



2007 Executive Survey Report: Insights Into Optimizing Contact Center Performance

An industry examination of how contact centers in Europe, the Middle East and Africa optimize efficiency, revenue and customer satisfaction



At Genesys, we understand how challenging it is to manage contact centers in the face of conflicting demands and ever-increasing customer service expectations. Though some great leaps in efficiency and quality have been made over the past decade, contact centers are still in the early stages of evolution.

Today, world-leading contact centers display a unique capability for creating customer intimacy and loyalty. The most innovative contact centers across the globe have moved beyond simply providing reactive customer service, to proactively initiating contact that adds value to relationships and increases customer loyalty.

This *Executive Insights* report summarizes some of the most advanced strategies deployed to optimize effectiveness and efficiency in customer service.

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Executive Summary

The fundamental objective of most contact centers is to extract maximum value from each customer interaction—while optimizing the efficiency of that contact. Innovations in technology have already made it easier for managers to balance the two, although contact centers are still in the early stages of evolution.

There are still significant opportunities to optimize the use of resources, transform the customer experience, add value and multiply returns. Today, a small number of innovators have recognized the unique value of the contact center and transformed it into a strategic tool for managing customer relationships personally and proactively.

This research study investigates how contact centers optimize customer interactions by segmenting and matching customers and agents, and more proactively managing customer interaction. A total of 571 contact center managers from a diverse range of organizations in Europe, the Middle East and Africa were surveyed online in October and November 2006. The key findings from that research are presented here.

Identifying, Segmenting and Prioritizing Customers

The most effective and successful contact centers seek to identify customers at the first available opportunity, assess the value of the customer or interaction, determine the level of service to provide, and match the customer with the most appropriate resource. But significant opportunities remain for many contact centers. For instance:

- 25 percent of contact centers do not identify customers before connecting them to agents, bypassing this first and most powerful method of optimizing interactions with existing customers.
- Just 19 percent use advanced analytics to prioritize incoming calls according to the value of the customer.

- Only 29 percent match their top-value customers to their best agents—generally by using an isolated group of high-performing agents.

Segmenting Agents and Matching Customers

Deploying widely available technology enables contact centers to match particular customer segments or individuals to particular agent segments, to achieve the most successful outcome from interactions. Unfortunately, the vast majority of contact centers segment agents only by the most basic of means. Our research reveals:

- Only 20 percent group agents by quality or performance outcomes, and route their most important customers to these top performers.
- Just 23 percent use sales performance results to segment their agents.
- Fewer than 20 percent segment agents according to soft skills.

But some advanced matching occurs. An increasing number of contact centers have started to consider demographic matching, whereby customers and agents are matched according to age and gender. Excluding those that think it is not applicable to their operations, 6 percent of organizations have already introduced demographic matching and an additional 35 percent expect to do so within two years.

Of the organizations that have already implemented demographic matching, 85 percent believe that the program is effective and a worthwhile investment, with the remaining 15 percent requiring further time and/or information before evaluating the value of their demographic matching programs.

Cross-Selling and Telemarketing

The ultimate purpose of optimizing the effectiveness of interactions by segmenting customers, prioritizing service levels, and matching to the best possible agent is to extract maximum value from interactions by selling more products and services to loyal, satisfied customers.

Contact centers offer unique opportunities to cross-sell to customers when they contact an organization. Of those that engage in some form of selling:

- 92 percent encourage agents to cross-sell during inbound service or inquiry calls.
- 18 percent expect agents to cross-sell in every call.
- 49 percent report an increase in cross-sell revenues over the previous year with a median revenue increase of 16 percent.

Outbound telemarketing continues to be an important method for organizations to generate sales, using contact center resources. This study found that 55 percent of respondents use outbound telemarketing and 59 percent see an increase in success rates—while only 4 percent see a decrease.

Dynamic Contact Center strategies

Optimizing the effectiveness of interactions and the efficiency of those interactions are two strongly entwined objectives. Today, an increasing number of organizations implement contact center management strategies that simultaneously address both objectives. Specifically:

- 26 percent of contact centers manage Average Handle Time by actively directing agents to spend longer on interactions during troughs, and the reverse during peaks. 50 percent consider this an attractive strategy to deploy in their contact center.

- Only 12 percent of contact centers actively manage cross-selling efforts by directing agents to explore cross-sell opportunities more actively and thoroughly during troughs. 54 percent consider this an attractive strategy to deploy in their contact center.
- 17 percent of contact centers use voice call-back during peaks to offer to return customers calls at a later time. 56 percent consider this an attractive strategy for the future.
- 10 percent of contact centers add other staff to contact center queues during peaks. 35 percent consider this an attractive strategy to deploy in their contact center.
- 12 percent overflow calls to other staff elsewhere in the organization during peaks in volume. 40 percent consider this an attractive strategy.
- 22 percent overflow calls to an outsourcer during peaks. 33 percent consider this a viable strategy.
- 20 percent blend agents' calling activities to make outbound calls during troughs of inbound activity. 53 percent consider this a viable strategy.
- 27 percent expand the agent's role to include managing interactions through other channels—such as email and SMS. 53 percent consider this a viable solution to improve efficiency and service quality.
- 24 percent expand agents' roles to include workflow tasks beyond customer interaction, to better use agent resources during troughs. 51 percent consider this an attractive strategy to deploy in their contact center.

The popularity of these strategies highlights the value of an automated dynamic approach to contact center management, in which managers dynamically integrate all available technology and business processes to manage agent productivity, prioritize business objectives, and respond to fluctuations in demand from moment to moment.

Introduction and Scope

Proactive Notification and Interaction

Proactive notification is an increasingly popular method for improving customer service and satisfaction, as well as contact center efficiency. Many contact centers can predict when and why they will receive a significant volume of calls, and some have found they can preempt those calls with an SMS or email message or a call from an agent. Others use proactive notification strategies to keep customers more informed about progress in the delivery of a service, and provide updates or value-added information: 22 percent already use proactive notification and interaction strategies, and 49 percent expect to within the next two years.

Online Web Chat

Consumers are increasingly interested in communicating with companies by web chat instead of over the phone. In addition to responding to consumer preferences, online chat can benefit contact centers by increasing online sales and lowering the cost-to-serve. Organizations increasingly recognize the importance of online chat as part of a multichannel strategy, with:

- 9 percent of the contact centers in our study already supporting online chat.
- 49 percent of the remainder (excluding organizations for which online chat is irrelevant) intending to implement online chat within the next two years.
- Only 14 percent proactively initiating web chat sessions.

Managing contact centers is an increasingly complex and challenging proposition. Even as contact center managers strive to achieve the ideal balance of controlling costs, enhancing quality and generating ever greater revenues, the demands placed on contact center resources continue to grow. Call volumes keep expanding, new interaction channels require support and customer expectations continue to increase.

Meanwhile, the objectives for contact centers change continually and are often in conflict: improve service levels, while reducing costs; understand customers better, while reducing the length of calls; increase revenues, while cutting expenses; be more efficient, while supporting more channels of interaction.

Through all this, the fundamentals of contact center management remain constant. Maximize the effectiveness of each contact with the customer, while also optimizing the efficiency of that contact. In other words, do more with less. In the past decade, contact centers have improved their ability to balance conflicting priorities, but there is still significant room to further boost effectiveness by extracting more revenue from customer interactions.

Innovations in technology have meant that, on the whole, contact centers are now more efficient. IVRs and Internet systems have reduced call volumes while workforce management systems have improved resource scheduling. Yet at the same time, technology innovations have created more pressure for the contact center. With customers becoming more comfortable completing the majority of simple transactions over the phone or the Internet, contact centers now receive increasingly complex live interactions, and email volume grows steadily.

In just 30 years, contact centers have become such a key determinant of the success and smooth running of many organizations that it's easy to forget they are still in the early stages of evolution. Though contact centers have become more sophisticated, there are still significant

opportunities to optimize the use of resources, transform the customer experience, add value and multiply returns.

Until recently, most service-oriented contact centers focused strongly on the efficient and effective management of incoming interactions. Though the past decade has seen a shift toward generating greater revenues from contact center operations—moving them from cost centers to profit centers—attention and effort have continued to focus on cross-selling and up-selling customers who have initiated contact.

Today, though, a small number of pioneers have evolved the contact center to a higher level, beyond merely serving the inbound interactions from customers. These innovators recognize the unique value of the contact center, and encourage and instigate more communication with customers. This development beyond efficiency and cross-selling on inbound interactions allows forward-thinking organizations to make use of the intimacy of regular customer interaction to proactively enhance customer relationships and build loyalty.

Instead of treating contact centers as a necessary evil for appeasing customers, these organizations have boldly reshaped contact centers as a strategic tool for managing customer relationships personally and proactively.

This research study evaluates the industry's progress toward this new paradigm of customer contact and explores the reality of optimizing contact center performance. It explores recent innovations and successes in customer service and contact center management, by presenting the key findings from a survey of 571 contact center and customer service executives from a diverse range of organizations across Europe, the Middle East and Africa.

Profile of Respondents

The value of this optimization research study is reflected in the diversity and size of the organizations that participated. A total of 571 contact center managers and customer service executives from 19 different industries were surveyed online in October and November 2006. This section profiles the operations of the respondents.

Primary Vertical Market (Table 1)

Business and Consulting Services	6%
Contact Center and Business Outsourcing	9%
Consumer Services	1%
Finance—Banking	15%
Finance—Insurance	5%
Finance—Services	3%
Government and Not-for-Profit	6%
Healthcare	1%
Information Technology	9%
Insurance and Superannuation	2%
Manufacturing—Consumables	2%
Manufacturing—Industrial Goods	2%
Media and Entertainment	2%
Other	5%
Retail	2%
Telecommunications	23%
Transport	2%
Travel	2%
Utilities and Resources	4%

Contact Center Size

Respondents to this survey represented a wide range of contact center sizes: from fewer than 10 seats to more than 1,500 seats; and from single-site contact centers to those with more than 100 sites. The median size of operations is 230 seats across three sites.

Optimizing the Effectiveness of Interactions

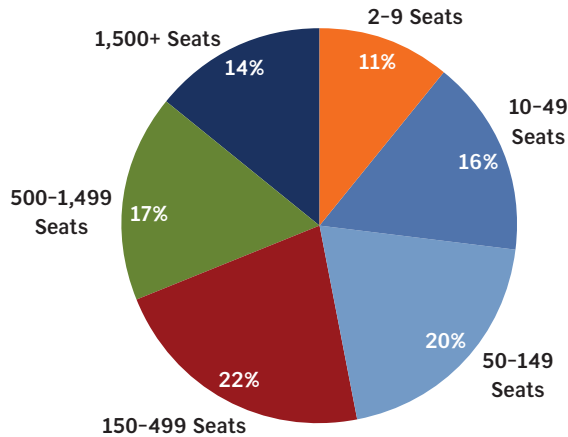


Chart 1. Total Number of Seats

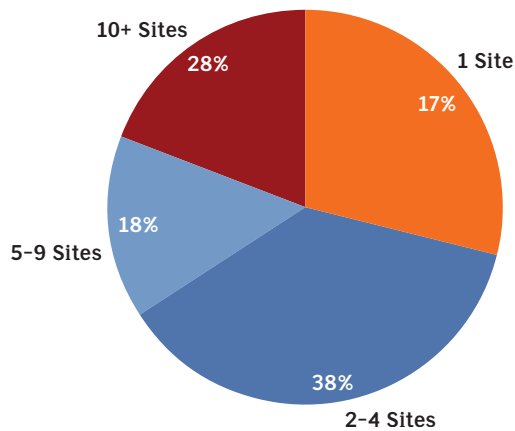


Chart 2. Number of Physical Sites

Contact centers make a vital contribution to the business outcomes of commercial organizations. They can directly impact profitability and build shareholder value by helping the organization gain maximum value from customer relationships, reduce the costs of serving and supporting customers, and foster brand loyalty.

In the non-commercial government environment, the operational imperatives are different. The objectives of profitability and shareholder value are replaced by the need to offer quality services, implement and deliver policy, and meet the needs of the community.

Whichever environment is considered, though, the fundamental objectives of managing contact center performance remain the same: optimize the effectiveness of each interaction with the customer, and optimize the efficiency of those interactions.

Interestingly, these two objectives are strongly connected. Often, solutions and strategies for improving the effectiveness of interactions also directly improve the efficiency of processing interactions, and vice versa.

Many of these are simple technology solutions that have been available to contact centers for years, and yet this study revealed that some organizations fail to apply even the simplest solutions for optimizing contact center performance.

Optimizing the Outcome

The effectiveness of an interaction can essentially be measured by its outcomes. Generally, contact center managers assess the desired outcomes based on how they impact quality, customer satisfaction and value creation. These objectives can be further refined by considering the needs and expectations of customers—as well as the needs and expectations of the organization.

For the customer, a satisfying interaction is one that meets their objective easily, quickly and completely. The next step up is an interaction considered more enjoyable and valuable than expected—often referred to as being delighted.

For the organization, a baseline effective interaction would meet the bare minimum expectation of the customers—satisfying customers adequately so that they do not require further interaction or a refund. Most organizations seek to satisfy customers completely, by meeting all of their expectations of the interaction. And further, some organizations today seek to delight customers by surpassing their expectations—making the interaction more enjoyable and valuable than expected.

Of course, organizations expect more than customer satisfaction from an effective interaction. Most will want to add or create value from the customer interaction—strengthening those customers’ relationship with the organization and brand by making them feel more positive about the service and value they receive.

Research suggests that delighted customers are more likely to be active advocates of the brand—sharing their positive experience with others who may also become customers—and are more open to buying more goods and services in the future.

That brings us to the ultimate objective of optimizing the effectiveness of interactions: creating value for the company by selling more to the customer. Companies extract value from relationships and build profitability by selling more goods and services to a growing number of customers.

Meeting Customer Expectations

For contact centers to best optimize the effectiveness of interactions, they need to meet the needs and expectations of both the customer and the organization. Often these overlap. What customers want is what the organization wants. The bottom line: Satisfied customers generate more sales.

Consider this explanation of a customer’s expectations of suppliers identified in Table 2 (see page 10).

Meeting all of these expectations requires contact center managers to manage myriad business processes, systems and technologies. For the purpose of this study, the investigation of maximizing effectiveness focuses on the three key elements:

- Optimizing the match of customers with agents or self-service systems
- Prioritizing and varying service levels
- Creating value from the interaction

Optimizing the Match of Customers with Agents

Connecting the customer with all relevant information and the most appropriate customer service resource is fundamental to optimizing the effectiveness of interactions and achieving the best possible outcomes.

When contact centers seek to gather maximum value from every interaction, they must be able to identify the customer service resource most likely to extract that value—whether it be a contact center agent, an expert knowledge worker, a self-service system, or another resource. Where the skill and knowledge levels of contact center agents and customer service staff vary, matching the most valuable interactions to the best-performing contact center agents is the first step in optimizing the outcome of interactions.

To achieve this end, the contact center must be able to:

- Accurately identify and assess the value of the customer and the inquiry
- Understand and segment the knowledge and abilities of agents
- Access all the information required to complete the interaction
- Apply real-time business insight to prioritize and connect the customer, the information and the most appropriate resource for the interaction

Table 2. Explanation of a Customer’s Expectations of Suppliers

Customers want their suppliers to:	Findings from Genesys Global Consumer Survey 2006:	Therefore, organizations want to:
Be reachable—make it easy for me to contact you, when I want to, the way I want to	<p>Consumers increasingly want to communicate using a variety of channels:</p> <ul style="list-style-type: none"> • 85% of consumers would like to communicate with a company by email • 18% would like to do so using web chat (instant messaging) • 13% would like to use SMS <p>But consumers still want to communicate with companies over the phone, and do not want to feel pushed into using self-service:</p> <ul style="list-style-type: none"> • 80% of consumers feel pushed into using self-service • 74% react negatively to this, mainly by feeling less loyal or taking their business elsewhere 	Make it easy for customers to reach the organization so that they feel more satisfied and buy more often
Be responsive—answer my call/interaction quickly, provide the right information and complete the inquiry quickly	<ul style="list-style-type: none"> • Long wait times are the biggest cause of frustration for consumers, and 74% would like the option to ask for a call-back if the wait time is longer than they would like • Having their issue resolved without being transferred also has a significant impact on call satisfaction 	Reduce wait times, provide the option of call-backs, make information easily accessible, strive for first-contact resolution, and be more efficient
Recognize me—know who I am, understand my needs and personalize the service you provide to me	<ul style="list-style-type: none"> • 56% of consumers are frustrated by having to repeat information they’ve already provided 	Identify customers to personalize and prioritize service and identify the opportunities to sell more products and services to them
Be relevant—inform me of things I need and like to know, make offers relevant to my needs, and update me about progress with my transactions	<ul style="list-style-type: none"> • 87% of consumers would like to receive proactive communications from companies to keep them informed about service delivery and/or other products and services that may be of interest to them • 83% of consumers would like companies to tell them about other products and services that may benefit them 	Keep customers more informed to satisfy them and forestall inquiries, and communicate regularly with customers to promote the brand and sell more products and services

Most commercial organizations have customers who vary significantly in value and profitability—very few commercial organizations and government bodies could genuinely claim that all of their customers are equal and should receive equal levels of service. Given the difficulty most contact centers have in consistently maintaining target service levels, attempting to deliver a single level of service across all interactions is a risky

proposition. The likely outcome of this approach is that the most valuable customers will sometimes receive a poor level of service.

Instead, by optimizing the match of customers with agents, contact centers can prioritize service needs to deliver the best quality of service to the most valuable customers and interactions—while risking a lesser level of service for their least valuable customers.

If we accept that the most valuable customers should receive a superior quality of service, then the first priority is to identify customers and assess their value to the organization.

Identifying Customers

The most effective and successful contact centers seek to identify customers at the first available opportunity. This allows them to assess their value, determine the level of service to provide, tailor the interaction, personalize the call, and identify the opportunities to sell products and services. The majority of contact centers in this study appreciate the value of this strategy, with 75 percent saying they identify inbound callers before they reach an agent. Though this is an encouraging increase from previous studies, it is still disappointing that despite the ready availability of IVR, CRM and customer information systems, 25 percent of contact centers still don't identify customers before connecting them to agents—forgoing this first and very powerful opportunity to make the most of the interaction.

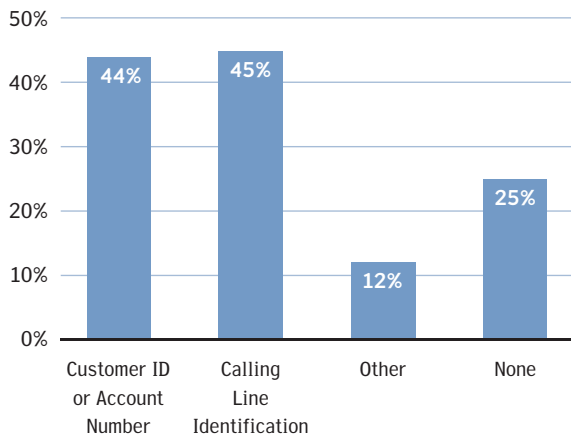


Chart 3. Identifying Customers Before Routing to Agent

Assessing Customer Value and Interaction Value

Once identified, assessing the value of the customer and the value of his or her interaction is the next step in optimizing the contact. At the simplest level, this involves categorizing customers and interactions into different groups, and it is encouraging to see that IVRs are used well for this task.

As illustrated in the chart below, type of inquiry, category of product or service, and the inbound number dialed are the most common categories used to assess interactions.

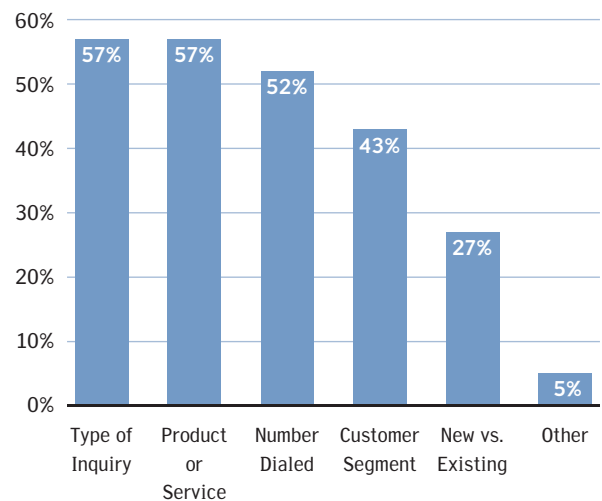


Chart 4. Method Used to Categorize Calls Using IVR

Analyzing Unique Customer Value

Of the organizations that participated in this study, 19 percent use advanced analytics to prioritize interactions according to their potential value (as a function of the customer's value and the specific nature of the interaction).

"We prioritize wait times according to customer segments and assess the value of calls according to the customer segment and the nature of the inquiry, and route accordingly." —Travel

"We have started to create customer segments according to the type of customer they are, what accounts they hold, how they typically interact with us (e.g., branches), and how profitable they are, and we will soon prioritize and route according to all these criteria." — Banking

"Our data analysis categorizes the value of the customer into four levels. We then route to four different levels of consultant. We also identify cross-sell opportunities according to each customer's segment and product mix. When we identify opportunities to up-sell and cross-sell, we put customers in a higher category so they are connected to our better sales people." — Utility

Other organizations obviously recognize the value of this sophisticated approach to segmenting and prioritizing interactions: 11 percent are implementing this initiative, and 16 percent are investigating the possibility of doing so.

The opportunity for organizations to leverage customer intelligence and analytics is highlighted by the fact that 46 percent of contact center managers believe their organization's marketing department uses sophisticated analytics and propensity models to optimize direct mail and telemarketing campaigns.

Though large marketing organizations have used sophisticated approaches to segmenting customers for many years, they seem to have neglected the opportunity to leverage and exploit this intelligence when customers interact with the contact center. Evidence suggests that customer service operations within many organizations are still too far removed from the marketing function. These organizations could benefit significantly from taking a more holistic approach to managing all of the communication and interaction with customers.

Matching Top Customers to Top Agents

The ultimate aim of this sophisticated identification and analysis of customers and interactions is to maximize revenue from incoming sales and service calls.

Organizations may initially be focused on service quality and delighting the customer—with the aim of building brand loyalty. But the ultimate purpose of building customer loyalty is to ensure that customers continue to purchase more goods and services. A powerful method for achieving this goal is to connect the most profitable customers to the best-quality agents.

In this study, 29 percent of organizations match their top-value customers to their best agents. At the rudimentary level, this is achieved by providing the most valuable customers with an alternative number that directly routes to a specialist team of agents. More sophisticated contact centers use advanced analytics and agent segmentation to match the most valuable customer segments to the best-performing agents in their broader contact center environment.

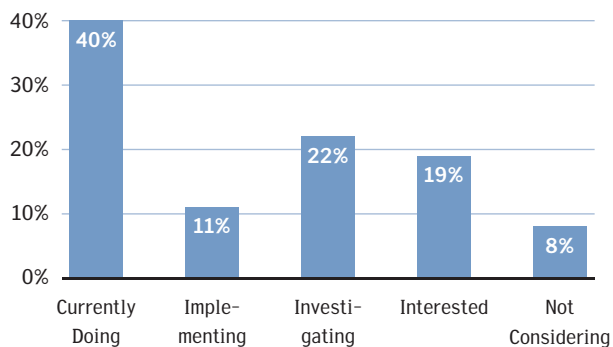


Chart 5. Do You Match Your Top-Value Customers to Your Top Agents?

“By routing our best customers to our best agents we’ve improved customer satisfaction and retention, and are seeing additional revenue in the order of 5 percent.”

— Telecommunications

“This type of service has resulted in higher satisfaction amongst the high-value customers since they receive service from agents trained to help them utilize the various programs available to high-value customers. This has also resulted in an increase in the number of products used by these customers and higher balances in each different product type.” — Banking

Achieving this level of optimization requires contact centers to thoroughly analyze and segment agents according to their quality and skills. Though most contact centers have very sophisticated systems and processes for assessing and coaching agent performance and quality, it seems that many have yet to exploit that insight by matching the best agents to the most valuable interactions.

Segmenting Agents

In addition to being the largest expense of a contact center, agents are the most valuable asset. Even with the proliferation of intelligent self-service technologies, quality contact center agents are likely always essential sources of unique intelligence and skill for meeting customer needs.

Today, agents are vital to the fundamental creators of the brand associations that customers form about an organization. In a recent Genesys survey, 75 percent of consumers said that a company’s customer service agents have a major or significant influence on their opinion of that company.¹ But do contact centers fully leverage the unique capabilities of this vital resource?

Just as organizations should seek to evaluate the value of customers and categorize them into discrete segments, so they should segment agents into discrete segments based on specialist skills and talents. Research studies show that some agents are more effective than others at selling. Some are more effective at empathizing and building rapport, while others excel at problem-solving.

Workforce management systems and intelligent routing engines are available that allow particular customer segments or individuals to be matched with particular agent segments—achieving the most successful outcome from interactions. But how widely and how effectively do organizations use these systems?

This study found that 89 percent of organizations segment their agents into broad categories such as product groups, business units, processes and customer categories. But the majority of organizations assign agents to these segments based on product or service knowledge and/or their transactional skills.

¹ Genesys Global Consumer Survey 2006

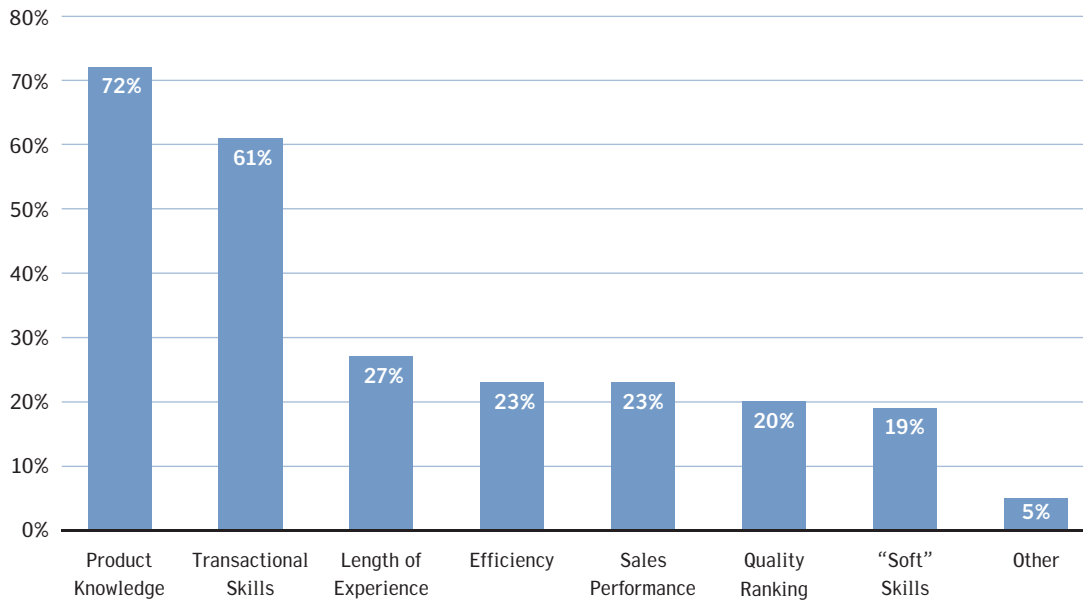


Chart 6. Methods of Categorizing or Segmenting Agents

It is evident that the vast majority of contact centers have barely begun to segment agents at an individual level to optimize the match with customer interactions. Despite the widespread use of quality monitoring and one-to-one coaching, only 20 percent of contact centers segment agents according to a quality or performance ranking—then leverage that to connect their top customers to these top performers.

Further, though most contact center managers acknowledge that some agents are better equipped to handle complaints, and others are better at selling, only 19 percent of contact centers segment agents according to soft skills such as empathy, assertiveness and rapport building. Likewise, only 23 percent use sales performance results to segment their agents.

Clearly, there are significant opportunities for most contact centers to advance the sophistication of their segmentation of agents. Unfortunately, many contact center managers seem to have a limited view of how to leverage this powerful resource.

The most commonly cited reason for not segmenting agents is that all agents need to deliver a consistent level of service and performance to all customers across the board. Though that is an acceptable and admirable goal, it does not account for the inevitable variation in skill and quality. There will always be agents who rise above the average and perform at a superior level, and contact centers have a unique opportunity to exploit their skills.

Contact centers are significantly underused, and the majority could benefit from a far more sophisticated approach to matching agents to customers. Millions of dollars of business are transacted through contact center agents and vast amounts are invested in training them for the task, yet most organizations do very little to optimize the fit between customers and agents. Today, most corporations invest hundreds of thousands of dollars to train and manage their corporate sales teams in advanced selling and communication skills, and carefully match sales representatives to specific customers. As business becomes increasingly competitive, contact centers will need to introduce a similarly sophisticated approach to hiring, training and developing the skills of their agents.

The opportunities to optimize the match of customers to agents continually expand. A recent implementation of speech recognition technology analyzes the speech pattern of callers to recognize and identify their emotional state by the inflection and stress in their voices. This system then provides the intelligence for the routing engine to route the call to uniquely skilled agents best equipped to handle an upset or irate caller.

Such technology opens up a whole new range of possibilities for contact centers. But if they are to take advantage of these capabilities, the vast majority will have to apply a much more thorough approach to segmenting agents.

Demographic Matching

An increasing number of contact centers are considering this relatively simple approach to matching customers with particular agents to optimize the outcome of the call. The idea of demographic matching is that particular agents may be more effective at building rapport and selling to customers of a certain age and gender. The expectation is that matching young callers to younger agents, and more mature callers to more mature agents,

will lead to more easily establishing rapport and a greater sense of comfort and satisfaction for callers. This could improve first-call resolution, reduce handle times, lift customer satisfaction and ultimately produce higher selling rates.

Though it may be difficult for some organizations to achieve this completely, the majority of contact centers could readily adopt a closer demographic fit. Ultimately the goal is to match every single inbound customer interaction—where customers have been identified—to the best fit of demographic and agent skill set according to the customer's profile and the purpose of the interaction. Routing just 20 percent of calls with these methods could make a significant impact on the performance of the contact center.

Many contact center managers have already attempted to improve contact center satisfaction in their contact centers by matching the demographic profile of their agents more closely to their customers, and have adjusted their recruitment strategies accordingly.

“Our student services contact center has been deliberately staffed with agents who are also students, or are a similar age, and the value of that is evident when you listen to how our agents build rapport and communicate with more naturally youthful language.” — Government

“We’ve been hiring more mature agents lately in order to get a better fit with the maturing nature of our clients, and while there aren’t many mature age people looking for contact center work at the moment, I think we will see that change as the working population ages and people work part-time in the latter stages of their life.” — Health Insurance

“In the contact centers we manage for mobile services, we’ve seen a huge benefit in hiring agents of a similar age to the majority of the customers and prospects they sell to.”

— Contact Center Outsourcing

The industry shows a greater interest in demographic matching, and using careful recruitment to find the agents most appropriate to their operations. Among our respondents, 6 percent have already introduced demographic matching and 35 percent expect to do so within two years.

Of the organizations that have already implemented demographic matching, the vast majority report that it has been a valuable exercise. More than 85 percent believe that the program is effective and a worthwhile investment, while fewer than 15 percent need more time and/or information before evaluating the value of their demographic matching programs.

Meeting the Needs of the Caller

Once an interaction is successfully connected to the ultimate match of agent, or specialist knowledge worker, or even self-service system, the success of the interaction then hinges on the customer experience and the efficient resolution of the enquiry. These in turn depend on many other factors, including the quality and ease of availability of information for agents and customers, agent engagement, and agents’ knowledge and soft skills.

Given the limited length of interviews that can be completed with contact center managers, the scope of this research study could not extend to investigating the elements and processes involved in actually servicing and completing inquiries.

Maximizing the Value of Customer Relationships

The ultimate purpose of optimizing the effectiveness of interactions by segmenting customers, prioritizing service levels, and matching to the best possible agent is to extract maximum value from interactions by selling more products and services. Delighting customers with quality and exceptional service is motivated by the goal of priming customers for the best possible chance of retaining them in a loyal and profitable relationship.

Contact centers offer unique opportunities to sell to customers. The time when a customer has initiated contact with the organization—and the agent has just provided a satisfactory and pleasing service—is almost certainly the best moment to discuss additional products or services. For many organizations, such an opportunity is second only to a prospect calling in response to a specific campaign or walking into a store or branch to make a purchase.

During a contact center interaction, the agent and the customer have probably discussed key elements of the product or service provided—opening up opportunities to make related offers. As a result, contact center cross-selling has increased markedly in recent years. Of the contact centers in this study that have some form of selling, 92 percent encourage agents to cross-sell during inbound service or inquiry calls, with 18 percent expecting agents to cross-sell in every call. The results are positive: 49 percent of organizations surveyed reported an increase in cross-sell revenues over the previous year, with a median revenue increase of 16 percent.

In recent years, the methods used to optimize cross-selling success have become increasingly sophisticated. Many organizations initially introduce cross-selling in the contact center with generic offers to each caller whenever the opportunity arises. Often this means implementing a campaign to promote a specific product to the majority of customers.

Often the next stage is to encourage and train agents to recognize and make cross-sell offers whenever they identify an opportunity. This unstructured but more responsive and intelligent method appears to be the most popular approach.

The challenge with the responsive approach to cross-selling is that it relies heavily upon the individual motivation and perception of each agent. Some agents find it easy to make cross-sell offers, while others find it very difficult. Again, this highlights the importance of segmenting agents so that attractive cross-sell opportunities are routed to the agents best equipped to complete them.

In this study, many contact center managers explained the difficulty they have in encouraging agents to focus on cross-selling, and in measuring and rewarding their success in doing so. Some organizations use simple targets such as “make five cross-sell offers per month,” while others have found a need to develop custom applications to record and track referrals through to closure.

“We add value in almost every call except the really short low-value calls—10 percent of our calls are segmented and routed to agents who treat the transaction and move on as quickly as possible.” — Banking

“When we are not so busy we encourage up-selling, but during the peak season we don’t because it’s about speed.” — Travel

“We’ve seen a 60 percent increase in lead generation by asking agents to focus on eight clues to look for during each three-month period.” — Financial Services

Though many organizations have successfully implemented a responsive approach to cross-selling, others have expressed a desire to support agents more effectively by identifying and prompting those with potentially suitable offers. The ideal way to change agents’ cross-selling behavior may be to combine financial incentives, call monitoring and one-to-one coaching, with support from intelligent customer information systems.

Targeting Cross-Selling with Analytics

Today, few organizations implement cross-sell campaigns that target particular segments with unique offers. A contact center manager for a retail bank explained, “We’re running analytics on the data warehouse information to identify specific offers to make to specific customer segments and then we flag those customers so the next time they call the agent is prompted to make the offer.”

A few other organizations explained how they design processes and systems to implement a “next-best offer” approach to adding value to calls. With this strategy, the intention is to always add value to each and every call by directly prompting agents with the most appropriate “offer” to make—if the nature of the call allows it. This includes either cross-selling or advising the customer of useful services and information. For example: “Did you know you can complete this task more conveniently using our Internet . . .” or “Our automated payment service . . .”.

A few organizations at the leading edge of cross-selling generate real-time customized offers as interactions enter contact centers and self-service systems. For example, a retail banking organization has implemented a system that links CRM and analytical tools to its speech IVR system to make real-time offers while customers use the self-service system.

Optimizing Efficiency and Effectiveness Simultaneously

Outbound Telemarketing

Telemarketing continues to be an important method for organizations to generate sales, using contact center resources, as evidenced by the 55 percent of respondents who have an outbound telemarketing operation. These operations are proving successful, with 59 percent of organizations reporting an increase in success rates for outbound telemarketing. The most common explanations for this improvement? Redesigning outbound telesales offers to be warm offers—based on a recent expression of interest from a customer or a change in customer circumstances—such as a large deposit in a bank account.

“Outbound telemarketing is now based on what’s happened in your account in the past few days or something that’s about to happen in the next six weeks. Agents like doing them because they are warm calls with a good license to chat and add value to the customer.” — Banking

“Our outbound success rates are growing generously because it’s better targeted and relevant to the customer’s personal situation, and focused on developing the relationship.” — Insurance

“We’re more successful because we have very good analytical marketing and predictive modeling and only call where we genuinely think there is an opportunity for the customer—we’re really calling to help them rather than ‘sell’ to them.” — Banking

Most contact center managers constantly strive to balance quality, cost efficiency and revenue generation. Inherent conflicts between these demands create a challenge, because placing too much focus on one element can occur at the expense of another. Often, gains in sales lead to declining customer satisfaction or a rise in costs, while a strong focus on cost control can lead to declining satisfaction and lower revenues.

As contact centers come to be appreciated as strategic assets rather than merely expenses to minimize, the relative emphasis on productivity, quality and revenue has shifted. Of the contact centers in our survey, 25 percent say the balance of focus is now shared equally among these three areas, while 34 percent focus primarily on productivity and quality.

Though it can be a challenge to manage these often conflicting imperatives, the solutions and strategies exist to not only balance these demands but improve performance in all three areas simultaneously. Some of these solutions already are used widely, while others are just now emerging.

In this study, contact center managers were asked to consider the viability of a selection of contact center strategies that can simultaneously improve performance in two or three areas.

Each of these strategies is already used by some contact centers, but they are limited in their effectiveness. This limitation exists because the strategies require significant human intervention. They are reactive in nature, with a significant time lag between the identification of an issue or opportunity, and the subsequent operational response. Also, they often fail to take into account all the various operational parameters of the contact center.

But a new model for contact center management that will eliminate these shortcomings has been developed. This solution promises to take contact center optimization to a whole new level by automating the adjustment of operational parameters in real time.

Dynamic Contact Center Strategies

Managing agent resources, calls, emails, queues and information about customers and interactions has been made easier through the development of advanced software technology. But much of this sophisticated technology operates in isolation in a contact center. Queuing systems, workforce management systems, scripting systems, customer information systems and marketing systems are rarely linked to share information. As a result, massive opportunities to improve operational efficiency and effectiveness remain.

A new model for contact center management is emerging to integrate and leverage the business intelligence and capabilities found in all the customer information systems, contact center management systems and self-service systems used in a contact center.

Genesys calls this model the **Dynamic Contact Center**. It dynamically integrates all available technology and business processes to provide moment-to-moment management of agent productivity, prioritize business objectives and respond to fluctuations in demand.

In the Dynamic Contact Center, the management of resources, traffic and call outcomes is always in harmony, and perfectly optimized. All agents handling interactions have the full complement of customer information at their fingertips.

Agents are more satisfied, because their capabilities are used to their fullest. Queues are shorter and the quality of interactions improved—resulting in happier customers. Productivity is maximized, and agent idle time is eliminated—relieving cost pressures.

Call outcome expectations are instantly adjusted to reflect the level of activity, so almost every opportunity to improve customer satisfaction or generate revenue is seized. At peak times, agents are guided to meet the basic service expectations, except when high-value or high-probability cross-selling opportunities arise.

As traffic slows, scripts and prompts are updated, encouraging agents to conduct feedback or surveys, expand cross-sell or up-sell efforts, or focus on adding value to the customer interaction.

All elements of the contact center operate in continual harmony: call handling times, queue length, quality of experience, resource availability, and optimal business outcomes. When fully adopted, the Dynamic Contact Center offers the opportunity to optimize contact center performance and delivery of key business objectives.

Respondents to our survey revealed that most of the capabilities listed below are already present in many contact centers. All that remains for the Dynamic Contact Center to start delivering benefits is for all capabilities to be automatically adjusted, integrated and optimized.

Note: More information about the Dynamic Contact Center model is available in a white paper from the Genesys website at: www.genesyslab.com/products/dynamic_contact_center.asp

Actively Managing Handle Time

The first area explored was the strategy of actively directing agents to expand or reduce average handle time (AHT) during peaks and troughs. Already, 26 percent of contact centers actively direct agents to reduce AHT during peaks in call volume, and 50 percent would like to use the strategy.

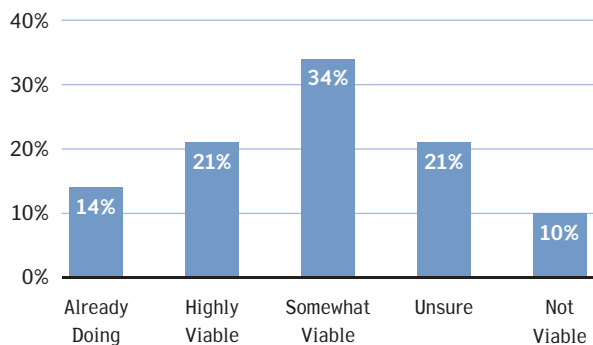


Chart 7. Viability of Directing Agents to Expand Handle Time During Troughs

When call volumes are low and wait times nonexistent, agents could be encouraged to extend AHT to encourage more dialog, build rapport and improve the quality of the call. Only 14 percent of organizations actively prompt agents to increase handle time during troughs in call volume, but 55 percent would like to implement this initiative.

Contact center managers expressed conflicting views about actively directing agents to reduce handle time during peaks. Some believe it is something agents shouldn't have to worry about, while others believe it is something agents naturally adjust:

“Our AHT expands and contracts a little in response to extreme variation of incoming call volume. Managing that more deliberately could help us optimize our performance.”
— Banking

“Our agents already adjust handle time themselves in response to the queue lengths displayed on the reader board. It's a natural consequence of our operating environment.”
— Insurance

“If you're managing your resources appropriately you shouldn't have to make a decision about actively reducing handle time.”
— Telecommunications

“We don't expect our agents to be concerned much about AHT because we'd rather they were focused on providing the highest-quality experience for the customer. They should invest whatever time is necessary to produce a quality outcome.” — Banking

Interestingly, these same contact center managers were more accepting of the idea of expanding AHT during troughs, rather than contracting it during peaks. This highlights a fundamental consideration for implementing such a strategy: A decision about the minimum acceptable level of service for all calls must be made—along with a judgment about minimum AHT acceptable in peak periods. From there the organization would determine the policy for expanding AHT as traffic allows, to use other strategies discussed below.

Genesys believes that Dynamic Contact Centers will create the opportunity to set multiple desired interaction outcomes—from the most basic call handling to complicated cross-selling pitches—and move between them in response to changing traffic and resource levels. In practice, this means each center would work to a basic service standard, created in line with its business objectives and the service expectations of its customers. The basic service standard would equate to a minimum AHT, and would be used to manage hold times and queue lengths during peak periods. But each center would also identify a number of more complicated call outcome targets (each of which would be likely to involve longer AHTs) to be used when available resource levels rose, or traffic levels dropped.

In deploying Dynamic Contact Center management strategies, the intention is not to reduce service quality during peaks. Rather, it is to better manage service quality during peaks and then effectively exploit spare resource capacity during troughs. In so doing, a dynamic strategy may focus on optimizing efficiency during troughs rather than limiting service during peaks—leading to a higher staffing level in the contact center to ensure that service quality does not suffer during peaks.

Actively Controlling Cross-Sell Activity

Controlling cross-sell activity is one area in which actively managing AHT proves valuable.

For example, it is possible to reduce AHT during peaks by directing agents to reduce all cross-selling except for the most profitable or highest-priority campaigns—perhaps dropping all generic offers and making only targeted cross-sell offers. On the other hand, quieter periods offer an opportunity to direct agents to explore customer needs and concerns more thoroughly—uncovering more cross-sell opportunities.

Contact center managers are receptive to the solution: Although only 12 percent of contact centers already actively manage cross-selling efforts in this way, 54 percent believe that it would be a useful tool in their contact center.

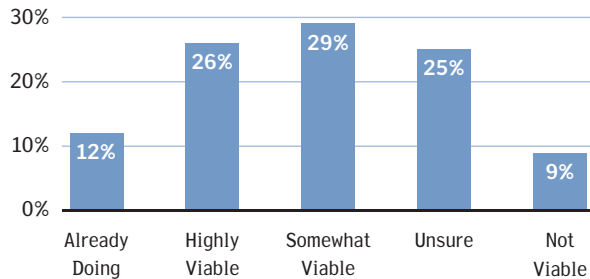


Chart 8. Viability of Directing Agents to Increase Cross-Sell Efforts During Troughs

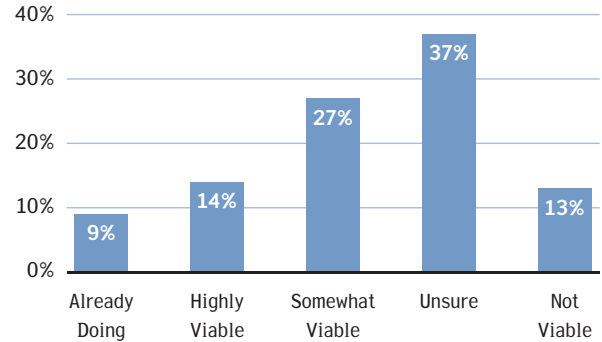


Chart 9. Viability of Directing Agents to Reduce Cross-Sell Activity During Peaks

Clearly, the strategy of reducing cross-selling during peaks is less popular than expanding it during troughs.

Some contact center managers expressed concern about reducing cross-selling during peaks because of the importance of maintaining sales performance. But most accepted that the idea would not be to eliminate all cross-selling during peaks but rather to reduce generic cross-sell offers and focus only on high-value or high-likelihood offers.

Voice Call-Backs

Another solution for managing peaks in call volume involves offering customers the chance to “virtually” maintain their place in the queue, and have their call returned as soon as an agent becomes free. In a recent Genesys survey, 74 percent of consumers said they would like to be given this option.² In addition to providing a better customer experience, offering call-backs gives contact centers the opportunity to have agents return calls during troughs later the same day. In fact, the automated offer to return calls could encourage call-back times known to be quiet periods for the contact centers.

² Genesys Global Consumer Survey 2006

Of the organizations in this study, only 17 percent use this call-back strategy, although 56 percent regard it as a valuable strategy for the future.

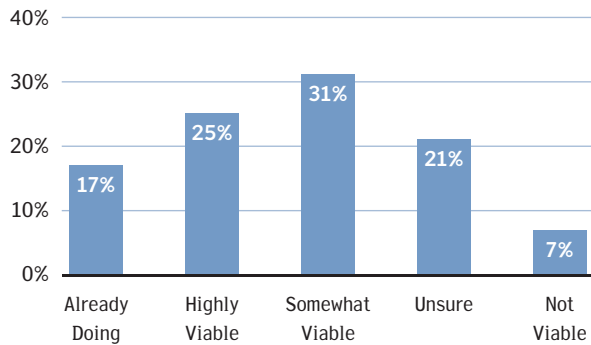


Chart 10. Viability of Offering to Return Calls at a Later Time

Managers using the solution were polarized in their opinions of voice call-back—some expressed great satisfaction with this technique, while others strongly believe it is inappropriate for their organization.

“It’s very simple: call-backs have enabled a call abandon rate of less than 5 percent, sometimes much less. Customers are very happy and they do not re-call. Our costs are lower and our business is growing due to our increased service quality. A win-win situation.” — Telecommunications

“By offering this option we are seen as being honest, managing customer expectations, and keeping the promises we make. This has enhanced the customer experience and increased customer satisfaction levels.” — Media and Entertainment

Adding Non-Contact Center Staff to Queues

Contact centers increasingly supplement their human resources with non-contact center staff to handle calls during peak times. This may be done either by bringing other staff into the contact center and adding them to queues (as discussed in this section), or by overflowing calls to staff in other areas by linking their desktops and phones to the contact center (outlined on page 23 in “Expanding the Contact Center”).

A growing number of organizations manage peaks in call volume by bringing staff in from other areas and adding them to the contact center queues. Some 10 percent of contact centers use this practice, and 35 percent consider this an attractive strategy to deploy in their contact centers. Some refer to this as an “alumni program,” because ex-contact center staff can be brought back in to the contact center during spikes in demand. Others simply use staff from other departments, who substitute as needed.

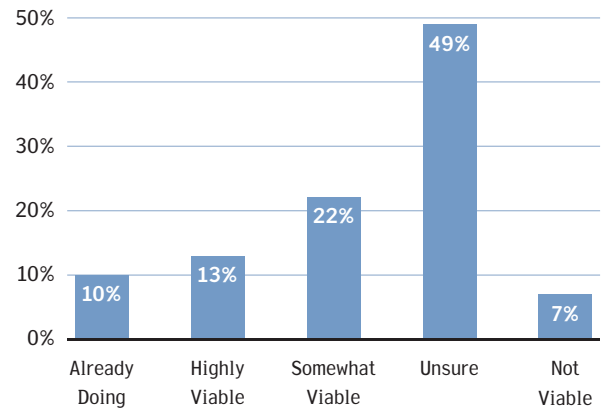


Chart 11. Viability of Adding Other Employees to Contact Center Queues During Peaks

Organizational, training and cultural issues may prove to be obstacles to the successful implementation of this solution—given that many staff outside the contact center may be reluctant to work in the contact center environment. Some contact center managers have overcome these issues with appropriate training and cultural development policies. Others explained that training other staff with specialist skills was a limiting factor in using this strategy.

“Getting non-contact center staff to take calls during busy hours and unplanned peak hours has helped us to reduce the call abandonment rate by up to 75 percent. Even though we have had to sweat it out and put large efforts to train non-contact-center staff to take calls, the benefits more than justify the pain and effort.” — Telecommunications

“When we have very high volume we switch to call-backs and basically anyone can take details of a call-back so we can add untrained staff to the queues at that time.” — Health

“At this time, we do not have any non-contact center staff that has the education, experience, and training to perform the job of the contact center staff. Although we could cross-train other staff, it has been our experience that, unless this knowledge is used on a regular basis, it is lost.” — Manufacturing

Expanding the Contact Center

Another strategy for maintaining service levels during peak times is to direct overflow call activity beyond the contact center to staff in other business units or to an outsourcer. Among those surveyed, 12 percent overflow call volume to non-contact center staff by linking their desktops and phones to the contact center, while 40 percent consider it a viable solution. Almost 20 percent overflow calls to an outsourcer during peaks, and 33 percent believe this is a valuable strategy.

There is significant support for expanding the notion of the contact center to include other resources in the organization and to provide greater flexibility in managing resources.

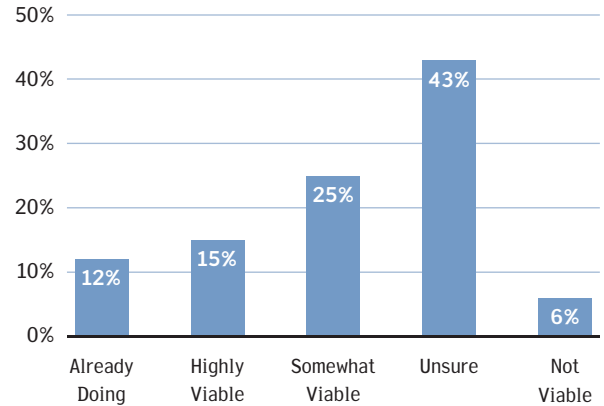


Chart 12. Viability of Overflowing Calls to Staff Outside the Contact Center During Peaks

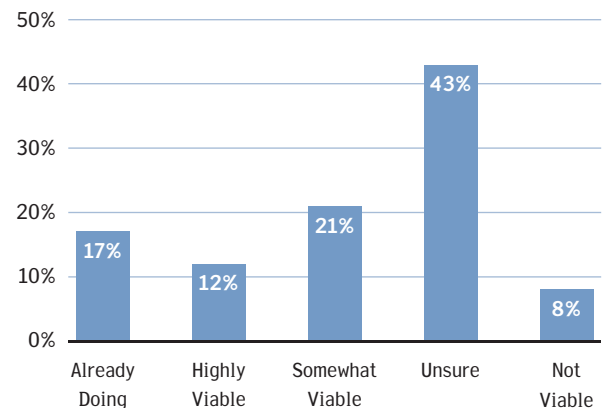


Chart 13. Viability of Overflowing Calls to Outsourcer During Peaks

“Centralized contact centers are dying and soon we will have more staff working from home or placed inside the corporate environment. In our offices and branches they will be part of a broader team and have access to more knowledge around them in order to handle more complex calls.” — Retail Banking

Many contact center managers identified product knowledge as a potential roadblock to using staff not as fully trained or experienced as contact center agents. This was considered a particular limitation for using outsourcers, because many consider it economically unviable to have people on standby adequately trained to a suitable level. A few explained that they are investigating using outsourcers for excess activity permanently, and preparing to use outsourcers in a disaster recovery or public affairs crisis.

“Managing overflow through a third party contact center is another initiative which helped us to optimize our contact center infrastructure and also provide better customer service. To achieve this we had to understand the nature of a customer call before we forwarded the call to the third party contact center. After analysis we devised a unique method to forward the simpler calls to the third party contact center which helped us to decongest our infrastructure to service complex and high value customer calls. In addition to saving calls, we also save some precious dollars.” — Telecommunications

Surveying Customers on the Spot

Numerous opportunities exist to more effectively use agents during inbound call troughs. One well-received solution expands AHT during troughs by adding survey questions on the end of calls, to probe recent service experiences or customer satisfaction.

Only 11 percent of contact centers already conduct on-the-spot surveys at the end of calls during quieter periods, although 55 percent consider this a useful opportunity to improve customer satisfaction and feedback.

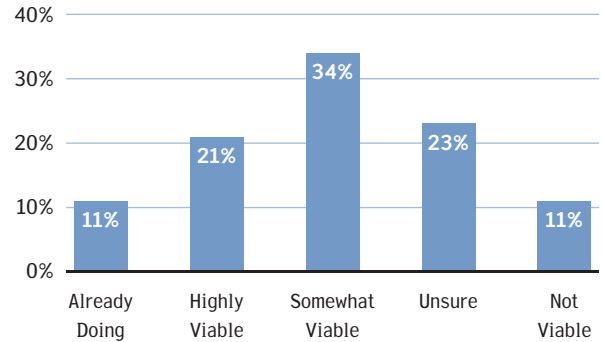


Chart 14. Viability of Engaging Customers in On the Spot Satisfaction Surveys During Troughs

Extracting Customers from Self-Service

Another strategy for better using agents during troughs in call volume is to shift valuable or targeted customers from self-service to an agent. In addition to using agents more effectively, this approach provides an opportunity to engage customers by providing them with a superior experience, an opportunity becoming increasingly infrequent with more and more interactions and transactions completed with automated systems. Recently, some banks have had great success in using this strategy and extracting their most highly valued customers from their IVR systems. They are selective about how they do this—taking into account factors such as the time and transaction type.

The strategy of extracting customers from self-service may also be used to cross-sell to targeted customers. For example, an online retailer has dramatically improved sales performance by using web chat to initiate a dialog with customers as they fill their shopping cart.

Just 7 percent of the contact centers surveyed extract customers from self-service during troughs in inbound call volume, although 40 percent believe this to be a valuable opportunity for their organization.

Blending Agents' Call Activity

One of the most popular strategies for managing troughs in call volume involves engaging agents to make outbound calls when inbound call volumes are low. Of the contact centers in this study, 20 percent already blend agents' calling activities to make outbound calls during troughs, while 53 percent consider this a viable solution.

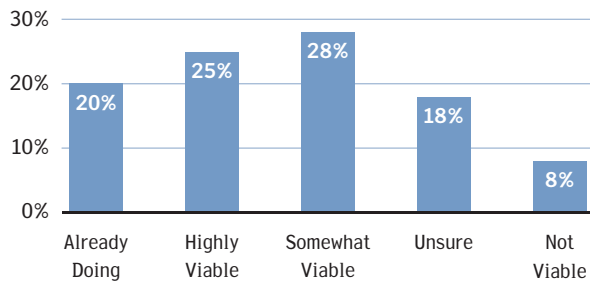


Chart 15. Viability of Blending Agent Calls to Make Outbound Calls During Troughs

Managers provided insight on how to best manage this call blending:

“Outbound calls are typically relationship calls and they need to be warm and highly professional, so it requires highly skilled agents—not all of them are capable. They need to understand how to best build trust and rapport rather than trying to push for a result early in the call.” — Banking

“You need to understand the profile of your people—who wants to sell, and who just wants to service. Some people can do both, and some are best suited to inbound only.” — Banking

“Blending agents activity in blocks of time has seen occupancy improvements of 15 percent whilst maintaining the same standards of quality. The biggest gains tend to be in evenings, at weekends and on campaign-driven work where the forecasts are less accurate.” — Telecommunications

“We’ve gained improvements in productivity, and also lower agent attrition. Customer satisfaction is higher from the outbound happy calls, and agents feel better doing them.” — Retail

Blending Agents' Roles with Other Activity

Expanding the agents' role to include managing interactions through other channels—such as email and SMS—is a strategy already used by 27 percent of centers, with 53 percent viewing it as a valuable solution.

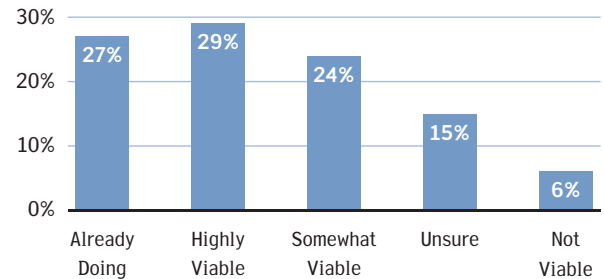


Chart 16. Viability of Blending Agent's Work to Process Email, Correspondence and Web Inquiries

Managers report contrasting levels of success with blending calls and other customer interactions:

“This has meant that all agents are fully productive by being able to manage customer enquiries through all access channels rather than splitting a small team into designated functions.” — Government

“We did try doing this, but in our experience the skills required are too different and mixing activities led to quality problems.” — Telecommunications

“Blending calls and other interactions did help with employee satisfaction levels, but efficiency dropped to the extent that we had to stop blending activities.” — Insurance

Beyond this form of blending agents' roles is the practice of having agents complete other workflow tasks, such as forms processing, data entry or case management. Perhaps surprisingly, 24 percent of contact centers already use this technique, and 51 percent consider this an attractive strategy.

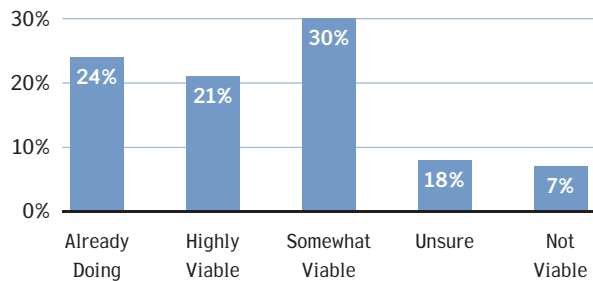


Chart 17. Viability of Blending Agent Roles with Workflow Tasks

“When we have agents sitting idle we’ll have them complete other administrative processing, and we’ve found they enjoy the break from a constant stream of telephone calls.” — Utility

“This has been very effective for creating variety, but it took some time for us to work out how to best manage the balance between the two, and we needed clear policies to ensure productivity was maintained.” — Banking

“Having agents process claims in troughs of call volume works well because the service level isn’t required for claims processing like it is for the calls. So as soon as calls pick up again they can drop the claims processing and return to it later.” — Insurance

Many contact center managers explained that they also use troughs to schedule training for agents.

Proactive Outbound Communications

Many contact centers can predict when and why they will receive a significant volume of calls from customers, and predict typical call activity according to previous interactions.

External events may trigger large call volumes. For example, banks expect calls about Social Security benefit payments deposits, and insurance companies know they will receive large volumes of calls as storm clouds gather. Internally, many organizations can predict when customers will call to check on the progress of a business process—such as a loan application or the processing of an insurance claim.

Proactive notification is becoming an increasingly popular way of addressing predictable peaks. By preempting customer calls and providing the information they will seek—either by SMS, email or a brief outbound call—it is often possible to reduce and manage call volumes. Beyond efficiency gains, it also offers opportunities to enhance customer loyalty by informing customers about progress in the delivery of a service, or keeping them up-to-date with relevant information. In a recent Genesys survey 90, percent of consumers said they would like to receive proactive communications from the companies they do business with.³

A significant majority (84 percent) of contact center managers consider these strategies valuable for optimizing customer satisfaction and contact center efficiency. Some 22 percent use proactive notification and interaction strategies, and 49 percent expect to do so within two years.

“We use proactive notification to remind clients of milestone dates, and the success rate of customers meeting their obligations on time has materially increased.” — Insurance

³ Genesys Global Consumer Survey 2006

“Proactively notifying customers about network outages has profoundly improved our customer service quality. During outages we’ve reduced congestion and reduced abandoned calls from 40 percent to 6 percent. And we’ve improved overall quality ratings and lowered our costs.”

— Telecommunications

“It has been very successful and has increased customer satisfaction and at the same time lowered our costs by reducing the number of agents to deal with spikes in call volumes.”

— Information Technology

“It’s been very positive and we’ve had great uptake and it has initiated more sales. We’ve relied heavily on email, but now we’re looking at the prospect of calling people for an even better result.” — Travel

Apart from gains in efficiency and customer satisfaction, proactive communications also offer a powerful opportunity for up-selling and cross-selling. In the recent Genesys Global Consumer Survey, 83 percent of consumers said they would like companies to tell them about other products and services that may benefit them. And 93 percent of these would like to receive this information by proactive phone calls, emails and text messages. On some occasions, cross-selling offers may provide the sole basis for a proactive outbound communication. Other times, cross-selling opportunities may be tied to other outbound efforts—such as reminder phone calls.

Optimizing Efficiency and Effectiveness in the Dynamic Contact Center

Each of the capabilities outlined above—from on-the-spot surveys to expansion of the contact center—are possible within the Dynamic Contact Center. By continually harmonizing three basic variables (resources, traffic and outcome), efficiency and effectiveness can be balanced and optimized.

The benefits of such an approach are many: Customer satisfaction increases because handle times (and hence queue lengths and hold times) are minutely adjusted to reflect changes in traffic levels.

At peak times, agents are guided to meet basic service expectations, except when high-value or high-probability cross-selling opportunities arose. As traffic slows, agents are encouraged to conduct feedback or surveys, expand cross-sell or up-sell efforts, or focus on adding value to the customer interaction.

Productivity is maximized and agent idle time eliminated, as the center switches seamlessly between different call outcome targets in response to changing resource and traffic loads. This approach would also lead to more opportunities to improve customer satisfaction and generate revenue.

All elements of the contact center would operate in perfect harmony at every moment: call handling times, queue length, resource availability and outcome focus. And all this happens dynamically, instantaneously and in real time.

Online Chat

Although the technology was introduced several years ago, only recently has online chat gained prominence as a customer service channel. Residential Internet connection has increased dramatically. By 2010 it is estimated that 95 million European households will be online, with 74 percent of these expected to subscribe to broadband.⁴ Along with this greater access, consumers are becoming more comfortable with using the Internet to transact and communicate with companies. In a recent Genesys survey, 23 percent of consumers said they would like the option of using web chat to communicate with companies instead of talking over the phone.⁵

Apart from catering to consumer preferences, online chat can benefit contact centers. Numerous studies have shown that a positive web chat experience increases a consumer's intent to purchase, and that online dialog with a well-trained agent can help close a sale. In addition, web chat can result in a lower cost-to-serve than phone conversations because one agent can have multiple online chats at the same time

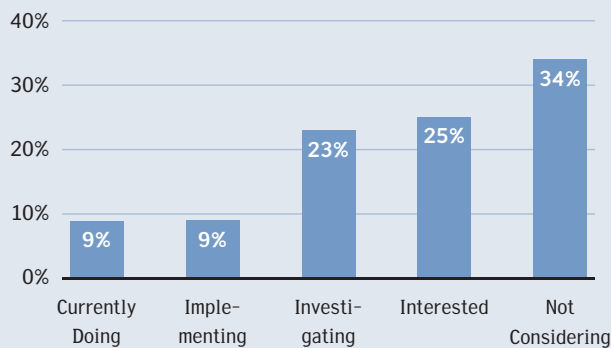


Chart 18. Do You Use Online Chat to Communicate with Customers?

⁴ Jupiter Research 2005—Portrait of the Online Population: 2004–2010

⁵ Genesys Global Consumer Survey 2006

Organizations increasingly recognize the importance of online chat as part of a multichannel strategy, and 9 percent of the contact centers in our study have already introduced online chat. Of the remainder, and excluding organizations for which online chat is irrelevant, 49 percent intend to implement online chat within the next two years.

Of the contact centers that have already introduced online chat, 42 percent have a dedicated group of agents that handles emails and chat. The rest allocate chats to agents using a variety of methods—ranging from simple agent availability to more sophisticated skills-based routing. Regardless of the method of allocating chats to agents, the organizations that have the most success with online chat are those that ensure their agents are conversant with online etiquette and language, and are able to communicate in writing in a concise and friendly manner.

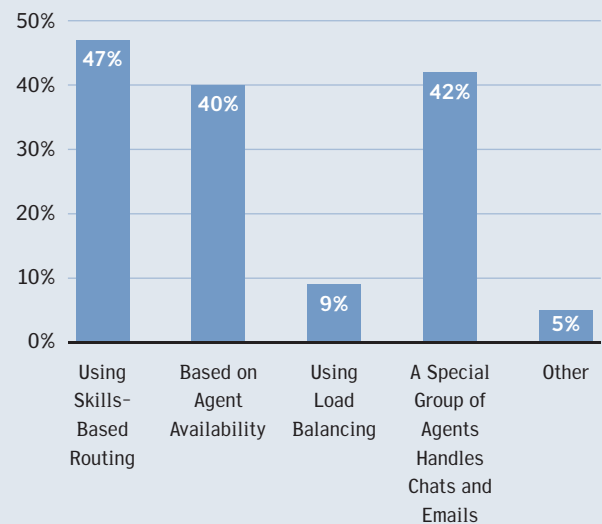


Chart 19. How Do You Assign Online Chats to Agents?

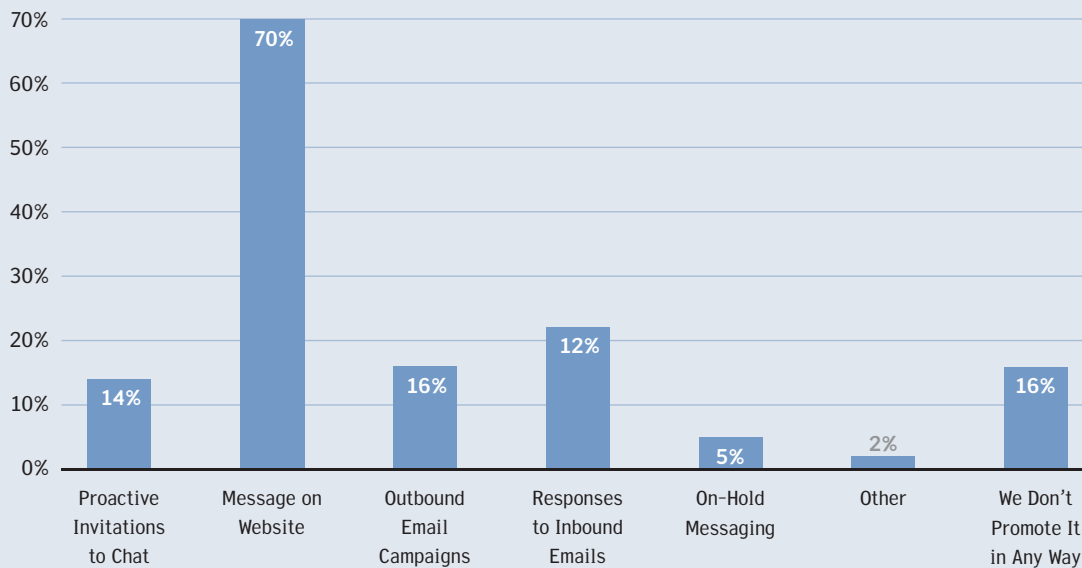


Chart 20. How Do You Promote Web Chat?

For most companies, the availability of web chat is made known with the company website and/or email campaigns, and use of this service depends on the customer clicking on a button and asking for assistance. But leading-edge companies take a more proactive approach to using web chat—alerting live agents to the presence of visitors who may require help and initiating chat sessions with those shoppers.

Of the contact centers in this study, only 14 percent proactively initiating web chat sessions with visitors to their websites. The majority of contact centers rely on website messages to promote the availability of web chat, and 16 percent don't promote this service offering in any way.

Companies that have introduced proactive web chat report that the probability of a sale goes up dramatically for customers who have responded to an agent's offer of assistance. In addition, these companies have found that offering targeted assistance can result in a significant increase in the average value of a sales order.

Companies that have successfully used proactive web chat caution that the tactic should not be used indiscriminately—because it may come across as a pushy sales technique and be a turnoff to some customers. With existing customers, web chat can be used in a highly personalized manner to reach out to higher-value or at-risk customers and enhance their online experience. In the case of prospective customers, sophisticated technology and business rules can be used to determine which combination of online actions indicate that a shopper may be in need of assistance or about to abandon a sale. An invitation to chat should then be offered to shoppers who exhibit these behaviors.

Conclusion—Optimizing Contact Center Performance

Managing the often conflicting demands of customer satisfaction, revenue pressures and business efficiency will always present a challenge for contact center managers.

Although today's world-leading contact centers are transforming the customer experience and exploring new territory for customer intimacy and loyalty, opportunities to evolve and improve still exist. Organizations that want to remain competitive will have to evolve beyond simply providing reactive customer service, to proactively initiating contact and establishing stronger bonds with customers.

Though innovative technology and industry experience have already led to some significant leaps forward, there is still plenty of scope to optimize performance. Most organizations already have the data and intelligence needed to optimize the effectiveness of interactions and manage relationships more efficiently. This report reveals that some world-leading organizations have already recognized this opportunity and acted on it. Unfortunately, many do not yet make the most of the advanced segmentation and business analytical tools available today.

As a result, they miss significant prospects to extract substantially more value from almost every customer relationship.

The results of this study suggest that some world-leading customer service organizations are also beginning to extend the traditional view of contact centers and agents. They look beyond the boundaries of contact centers, to make better use of employees elsewhere in the business—expanding the available pool of resources to handle interactions.

Others are taking a fresh look at the standard role of contact center agents, so that agents do more than just handle inbound customer interactions by phone and email. Today, agents in world-leading contact centers have roles that incorporate tasks as diverse as workflow processing, outbound interactions, administration and the active cross-selling of other products and services.

These are all positive signs for the evolution of the contact center.

But as this report identifies, the significant gains of recent years could be increased exponentially if true integration and optimization were achieved. Genesys foresees a future in which every aspect of contact center operation and management is dynamically harmonized, optimized and adjusted in real time.

When combined and working in harmony, existing solutions and strategies such as actively managing handle time and cross-sell activity, extracting customers from self-service and offering voice call-back become even more valuable—delivering greater results for customer satisfaction and organizational profitability.

By fully integrating various contact center capabilities—all of which are already in use around Europe, the Middle East and Africa—the Dynamic Contact Center will enable all contact centers to consistently achieve an optimal balance between productivity, quality and revenue.

Where to Go for More Information

More research studies, white papers and strategy guides can be found online at www.genesyslab.com



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