<td>61.0</td>
</tr>
<tr>
<td>Legacy systems inhibit flexibility/progress (but can’t be replaced)</td>
<td>46.9</td>
</tr>
<tr>
<td>Stretch on resources (too many competing priorities)</td>
<td>37.8</td>
</tr>
<tr>
<td>Securing budget/cost burdens</td>
<td>37.6</td>
</tr>
<tr>
<td>No common strategy (solutions created in silos)</td>
<td>28.7</td>
</tr>
<tr>
<td>Lack of required technologies</td>
<td>27.7</td>
</tr>
<tr>
<td>Speed of change – technology can’t keep up with requirements</td>
<td>27.0</td>
</tr>
<tr>
<td>Management of multiple projects/completion of implementations (lesson learned, post安装 reviews)</td>
<td>21.2</td>
</tr>
<tr>
<td>Maintaining big data view across organisation</td>
<td>15.0</td>
</tr>
<tr>
<td>Inability to define positive business case/evidence ROI</td>
<td>14.0</td>
</tr>
<tr>
<td>Other</td>
<td>7.4</td>
</tr>
</tbody>
</table>

What are the most common challenges faced as a result of your contact centre technology systems?
n | 982

What you should do:

1. Approach technology projects in a way that aligns with business priorities.
2. Consolidate technology within the contact centre by focusing on customer journeys across all channels. As an example, a single knowledge management system across all channels is better than trying to maintain different systems for each channel.
3. Open your mind to alternative options. Exploration of hybrid technology models is a critical path that must be followed. It will ultimately determine the success or failure of the contact centre. This approach can also help address skills shortages and budget constraints.
Full integration of technology across the organisation is reducing 16% of contact centre technology remains entirely separate

What’s happening?

The research is indicating a regression in contact centre technology that’s fully integrated with the enterprise architecture. However, the challenge is somewhat eased by an increase in the number of partial integrations. It’s getting harder, but a change in attitude to infrastructure models will make it easier.

A deeper review of the data shows that there’s a direct correlation between the size of the contact centre and the technology fully incorporated into the organisation’s enterprise architecture, with the largest operations most likely to have consolidated contact centre technology with the enterprise solution.

The number of contact centres highlighting a completely separate architecture for their contact centre operations has remained relatively unchanged.

Organisational integration of technology architecture

Which means that ... we’re witnessing a further indication of organisations’ inability to keep up with the speed of change. This is at a time when the services supported by the contact centre are spreading more deeply into the wider enterprise. So, the importance of common approaches counters the contact centre’s desire to remain in full control of the design of the systems it uses.

Is your contact centre technology part of your organisation’s enterprise architecture?

What you should do:

1. The contact centre architecture should be integrated with the enterprise architecture in order to achieve an integrated CX across all channels.

2. Make sure that cloud services for the contact centre align with the enterprise cloud architecture. This will ensure connectivity, security, regulatory compliance, and related requirements are handled holistically, reducing cost, risk, and complexity.

3. Use digital transformation projects to prioritise and eliminate existing silos within the enterprise. Understand that the contact centre is integral to digital and CX strategies.
47% are only partially involved or have no say in the design of technology

More than 1/2 have no input in the approval process

Still the biggest inhibitor to maximising systems’ effectiveness

What’s happening?

The diminishing independence of contact centres across each stage of the technology decision-making process highlights how much has changed from five years ago. While the majority of contact centres (52.8%) have autonomous/full involvement in the design of their technologies, 32.6% have only partial involvement, and 14.6% have no input whatsoever. At best, this appears to be a glaring breakdown in due diligence.

Just 10.9% of contact centres retain full ownership of the approval process for their new technology, with another 33.6% fully involved. That leaves over half (55.5%) with none, or only partial involvement, in approvals affecting their future destiny or capability.

Providing less consequences than the design and approvals stages, 59.0% have little say in the sourcing of new technology solutions, of which over a fifth (22.2%) are not involved at all, accepting they don’t necessarily need to be.

Contact centre involvement in IT sourcing and design decisions

Which means that … there are many benefits to allowing cross-functional inputs into the solution design and approval stage. But the danger is also that some contact centres may be losing their autonomy – perhaps even their voice – in the sourcing and design of the very specific and intricate systems used to serve their needs.

What you should do:

1. The contact centre must take ownership of its own ability to influence CX-related technology, if it’s to deliver on the enterprise CX strategy and aspirations. If it doesn’t yet have a seat at the table on key aspects of relevant decision-making process, then its input and opinion should be sought.

2. Clearly define the role that the contact centre plays within each aspect of the customer journey, and communicate that to all stakeholders – help them understand what you need and how they can help.

3. The contact centre should also consider identifying areas where a fast, flexible transition to cloud services can overcome the limitations of existing platforms, or identify obstacles preventing the introduction of enhanced features and requirements.

### Contact centre involvement in IT sourcing and design decisions

<table>
<thead>
<tr>
<th>Activity</th>
<th>Independently responsible</th>
<th>Fully involved</th>
<th>Partially involved</th>
<th>Not involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design stage</td>
<td>15.5</td>
<td>37.3</td>
<td>32.6</td>
<td>14.6</td>
</tr>
<tr>
<td>Approvals stage</td>
<td>10.9</td>
<td>33.6</td>
<td>32.9</td>
<td>22.6</td>
</tr>
<tr>
<td>Sourcing stage</td>
<td>10.1</td>
<td>30.9</td>
<td>36.8</td>
<td>22.2</td>
</tr>
</tbody>
</table>

How involved is the contact centre across each stage of the technology decision-making process?

n | 982
27% operate multiple platforms with connection between channels; forecast to grow to **42% within a year**

**Nearly 1/4 are planning a single connected platform in the next 12 months**

**What’s happening?**

Of all contact centres, 58.6% have multiple platforms today, while 41.4% operate a single-platform architecture. Regardless of the preferred approach, the level of connection today amounts to 45.0%. In one year, the combined capability over single- or multiple-channel platforms will rise to 66.5%.

The largest growth area will be on the integration of multiple channels, forecast to rise from 26.5% to 42.2%. In contrast, the main area of change is organisations operating multiple platforms without connection between channels, which is forecast to drop by over half from 32.1% today to just 14.2% by the end of the year.

The speed at which digital channels are developing means that contact centres will frequently rely upon multiple platforms in order to access new channel functions in tandem with existing business systems.

**Technology platform architecture**

*Which means that* ... with so much choice, a multiple-platform approach is becoming more common, and is increasingly likely to become a future-state norm. Organisations clearly view multiple platforms and the ability to connect channels as an enabler to introducing new solutions faster. For those leaning towards single platforms, the focus is more on the extent to which the vendor is able to introduce new channels that are integrated. The question is: Can they match the market-leading innovation by emerging niche-solution specialists?

**What you should do:**

1. Ensure that integration projects within the contact centre are accountable to, and deliver against, the overall business and CX strategy.

2. Make use of customer journey mapping to identify process hot spots indicating where channels need improved integration. The guidance is: provided that a solid business strategy is in place to exploit and leverage new channels to the advantage of the business, new channels, even if not initially integrated, can still make a massive impact, particularly if they are connectable to a single integrated contact management platform.

3. Use to your advantage the channels that customers adopt, but resist the temptation to introduce every new channel as it emerges. Evaluate the cost benefits of each channel together with the likelihood of adoption by customers.

**Which of the following statements best describes your technology infrastructure for managing multiple channels?**

<table>
<thead>
<tr>
<th>Platform Configuration</th>
<th>Now</th>
<th>Within 1 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple platforms – with no connection between channels</td>
<td>32.1</td>
<td>14.2</td>
</tr>
<tr>
<td>Multiple platforms – with connection between channels</td>
<td>26.5</td>
<td>42.2</td>
</tr>
<tr>
<td>Single platform – covering some, but not all channels</td>
<td>22.9</td>
<td>19.3</td>
</tr>
<tr>
<td>Single platform – covering all channels</td>
<td>18.5</td>
<td>24.3</td>
</tr>
</tbody>
</table>

n | 982
Just 35% of business analysis systems are integrated across the company

77% of core financial systems not integrated with contact centre technology

Integration of core business systems

Which means that ... organisations are clearly struggling to maintain an equilibrium of capability, despite positioning the integration of channels and cross-enterprise technologies as their number one technology objective to improve contact centre performance. Taking no action may cause this to worsen for some organisations, before it would get better. The service revolution may result in some businesses running out of time to get this right, as they react too late. In some instances, they may even face complete failure.

What’s happening?

These results provide a worrying sign of the strain placed on technology systems. While integration is the top strategic focus for organisations, most core business systems are now less unified with the contact centre systems than before.

Customer relationship management (CRM)/customer information system integration has dropped by 9.2% against last year’s results. Analytics systems are down 12.2%. Service query/problem data updates are down from 49.1% to 31.6%, representing a drop of more than a third (35.6%). Pricing/financial data integration is down 37.3%.

The one bright light is web/social media, where we’re seeing a 10.6% rise from 2015 results.

What you should do:

1. The role of the contact centre agent will change quite significantly as digital transformation progresses across the organisation. Contact centres need to be very clear on what data information systems will be needed in order to support their delivery of an end-to-end CX strategy.

2. Ensure agents have at least as much, or more, information than customers have access to when they access self-service systems.

3. Audit your core business system functionality, with the entire customer journey in mind. Then prioritise opportunities to exploit systems better, and identify processes that need enhanced integration to the contact centre.
2 in 5 say digital systems fail current needs
78% fear systems won’t meet future requirements
Less than 1/2 of overall systems meet current demands

What’s happening?

Considering all systems, an average of 27.8% of contact centres say that their existing technology infrastructure doesn’t meet current needs.

In terms of future needs, the situation remains very concerning, as results show almost no improvement from a year ago. A range of 68.7% (telephony systems – agent-led interactions) to 83.2% (knowledge management systems) of contact centres say that their IT won’t meet their future needs. This amounts to an average of 77.7% fearing their systems won’t serve their evolving business requirements.

Notable risks include analytics systems being least ready, in contrast to analytics voted as the factor that will do most to change the industry within the next five years.

Technology meeting current or future needs

Which means that ... there’s a real danger for some organisations that the capability gaps become unmanageable. Eventually too much ground may be lost as some competitors surge ahead and source solutions that deliver against their stated strategy. The current predicament is unsustainable, and can’t be left as is.

How well do the following infrastructure items meet your current and future needs?

<table>
<thead>
<tr>
<th>Infrastructure Items</th>
<th>Meets current and future needs</th>
<th>Meets current needs</th>
<th>Doesn’t meet current needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephony systems – agent led interactions</td>
<td>31.3</td>
<td>54.3</td>
<td>14.4</td>
</tr>
<tr>
<td>Telephony systems – automated (e.g. IVR)</td>
<td>29.8</td>
<td>50.5</td>
<td>19.7</td>
</tr>
<tr>
<td>Security systems (e.g. fraud prevention, etc.)</td>
<td>24.2</td>
<td>58.3</td>
<td>17.6</td>
</tr>
<tr>
<td>Interaction optimisation systems (WFM/recording systems, etc.)</td>
<td>22.0</td>
<td>50.0</td>
<td>28.0</td>
</tr>
<tr>
<td>Digital channel systems</td>
<td>18.7</td>
<td>41.4</td>
<td>39.9</td>
</tr>
<tr>
<td>Business support systems (HR/Finance management, etc.)</td>
<td>18.2</td>
<td>59.5</td>
<td>22.3</td>
</tr>
<tr>
<td>Analytics systems</td>
<td>17.3</td>
<td>40.8</td>
<td>41.9</td>
</tr>
<tr>
<td>Knowledge management systems</td>
<td>16.8</td>
<td>44.4</td>
<td>38.8</td>
</tr>
</tbody>
</table>

What you should do:

1. Start by identifying the specific gaps against known needs of each technology area. Contact centres need to take ownership of the requirement to bridge the divide between the business and technology.

2. Ensure that CX deliverables are quantified and included in the planning of future contact centre technology projects.

3. Certain contact centre technologies remain core in that they contribute to a foundation and have an indispensable function. For optional technologies, an increasingly thorough consideration of the benefits they’ll have is crucial. For example, some may perceive analytics as a somewhat lower priority, yet it can and will provide a basis to determine the priority of activities required within the contact centre going forward.
Over 1/2 run knowledge management and/or CRM applications

Outsourcers typically have access to more CX enablement systems than in-house peers

What’s happening?

Almost all of the systems listed could make a claim to the value they have in contact centre operations. The fact that only three of them are in common use by the majority of contact centres is odd.

A review of previous benchmarking results as far back as 2012 suggests that this has been a lingering opportunity for contact centres. Low as these numbers still are, 2016 shows positive, if slight, progress.

However, the research still shows that 56.8% are working without WFO systems. Just 26.2% are using analytics to improve the CX of the contact centre and only 53.2% have adopted knowledge management portals.

Systems used to enable CX

Which means that … there may be budgetary challenges contributing to the technology gaps in evidence. However, with new pay-as-you-go procurement models and hybrid cloud emerging as a favoured path, there can be few arguments to trialling some of these solutions at very little, if any, cost. It may just enhance your CX offering, aid employee engagement, and even reduce costs.

<table>
<thead>
<tr>
<th>Systems used to enable CX</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance management (incl. quality/coaching systems)</td>
<td>58.2%</td>
</tr>
<tr>
<td>Knowledge management portal</td>
<td>53.2%</td>
</tr>
<tr>
<td>CRM application (incl. business and support applications)</td>
<td>52.2%</td>
</tr>
<tr>
<td>WFO</td>
<td>43.2%</td>
</tr>
<tr>
<td>Contact/ticket reference number management system</td>
<td>40.3%</td>
</tr>
<tr>
<td>Computer telephony integration (CTI)</td>
<td>39.4%</td>
</tr>
<tr>
<td>Customer analytics</td>
<td>26.2%</td>
</tr>
<tr>
<td>Decision support/case-based reasoning</td>
<td>21.4%</td>
</tr>
<tr>
<td>Scripting software</td>
<td>21.1%</td>
</tr>
<tr>
<td>Other</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

What systems do you use to enable the CX within your contact centre?

<table>
<thead>
<tr>
<th>Systems used to enable CX</th>
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<td>21.1%</td>
</tr>
<tr>
<td>Other</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

What you should do:

1. Performance-enabling systems should be deployed across all relevant contact management channels. The derived value should be quantified in alignment with how they affect the desired customer outcomes. These systems can help you measure operational performance, as well as provide data that can be used to prioritise integration projects.

2. Make use of cloud services to introduce additional levels of measurement and functionality rapidly, thereby enhancing current operational effectiveness. The use of outsourcing services for some or all functions should also be considered.

3. The tools, systems, and processes utilised within the overall CX platform need to be accessible and leveraged within the contact centre. This means integration into enterprise systems will be inevitable and a critical requirement.
31% already use automated push technologies; another 27% plan to introduce it
58% planning or using web-based interaction systems

What’s happening?

Manual dialling is still the most common method to handle outbound interactions. However, the results of planned action indicate a surge in automated technologies that help enable increased activity, particularly in the digital space.

Over two-thirds (68.6%) of contact centres either have (45.0%) or are planning (23.6%) to implement an automated dialler (for example, power, predictive, speed, and so forth). As one would expect, the deployment ratios of automated solutions when viewed at outbound-to-inbound-primed operations is almost two to one.

Other notable highlights include that nearly a third (30.7%) currently use some form of pushed alert mechanism. In the near future, almost half (48.3%) will benefit from proactive outbound systems.

Outbound business systems: current and planned

Which means that ... as proactive customer management increasingly leverages quiet times to initiate outbound contact propensity can be positively influenced and operators can drive a better CX. The adoption of automated solutions for outbound interactions is surging as expanding channel paths improve, creating less resisted routes to market that can benefit organisations and consumers alike.

What systems do you use for outbound interactions?

What you should do:

1. The value of proactively contacting customers to inform them on status updates on processes that involve them, is underestimated in the industry. It not only adds significantly to CX levels but, in most cases, it also reduces calls to the contact centre. We strongly recommend all contact centres have a strategy for proactive customer messaging and contact.

2. Introducing proactive outbound calling is integral to an enterprise-wide CX strategy. If it’s not, the risk is great of calling a customer at the wrong time when they’ve already been contacted from outside of the contact centre.

3. As a starting point, implement basic proactive contact functions that support specific CX objectives. Identify quick wins and, if needed, execute them without integration of the technology, but not in isolation of a CX execution plan.
61% plan to locate their technology in the cloud

30% leaning towards hybrid cloud; 23% to private cloud; and 8% to a shared/public cloud

In future, just 23% to own and retain technology on-premise

What’s happening?

Wholly-owned models (located on/off-site) currently accounts for 79.5% of existing technology infrastructure. That’s set to fall to 39.5%, which comprises a split: 23.1% remaining on-site and 16.4% located offsite in a leased data centre.

More than one in five (20.5%) contact centres are already managed in the cloud, either fully (13.2%), or via a hybrid model (7.3%) that connects new cloud solutions to existing or, in some cases, legacy infrastructures.

Looking ahead, we can expect the owned-versus-cloud model numbers to change places, as those owning and retaining technology on-premise will reduce from three in five (60.1%) to just over one in five (23.1%). At the same time, cloud solutions will rise from 20.5% to 60.5%.

The hybrid mix of cloud connected to premise-based technology is set to receive the most attention for 29.9% of future strategies, followed closely by private infrastructures (23.0%) and those who prefer to continue with wholly-owned in-house models (23.1%).

Technology location

Which means that … our 2016 results highlight a progressive change in attitudes towards technology location and/or ownership solutions. Cloud has already gained significant traction and research elsewhere in this Report indicates proven ROI. The forecast of significant shifts in non-traditional technology models is inevitable. The opportunities provided by these new procurement models should be ignored at the contact centre’s peril.

What you should do:

1. Consider cloud as a way to eliminate the obstacles due to ageing systems, lack of integration, inability to support new channels, and the requirement to bridge the traditional and digital transformation initiatives.

2. Use cloud to trial specific functions, evaluate their usefulness, and then adapt if required, without risking losing on the cost of an outright purchase. Proof-of-concept projects are possible and allow the organisation to adapt and learn in the process. Then craft the required services together with the cloud provider.

3. Use only reliable proven cloud providers. Make sure that you clearly define and communicate to the cloud provider your security, compliance, and contingency requirements before going into production.
**Full ownership of technology set to drop by 1/2 – down from 65% to 33%**

**Another 1/3 plan to adopt a hybrid solution, representing a trebling against current levels**

**Over 1/4 are intent on adopting some form of as-a-service model**

**What’s happening?**

Looking beyond physical location and more closely at the dominant commercial models for contact centre technology, a transformational approach towards more flexible and alternative procurement solutions is evident.

Hybrid models involving a split that incorporates consumption-based (for example, as-a-service), rented, or fully owned solutions will soon account for approximately a third (32.6%) of commercial structures.

Another third (33.2%) will remain fully owned, even though that represents a drop by half (from 65.2%) when compared against current setups. If nothing else, it proves that a blended model is becoming the go-to enabler for the vast majority of the industry.

Traditional rented/leased fixed-fee models look set to be replaced with more flexible consumption, pay-per-use schemes. The latter is set to increase from the current 9.7% overall, to 25%.

**Commercial models**

Which means that ... traditionalists preferring to maintain a fully owned technology set are increasingly the minority. No one solution will fit all, and owned models will absolutely remain a good fix in some situations. But the flexibility and financial creativity provided by new alternative models are becoming a compelling pathway for many.

*What best describes the dominant commercial model for your contact centre technology?*

<table>
<thead>
<tr>
<th>n</th>
<th>981</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully owned</td>
<td>65.2</td>
</tr>
<tr>
<td>Rented/leased – fixed monthly fee, over a pre-agreed term</td>
<td>14.0</td>
</tr>
<tr>
<td>Hybrid – balanced split of one or more of the above</td>
<td>11.1</td>
</tr>
<tr>
<td>As a service – consumption-based, with a minimum commitment/service fee</td>
<td>13.2</td>
</tr>
<tr>
<td>As a service – consumption-based, only pay for what you use</td>
<td>11.8</td>
</tr>
</tbody>
</table>

**What you should do:**

1. Make use of cloud proof-of-concept projects to embark on initiatives where the budget to do so isn’t available.

2. Restructure the contact centre operational environment when introducing a cloud service. Resource the team and focus more on meeting business requirements than on providing the necessary platforms.

3. Fund cloud projects with business-driven initiatives and ensure alignment between what’s needed and the integration into core and legacy systems.
49% plan a hybrid support model for their technology systems

Indications are that outsourced models to grow by 41%

Dependency on in-house support to drop to 38%

What’s happening?

Two-thirds (67.8%) of today’s technology helpdesks are managed by in-house IT teams. Almost a quarter (22.6%) form a blend of some in-house and some outsourced IT support. Another 9.6% are fully outsourced. Notably, most multichannel technology systems (except phone) are managed outside of the contact centre.

In tandem with contact centres progressively leaning towards hybrid technology models, there’s a similar shift in plans for supporting helpdesks. Those expecting to combine in-house teams with specialist support via outsourcing are expected to increase by more than double (from 22.6% to 48.8%), according to planned activity.

There’s some variance across sectors in terms of preferred approaches, even though the foundations of the approaches still apply globally, now and into the future.

IT support

Which means that ... ultimately, contact centre technology support needs to minimise the impact of technology issues on the customer and have the flexibility to change rapidly and safely to respond to developing needs. Support teams need to be equipped with the tools they require. As noted in page 124 (Challenges of technology systems), the expanding scope of responsibility will stretch IT support resources, and matters are being compounded further by the introduction of new technologies that often require additional skill-sets. Combining some service contracts with consumption-based procurement may provide an easy fix.

What you should do:

1. Revisit IT support as more functions and systems move to the cloud. Supplier management roles will be a necessity to ensure benefits are maximised.

2. Make sure that internal IT support and outsourced IT support are effectively interlocked, with an emphasis on business continuity as it relates to CX.

3. Restructure support processes and teams, so that the most effective use of cloud services results in the reduction of unnecessary resources and costs. But make sure they’re able to effectively manage the cloud provider’s performance.
The rising complexity of customer support and its impact on customer contact

By Nancy Jamison, Principal Analyst, Digital Transformation, Frost & Sullivan http://ww2.frost.com

The latest benchmarking findings show that an ever-increasing number of companies (now 82.5%) recognise CX as a key differentiator, and we couldn’t agree more. Our customer research at Frost & Sullivan mirrors that sentiment, but it’s more than answering the phone. Today’s consumer contacts businesses through an array of channels, often hopping between them and using more than one at a time. More than likely, they’ll also try to help themselves first, before calling into a contact centre.

This new breed of consumer researches goods and services online and with their friends, family, and peer groups on social media before they buy, and attempts to troubleshoot before asking for help. If keeping up with this mercurial customer wasn’t hard enough, they consume a progressively more complex array of products and services, making customer support an ever more complex beast to tame. This adoption of complexity also isn’t the sole provenance of younger consumers, as all ages research and adopt new technologies when they replace old ones. The rapid adoption of increasingly feature-rich smartphones provides just one such example.

What does this mean for customer contact? It means that the agent is increasingly the second or third stop on a customer journey and that the customer is often ahead of the agent when they get there, and less patient to have their concerns addressed quickly. That’s why it’s ever more important to arm agents with the right tools to smooth the customer journey.

On the top of the list for 2016 and beyond is executing on omnichannel strategies to eliminate data silos and carry context and history with the customer, in essence, creating a digital halo of interaction. Just as important is providing the right balance of live and self-service assistance and arming agents with the right tools, should the customer choose live help. For example, support interaction optimisation (SIO), as Frost & Sullivan defines it, provides the right blend of tools to assist agents with increasingly complex technical and remote support. It encompasses advanced tools for self-service, as well as those that effectively guide agents through complex interactions.

The SIO concept pulls together customer web self-service, which allows customers higher levels of customer self-service through search capabilities, knowledge databases, virtual assistant capabilities, and mobile apps. That is, in addition to social support through communities, where customers can help each other get answers and troubleshoot. It includes remote support, so that customer support technicians can remotely access and control a customer’s product to do remote diagnostics; application upgrades; or web, mobile, or video chat and collaboration. It also offers guided resolution, which assists agents with WFM, real-time decision-making, and collaboration with customers, along with next-best-offer capabilities.

Finally, tying it all together is performance management of agents and, of course, analytics of outcomes. As customer support gains in complexity, developing and adopting such tools that can distill complexity down to simplicity, will be the key to businesses’ agility and differentiation from the competition.
**Impact of hosted/cloud technologies on the business**

What's happening?

In keeping with findings from last year's Report, existing users of hosted/cloud technologies are reporting a powerful impact on their businesses.

Users expressing an opinion say they’ve been able to gain access to new functionality in 88.8% of cases. Of all respondents, 83.8% agree they’ve reduced costs, much of which will be associated with the 80.2% saying they’re now able to pay for only what they use.

As many as 86.5% confirm that cloud/hosting offers improved flexibility, while 84.2% report that it increases agility and speed-to-market. Of all respondents, 67.1% and 72.3% agree that cloud/hosted solutions has actually mitigated their risk from a security and compliance perspective.

Perhaps of most significance is the 86.5% stating that cloud/hosted solution sets provide them with access to a single integrated customer contact platform.

Impact of hosted/cloud technologies on the business

Which means that … the foundation of contact centre technology is increasingly software-based. It needs to be agile. It needs to expand or shrink. The focus has to be on the customer journey and end-user experience, and not the infrastructure it runs on. All evidence from existing users points towards hosted/cloud technologies as providing access to emerging functionality, the speed to market, flexibility, and cost modeling that’s more in line to the organisation than a vendor’s rollout schedule for service upgrades that may or may not include what you need. It will increasingly become a standard consideration – if not, more often the norm.

What you should do:

1. Consider replacing legacy infrastructure with cloud services in the contact centre to evaluate and fast track transformation projects. Especially where complex and legacy systems have the potential to delay these projects.

2. Ensure cloud considerations take into account the existing environment, especially the overall integration of systems. Integration is often underestimated and the introduction of a cloud service can introduce more complexity.

3. Consider adding cloud services to an existing contact centre environment where the current investment needs to be leveraged while introducing enhanced functionality. This can be a very effective way of transitioning from legacy to next-generation over time.
Sample specifications

Sample specifications infographic
Research methodology
Data collection
Participant benefits
Privacy and data security
Reference the benchmarking results
Depth of sample from highest participation in 19 years allows us to filter data at 7 different levels.

**Regional representation**

- **Americas**: 17.5%
- **Asia-Pacific**: 14.0%
- **Australia and New Zealand**: 15.4%
- **Europe**: 22.3%
- **Middle East & Africa**: 17.1%
- **UK**: 13.7%

**Sample specifications**

- **1,320 participants**
- **14 industries**
- **81 countries**

**Representation by industry**

- **16.3%** Financial services - banking/investment
- **10.8%** Service providers and communications
- **10.5%** Financial services – insurance
- **9.0%** Government (public sector)
- **8.3%** Business and professional services
- **8.0%** Technology
- **37.1%** Other (8 additional sectors)

**Sample specifications**

- **Service type**
  - **66.3%** B2C
  - **19.5%** B2B
  - **8.2%** Sales
  - **6.1%** IT helpdesk

- **Interaction type**
  - **Inbound**: 54.0%
  - **Outbound**: 3.0%
  - Split of inbound and outbound: 43.0%

- **Number of employees**

- **Contact centre type**
  - **85.4%** In-house
  - **14.6%** Outsourced

- **Number of contact/CX centres**
  - **Multiple contact centres**: 64.6%
  - **Single-site centre**: 35.4%
about the author – Richard Holmes

Global Benchmarking Manager, CX and Collaboration (Global)

Richard has been key part of Dimension Data’s Global Contact Centre Benchmarking team, helping drive its development for more than five years. He has over 15 years’ consulting and operational experience in the CX and contact centre industry. Richard is driven by a desire to support contact centre colleagues on achieving best practice performance, as well as researching emerging trends to improve CX results for our great clients.

Sample specification

Research methodology

The findings of the 2016 Report are based on responses from 1,320 participants from 81 countries across Europe, Asia Pacific, Australia, Middle East & Africa, and the Americas, and covers 14 industry sectors.

We attempt to go further than other reports of this kind by not focusing on observational analysis only. We provide specific guidance on solution paths, via impact assessments and recommended actions, to help you achieve best practice standards across all aspects of multichannel contact management.

The Report comprises six core chapters. We analyse over 700 data points across more than 82 charts.

We review the benchmarking questionnaire annually, and refresh survey topics, questions, and response options to balance historical reference points with the latest focus areas and emerging trends.

Data collection

We routed survey navigation intelligently for our participants, based on their responses and the services they offer. We provide respondent sample numbers for each question.

Results are validated in accordance with standard market research rules. We employ a robust data integrity check process that includes validations of survey response content, separate outlier assessments of each data point, and result authenticity, before submission towards a final dataset.

Participant benefits

Each participant completing our annual benchmarking questionnaire receives:

- a free electronic copy of the latest Global Contact Centre Benchmarking Report, valued at USD 1,500
- access to our online Benchmark Comparison Portal
- access to year-round benchmarking outputs in different formats (vertical reports, single-chapter, and single-question analysis summaries)

Register now at:
www.dimensiondata.com/benchmarking
Privacy and data security

Your privacy

We_stringently_protect_all_data_and_ensure_the_privacy_of_all_participants’_information. We only publish the company names of participants who provide us with express permission to do so.

Our full privacy policy can be accessed via our Benchmarking Report website: www.dimensiondata.com/benchmarking

Data security

The security of participants’ data is extremely important to us. To ensure confidentiality and security, the data is hosted in secure data centres. Data is used only for the purposes of research and is accessible only by the benchmarking research team, in line with our privacy policy.

Our Content

The Report is designed to provide context and easy-reference access to the information sets:

- Each chapter begins with a summary overview infographic.
- These are followed by a Q&A style introduction with expert insights to the findings.
- Feature articles on trending topics enrich the content.
- Detailed analytical findings follow each chart and table, with recommendations on how to implement best practices.

Typically presented as global statistics, all of the data in the 2016 Benchmarking Report can also be accessed interactively on our online Benchmark Comparison Portal for a more customised view. The Portal enables multidimensional filtering of the data, for example, by region, sector, and size, or by a single filter at a time.

Reference the benchmarking results

Copyright

We want our benchmarking content to be accessible and easy to reference.

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The 2016 benchmarking questionnaire comprised 82 questions that considered all aspects of multichannel CX contact management. Data was collected from September to November 2015.
list of tables and figures

executive summary
CX transformation: much more than a contact centre 10
2016 results at a glance… 12

CX Strategy and innovation
Service a competitive differentiator 26
Virtualising multiple-site operations 27
Services supported by contact centre 28
Omnichannel integration 30
Dedicated versus cross-skilled agents 31
Most important strategic performance measures 32
Industry trends affecting contact centre 33
Improved CX: benefits 34
Evolution of contact centre in next two years 35
Evolution of operating model in next two years 36
Strategic considerations for location strategy 38
Innovation and emerging trends 39

Analytics
Business information tools available 45
Data types collected 46
Impact of analytics 47
Personalisation: how customers are identified/segmented 49
Personalisation of service offerings 50
Tracking customer journeys 51
Business intelligence and process improvement 52
Number of software systems 53
Identify and verify customers 54
Measuring revenues/conversion rates across channels 55
Measuring cost and time per interaction, per channel 56

Digital channels
Reasons for offering self-/assisted-services 64
Challenges in establishing self-/assisted-services 65
Information passed to agent following self-service dropout 66
Frequency of service process review 67
Contact by channel: Actual split versus desired split 68
Popularity of channel type by age group 69
Web chat deployment 70
Social media approach 71
Challenges to offering sales and service via social media 72
Smart app functionality 74
Preferred channels for initiating contact 75
IVR call statistics 76

Contact centre operations
Factors impacting customer satisfaction 83
Customer satisfaction performance levels 84
NPS® performance levels 85
Measurement of quality 88
Benefits of quality assurance 89
Operational performance indicators 90
Agent performance indicators 91
First contact resolution statistics 92
Identifying sales opportunities 93
Outbound sales measurements 94
Outbound sales measurements 95
Response times by digital assisted-service channel 96
Agent productivity levels 97

Workforce optimisation
Management ratios 103
Employment contract types 104
Training and vacation time 105
Induction training and time to full competency 106
Most effective training methods 107
Competency frameworks for contact centre roles 108
Initiatives to improve employee engagement 109
Agent empowerment (financial decisions) 111
Workforce optimisation systems (current and planned) 112
Workforce management effectiveness (targets and measurements) 114
Attrition: by role 115
Absenteeism: by role 116
Operating budget splits 117

Technology solutions
Top technology trends 123
Challenges of technology systems 124
Organisational integration of technology architecture 125
Contact centre involvement in IT sourcing and design decisions 126
Technology platform architecture 127
Integration of core business systems 128
Technology meeting current or future needs 129
Systems used to enable CX 130
Outbound business systems: current and planned 131
Technology location 132
Commercial models 133
IT support 134
Impact of hosted/cloud technologies on the business 136
industry associations and partners

Dimension Data thanks the following industry associations and groups that support our research, and broaden the Report’s reach by sharing it with their membership communities. To benefit from their great services, please contact your local association by visiting their websites below.

### Americas
- **Contact Center Network Group (CCNG) Magnet**  
  https://ccng.com/magnet-program
- **Customer Care Institute (CCI)**  
  https://www.customercare.com
- **Society of Workforce Planning Professionals (SWPP)**  
  http://www.swpp.org
- **Southern Cone CRM & Contact Centre Annual Convention Congreso Regional de CRM & Contact Centers**  
  http://www.cccrm.com.ar

### Australia
- **Association for Data-driven Marketing and Advertising (ADMA)**  
  http://www.adma.com.au
- **AusContact Association**  
  http://www.auscontact.com.au

### Europe
- **Contactcentres.be**  
  http://www.contactcentres.be
- **European Confederation of Contact Centre Organisations (ECCCO)**  
  http://www.eccco.org
- **Klatenservice Federatie (KSF)**  
  http://www.klantenservicefederatie.nl
- **The Forum**  
  - Professional Planning Forum
  - Quality & Customer Experience Forum
  - Data, Analytics and Insight Forum
  - Customer Strategy & Leadership Forum  
  http://theforum.social
- **Swiss Contact Centre Association (CALLNET.CH™)**  
  http://callnet.ch

### Middle East & Africa
- **BPeSA**  
  http://www.bpesa.org.za
- **BPeSA Western Cape**  
  http://www.bpesawesterncape.co.za
- **Contact Centre Management Group (CCMG)**  
  www.ccmg.org.za

### UK
- **Call Centre Management Association (CCMA)**  
  http://www.ccma.org.uk
- **CallNorthWest**  
  www.callnorthwest.org.uk
- **Contact Centres**  
  http://contact-centres.com
- **Engage Customer**  
  http://engagecustomer.com
- **UK Contact Centre Forum**  
  - South East Contact Centre Forum (SECCF)
  - London Contact Centre Forum (LCCF)
  - Midlands Contact Centre Forum (MCCF)
  - Yorkshire Contact Centre Forum (YCCF)  
  http://uk-ccf.co.uk/
- **The Welsh Contact Centre Forum**  
  http://www.welshcontactcentreforum.co.uk

### Asia-Pacific
- **Call Center Planet**  
  http://benprise.ning.com
- **Contact Centre Association of Singapore (CCAS)**  
  http://www.ccas.org.sg
- **Contact Centre Institute of New Zealand (CCINZ)**  
  http://www.ccinz.org.nz
- **Customer Relationship Management and Contact Centre Association of Malaysia (CCAM)**  
  http://www.ccmam.com.my
- **Indonesia Contact Center Association (ICCA)**  
  http://icca.co.id
- **NASSCOM**  
  http://www.nasscom.in
- **Thai General Insurance Association**  
  https://www.tgia.org
- **Thailand Call Centre**  
  http://www.callcenterthailand.net/home/index.php

**Insights The Middle East Call Centre Conference and Exhibition (MECC) 2016**  
http://www.insights-me.com/callcentre/

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http://proserv.co.za

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We’d like to sincerely thank all the organisations listed below, as well as those that chose to remain anonymous, for generously giving their time to participate in our 2016 Global Contact Centre Benchmarking research study.

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contact details

Global Contact Centre Benchmarking
Andrew McNair
Head of Global Benchmarking, CX (Global)
Tel: +1 778 991 0055
andrew.mcnair@dimensiondata.com

Richard Holmes
Global Benchmarking Manager, CX (Global)
Tel: +44 7812 009 588
richard.holmes@dimensiondata.com

Global spokespersons
Robert Allman
Principal Director, CX (Global)
Tel: +44 7964 194 643
robert.allman@dimensiondata.com

Mike Wells
Senior Director, CX Consulting, CX (Global)
Tel: +44 7812 009 562
mike.wells@dimensiondata.com

Regional contacts
Americas
Amy Reynolds Smith
Vice President, CX and Collaboration
Tel: +1 858 427 2678
amy.smith@dimensiondata.com

Asia Pacific
Nagi K
General Manager, CX and Collaboration
Tel: +65 9785 9297
nagi.k@dimensiondata.com

Australia
Michael Slip
General Manager, CX and Collaboration
Tel: +61 2 8249 5426
michael.slip@dimensiondata.com

Europe
Siegfried Schallenmueller
General Manager, CX
Tel: +49 1522 8808 844
siegfried.schallenmueller@dimensiondata.com

Middle East & Africa
Jay Reddy
Executive, CX and Collaboration
Tel: +27 82 411 2258
jay.reddy@dimensiondata.com

UK
Chris Nunn
Head of Business Unit, CX and Collaboration
Tel: +44 7920 501 493
chris.nunn@dimensiondata.com

Tony Smith
CX Solutions
Tel: +44 7964 899 891
tony.smith@dimensiondata.com

Merchants – A Dimension Data Company
George Todd, Managing Director, Merchants BPO
Tel: +27 82 803 3916
george.todd@merchants.co.za

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@DiDataCX
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Websites
www.dimensiondata.com/benchmarking
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