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The US Contact Center Decision-Makers' Guide 2021

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INTRODUCTION AND METHODOLOGY

The "US Contact Center Decision-Makers' Guide (2021 - 13th edition)" is the major annual report studying the performance, operations, technology and HR aspects of US contact center operations.

Taking a random sample of the industry, a detailed structured questionnaire was answered by 214 contact center managers and directors between September and November 2020. Analysis of the results was carried out in December 2020. The result is the 13th edition of the largest and most comprehensive study of all aspects of the US contact center industry.

ContactBabel is grateful for the support received from the sponsors of the report. However, complete editorial independence has been maintained at all stages, and readers can be confident about the objectivity of the report's findings. Where a sponsor's opinion is given, this is clearly marked as such.

HOW TO USE THE REPORT

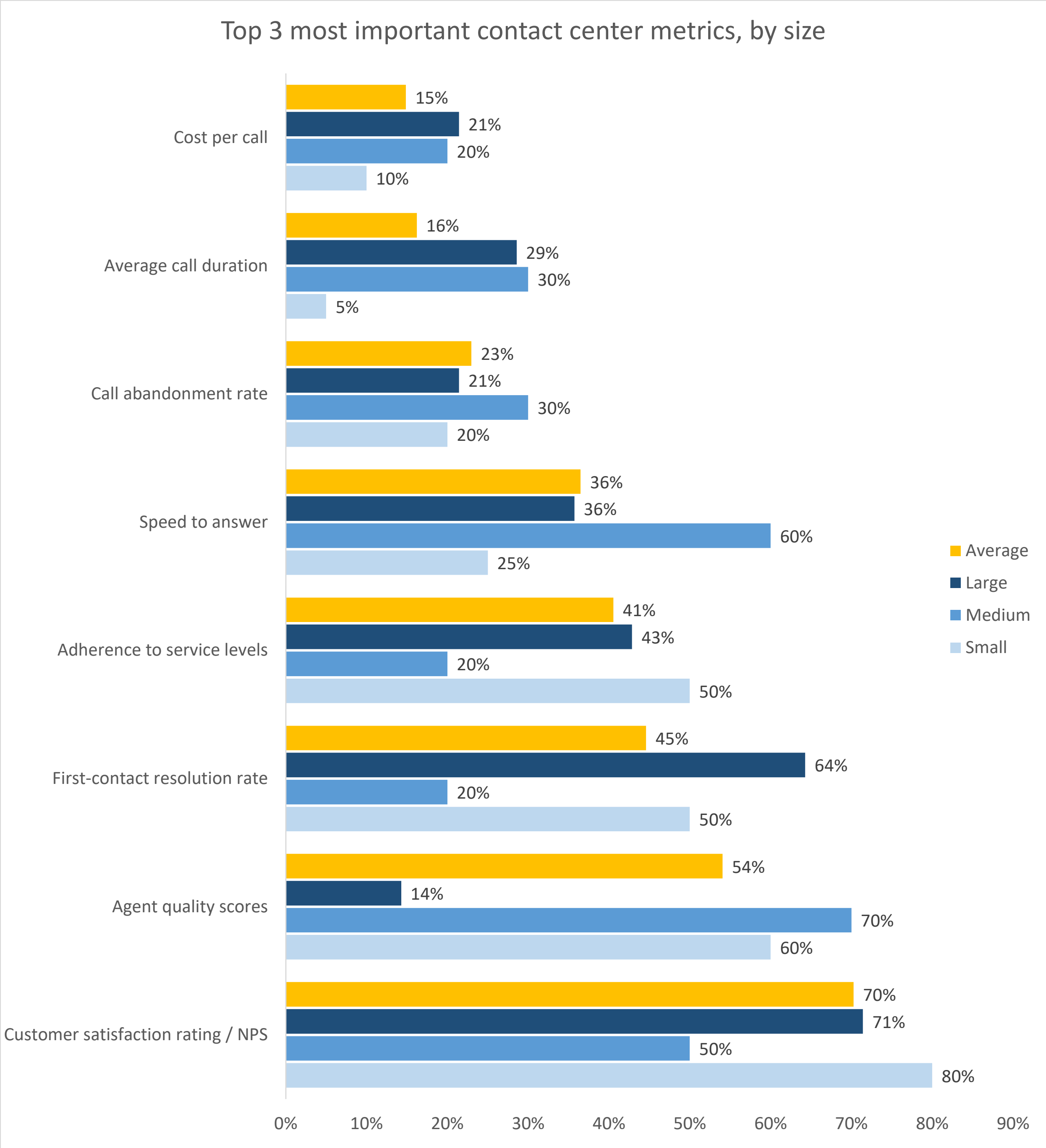
"The US Contact Center Decision-Makers' Guide" identifies seven of the major pain points and issues that affect the contact center industry:

- Improving Quality and Performance
- Maximizing Efficiency and Agent Optimization
- Digital, Cloud and the Customer of the Future
- Outbound and Proactivity
- The Customer Experience
- HR Management
- Strategic Directions.

Within each section, specific solutions are identified that can be used to solve these issues, along with the analysis of the primary research data that are relevant to this area, including a comprehensive statistical analysis in graphical and tabular form.

Third-party White Papers, case studies and thought leadership pieces may also be used to assist readers who may wish to look more in-depth at specific areas or gain another viewpoint.

Figure 7: Top 3 most important contact center metrics, by size



Past survey results can be analyzed to identify some of the structural changes to the industry, which may otherwise pass under the radar.

Taking the past nine annual surveys, a very clear picture emerges of increasing average speed to answer, despite its continued importance to the overall customer experience. This can be explained to some extent by the gradual rise in call duration – both for sales and service – over the same timescale, which is driven in large part by a rise in self-service taking away the easier and shorter calls. At its most basic level, calls take longer to be answered because agents are spending longer on the phone. This has been further exacerbated by the effects of the pandemic on most contact center operations.

However, this has not had a noticeable effect on call abandonment rate, which continues to move between a range of 5-7%. First-contact resolution rates remain around the same low-to-mid 70% range, with only one outlier in 2015.

Considering the steady rise in call duration, it would seem logical to expect cost per inbound call to rise alongside it. However, until recent years, this had not been the case. As there has been a steady rise in contact center salaries, variable call costs could partially be viewed as a result of how cost per call is measured:

- While almost every survey respondent answers questions around speed to answer and duration, only a minority give answers to cost per call, suggesting that many do not measure this, or offer only an approximation
- The rise in self-service calls means that these interactions (which have a negligible variable cost) are included in the total call volumes, and lower the average cost per call considerably
- Telephony costs have dropped very significantly, with the increasing use of IP telephony lowering the cost per minute and any associated hardware costs.

Figure 8: Selected contact center performance metrics (2012-2020)

Metric	2012	2013	2014	2015	2016	2017	2018	2019	2020
Mean average speed to answer (seconds)	31	34	43	46	53	50	60	56	75
Call abandonment rate	5.4%	6.3%	5.3%	7.3%	6.0%	5.9%	5.4%	5.7%	6.1%
First-call resolution rate	73%	71%	74%	64%	72%	74%	75%	75%	74%
Call duration (service) - seconds	306	347	381	367	360	384	370	372	410
Call duration (sales) – seconds	346	456	408	467	507	576	520	514	463
Call transfer rate (excl. receptionists)	8.2%	8.0%	8.5%	8.7%	9.2%	10.4%	10.3%	9.8%	9.0%
Cost of inbound call	$7.50	$7.76	$5.84	$6.69	$5.52	$5.25	$7.18	$7.06	$7.46
Cost of outbound call	$7.96	$6.20	$6.34	$4.37	$6.47	$5.92	$7.68	$9.23	$8.41

MULTICHANNEL WORKFORCE MANAGEMENT

Workforce management (WFM) is core to any workforce optimization suite. The technology has evolved into a sophisticated tool for forecasting interactions across multiple channels and for scheduling, based on agent skill-sets and location. Superior WFMs tool react automatically, in near-real-time, to allocate resources where they are needed most.

Recent years have seen a resurgence in investment in workforce management solutions, often driven by the need to handle ever-growing volumes of digital interactions, as well as a rise in remote work and employees' expectations for more flexible working patterns.

Acknowledging that the customer journey is not restricted to contact centers. Vendors and organizations are extending WFM capabilities to the back office, branches and the mobile workforce.

Workforce management solutions have to deal with much more complex environments in order to cope with the nature of the work being presented to agents. All agents require good listening abilities, keyboard and IT skills and a knowledge of the business they are working in. However, more now need additional in-depth and specific skills in order to satisfy customers, including:

- Familiarity with either specific customers (e.g. account management) or customer sub-sets (e.g. commercial vs. domestic products)
- Specific product or technical knowledge
- An appropriate level of experience and empowerment for the customer (e.g. "gold-card" customers may demand single-call resolution, meaning senior agents should be available to take the call)
- Language skills (both in domestic and international markets)
- Ability to deal with multichannel interactions (either in real-time – such as web chats – or offline, such as emails).

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

The modern contact center not only requires the basics (having enough people to answer interactions in a reasonable amount of time), but also more sophisticated functionality such as the ability to forecast and schedule agents in near-real time and handle virtual contact centers, mobile resources and home-working resources.

Additionally, contact center managers need to allocate staff resources accurately across both digital and voice interactions and understand how voicebots and chatbots impact live agent interactions, including back office and other relevant scheduling activities.

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FORECASTING

Before any staff planning can be done, an enterprise first needs to understand what has happened in the past. A solution which provides historical data from entire customer contacts including those across multiple channels means that scheduling can take place in a more realistic way. Enterprises should also be able to factor in exceptions such as advertising campaigns, training and public holidays, view when the best time for a meeting or training session will be, and measure the impact on the rest of the contact center. Running regular hypothetical 'what-if' scenarios can show a scheduler how alterations to shift-patterns would impact performance.

A great deal of unnecessary agent work can be removed by identifying the types of calls that are being received, and determining whether these could be reduced further up the line, in the departments whose work actively affects the volume and type of calls received, e.g. marketing or IT (for the website), or through the use of bots to handle relatively simple enquiries. As such, workforce management is often used as part of an overall workforce optimization suite, which can include quality monitoring, interaction analytics, HR management and training as well as the traditional workforce management roles of forecasting and scheduling, as all of these factors affect each other.

For example, understanding when and how other departments will be operating means that workforce management tools can be used to forecast and schedule accordingly (e.g. a new TV advert may trigger a wave of specific calls). Additionally, contact center management is able to brief agents – via a desktop broadcast or smartphone alert at short notice – about the correct responses and issues, as well as changing IVR prompts and messages to provide answers to the simpler questions and managing agent skill-sets for relevant call groups.

Businesses should look for flexibility in forecasting functionality: situations can develop very quickly which mean that forecasts can become useless without the ability to alter schedules dynamically at an intraday level to reflect reality. (Intraday is considered in more depth later in this report). As around 25% of a typical contact center’s activity is now through digital channels, a demonstrable and sophisticated understanding of email, chat and social media volumes is critical in a solution.

Resource planning applications, which typically look at requirements over a longer term than the typical WFM solution, should also be considered within the forecasting functionality. Understanding how the business will change some months in advance – perhaps for seasonal reasons, or with the launch of a new product – will certainly impact on resourcing, and close communication and integration between resource planning and day-to-day WFM is desirable.

CURRENT AND FUTURE USE OF WORKFORCE MANAGEMENT SYSTEMS

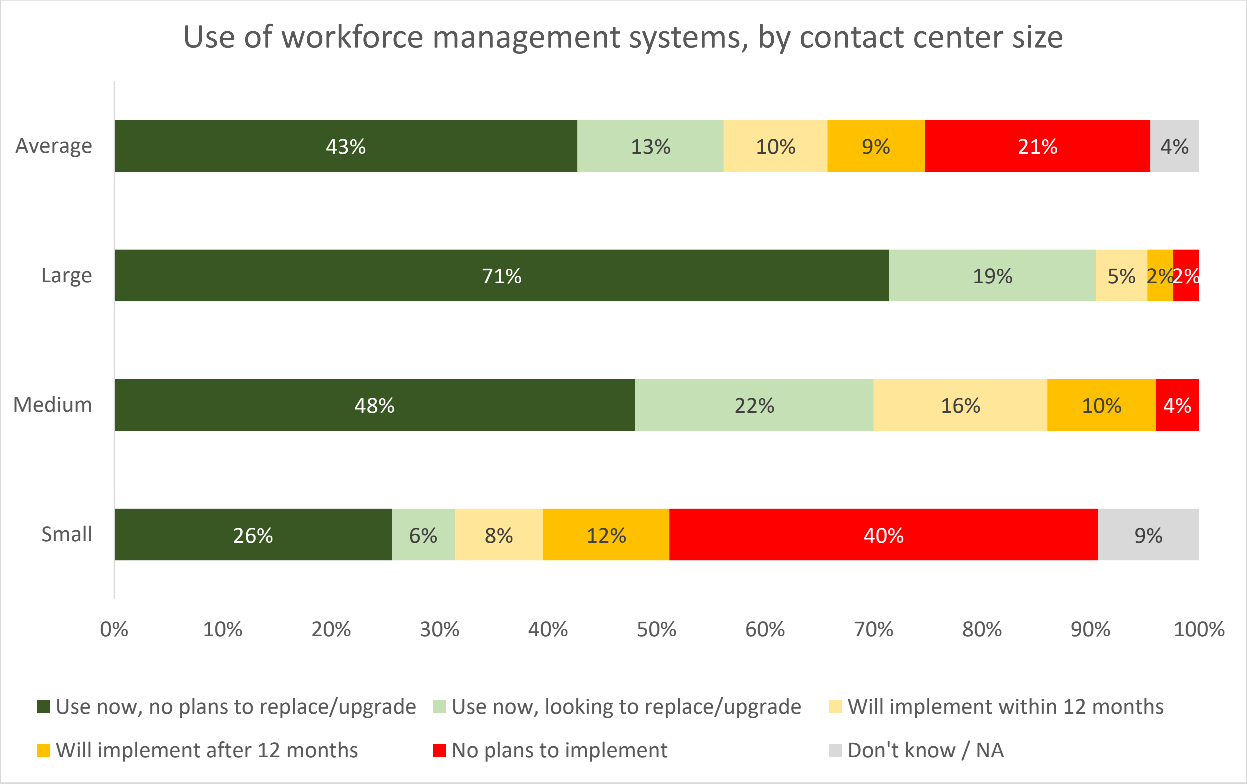
Until relatively recently, small contact centers were still very heavily involved in manual workforce management, which offers extremely limited opportunities for doing anything other than a static schedule that cannot easily be changed. In fact, forecasting and scheduling in this scenario is more of an art than a science. The low take-up of third-party workforce management tools was almost certainly down to cost, the fact that the time taken to create a manual schedule for 10 agents is far less than for 100 agents, and that the manager of a small contact center does not need the flexibility or capabilities that a large operation can benefit by, as their labor and skills pool is so much more shallow to begin with.

However, there has recently been a significant uplift in the use of workforce management solutions in small contact center sector, probably as a result of the increasing number of solutions – usually offered through a cloud-based deployment – aimed at the smaller end of the market by solution providers. These solutions offer relatively simple functionality, but will also have an easy-to-use interface for non-specialist users.

Workforce management systems are now common in contact centers, with a penetration rate of 56% amongst our survey respondents.

Of current WFM users, 23% are actively looking to replace their WFM solution. 10% of respondents indicate that they are likely to implement a system for the first time in the next 12 months.

Figure 9: Use of workforce management systems, by contact center size



Medium and (especially) large operations are far more likely to use dedicated third-party workforce management applications into which historical data can be fed, providing a far more accurate schedule.

Small contact centers have traditionally been less likely to have implemented workforce management, due to issues over cost, complexity and whether it was even necessary in small operations. Recent years have seen opportunities via the cloud model, as well as subscription-based pricing alternatives, which enable accurate forecasting and scheduling options for smaller contact centers.

As the likelihood of workforce management system usage is far more of a factor of size and call volume, rather than the business type, care should be taken with the following chart which shows respondents' WFM penetration rates by vertical market.

Those respondents in the transport & travel, outsourcing and finance sectors seem most likely to be looking to upgrade their WFM systems, with those in the insurance and retail sectors most likely to be implementing the solution within the next 12 months.

Figure 10: Use of workforce management systems, by vertical market