



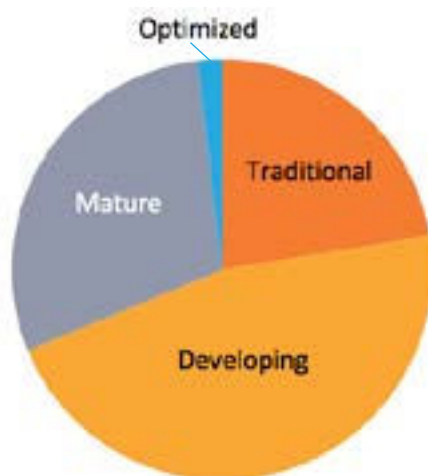
# 2018 Call Center Industry Report

Insights from more than 750 customer service leaders

liveops



## Customer service leaders told us their call centers struggle to keep pace with evolving customer needs.



*The journey to optimization:  
Too many companies fail to evolve  
their customer service organization  
beyond the developing stage.*

By any measure, call center customer service is a mature industry, yet most customer service leaders admit they haven't reached the halfway point on the journey from a traditional call center approach to optimizing their customer care organizations.

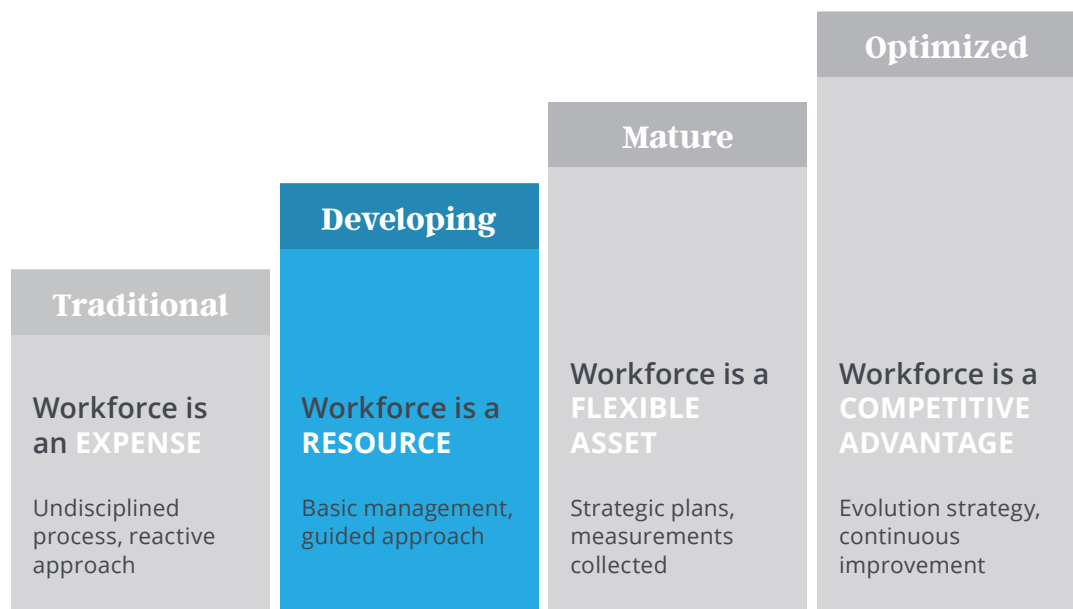
The 2018 Call Center Industry Report aims to qualify the overall maturity of call center operations to reveal significant industry trends and identify opportunities for potential gains in customer service organizations. More than 750 customer service leaders participated in the survey and the results are surprising.

Of the four potential options, a vast majority of call center operations were in the two least-sophisticated categories based on their survey answers: "traditional" stage (23%), with undisciplined processes and a reactive approach, or just past that at the "developing" stage (46%), where some steps have been taken toward upgrading the customer experience.

## DEFINING CALL CENTER MATURITY

With insights across many industries, the assessment's primary goal was to help survey-takers identify where their organization falls on a spectrum from traditional to optimized customer service. Maturity levels were segmented in four categories:

- **Traditional:** The company has little formal feedback process around customer experience.
- **Developing:** The company has taken a few steps toward implementing a formal customer experience program.
- **Mature:** The company holds the workforce accountable for their scores and the service delivered to customers.
- **Optimized:** The company's customer experience is a dynamic and evolving part of the organization's business processes.



## SOME PROGRESS, THEN INACTION

Overall assessment results show that 46% of customer service organizations fall into the developing stage. Why do so many fail to evolve beyond this point? Many companies settle here because they feel that they're doing well; they've made some progress and they might be seeing incremental gains as a result of these positive changes.

Developing-stage company leaders might suspect there's a better way, but two factors typically block forward progress:

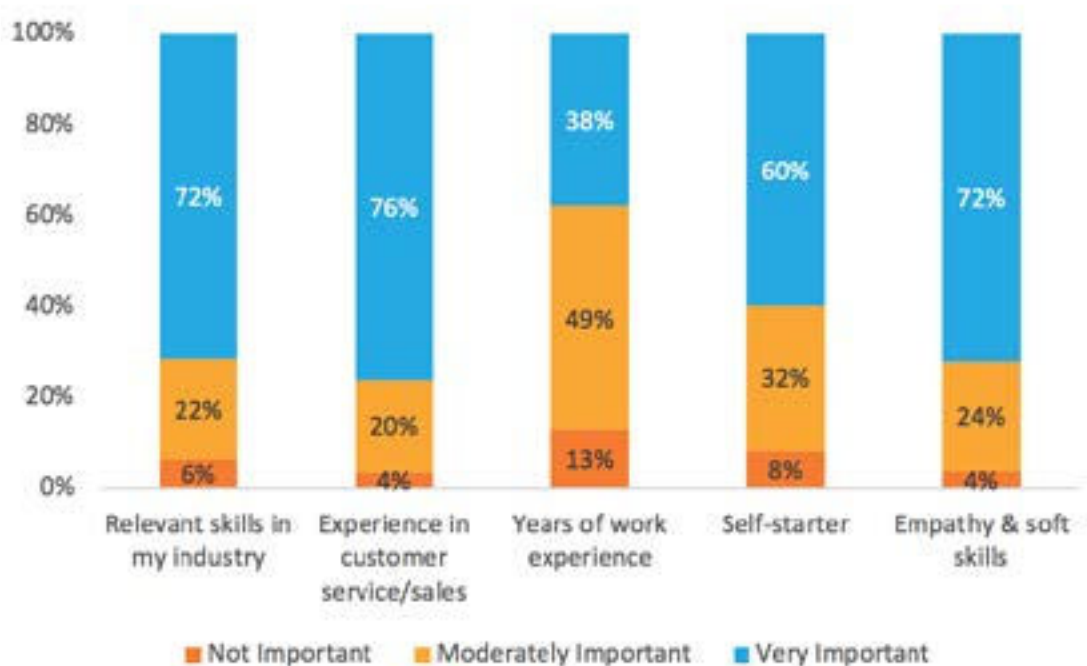
- **They don't see the value** of ongoing evolution; investments so far might be considered "enough," and the organization might not have the appetite for additional changes
- **There isn't a clear path** to enhancing customer experience, and opportunities may seem risky or costly.

## INSIGHT #1: Agent quality

Traditional call centers tend to have difficulty finding the best people. But how can any business afford to settle for lackluster quality? Businesses are actually losing \$62 billion per year—that's billion with a B—in revenue as a result of poor customer service ([New Voice Media](#)).

The disconnect between the leadership in many companies and what's happening on the front line with customers creates a chasm of lost opportunity. Only quality agents with substantial prior experience, relevant industry skills, and soft skills, can help leaders realize their vision for customer experience.

### How important are the following agent qualities?



Traditional call centers are forced to source within a 50-mile driving distance, and as a result, can't find enough of the right talent within this limited geography—especially if they need agents with specialized skill sets, such as licensed insurance agents, nurses, Spanish-speakers, or agents with extensive experience. And often, these specialized agents are not willing to work in traditional call centers due to their rigid schedules, impersonal approach, or overbearing managers.

We found that survey respondents placed lesser value on general work experience and highest value on specific, relevant experience in customer

service and sales. This is consistent with the overall trend toward agent specialization. The problem is that this trend is often handicapped by the tight labor market and shortage of skilled, available agents.

## SOURCE FOR EXPERIENCE AND QUALITY

Now you can change the whole sourcing equation from, “How do I find people?” to “How do I select the most qualified?” with a flexible model that sources talent nationally. It enables you to source from a much larger pool—rather than being constrained by the local labor market—and access a diversified community of high-quality agents.

Eight attributes of agent quality to consider:

- **Talent pool:** Agents sourced based on their skills and background rather than geographical proximity to a call center.
- **Experience:** Work history, industry background, business skills such as sales experience, soft skills such as diplomacy or problem-solving.
- **Education:** Level completed, communication skills, learning capability.
- **Motivation:** Personal accountability, results-driven, and loyal.
- **Flexibility:** Round-the-clock coverage, able to dive in and out as needed.
- **Trustworthiness:** Protect customer information to prevent theft, larceny, fraud and forgery.
- **Empathy:** A genuine desire to help; a shared language and cultural understanding.
- **Longevity:** Low attrition and substantial tenure to enable accumulated knowledge.

*“The problem with the overall trend toward agent specialization is the shortage of skilled, available agents.”*

## INSIGHT #2:

# Agent sourcing

The data reflects a shift in talent acquisition barriers from the employer's perspective—but a closer look reveals that perspective might be more advanced than reality.

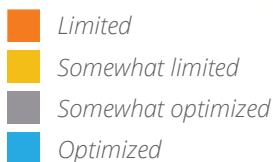
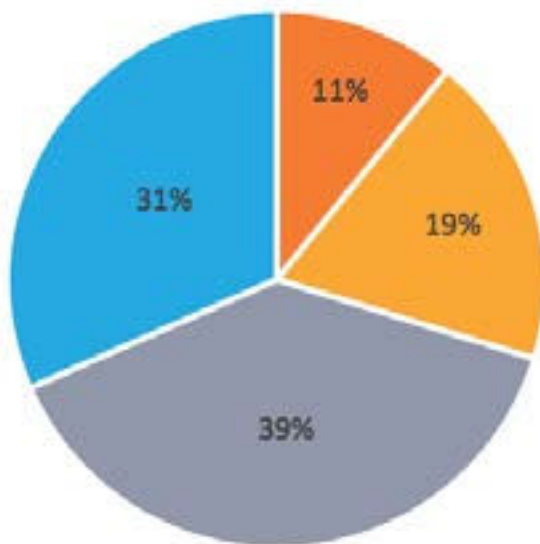
Technology and connectivity have made it easier to source prospective call center agents. While two-thirds of respondents indicated that their agent sourcing was “somewhat optimized” or “optimized,” this positive rating may

reflect only a general advancement in sourcing, rather than specifically optimizing for unique skill sets.

Technology allows many jobs to be performed remotely, offering companies broader access to untapped talent. As a result, true optimization can be found not only with broader sourcing, but by raising the bar on the skills and industry experience.

We are entering a new era of talent selection in which evaluation can be based on a higher skill set, with key specializations including technology, retail customer service, sales, insurance, telecom and medical fields.

### How would you rate your ability to source agents with relevant industry experience?



### BETTER SOURCING DELIVERS QUALITY

Leveraging a flexible workforce in this economy can help offset your skilled labor deficit and bring in more subject matter experts. You no longer have to choose between people who have the right skills and people who have the right availability (with the rare worker who is both).

Remote agents bring top-notch skills to on-demand work, enabling companies to find the right people, at the right time, and ultimately save money while delivering higher quality.

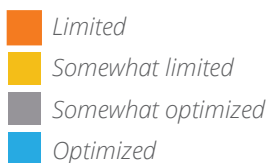
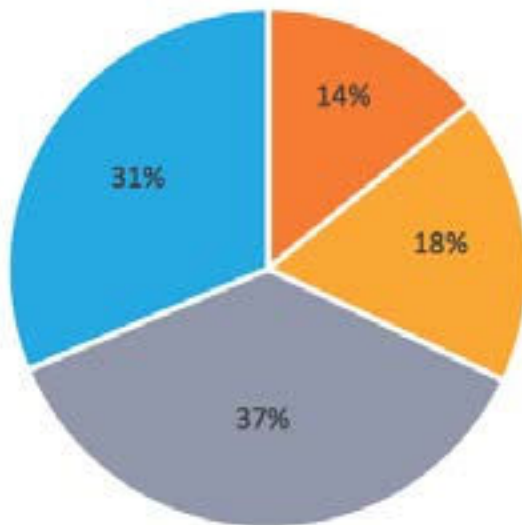
## INSIGHT #3:

# Agent performance

How does your business define quality? Is it a raw satisfaction score? A net promoter score? Successful resolution of a customer's concern in a single call?

Whatever the measure of quality, the link between agent incentives and performance is clear. But while 68% of respondents to this assessment reported that they have optimized or somewhat optimized incentive programs, industry data indicates that **most leaders don't know what type of incentives have the most influence** over agent performance.

### How would you rate the incentive programs you have in place for motivating agent performance?



This reveals yet another disconnect that could be responsible for poor performance. While call center leaders might optimize incentive programs in certain ways, they fail to identify key motivators linked to performance.

This knowledge gap is not only illustrated in the chasm between incentive and performance, but also in the high attrition rates found in most call centers.

Many people know that turnover among agents in call centers is high—with a 37% rate of attrition amongst call center employees during the first six months on the job ([DMG Consulting](#)). It costs approximately \$8,800 to train a new agent ([Response Design](#)).

Understanding how incentives influence agent retention is one building block toward incentive optimization that will pay great dividends. Developing the right talent is critical: the average cost of a bad employee is nearly \$15,000; the average cost of losing a good employee is nearly \$30,000 ([CareerBuilder](#)).

Customer service leaders are stuck: if they allow lower-performing agents to keep receiving calls, customer experience will suffer. However, if they sideline these low-performing agents, it creates wasted idle time. And finally, if they must replace the lowest performers, the call center racks up costs in recruiting, sourcing and training.

## CRAFTING A BETTER INCENTIVE SYSTEM

It's essential to optimize incentive programs for better sourcing, performance and retention. All three of these elements work together for successful operations. Incentive programs that work are a combination of reward, recognition and real-time feedback.

- **Match the greatest volume** of customer demand with workers who achieve the best customer results. A modern call center model rewards top-performing workers with prioritized calls, incentivizing them to do their best in every interaction.
- **Recognize workers** for doing a good job, not only with direct messages of appreciation, but also by recognizing them in front of their peers.
- **Provide real-time feedback** so workers know how they are performing and where they can improve. Clearly lay out steps for improvement and what good things will happen when they raise their game.

*“70% of U.S. consumers say they’ve spent more money to do business with a company that delivers great service.”*





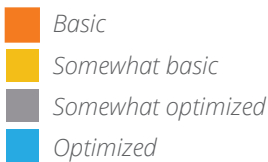
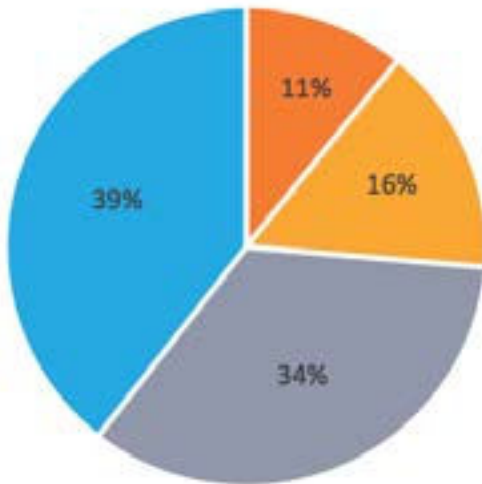
## INSIGHT #4:

# Quality assurance

Monitoring and reporting on core processes, agent activities, and business outcomes is essential to any call center. You need up-to-the-minute and historical information to address performance issues before they impact customer experience.

Today, quality management exists in three out of four call centers ([DMG Consulting](#)). While it exists in many call centers, quality management monitoring and reporting might not be as optimized as organizations believe.

### In general, how would you rate your agent quality assurance process?



Many companies have bolted together multi-vendor solutions to support their operations, but because they weren't designed to share data, they limit visibility and increase complexity.

When data is siloed—or worse, when data is simply not available, as is the case with many systems that limit historical data availability—it prevents customer service leaders from unearthing insights that ultimately lead to a higher-quality customer experience or a more efficient service operation.

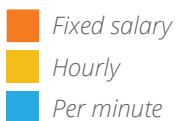
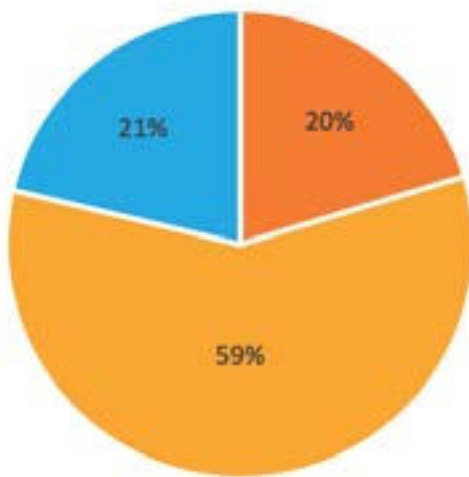
### GAIN MORE VISIBILITY

The most optimized call center model is deployed using applications that run on a single, integrated platform, with a tight integration among all applications. This offers visibility across every function and agent—providing greater control over day-to-day operations and the ability to proactively improve long-term performance.

## INSIGHT #5: Control costs

Cost overhead can come in many forms. After personnel, real estate is typically the largest expense for your business. As hiring increases, so does the cost of housing employees.

### How are your agents compensated?



Add to this the hardware, software and telecom needed for workers to be productive—plus the cost of hiring and training them—and each employee triggers a hefty bill before they ramp up to their potential.

Traditional call centers lack flexibility, and must choose between two problematic scenarios: either over-staffing to ensure adequate handling times when customer demand volume increases—often leaving many agents to sit idle—or under-staffing and creating a customer backlash when calls aren't handled in a timely manner.

### SHIFTING COSTS TO A FLEXIBLE MODEL

Consider a more flexible work-at-home model, where costs shift away from traditional call center expenses for FTEs and infrastructure, and shift toward a flexible, independent workforce. Flex workers maintain their own offices and equipment to best suit their productivity.

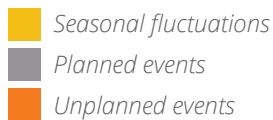
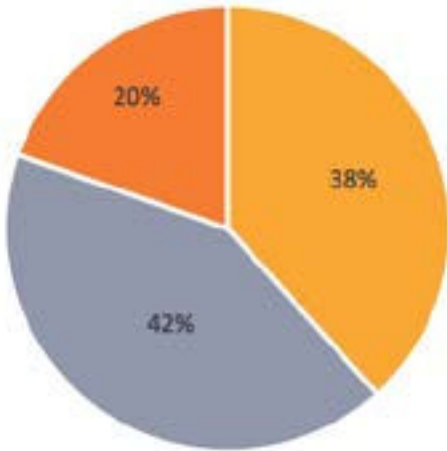
Because a flexible workforce tends to be self-motivated, they require less management and supervision, saving companies on administrative costs. Flex workers also ramp up more quickly and demonstrate greater performance than traditional call center employees. Most significantly for the bottom line, a flexible model supports per-minute compensation, rather than hourly or fixed salary. Agents ready to work whenever needed.

With this approach, you pay for what you use—and don't pay for idle time when workers are waiting for a call to come in.

## INSIGHT #6:

# Adapt quickly to spikes

### What causes most of your customer demand spikes?

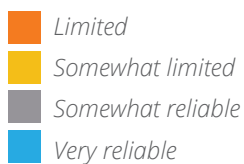
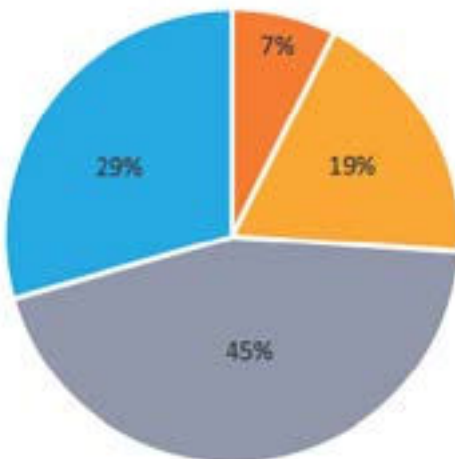


Perhaps the greatest challenge for call center operators is the ability to effectively plan for and handle spikes in customer demand. Survey respondents confirmed one of call center industry's greatest pain points; more than 50% indicated that they suffer from seasonal fluctuations or unplanned events.

But the ability to handle peaks and valleys in call volume is an essential business mandate to maintain service quality and reasonable hold times.

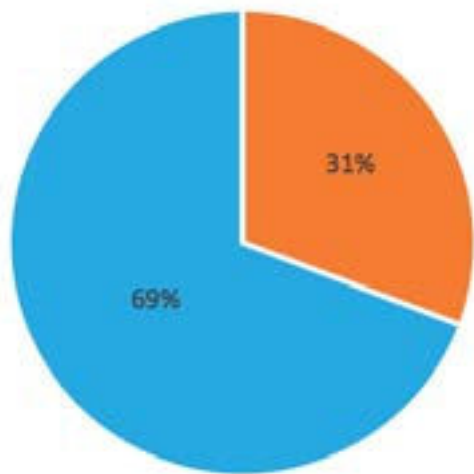
Results from the survey indicate that more than 70% believe that forecasting is not very reliable. When call volumes spike dramatically, those precious seconds on hold seem like an eternity for customers. In fact, 60% of customers will abandon a call after just one minute of waiting on hold ([Velaro](#)).

### How would you rate your company's ability to forecast call demand spikes?



For businesses with seasonal or unpredictable fluctuations in customer demand, it's critical to have a model that can scale as much as three times the baseline number of agents in hours while maintaining service quality.

## When unexpected customer demand spikes occur, what happens in your call center?



Long hold times  
We scale up or down

## THINK CREATIVELY ABOUT HOW WORKS GETS DONE

Leveraging a flexible workforce enables you to proactively plan for demand spikes and lulls, elevating your business performance and keeping your customers happy.

Start by assessing your processes and get input from other team leaders.

- How does your organization address **seasonal** or promotion-based spikes in customer demand?
- Are your customer service or sales teams sometimes **idle** due to lower demand?
- Are you anticipating a **product launch** or other service-intensive event, and is your customer service team ready for it?

This can reveal areas in your customer service organization where greater flexibility can support growth. Once you have all this information, you may realize areas where adding flexibility or business agility can drive optimizations.

### INSIGHT #7:

## Flexible learning

A well-trained workforce helps workers operate more successfully, which in turn leads to greater satisfaction with their work and can support overall business goals. Studies show that an improvement in employee attitude leads to a rise in customer satisfaction ([Harvard Business Review](#)).

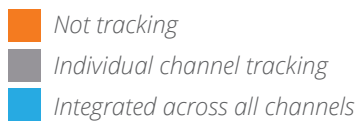
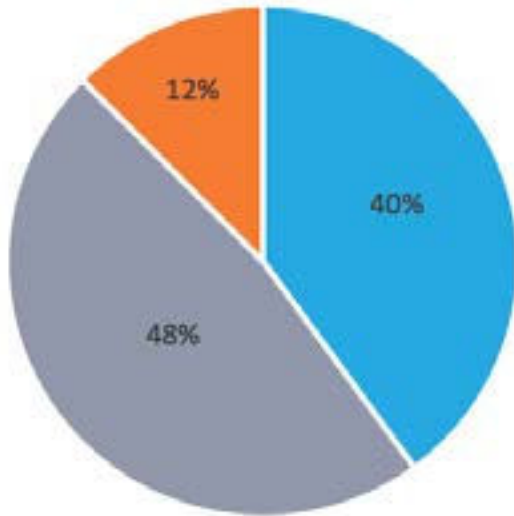
By investing in training, call centers enable their agents to more efficiently and effectively handle calls. This can support greater first-call resolution of customer issues, a key marker in overall customer satisfaction.

A skilled workforce can help your business achieve additional important benefits:

- Dramatically improved customer **satisfaction scores**
- **Loyal customers** who share their positive experience with others

- **Repeat business** from customers who “drive by the competition” to get to you
- Increased **trust in your brand** by customers who feel their interests are respected and heard
- A **reputation for integrity** in every customer interaction

## How do you evaluate customer satisfaction with agents?



Unfortunately, most internal training departments don't have the experience or bandwidth to create educational content that uses sound instructional methods based on an adult learners' ideal learning styles. As a result, learning is less effective than it could be, learners don't retain the content, and performance is impacted. It all adds up to waning customer satisfaction, as callers deal with agents who are unable to deliver on customer needs and expectations.

### PROVIDE ONGOING SKILL DEVELOPMENT

New eLearning models are breaking down many of these barriers, with self-paced online learning that adapts to the individual's learning style. This approach leverages learning-as-a-service platforms, delivering content to workforces that is accessible from anywhere, at any time.

Additionally, with the flexible workforce model, workers investing their own time in education and certification. This encourages efficiency in the learning process, accelerating time-to-readiness at a lesser cost than the classroom model.

## INSIGHT #8:

# Customer engagement channels

With so many ways customers can reach out to your brand, companies must have a fully integrated way to deliver excellent customer experiences. The good news is that respondents in the [2018 Call Center Assessment Survey](#) agree.

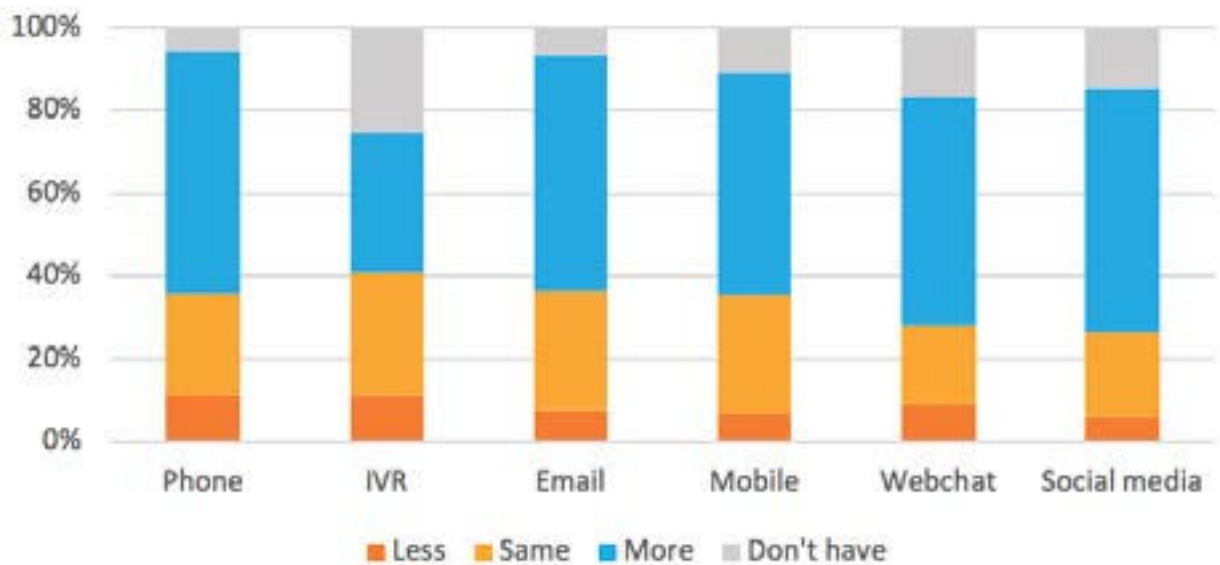
As companies invest in people and technology to create a cohesive integrated channel strategy, one critical consideration must be kept top of mind: customers are loyal to your brand, but not a particular channel. They care about experiences, about solutions, about ease and simplicity—regardless of how they interact with the company.

Consider the fact that customers have many connected devices—laptop, mobile phone, tablet, watch, perhaps even virtual assistants such as Amazon Echo or Google Home—all within an arm’s reach right now.

By the time you finish reading this report, more than 4,800 new devices will be connected to the internet. Ten years from now, the figure will mushroom to 152,000 a minute. That’s why researchers like [IDC](#) estimate that there will be 80 billion devices connected by 2025.

Given this proliferation, it’s important to understand the economics of each channel to your business. Building out and integrating multiple channels can be expensive. Rather than embracing all things omnichannel, start with a deep understanding of your core customer segments. What are their priorities? How do they prefer to communicate with your company?

## How will you invest in your customer engagement channels this year?



### YOUR OMNICHANNEL EXPERIENCE WILL NOT BE EVENLY DISTRIBUTED

While an omnichannel experience accounts for each platform and device your customers use to interact with your brand, it’s how you leverage the knowledge you gain from each of these channels—across sales, marketing, product and customer service—to deliver exceptional experiences to your customers.

## TAKE ACTION

# The case for greater focus on CX

*“When customer experience was made a priority, companies increased revenue 10% to 15%.”*

There is solid data that shows that crafting an excellent customer experience requires an ongoing journey of testing and refinement. The results of this effort show up in the bottom line: when customers are happy with customer service, it leads to more spending.

- When customer experience was made a priority, companies **increased revenue** 10% to 15% and customer satisfaction rates were 20% higher. ([McKinsey](#))
- 70% of U.S. consumers say they've **spent more money** to do business with a company that delivers great service. ([American Express](#))
- More than 80% of respondents in the [Deloitte Global Contact Center Survey](#) stated that improving customer experience is the most important strategic objective and **driver of investment** for contact centers.

## WHERE SHOULD YOU START?

Customer service leaders need to consider all of these challenges—quality, flexibility and cost—when orchestrating their call centers to ensure the best possible customer experience.

Here are three takeaways you can share with your organization, which can provide a starting point for improving your call center operations:

### Have we recently evaluated our call center operations?

More than two-thirds of call center leaders who took the assessment fell short of the halfway mark in a journey from a traditional call center to an optimized customer service organization.

**Action:** Take the 3-minute [call center assessment survey](#) and find out how you measure up to industry trends and get customized recommendations

### How reliable is our forecasting for customer demand spikes?

More than 80% of respondents indicated that forecasting was not very reliable. Your company might suffer from overstaffing (and wasted agent time) or understaffing (resulting in angry customers stuck on hold).

**Action:** Review your call flow, identifying seasonal, product-related, and unforeseen demand spikes. Consider how a flexible model could better address these issues.

## How well are we sourcing quality agents, and ensuring quality performance?

If you are limited to local agents within driving distance of your call center, you might be feeling the crunch from the highly competitive labor market, or you might not be able to source the skills necessary for your customer needs. Sourcing the right people is the start, and incentivising them to achieve specific goals is the next step.

**Action:** Evaluate whether an adequate pool of qualified candidates is available locally, or if you should consider remote agents that can be sourced nationally. Additionally, identify which incentives have the greatest influence over agent performance.

As customer expectations continue to rise, now is the time to consider fresh possibilities to enhance your service promise. If you haven't already, [contact a Liveops expert](#) to discuss your call center assessment results and learn how we can help.

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### ABOUT LIVEOPS

*Liveops offers an on-demand skilled workforce of onshore home-based agents for customer service and sales. With no call center overhead or wasted idle time, our pay-per-use model scales to meet seasonal or time of day spikes in demand.*

*More than 400 organizations across service industries including retail, health care, insurance and telecom trust Liveops to deliver an enterprise-grade workforce, with faster program readiness, increased revenue, and greater customer satisfaction scores than traditional call centers.*