

Is Voice Dead?

How Can Outsourcers Keep Pace With The Relentless Pace Of Change In The Contact Centre Industry?

The pace of technological, structural and workplace change in the Contact Centre sector is bewildering, and increasing. Staying still is a recipe for failure. The Contact Centres who succeed in the next three years will be the ones who embrace change, react to the pressures and choose the right strategies. Consumers and brands will not wait for the slow to catch up, they will simply change brands or suppliers.

This White Paper from the [Contact Centre Panel](#) explores the biggest challenges faced by the sector and some of the ways the best operations are turning them into advantages.

What Is The Most Important Job A Contact Centre Does?

Contact Centres, whether in-house or outsourced, onshore or offshore, exist to keep customers happy. Winning new customers is one part of the equation but retaining customers is the primary objective. You probably already know that it is many times more costly to win a new customer than to retain one. It's also true that loyal customers are more profitable than those new customers you've just invested advertising, sales and promotional revenue on signing up.

Customers first choose a brand for price, promotion or product benefits. They have perceived that something about your brand is better than the competition, or if you're incredibly lucky (or even more incredibly brilliant) that your product or service is unique. However, the most common reason that a customer will leave your brand is poor customer service.

So as a Contact Centre, Customer Service is your number one task. The processes you follow should be designed to maximise the customer experience.

The facts and figures, carefully researched by leading industry bodies, back this up:

- 71% of organisations cite customer experience as a competitive differentiator – **2017 Global Customer Experience (CX) Benchmarking Report**
- 55% of customers are willing to pay more for a guaranteed good experience – **Dimension Data**
- 84% of organisations working to improve CX report an increase in revenue – **Dimension Data**
- 79% of consumers want brands to demonstrate they care before making a purchase – **Wunderman**
- 54% of UK consumers feel more loyal to brands that show a deep understanding of their preferences and priorities - **Wunderman**
- Acquiring a new customer costs around 6 times more than retaining an existing one – **ThinkJar**

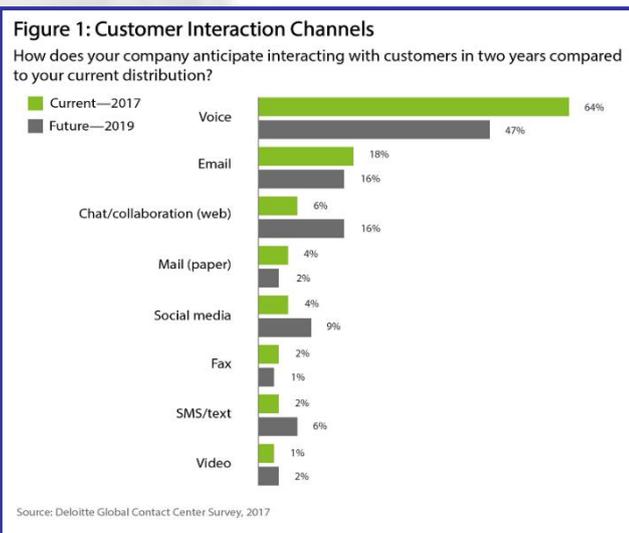
Despite these surveyed results, which seem to intuitively reflect what we believe:

- Just 44% of companies say they prioritise acquisition over retention – **Invesp**
- 33% of organisations are not able to track customer journeys – **Dimension Data**

How Fast Are Channels Switching?

The **Global Contact Center Survey** by Deloitte in 2017 asked how Contact Centres anticipated changes in interaction between 2017 and 2019. The biggest reduction in volume was anticipated in voice, down from 64% of interactions to a predicted 47%. Email was also predicted to drop slightly, from 18% to 16% but still be the second biggest source of contact.

The biggest percentage increases in volume were expected to be Web Chat (up from 6% to 16%), Social Media (from 4% to 9%) and SMS Text (from 2% to 6%). Between them, these channels account for a little more than the reduction in Voice and Email.



This emphasises the need for Contact Centres to be capable of excellent omni-channel communications in 2019 and beyond. Integration of online communications into processes and reporting is already an important factor in providing a good customer experience, where handovers between channels can sometimes be a crucial part of the customer's journey.

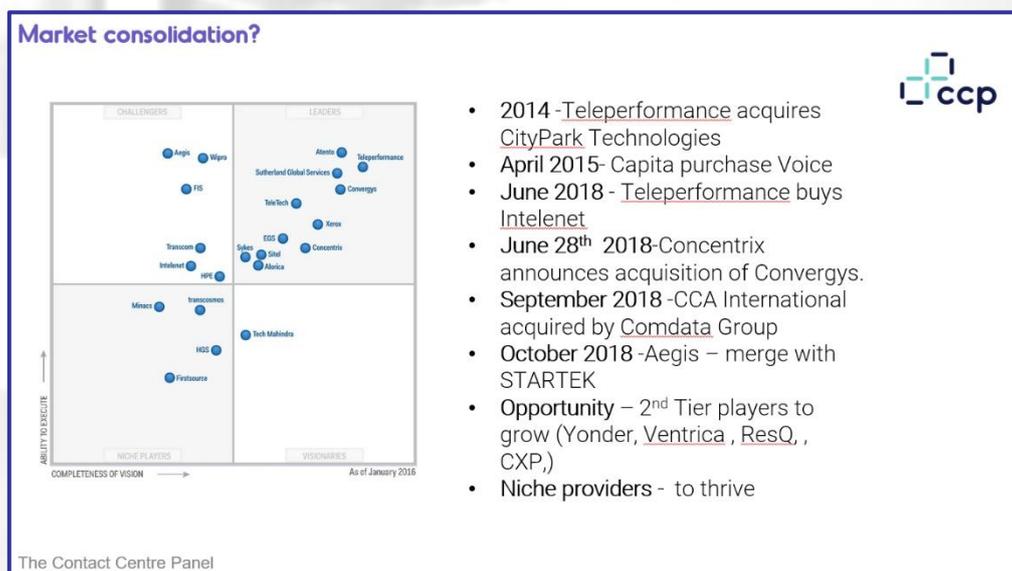
Will The Phone Continue To Decline?

As our population ages, the preferred choice of communications device also changes. Analysis by L.E.K. shows that the first choice channel to contact a brand for under-25s is Social Media, then their mobile phone, with landlines being much lower down the list. For 25-34 year-olds Email wins, with mobile in 2nd place before Social Media. Landline phones are first choice for over-35s, with Email and mobile or Social Media bringing up the rear.

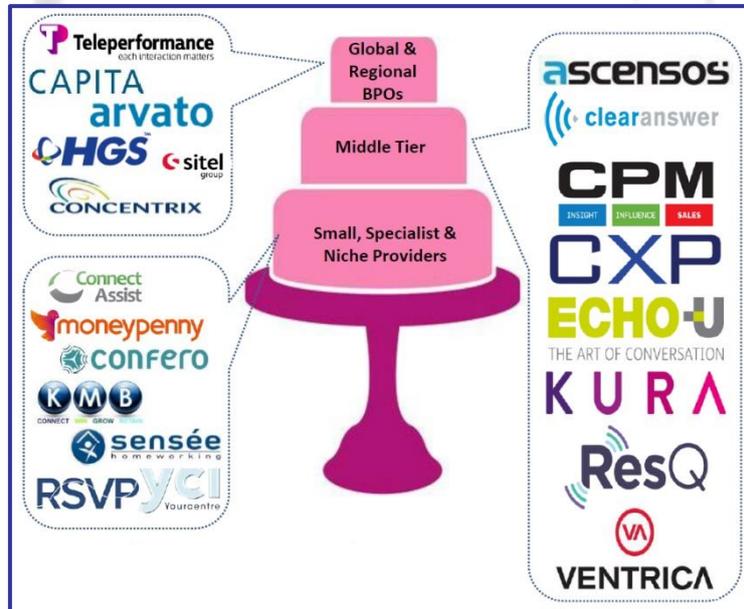
In 15-20 years only 27% of the population will be from the group which prefers the phone today. So voice communications will not disappear, but it will reduce significantly. Importantly, although younger generations are more at ease with digital communications, the human touch is still critical and phone conversations are still used to complement non-voice interactions. This makes integration of the various channels even more crucial for Contact Centres.

What is Consolidation Doing to the Shape of the Industry?

Consolidation is happening at a furious pace in the Contact Centre and Outsourcing industry right now. The diagram below highlights just some of the more significant acquisitions and mergers of recent years. Increasingly, the sector is polarising into a large group of "juggernaut" big players, managing costs by combining multi-site, multi-seat operations throughout the country and the globe... and many smaller, more nimble and agile, niche businesses working incredibly hard to satisfy clients with revolutionary technologies, fast-moving solutions and a devotion to excellent customer experiences.



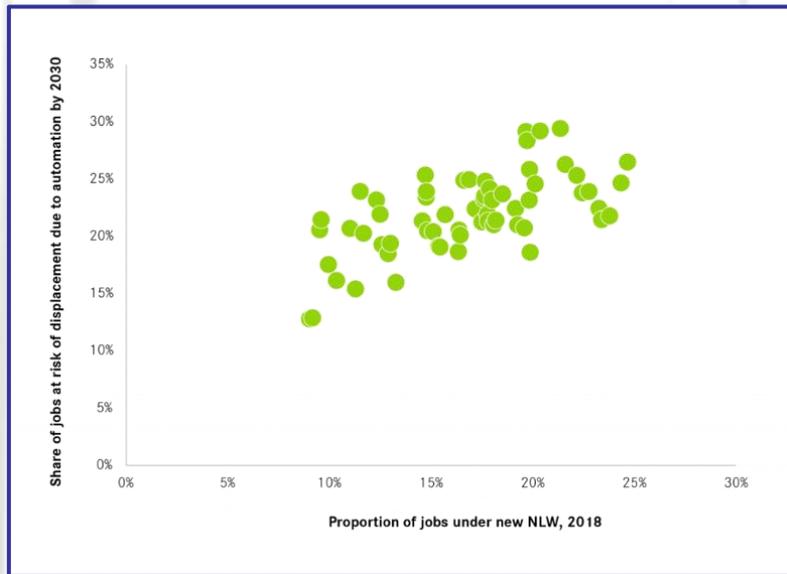
Steve Sullivan of [Channel Doctors](#) recently analysed the implications of consolidation for middle-tier outsourced Contact Centres.



What is becoming clear is that the middle ground is a very hard place to survive. Competition is currently played out either on costs, using the established “bums on seats” model, or on differentiation using the best techniques, technologies or customisation available to more agile operators.

What Does the Minimum Wage Really Mean to Contact Centres?

The arguments for and against the Living Wage have continued since it was first introduced as the Minimum Wage by the Blair Labour Government back in 1999. There’s a thought-provoking correlation between those areas of the UK with the lowest compliance with the Living Wage and the highest proportion of jobs at risk from automation ([Centre for Cities, 2018](#)) which certainly applies to Contact Centre jobs as equally as it does to other lower-paid sectors.



Looking forwards, the Living Wage means that to succeed financially, Contact Centres in the UK will have to add more value and earn more revenue to protect margins in a sustainable way. The key to this might lie in achieving better skills among the workforce, combined with lower headcounts.

In July 2018, we wrote [this article to give some important tips](#) for Learning & Development in Contact Centres. The future Contact Centre is likely to use live agents for fewer calls, but this lower volume will be offset by the need for value-adding, better trained agents who are able to handle more complex customer interactions. These “super-agents” will make the difference between unhappy and happy customers, whose enquiries cannot be satisfied by even the best automation.

[How to improve your team's performance through Learning & Development.](#)
[Read CCP's guidance.](#)

Coupled with the effects of the GDPR in reducing the volume of good data available for outbound calling, and the volumes of outbound calls that are possible, the Living Wage will drive the need for outbound calls to be of a much higher quality. The key to this also lies in effective training of outbound agents. The days of the “bums on seats”, volume-driven outbound models are limited!

[Why should you be considering Contact Centres from outside the UK?](#)
[See here.](#)

The UK's Living Wage also represents an opportunity for Offshore and Nearshore operations, especially in the medium term. Our [recent article takes an in-depth look](#) at the opportunities that can be taken when good Offshore and Nearshore decisions are taken. By placing customer interactions with teams in other countries, costs can be reduced. Of course this is a

strategy which has not worked for some high-profile brands, so it's essential to make the right choice if you're thinking of using overseas customer service providers.



Automation: The Rise of the Robots

The headlines about Artificial Intelligence, Deep Learning/Machine Learning and the possibilities for Bots in our future fill our minds with wonder, fear and - hopefully – interest and optimism. Despite [some alarming headlines](#), however, this exciting area of our industry is far from a reality for most customer interactions. Yet.

There's no doubt that the huge advances in Natural Language Processing are already finding applications in call routing and therefore reducing resolution timescales on the front end of inbound calls. Chatbots are also making intelligent decisions about learned, repeatable customer service interactions. By reducing the demand on live agents and increasing the likelihood of First Call Resolution, new automation technologies are already making a difference. [We interviewed leading experts on this subject in an attempt to predict the future.](#)

Digital Disruption:
The impact of AI and
Robots on the Contact
Centre Industry.

However, many larger players in the Contact Centre sector will struggle to realise the benefits made possible by these new techniques. Implementing Robotic Process Automation into an existing legacy business process is often the most difficult challenge, meaning that smaller more agile players may take huge leaps whilst behemoths shuffle slowly and jerkily into the future. On the other hand, new technology-led operators may not possess the experience of delivering excellent customer service to enable machine learning to take place effectively. The greatest wins are likely to emerge from a mix of agility and experience. Watch this space!

Consumer Protection: GDPR and Persistent Misuse Regulations

The General Data Protection Regulations (GDPR) have had a significant steadying effect on the Contact Centre industry. [For well-managed operations, compliance has been relatively comfortable](#) so far and one major benefit has been the rendering of rogue Contact Centres as illegal. The sector as a whole is taking comfort in knowing that compliant processes are professional processes.

In short, the greatest risks of GDPR non-compliance are faced by the least scrupulous data users.

If you are a brand acting as a Contact Centre client, it's important to be clear where the responsibilities for data protection lie. The Information Commissioner's Office (ICO) are very keen that supply chains take care of this, so it's advisable to check contract terms carefully, or work with a trusted intermediary who you trust to take care of this important issue.

GDPR compliance means that there now a reduced availability of approved data for outbound campaigns. This is resulting in shorter outbound campaign timescales but should also mean that

consumers who receive calls should be more aware of their position in terms of permissions they have given and the rights they have under the regulations.

Back in 2003, The Communications Act contained provision for Contact Centres to be punished for Persistent Misuse, acting against Ofcom's guidance particularly by making silent and abandoned calls. Following years of research around complaints received and analysis of available data, [Ofcom published a new Policy Statement](#) in 2017 which carefully set out the types of misuse they would target, backed up by enforcement actions which can include penalties of up to £2million.

As a result, Contact Centres have to carefully manage their Abandoned Call Rates using the measurement criteria set out by Ofcom, taking appropriate action where needed. Ofcom's action has been designed to weed out the worst offenders, but all Contact Centres have an obligation to monitor their own performance and make improvements accordingly.

At the Contact Centre Panel, we're profiling all of our 80+ Network Members against a wide range of factors including GDPR and Persistent Misuse Act compliance. It's our role to help build perfect marriages between client brands and Contact Centres, which includes taking a careful look at how compliance is managed and maintained. Not only is this an important part of taking care of customers, it's a legal requirement with potentially serious consequences.

How do You Keep Ahead? Employ A Model for Ongoing Excellence

At the Contact Centre Panel, it's our job to match up brand clients with their perfect Contact Centres. We're constantly improving our own processes and approaches to achieving this objective, despite more than 88% of the client-outsourcer relationships we build remaining loyal beyond the initial contract period.

We're adopting our "4 C's Outsourcer Optimisation Methodology" to assure ongoing excellence in service delivery, to formalise our involvement and build on the excellent reputation we've already gained with our clients and our Network Members.

The 4 C's in action consist of:

- **Commercials**
 - Commercial Model – including ongoing monitoring and management approach
 - Service Agreements – Targets, Service levels, Response times, Training and Knowledge
 - Partner Resourcing
 - Forecasting and Resource Approach
- **Communications**
 - Account Management regime – Communications framework, Meeting and review format and frequency
 - Management Information and Insights – Frequency and accessibility of data, Metric flexibility, Analysis, interpretation and Actionable Insights

- **Continual Improvement**

- Cultural reinforcement of shared Client/Partner commitment to Continual Improvement
- Change Management approach – Balancing operations flexibility and control/definition
- Commercial Flexibility to facilitate testing and change

- **Control**

- Experience and Contextual Control – Risk identification and mitigation, commercially-defined and real-time, Control and Audit measures, Alignment to the client's wider Risk matrix
- Capture of Partners regulatory and compliance processes – to inform future audits and performance reviews

This 4C's approach enables both the Client and the Outsourcer to work together with CCP's help to continually improve performance and communication, supported by skills and knowledge transfer and leading to enhanced relationships on all sides.

Conclusion

The Contact Centre industry is experiencing a period of massive change and the operations that emerge will probably have changed size, shape, structure and infrastructure too.

Here at The Contact Centre Panel, it's our conclusion that the best Contact Centres, whether in-house or outsourced, will spend the coming years planning for change and embracing innovation for the good of their clients: improving their business to deliver excellent customer experiences, rather than trying to make consumers fit outdated business models and processes.

Transparency, regulation and competition will help to make sure that rogue operators fail, through a combination of sound business decisions and regulatory intervention. This can only be good for the entire industry.

In 2019, brands need to choose the most appropriate outsourcing partners based on scientific, objective due diligence processes and transparent sharing of information. **One size does not fit all!** It's important that brands understand which Contact Centres offer the right mix of infrastructure, tools, technologies and people to meet their needs, allied to a cultural mix which maximises the probability of a long-term successful partnership. At The Contact Centre Panel, it's our passion to build great business relationships. That's why over 88% of the agreements we've forged between brands and outsourcers outlive their contracted term and continue to deliver successful outcomes for all concerned.

[Learn how we can help your business:](#)

[Watch our video for a 2-minute explanation.](#)