The Voice of Business

vocalis

putting voice to work

Executive Summary

Contact centres are now accepted as one of the best ways for a business to communicate its brand to customers. Everything from the tone and vocabulary used by the call agents, to the design of the answering system, can help to build or destroy a business' brand values.

By supporting a brand the contact centre can be used to build customer loyalty, thereby increasing sales and the length of customer relationships. If done effectively the contact centre can do this whilst still also meeting strict call volume and answer rate targets, and keeping within budgets – key requirements of any business running a large and busy contact centre.

There are various measures that businesses should employ to ensure that the contact centre is correctly equipped to fulfil its potential as a brand ambassador and revenue generator. However, as the 'The Voice of Business' report shows businesses are not necessarily implementing these, and so are missing out on opportunities.

The report has been produced based on in-depth research carried out amongst UK businesses with contact centres of more than 50 seats. It builds a 360-degree view of how contact centres should operate to attain the maximum benefits possible to help businesses achieve their commercial objectives. Data collected from the respondents also outlines current issues and concerns about the day-to-day running of a contact centre, and the management methods and solutions used to overcome them.

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Section One
The Role of the Contact Centre within a Business

Contact centres and brands

Contact centres are one of the key customer communication channels. To businesses that use them, the contact centre is essential to brand development and support.

Brands can account for nearly a third (27 per cent) of the value of a business[1]. They are as important to a business as the products and services offered. Through its vision, the style in which it presents itself, and the values it communicates, a brand engages with customers to build a sense of loyalty and trust; this in turn leads to increased sales and longer customer relationships.

However the role of the contact centre in maintaining the brand is often overlooked. The contact centre, too frequently seen as a simple operational part of a business, and a

cost rather than an investment, becomes disconnected from a business' brand guardians.

Over 70 per cent of marketing managers admit to viewing the contact centre as a means of gathering customer data, and have not considered its use as a brand building tool[2].

Therefore there is little, if any, consideration of how the contact centre can be used to re-enforce the brand and help to build the business through encouraging customer loyalty and increasing sales.

Contact centres at the heart of customer communication

Contact centres are big business in the UK, employing around 2 per cent of the working population and contributing £5.45 billion to the economy[3].

Ovum estimates that setting up a 50 seat call centre costs business around £1.5 million in salaries, and £4.5 million in maintenance costs.

For the two thirds of businesses that have contact centres, our research shows that the centres handle seven in ten of their customer contacts. So, for many businesses, they are at the very heart of customer interaction.

The main functions that the contact centre deals with are enquiry handling, bookings and sales and customer service. It is important for the business to get these practical functions correct to ensure efficient and smooth service delivery. If there are any unnecessary complications or problems, the customer, besides being unable to complete the transaction required, will also be left with a bad impression of the business. The brand

will suffer and the customer may transfer business to another company, or refuse to shop with that business again.

Figure 1: Top three functions of a contact centre
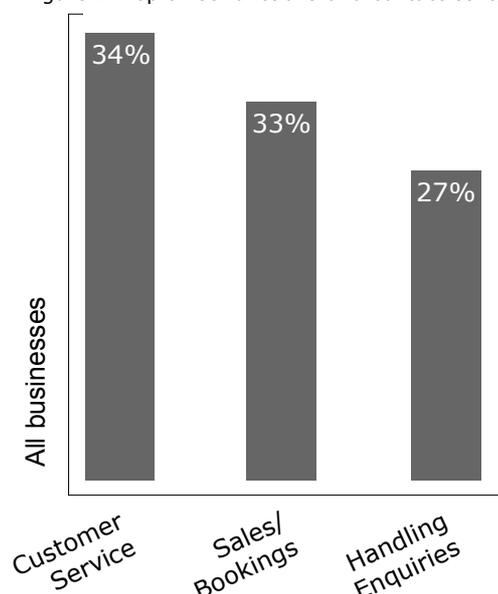
Getting the basics right

To ensure these basic functions are completed efficiently and successfully there are two straightforward and basic principles to adopt - get the people right and get the technology right. Too few contact centres do so.

Often call agents are a brand's front line, so the better they understand the business, who the customers are, and what services and products can be offered, the more effective they will be. Staff should be enthusiastic and well-trained so that they are equipped to offer the best service and the correct information. A customer who is dealt with by someone who does not know all the answers, or where to find them, will be unimpressed and unlikely to make a purchase or recommend the business to other potential customers.

Technology, particularly automated systems, can also be used effectively to build the business and reflect the brand. It is essential, for example, for a business which prides itself on being thorough and accurate to have a call routing system in the contact centre that ensures the customer speaks to the correct person quickly and first time, rather than a deep and complicated menu system that leaves the customer confused and speaking to a call agent who is unable to help them.
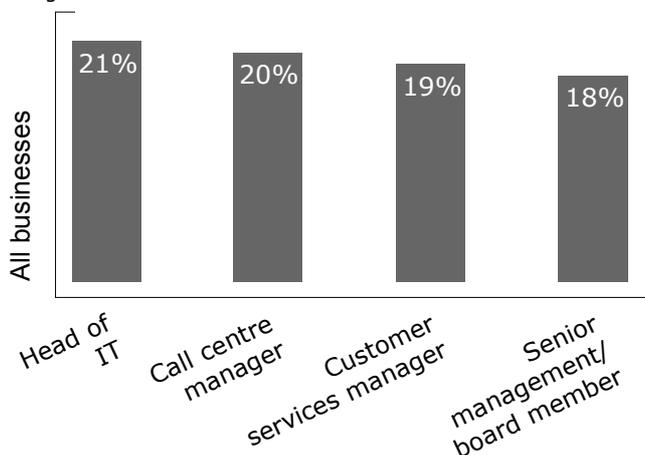
Involving the organisation

Since the contact centre can have a broad impact on a business, a broader range of people within the business must take interest and get involved with it.

Currently a wide group of people have a say in making technology purchasing decisions for the contact centre. Often the operations manager or call centre manager will identify a problem and suggest some potential solutions. The head of IT or the IT department will be responsible for assessing the relative merits of these solutions with a view to recommending the best option. In nearly two-thirds of businesses (61 per cent) the final purchasing decision rests with the board.

Human resources departments and marketing personnel may also get involved. Human resources managers typically handle training and recruitment issues. Marketing departments use the contact centre to collate data on customers.

Figure 2: Contact centre decision makers

However, they are not necessarily involved in the process of designing contact centre solutions, and this could prevent the contact centre from operating at optimum efficiency and effectiveness. For example, a human resources manager might help to design a contact centre solution that alleviated some of the most common staff problems, such as lack of motivation and boredom. Marketers, given the role of the contact centre in a brand's interaction with customers, might help to ensure that the contact centre solution communicates the brand values of the business.

Another area that marketers should be involved in is choosing the correct 'voice' for the brand. Customers automatically assign a personality to a voice, regardless of whether it is human or synthetic, and will react and respond to different voices in different ways. A voice that sounds mature and formal can be regarded with more authority than a voice that uses colloquial language and sounds younger.

It is important that businesses use a voice that matches their brand. An established high street bank may choose a voice that commands respect and trust, whilst an entertainment ticket sales company may choose a voice that sounds young and fun.

Both would be appropriate choices to reinforce the desired brand values and should match other forms of customer communication that have been developed such as direct mail and advertising.

Research suggests businesses should consider all aspects of voice including accents, tone, style and vocabulary before choosing automated systems and developing scripts for call agents, to support their brand personality. For example, Queen's English is now often considered less trustworthy than regional accents such as Scottish. More than four in five (82 per cent) British consumers question the honesty of someone who speaks with an upper class accent[4]. Many British people (37 per cent) prefer to speak to someone with a regional accent that matches their own[5]. In a business environment accents other than Queen's English are no longer considered a barrier to success. Seven in ten British bosses say they are not prejudiced about accents[6].

The trend therefore is towards the growing popularity of a wider range of accents, and this is something that businesses can use to create brand individuality.

If the personality of an automated voice is matched to the brand the results can be very positive. Research[7] shows that customers are likely to trust the system more and therefore disclose more information. They are less likely to blame the system for mistakes, and will give credit to it more easily when the outcome is successful. Most importantly, they are likely to buy more.

Building the brand, and building business

When the contact centre is run effectively and efficiently, customers will respond well to the business. Their loyalty to the brand can be increased and the likelihood is that they will buy more frequently, expand the range of products or services they source through the business, and recommend it to others.

The volume of customers that are serviced through a contact centre justifies spending time and money on getting it right. The payback from doing so could potentially be enormous.

Section Two
The Current Use of Contact Centres to Support Businesses

Conflicting Objectives

Currently businesses are not taking full advantage of the opportunities presented by contact centres to support their brands and build customer loyalty. Rather, they are fire-fighting perennial and predictable problems such as large call volumes, fluctuations and peaks and a range of staff issues.

Our research suggests that call centre problems begin with the way success criteria are prioritised.

A common mistake businesses make, having created a contact centre with the aim of providing customers with a higher level of service, is to then hamper the centre's potential to achieve this by prioritising measurement criteria that actually impede its ability to improve customer service.

The majority of contact centres are set up to service customers to the highest standard possible. Respondents in our research said the contact centre's primary aim should be to drive customer satisfaction. In particular 46 per cent of banks, 37 per cent of insurance companies, 42 per cent of telecoms firms, and 73 per cent of utilities companies say this.

The research shows that this is also what customers expect from the centre. Their priorities are fast response times, getting through to the right person first time and speaking to someone familiar with their up-to-date call history.

Figure 3: Top three perceived customer priorities

Bar chart — All businesses:
- Fastest response: 29%
- Up-to-date knowledge: 28%
- Getting through to the right person first time: 25%
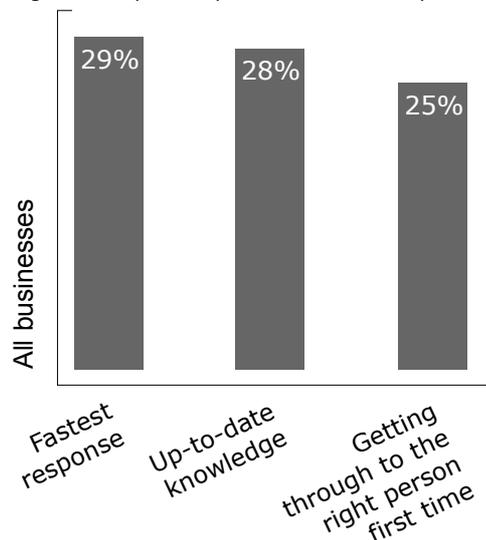
Customer demands are increasing. Over half (54 per cent) of the respondents thought that their customers' expectations are escalating; one in five (19 per cent) said that their customers are becoming more knowledgeable about call centres and are therefore more likely to demand better service or switch their business to a brand perceived to offer better service. Some also suggested that customers were becoming more impatient and even rude (six per cent).

Conflicting Objectives continued

Despite the belief both from businesses and customers that the contact centre is about service, businesses in fact measure the success of their centre on more functional criteria, ones not always compatible with providing service. Performance measures prioritised by businesses are about getting calls handled quickly. Only four per cent say they measure their call centres on customer satisfaction.

Two-thirds of businesses say that the performance of their contact centre is measured on the number of calls handled, whilst just under a third (31 per cent) say it is measured on call duration. Conversely if more time is spent on a call there is more opportunity to deliver a better service or provide satisfaction for a customer, which in turn secures their loyalty to the brand and increases the chances of greater sales and longer-term relationships.

Only three business sectors make a significant reference to customer satisfaction or retention as measurement criteria.

Businesses need to consider ways in which they can align the efficiency requirements of delivering call rate targets at low cost with the provision of excellent customer service.

Among the solutions is automation technology that, by dealing efficiently with large numbers of straightforward calls, leaves agents free to handle more complex enquiries, with enough time to do so to the best of their ability. In addition to this, better training could be provided to staff to ensure they have the necessary information required to deal with each enquiry at their finger-tips, reducing the time taken to handle each call.

Figure 4: Top six contact centre measurement criteria
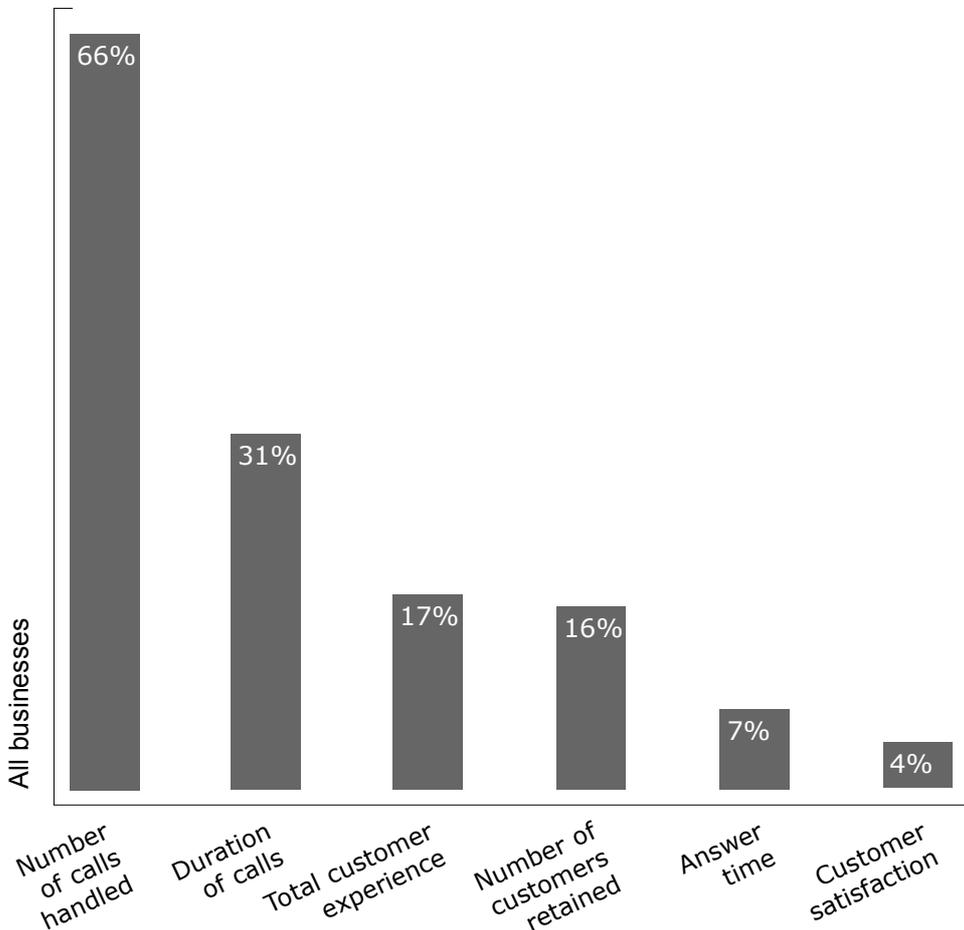
Coping with call volumes

A major problem for call centres is fluctuations in the number of calls received. This too can impact on the levels of service offered, and, again, jeopardise in turn the brand image.

Four in five businesses said call fluctuations are a significant problem for them. Call peaks can arise at different times of the day; one in four businesses say that their busiest time is in the morning; Mondays tend to be busier for one in five contact centres. Fluctuations can also be caused by other seasonal factors and marketing campaigns that cause sudden rises in call volumes. If the calls generated by these campaigns are not handled well, the investment in them is compromised.

The quick fix way to deal with call fluctuations is to employ more staff. However, contact centre managers often cannot afford enough staff to cover peak times. Even if they can, it is impossible to organise shifts so they cover peaks efficiently because fluctuations occur for short periods of time – for example for one hour in the morning, a half hour at lunch time and 45 minutes in the evening. This often

means that contact centres are over-staffed at times when call volumes are low, yet, because businesses are trying to keep costs down, they are still under-staffed at peak call times.

Coping with call volumes is therefore an issue for the contact centre manager, who is trying to ensure targets are met; for the marketing department, which will not want customer service and the brand to suffer; and for human resources managers who are concerned with staff retention and recruitment.

Therefore, any solution that is implemented should tackle all these issues and involve each of these sets of decision makers. An automated or semi-automated service can be implemented to handle as many calls as necessary at one time. This removes the need to call in extra staff to cover peak times and keeps costs lower.

Figure 5: Call fluctuation periods
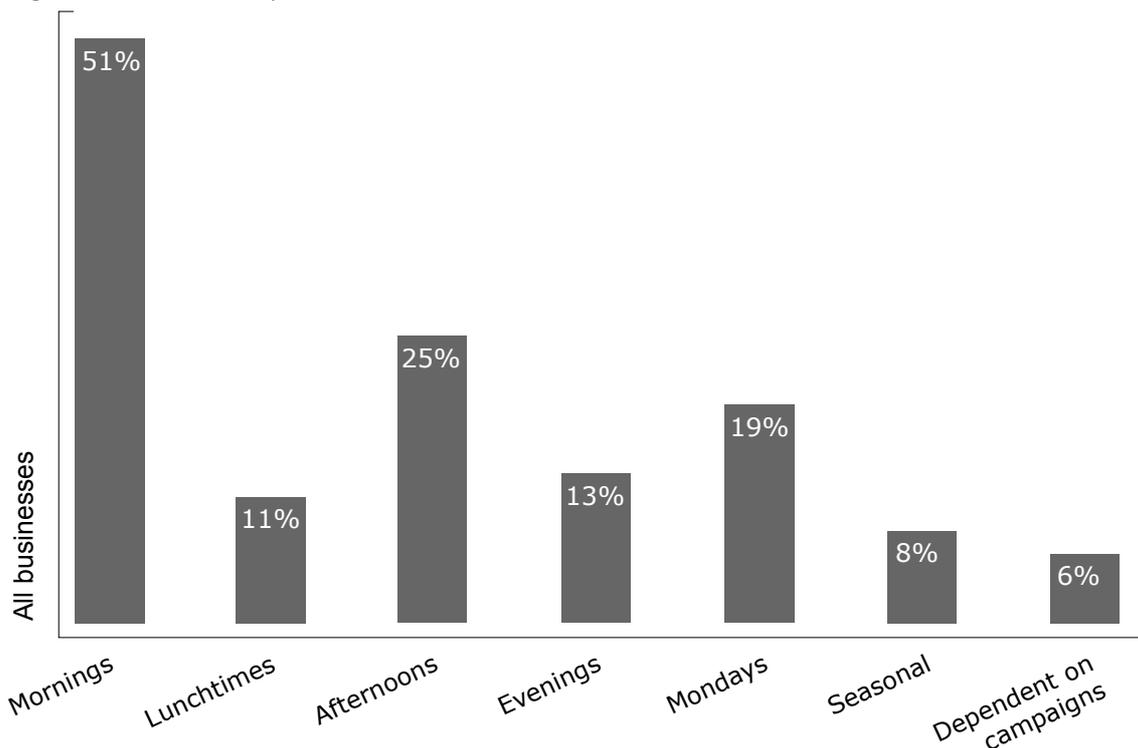
Staff recruitment and retention

Contact centre staff are often de-motivated because they are bored, or stressed because they are over-worked. Over half (52 per cent) of respondents say low morale amongst call agents is a major concern; one in five say that boredom creates difficulties. Both these issues contribute to high staff turnover and retention problems and can impact negatively on the call centre.

High staff turnover and poor retention means that contact centre managers are constantly spending time and money re-training new recruits. It becomes difficult to build a loyal and dedicated workforce of call agents representing a business and brand correctly.

Similarly, de-motivated or stressed staff are generally not happy. This makes it difficult for them to be enthusiastic about the business' or customers' needs. It is likely in these circumstances that they are not providing the best quality of service, and therefore business will suffer.

Training is often a key motivating force for staff. It can be useful not only for ensuring call agents are equipped to use all the technology provided to make their jobs easier, such as databases. It can also teach them skills for communicating and dealing with people. If a call agent feels a job is being done effectively, more satisfaction will be derived from doing the job.

Solutions exist that can remove some of the problems that cause anxiety or boredom for call agents. Repetitive tasks, for instance, are dull by nature and likely to erode enthusiasm and energy. These tasks often include things like confirming addresses or account numbers, or giving out a specific piece of general information. These tasks can be handled easily and effectively by an automated system, leaving agents free to deal with more complex and therefore interesting customer enquiries and needs.

Figure 6: Top four staff issues
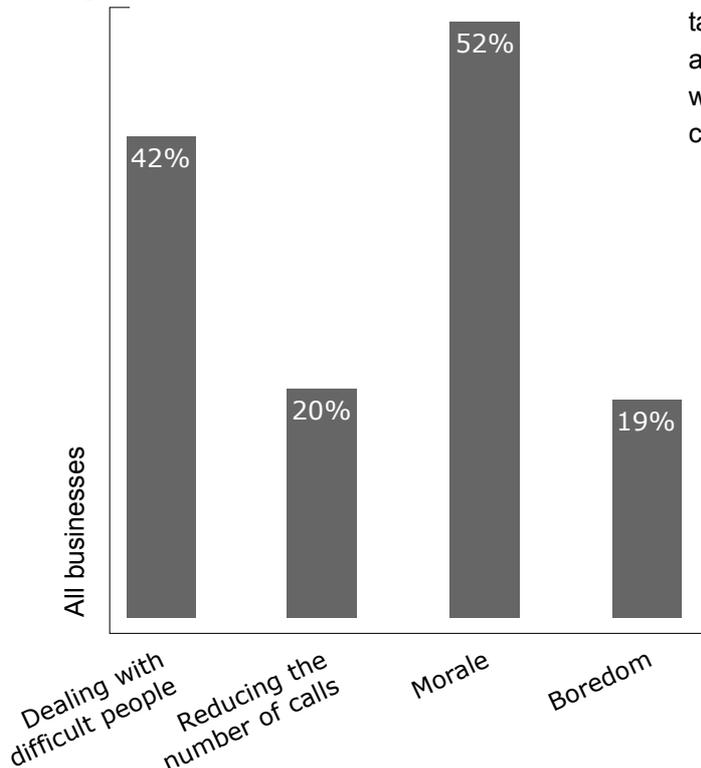
Planning the business

As the prime customer contact route for many businesses, it is important that the contact centre is able to meet the overall demands of the business.

For example, if the business objectives in the next five years are focused on growing a certain segment of customers, the contact centre must be able to deliver the services that these customers will require, and it must also be able to cope with any resulting increase in traffic. To this end, the strategy and forward planning for the contact centre should match and support those of the overall business.

However, nearly a third (27 per cent) of businesses in the UK do not currently have a written strategy for their contact centre for the next 12 months; nearly half (45 per cent) do not have one for the next three years.

Without this forward planning it is not possible to ensure that the contact centre will be supporting the business as it grows and evolves. The risk is that customers are led to expect one thing through the marketing and positioning of the business, but they do not receive it when they make contact with the business.

An example of this potential for mismatch occurs when a business decides to implement web-based services, which may result in large numbers of new customers using both the internet and the contact centre to communicate.

Nearly three quarters of businesses said they are thinking about putting in place a web-based customer service centre to complement the telephone service. A further 54 per cent want to encourage customers to also contact them by e-mail.

To ensure a seamless brand experience for the customer when he or she calls the contact centre, the call agent must be equipped with the customer's entire transaction history, regardless of whether it took place over the internet, the telephone, SMS or in person. To achieve this, the agent must be able to access all relevant databases across the business; for example the marketing database, the website, and the contact centre database.

This process can be very involved to implement and therefore needs to be planned well in advance. This can only be achieved effectively if the contact centre strategy is in line with the overall business strategy.

Knowledge of solutions

The involvement across the business of people such as board directors, IT managers, the human resources department and marketers in running the contact centre demands that each must have a good knowledge of, or access to information on, the solutions available to help them achieve their objectives.

Three in four respondents to our research said they know enough about the solutions on the market. However, few could answer detailed questions about what technology such as speech recognition is capable of. Similarly, there is a general misunderstanding of what solutions such as speech recognition can do, and an underestimation of current capabilities – many businesses still think technology is not sophisticated enough to do anything other than simple tasks.

It is important that every stakeholder in the contact centre is aware of the solutions on the market, their capabilities and what is required to ensure they work to optimum effect. In this way, problems and challenges can be overcome to create an efficient and effective contact centre that supports the brand and helps to build the business.

Section Three

There are a number of steps a business can take to maximise the opportunities presented by its contact centre to support the business and grow customer loyalty, as well as to minimise the problems and challenges the contact centre can present.

1   Involve the marketing department

The contact centre is one of the main ambassadors for a business' brand. It holds a great deal of power to build customer loyalty and increase sales, or to potentially destroy a brand.

As brand guardians it is imperative that marketing departments are involved in building and running the contact centre. This could include helping to develop scripts to ensure the tone and vocabulary is correct, inputting to decisions on purchasing technology solutions to make sure they support the brand values, choosing a 'voice' for automated services that matches the brand, or training staff on how to deal with customers.

2   Spend time and money on staff training and development

There is a strong negative impact on the brand from high staff turnovers and lack of motivation. Businesses should engage their human resources department to investigate how best to overcome these issues and to lead investment in people development, training programmes and internal communications.

They can also explore ways to use technology solutions which can take over repetitive tasks, that often lead to boredom and de-motivation.

3   Strategic planning

Businesses that look ahead and plan for the future as well as tackling the issues of today will get more out of their contact centres.

Overall business objectives are key to informing the strategy behind the contact centre in the short and long term.

With the correct level of integration into the business' overall strategy, the contact centre will be able to respond to the changing needs of the business as it grows, and continue to uphold the values of the brand as it evolves.

4   Informed and correct use of solutions

There is a lack of knowledge about the types of solutions on the market and this has led to limited use of new ideas.

The decision makers in an organisation - everyone from customer services managers through to IT managers, human resources departments to senior board directors - should be aware of the broader business benefits of the correct use of technology.

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End Notes

About the research

The research was carried out in 2002 amongst businesses with contact centres with more than 50 seats. Those questioned included decision makers such as senior management, customer service managers, and IT managers.

The purpose of the research was to look at the strategy and decision making process behind contact centres in the UK, as well as to investigate the take-up, use of, and attitudes towards technology solutions.

Businesses questioned represented a range of industry sectors including telecoms, IT, insurance, banking, leisure, travel, and utilities.

About Vocalis

Vocalis works with organisations to create contact centre solutions that build the organisations' business and brands.

These solutions can turn your contact centre from a cost to a profit centre by ensuring it builds your brand, helps your business be more competitive, and increases customer loyalty through more effective and efficient service.

Vocalis was formed in 1993, is publicly traded on FTSE Stock Market and has been listed since July 1996.

Vocalis brings back the reassurance of the most personal human touch in business - putting voice to work.

The Vocalis website is at http://www.vocalis.com.

[1] Bell Pottinger MMD Reputation Premium Model, 2002
[2] Noetica research report, 2001
[3] Figures sourced from the CCA
[4] The Aziz Corporation
[5] Centre for Communication Interface Research
[6] The Aziz Corporation
[7] Stanford University