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Global Customer Warming

Despite battling rising costs, companies around the world are rethinking the role of the contact center as the hub of their customer relationships.

Earlier this year at IQPC's annual Call Center Summit, six contact center managers sought advice from each other during lunch one day. The conversation was spirited, jumping from effective training techniques to data integration to bilingual capabilities to home-based agents.

This group is not alone. From Africa to Asia to Europe to the United States, contact center executives face many common challenges and opportunities, like driving out costs and bringing in revenue. They also manage situations primarily found in their region. Call centers in the U.S., for example, are seeing marked growth in the need for multilingual service. As organizations increasingly use service as a competitive differentiator, and as globalization heightens competition, mastering these challenges and opportunities becomes progressively more critical.

Global view

Contact center agents and managers around the world are being asked to balance often conflicting expectations of customer centricity and efficiency. Additionally, many C-level executives expect their contact center managers to transform their operations from cost centers to profit centers. "Call centers really have to provide a good ROI investment these days," says Dave Stamm, president and CEO of Enkata.

This is a common theme, according to Grant Sainsbury, practice director for customer interactive solutions at Dimension Data, which recently released its "10th Annual Global Contact Center Benchmarking Report." "There's a lot of focus around building customer relationships out to the contact center," he says.

Consequently, there is an increase in the number of organizations across the globe rethinking the role of the contact center agent. "Today we see contact centers a lot more as a career," Sainsbury says. "In 1997 it was more of a job."

Another common global shift is the growing prevalence of such technology-supported solutions as IP-based communications, hosted and SaaS service applications, remote agents, CRM integration, multichannel coordination, and service via SMS, email, and video—all due in part not only to the growing availability of the supporting technologies, but also because of the potential to lower costs while improving service. Additionally, Sainsbury says, "there is significantly more use of speech recognition."

Social networking is also affecting contact centers globally. David Dentry, general manager of technical support at Nikon Americas, says that because of the instant global feedback of social media, if a Chinese customer calls a Chinese call center about a new offer and posts that response online, and then a Canadian customer sees that and calls a Canadian center for the same offer, that can cause a backlash and could be detrimental to the brand.

With the help of RightNow Technologies, Nikon maintains a central repository of information and carefully coordinates the release of that information to each of its call centers-in Canada, China, the Dominican Republic, Ireland, Europe, Japan, and the United States. A centralized technical office in Japan manages the root data, produces localized training material from it, and distributes it in 24 languages around the world. "Our customers have high expectations of our products, so we have to educate the agents," Dentry says.

Along with these global trends are the many localized challenges and opportunities facing contact center operations. While service operations in the United States work to balance costs and service levels, Europe- and Africa-based contact centers are harnessing the opportunities afforded them by high levels of IP adoption, and Asian and Indian centers are battling rapidly rising costs.

The United States balances costs with service

U.S. companies have vastly different approaches to managing the costs associated with delivering customer service-especially in today's environment of rising customer expectations. But one increasingly common approach is to anticipate customers' needs and respond accordingly. "A lot of companies want to service customers in the way they want to be served," says Elizabeth Herrell, vice president and analyst at Forrester Research.

Multichannel self-service, therefore, is also moving to the forefront. This helps keep costs down and increases call deflection so agents can concentrate on more complex queries. "Clearly, more service is also moving toward email and chat," says Jacada Senior Vice President of Global Marketing David Holmes. Yet, from a call center perspective, he says, it will be a challenge to maintain the same quality of customer service via email and chat that is typically offered via the phone.

Holmes explains that the multichannel trend is driving a dramatic increase in the percentage of complex interactions for call centers as the easier transactions (change of address, account balance checks) are the ones being performed online. As a result, contact centers must equip a higher percentage of their call center agents to handle more complex interactions.

For customers who prefer contacting an agent, regardless of channel, many companies are working to keep interaction time down and increase first contact resolution by investing in a knowledge base to ensure agents can access information seamlessly. "It's a very competitive environment right now," says Sandy Erickson, director of application product management at RightNow Technologies. "We're seeing companies take a hard look at the investments they can make to improve cost savings while also improving the experience."

What U.S. companies have improved upon is managing calls in a holistic fashion by using VoIP. For example, a company might seamlessly route calls to a center in, say, Singapore or India to balance agent workloads. "They're blending the call volume and call types in a more dynamic way and they're using the same software tools across all touchpoints," Enkata's Stamm says, adding that this allows managers to make adjustments in how they flow call types. "Performance management tools become much more critical in this environment, as each agent's skill set must be more carefully managed."

As some U.S. businesses wrestle with these technology-related issues, many others also face a more people-focused challenge: adding multilingual capabilities in a cost-effective manner. Lorne Zalesin, CEO, of Myinsuranceexpert.com faces that dilemma as the numbers of Spanish- and Korean-speaking consumers contacting the company continue to grow. The company just hired its first Spanish-speaking agent, but the Korean prospects represent a lost revenue opportunity because their contact with the company results in a complete "no-touch" sale. "They apply online and we send an appropriate plan based on our best guess," Zalesin says. "We can't advise them because we can't communicate." As for the growing Spanish-speaking population, Zalesin says he plans to eventually add more Spanish-speaking agents. He is also considering opening a Spanish-speaking call center, possibly in Belize, if the demand is high enough.

Some companies in the U.S. are reaching out to universities with foreign language centers to try to combat their language barriers. "Students need the income, and contact centers get their hands on foreign language speakers," says Bill Durr, principal global solutions consultant at Verint.

IP adoption is high in Europe and Africa With European contact centers sharing many of the economic challenges that those in the United States face, many European companies are hiring home-based agents, and using IP tools to link them to their primary contact center.

Dimension Data's Sainsbury says that Europe and the U.K. employ more than twice as many home-based agents as any other region in the world. RightNow Technologies' Erickson adds that many factors contribute to this trend, including high gas prices, increased agent retention, and a pool of more qualified candidates who want to work at home.

While the number of home-based agents continues to grow, so does the need for the tools to support them. Forrester Research's 2008 survey of contact center executives found that IP adoption continues to expand across the globe; more than 30 percent of companies indicated they have deployed or are rolling out IP contact centers. Forrester attributes the surge to the ease of using IP to support agents across the network.

According to Mark King, senior vice president of Aspect's European and African sales, contact centers in Africa and Eastern Europe are rapidly migrating to IP-based unified communications. Many of these centers are ahead of their U.K. and Western European counterparts, where the technology is more mature, so transitioning to IP presents a complete technology change. "The infrastructure is fresh there," he says. "They haven't gotten any legacy preconceptions or systems."

Additionally, businesses in Eastern Europe are in the beginning stages of becoming customer centric. Jan Safka, senior head of voice and mobile service at T-Mobile Czechoslovakia, says the notion of focusing on customer service is definitely changing in Eastern Europe. "People who grew up in socialistic times were not used to someone helping them," he says. "This is changing. Young people are coming in and getting used to the service culture."

As a result, T-Mobile Czechoslovakia's customer service is transitioning to a cross-sell/upsell environment. To support that strategy the company is using targeted marketing, giving customers channel preference, and implementing speech recognition. "It's about knowing the customer and having field data in the call center and smart marketing so that you can try to help the customer," Safka adds. "[In Eastern Europe] customer service and loyalty will be major leaders for the future and the direction of the good companies."

Asia/Pacific fights rising costs

Hosting contact centers in Asia was long thought to be a highly cost-effective option. Today, there are so many outsourced contact centers there that competition among them is driving up the cost of labor. "The game of outsourcing calls is always about chasing cheap labor," Verint's Durr explains. "With the dollar falling, the difference in savings is somewhat diminished. Coupled with a high exchange rate, the offshoring drive has been reduced."

Unfortunately, there isn't much that can be done about this, Durr says. "When you ask a person to work in the middle of the night and thereby disassociate themselves from the rest of their family and society, you had better be prepared to pay a premium. That's what's happening." Contact centers in Asia need to keep pace with the customer-centric approaches centers elsewhere around the world are embracing, but the reality is that cost control is still the main focus for many contact center managers in the region. "These centers have basic technologies in house—they have call recording and they may or may not have workforce management—but they're not using sophisticated technologies like speech analytics," Durr says. "They simply don't believe there's a value proposition. It takes a leap of faith to say, 'I'm going to invest serious money in speech analytics or customer survey feedback mechanisms.'

"They're all fighting costs, [yet] all are concerned with customer service," he adds. "For ages and ages, there was no concept of customer service in China. There is now. They're a modern society and worry about the same kinds of things that a manager in Hoboken, NJ, worries about."

Wherever they may be based, contact centers that can balance service and efficiency will deliver a competitive advantage. The globalization of those centers can help to build collaboration among far-flung centers, improving both service and efficiency. In other words, globalization can not only support customer centricity, it can help improve it in a cost-effective and profitable manner.