



THE UK CONTACT CENTRE DECISION-MAKER'S GUIDE 2019-20 (17TH EDITION)

THE CONTACT CENTRE PERFORMANCE CHAPTER

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“The 2019-20 UK Contact Centre Decision-Makers’ Guide (17th edition)”

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PCI ASSURANCE FOR THE INSURANCE INDUSTRY

Verex Group has taken steps to not only secure sensitive payment data and comply with PCI DSS rules, but to provide a quality experience for their customers.

THE CHALLENGE

Who is the Verex Group? With 70+ contact centre agents located across two sites in the UK, along with several remote home-based workers, Verex handles more than 300 telephone-based payment transactions every day. A mid-call Interactive Voice Response (IVR) system was previously deployed, there was however several issues arising from this method that needed to be addressed, as Jack Davis, Salesforce & Omnichannel Development Manager for Verex Group explains: "We were finding that a high percentage of callers would drop out of the payment process; between 20% and 30% of payments by phone would fail at the first attempt. A key issue was that if a customer had a query or inputted their card details incorrectly, there was no way of them communicating with us at the time, so they would drop off the call and, hopefully, try again.

"Not only did this mean high failure rates, but it also meant that if the customer called back, there was no guarantee that they would speak with the same agent. As our agents are rewarded for successful customer outcomes upon completion of each transaction they personally handle, this was a major frustration for our team. We needed to identify an assisted mid-call solution that would overcome this problem, while also ensuring we remain PCI DSS Compliant in the way our customers' payment details are handled."

THE SOLUTION

NewVoiceMedia, which handles the contact centre telephony solutions for Verex, recommended PCI Pal's Agent Assist solution - a true cloud secure payments solution that is fully integrated with NewVoiceMedia.

Originally the team assessed three solutions; an alternative mid-call solution, PCI Pal's Agent Assist and a 'pause and resume' option. Confirms Jack, "The assisted option was the best as it would enable us to provide a personalised approach on every customer interaction. With Pause and Resume, there's a huge reliance on staff to get this right as if they forget to pause, we're in breach. Also, if they forget to un-pause and we haven't recorded the terms and conditions being read for example, and there's a claim, we don't want to be hit with a £1M claim as this wasn't recorded! We operate in a highly regulated industry and so it's vital that we're on top of our game here; we felt PCI Pal's solution removes this issue for us completely."

Instead, Agent Assist appealed to Verex as it would allow them to take card payments securely while the agent and customer remained in conversation. With no call transfers required, the customer inputs their card details using their keypad. If assistance is needed, the agent is there to help, meaning fewer dropped calls, faster transactions and greater service continuity.

It also means that no card details are verbally provided, so the threat of potential insider frauds is not present.

Once the customer has provided their details, the agent simply presses the 'process card' payment button and it instructs the PCI Pal solution to send the transaction to the payment provider for processing. No card details are seen or heard by the agent, and no data enters Verex's infrastructure, reducing the scope of PCI DSS compliance.

THE RESULTS

With data security high on the agenda for Verex, payment card security is assured thanks to Agent Assist.

Confirms Jack, "Since launching Agent Assist we have seen call drop-out rates fall from up to 30% to just one or two per cent. Now, agents can interact directly with customers and so the points of failure are far less. They are there to hand-hold customers through the experience, whereas before if a customer mistyped their details or were unsure about something they had to start again, which was frustrating for them and our agents."

Tom Bowen, a Senior Database Architect for Verex, adds "There's certainly less margin for error and since Agent Assist went live. We're faster at processing payments and so on average we've seen our calls reduce, on average, by at least 30 seconds, which adds up when you're working with the volumes that we do."

Explains Jack, "All agents have said they prefer the new system; it's improved their efficiency, they haven't had to dramatically change the way they work."

Concludes Jack, "The process of buying a policy is now easier, so customers are less likely to drop out. Ultimately, our agents prefer it, our customers prefer it and we are seeing a big jump in efficiencies all round."

To discuss your own compliance requirements, get in touch:

✉ info@pcipal.com

☎ +44 207 030 3770

🖱 www.pcipal.com





Our mission at PCI Pal is to safeguard reputation and trust by providing our customers with secure Cardholder Not Present payment solutions for contact centres and businesses.

Our globally accessible cloud platform enables secure payments without bringing organisations into scope of PCI DSS and relevant security rules and regulations.

With the entire product portfolio served from the cloud, integrations with existing telephony, payment, and desktop environments are flexible, ensuring no degradation of service while achieving security and compliance.

Contact:

e: ava.kammer@pcipal.com

w: www.pcipal.com

[LinkedIn](#)

[Twitter](#)

t - UK: +44 330 131 0330

t - US: +1 866 645 2903

CONTACT CENTRE PERFORMANCE

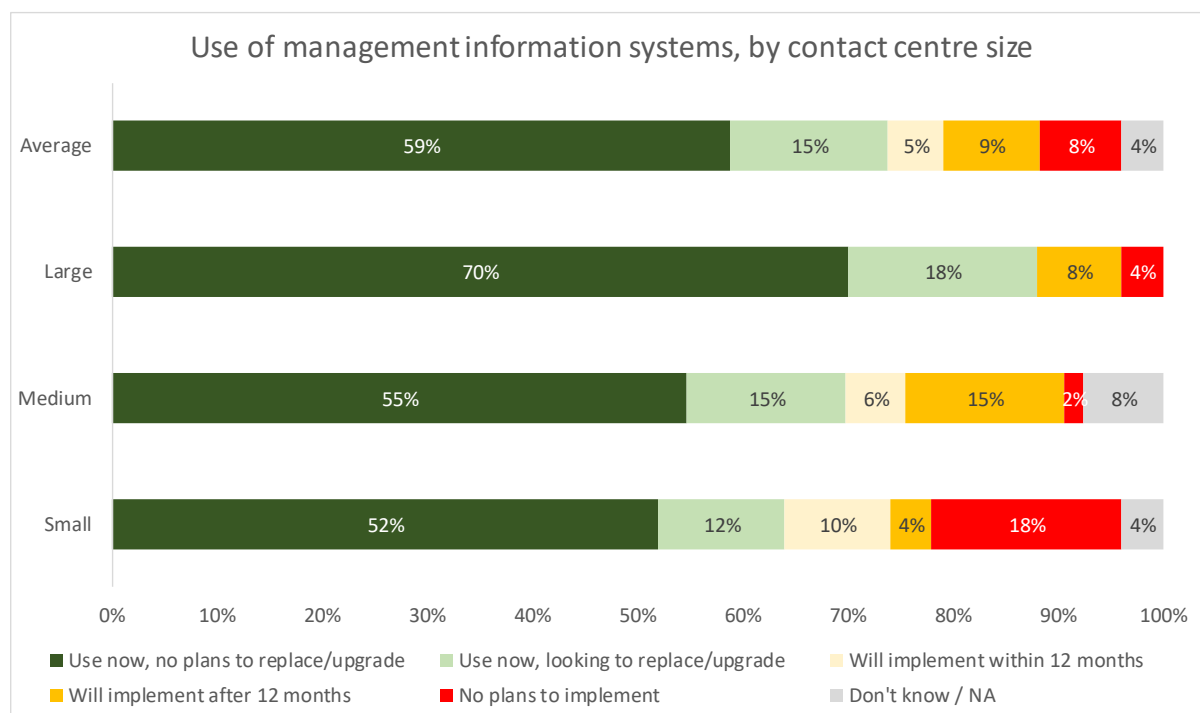
MANAGEMENT INFORMATION

The success or otherwise of contact centres has traditionally been measured by observation of key metrics, usually related to cost and efficiency - average call length, average speed to answer, % of calls answered within a certain time, etc. While these figures are a useful and still widely acknowledged and understood benchmark, times are changing. Many contact centres now try to measure the effectiveness of their operation by tracking metrics such as first-time call resolution and customer satisfaction levels, although there are no standard measures or agreements on what constitutes a satisfied customer or fully-resolved call. This does tend to strengthen the hand of those who believe that because the contact centre can provide detailed data on call volumes and handling times, then that is what it should primarily be measured against, and ContactBabel research shows that agents are far more likely to be rewarded for meeting required operational metrics rather than customer-focused service metrics.

Management information systems are the contact centre management's eyes and ears, providing them with the tools and information to judge the effectiveness and efficiency of the operation. The results of its reporting capabilities may be output to wallboards, desktop displays (at management, supervisor and agent levels as appropriate), batch reporting and fed into real-time scheduling and forecasting functionality.

It is noticeable that a very considerable proportion of larger contact centres are actively looking to upgrade or replace their current MIS, suggesting that in many cases, it is not quite giving management what they need in terms of actionable information.

Figure 1: Use of management information systems, by contact centre size



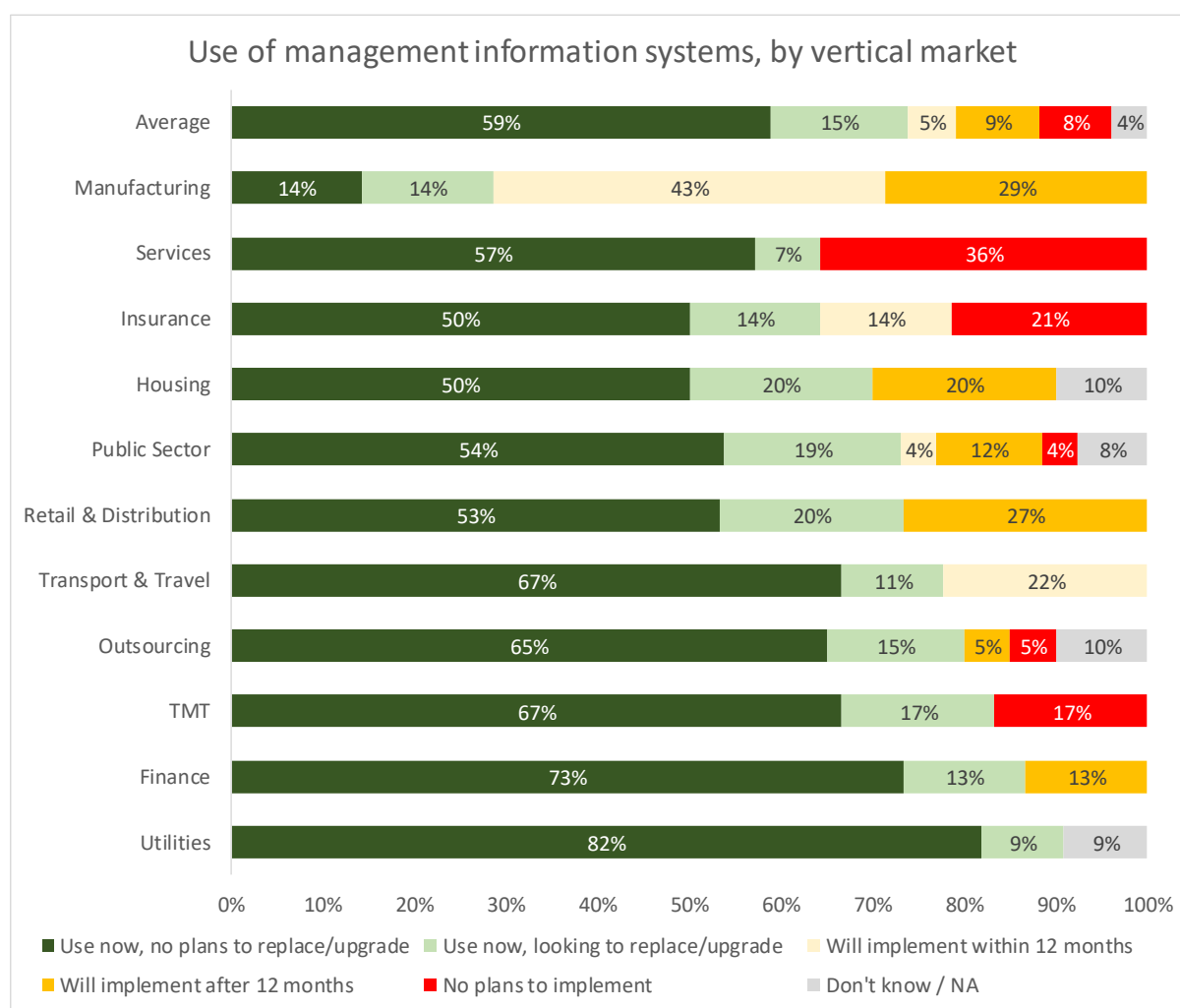
Management information systems are present in the majority of all sectors except manufacturing, with utilities, finance and TMT respondents reporting the greatest usage.

Those in manufacturing, which are generally amongst the smallest contact centres, report lower than average usage of MIS.

There is very significant interest in replacing or upgrading MIS being shown by several vertical markets, including housing, retail & distribution and public sector.

While the majority of contact centres in most vertical markets have already implemented MIS, there is interest by manufacturing respondents for a first implementation within 12 months.

Figure 2: Use of management information systems, by vertical market



PERFORMANCE METRICS

Depending on the type of work that they do, contact centres may consider focusing upon various measurements:

Internal metrics

Call duration / Average Handle Time: A typical ‘old-fashioned’ metric, which is generally going out of favour due to the acceptance that each call is different and should take as long as is needed. However, it is one of the easiest statistics to measure, and useful to use to work out cost per call.

Agent occupancy rate: The agent occupancy rate is calculated as the proportion of time in a given period that is call-time plus wrap-up, (that is, the proportion of time that each agent spends on dealing with the call itself and the actions deriving from it. A laborious wrap-up time caused by slow back-office systems or lack of familiarity from the agent’s perspective can go some way to producing high occupancy rates, which looks as though the agent is constantly active, but which is actually negative for both business and customer.

Call throughput and abandonment rates: Understanding the types of call being received as well as tracking the number that are dropped can be translated into lost revenue within a sales environment, making a pitch for greater investment easier. With the use of callback, calls that would otherwise be abandoned can be kept alive, although at the cost of an additional outbound call.

Revenue per call / promise to pay: As many contact centres are now profit centres, understanding the effectiveness of the sales or debt collection efforts is vital to judging the success of the contact centre itself.

Call transfer rate: This metric can indicate training needs at the individual agent level, a failure in the initial IVR routing or a need to update FAQs or other information on a website (for example, a spike in this metric might be driven by a recent marketing campaign which has confused some customers, creating a high level of calls about the same issue). Tracking and analysis of call recordings in cases of high transfers should identify the issue.

Schedule adherence: Schedule adherence is a metric that looks to help with the fine-tuning of a contact centre’s labour force, so that calls are answered swiftly, but that agents are not sitting idly waiting for calls. It is a metric that is of more importance to schedulers than to customers, although the impact of getting schedules wrong can be catastrophic for efficiency, cost and performance. The importance of adherence to schedule has only been included in this survey for the past two years, in a question later in this chapter which asked respondents which were the most important contact centre metrics. Surprisingly, it was said to be more important than key customer-facing metrics such as first contact resolution.

Staff attrition rates: A well-publicised cost that senior management are very aware of, high levels of staff attrition are poisonous to the effective running of the majority of contact centres, causing excessive recruitment and training costs, lower average call handling quality and longer queue times due to inexperienced staff, as well as the vicious circle of lower staff morale.

Average speed to answer / longest call waiting etc.: This metric has a strong and demonstrable effect on customer satisfaction or frustration, as well as impacting on call abandonment, lost revenues and high staff attrition rates caused by excessive pressure. Average speed to answer is a metric which is easily measured, and forms a vital view of the contact centre's staffing levels as well as impacting directly upon the customer experience. As such, it is similar in nature to the call abandonment rate. Contact centres should of course consider the amount of time that a customer spends in the IVR segment of the call when considering the 'speed to answer' metric - as the customers themselves surely do so.

Cost per call: Although this is an attractive and easily-understood metric for senior management to view, there is a real danger that calls are closed too quickly and revenue and loyalty-building opportunities are lost. If a contact centre has many short calls (which may be better off being dealt with by self-service), this will produce a lower cost-per-call figure, which makes it look as though the contact centre is doing well, when the opposite may be the case. The same logic applies to first-call resolution rates.

Cost per call is a very complicated metric that is difficult to get correct. However, senior non-contact centre management understand how cost figures impact the business more than occupancy or call abandonment rates, although these have an impact on all parts of the business. At the most basic level, cost per call can be calculated by dividing the overall spent budget of the contact centre by the number of calls, although this does not take into account abandoned calls or situations where the customer has had to call multiple times to get a resolution (a situation which in fact brings cost per call down, although being negative to both business and customer). Neither does it take into account the effect of failure demand - where the contact centre cleans up after processes elsewhere in the business go wrong, leaving the contact centre to sort them out. As such, it should be viewed with caution.

Customer metrics

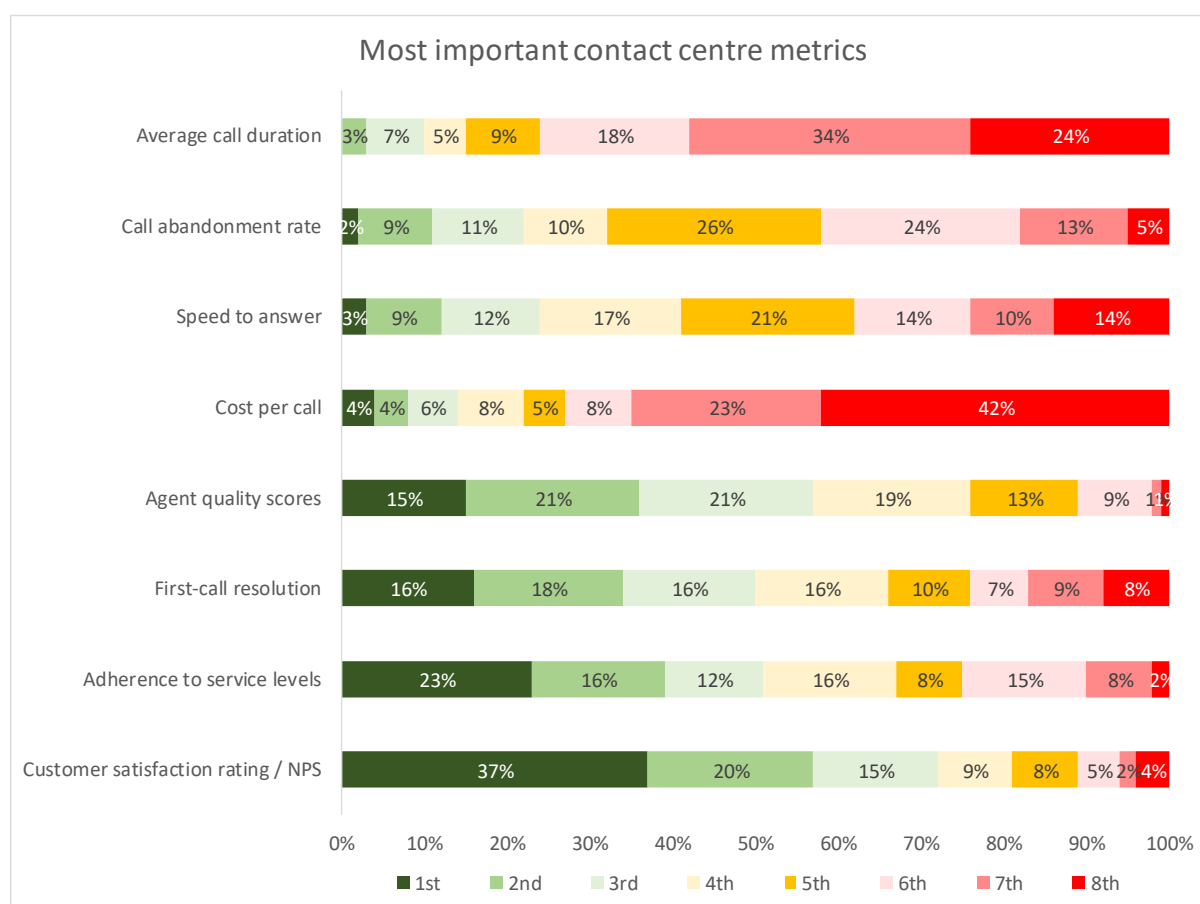
Customer satisfaction ratings: Customer satisfaction is seen to be directly linked to profitability through increased loyalty, share of wallet and customer advocacy. There is considerable debate about how satisfied (or delighted) customers have to be before it starts making a noticeable difference to the bottom-line (i.e. how happy does a customer have to be before they accept premium pricing strategies, and how unhappy do they have to be before they go elsewhere?). There's no easy answer, but high customer satisfaction ratings - at a reasonable cost for the business - are surely good for everyone. The Customer Experience Measurement and Improvement chapter elsewhere in this report should be read into order to understand the various methods of measuring customer satisfaction scores.

Customer loyalty / lifetime value / churn rates: A central thought of CRM is that a business should focus upon keeping profitable customers, and growing unprofitable ones. A single figure for customer retention is not effective, as it does not include the types of customer churn, or the undesirability (or otherwise of losing such customers).

First contact resolution: Improving first call/contact resolution (FCR) benefits customers (who are more happy / loyal / profitable / etc.); agents (higher morale; fewer frustrating calls); and business (lower cost of repeated calls; higher profitability): everyone wins. This can be hard to measure, as it is the customer, and not the contact centre that should be stating whether the issue has been resolved successfully. The “Customer Effort, Engagement and First Contact Resolution” chapter elsewhere in the report looks at these issues in-depth.

Over the years, the importance of contact centre metrics has changed considerably. 15 years ago, average call duration and cost-per-call were considered to be the most important metrics, but respondents to recent reports consider them of minor importance compared to more customer-focused measurements. Last year, the options offered to respondents were changed slightly, with “call transfer rate” dropping from the selection, and “agent quality scores” and “adherence to service levels” featuring for the first time.

Figure 3: Most important contact centre metrics



37% of respondents chose customer satisfaction rating as being the most important measurement that a contact centre tracks. Customer satisfaction is in large part driven by the other metrics shown here, and can be seen as a consequence of how these other elements perform.

In past surveys, first call resolution has been extremely important, with speed to answer often also chosen as a top 3 metric by more than half of respondents: both of these metrics are of huge importance to customer satisfaction (or the lack of it), and handling more calls effectively first-time is key to improving customer satisfaction and reducing repeat calls, which will impact positively upon queue lengths.

However, the recent addition of two new internally focused metrics – adherence to service levels and agent quality scores – have resulted in first call resolution dropping from 2nd place to 4th (in terms of the top 3 metrics), with both of the newly introduced metrics being seen as more important than this key customer-focused measurement.

Agent quality scores are of course important to the customer, as the quality of interaction is a vital part of customer satisfaction. However, most agent quality scores are marked against scorecards that are created inside the organisation, which are not always closely aligned with what the customer wants from an interaction.

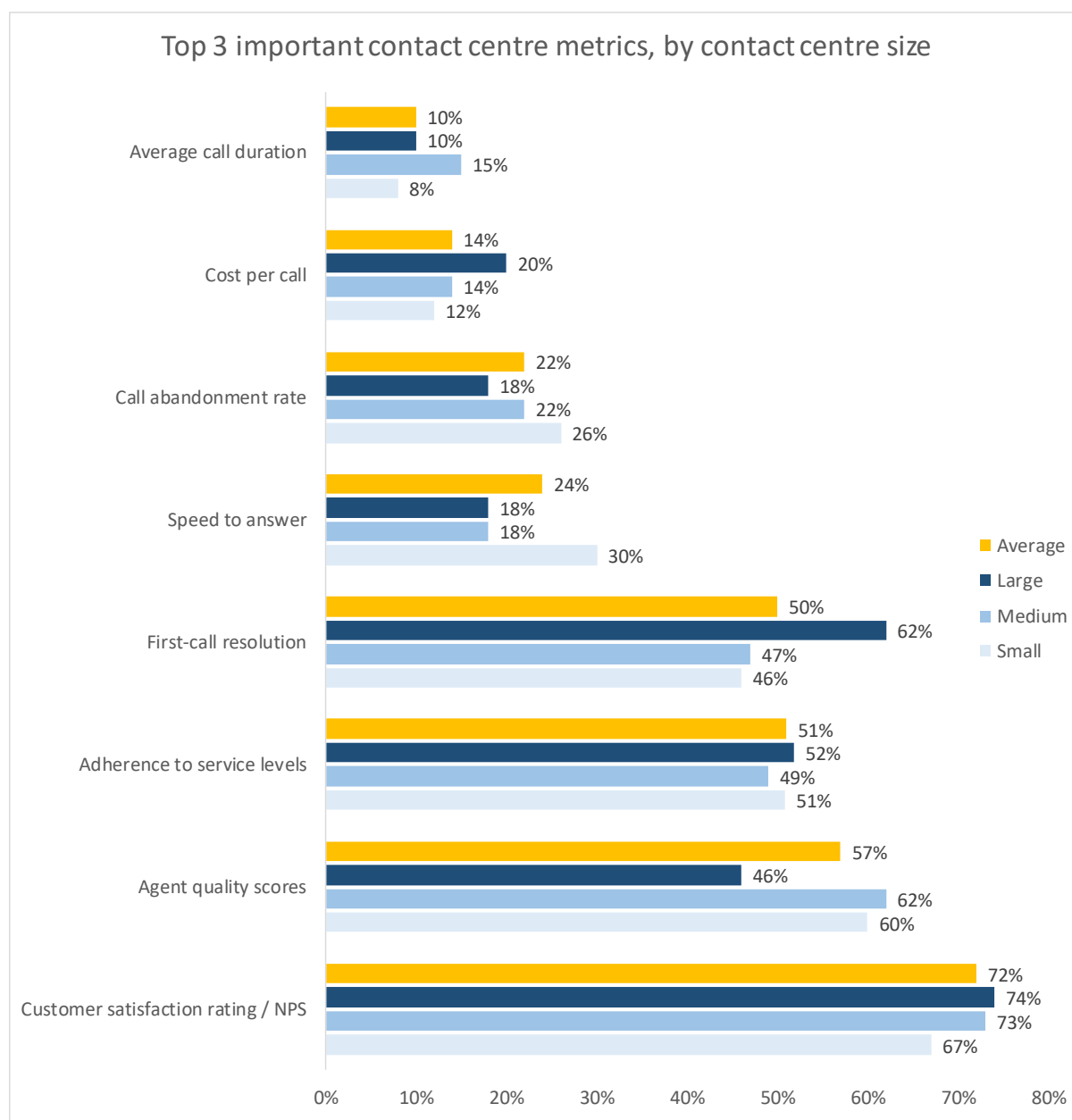
Similarly, adherence to service levels and schedule is important to the smooth running of the contact centre, without which high-quality customer experience cannot exist, yet from the customer's perspective, the effectiveness of the interaction is driven by its result, rather than on whether the agent is meeting internally-set metrics.

When looking at the importance of contact centre metrics depending on contact centre size, several patterns emerge. Adherence to service levels is of equal importance to all three of the contact centre size bands surveyed, and customer satisfaction rating is seen as the most important metric by all.

First contact resolution rate is placed as the second most important metric by large contact centres, with 62% placing it as one of the top three measurements.

Large contact centres are also more concerned about cost per call than small and medium-sized operations, and the focus upon this metric and first contact resolution impacts upon their perception of the importance of agent quality scores, which is placed in the top three by only 46% of 200+ seat contact centres.

Figure 4: Top 3 most important contact centre metrics, by size



Looking at the results of this year's contact centre performance metrics:

- average speed to answer has steadied, after a jump to 41 seconds last year, a growth trend which is also seen in the US
- call abandonment rates have come back to typical historical levels
- mean first contact resolution rates drop back from 2017's rise to 78%
- mean service call duration rises significantly once again to their highest recorded level
- mean sales call duration rises slightly
- median call transfer rate jumps significantly away from the historically typical level of 5%: this may be a one-off anomaly
- mean cost of an inbound call again rises although the median drops slightly, suggesting a number of respondents with very high call costs in this year's survey
- outbound call costs have hardly changed since 2017.

Figure 5: Contact centre performance metrics

Metric	Mean average	Median average
Average speed to answer	40 seconds	20 seconds
Call abandonment rate	5.4%	4.0%
First-call resolution rate	72%	75%
Call duration (service)	356 seconds (5m 56s)	340 seconds (5m 40s)
Call duration (sales)	413 seconds (6m 53s)	314 seconds (5m 14s)
Call transfer rate (excl. receptionists)	7.8%	5.0%
Cost of inbound call	£4.53	£3.45
Cost of outbound call	£3.98	£4.63

NB: as a few respondents may show extreme results, data are not distributed symmetrically. Median values show the midpoint and may demonstrate the truer picture of a 'typical' operation. If calculating an industry-wide amount (e.g. total cost of calls, or total time spent waiting to answer), the mean average is more appropriate.



Five ways contact centres can secure incoming payments

Author: Geoff Forsyth, CISO, PCI Pal

In today's modern world, significant data breaches are sadly all too common.

Since GDPR has been enforced, organisations' overall focus on data protection practices has sharpened, yet breaches are continuing to happen. Of course, the jewel of every hacker's crown is access not only to contact data but sensitive payment information such as credit and debit card numbers.

[With 72 percent of contact centres accepting card payments over the phone](#), it is more important than ever before to standardise payment processes and secure sensitive payment data that is shared over voice channels to reduce the security risk.

Here are five tips to consider on securing incoming payments that are handled in the contact centre environment:

1. Descope Your Contact Centre

Payment card data is the ultimate prize for hackers, so the first step is to identify how to stop your organisation from being on a target list in the first place. Rather than trying to keep hackers out, instead focus on encrypting your data and, where possible, ensure there is no data for them to take in the first place.

If de-scoping technologies are used for payments handled via a contact centre, sensitive data never enters the enterprise and therefore the risk is removed.

It also means your organisation is compliant with the Payment Card Industry Data Security Standard (PCI DSS), which ultimately improves the ongoing security of all telephone, IVR, web and SMS financial transactions.

2. Remove outdated 'Pause-and-Resume' Controls

In a whitepaper we produced with Verizon that examined contact centre challenges in achieving sustainable PCI DSS compliance, we found that 60 percent of organisations are still using outdated 'pause-and-resume' technologies to avoid storing sensitive data on telephone call recordings.

Instead, switch to using modern Dual Tone Multi Frequency (DTMF) masking technology; it prevents contact centre agents from handling any payment card data, improves the overall customer experience as the agent can continue speaking with the customer, and data cannot be compromised.

3. Utilise Cloud services to help comply with PCI DSS

PCI DSS compliance can be simpler with advanced cloud-based applications; by opting for PCI compliance solutions via cloud-based API interfaces, there is no requirement to integrate it into your organisation's desktop environment. Instead, with intelligent integrations into existing telephony and payment infrastructures, the process is managed in the cloud, creating no additional IT burden or management, yet achieving improved security and PCI compliance.

4. Assess Your People Processes

According to the PCI Security Standards Council, people typically represent one of the highest risks when it comes to the security of data, whether intentional or accidental. For example, compromises can originate from inside an organisation from any person who handles calls or may have access to systems and processes where telephone-based payment transactions are managed. Deploying a secure cloud-based solution, that uses DTMF keypad technology to manage phone-based transactions removes that layer of risk.

5. Review your Training

Ensure your organisation regularly incorporates PCI DSS compliance training with contact centre operatives, so they understand the importance of data and payment card security at all times. It is vital for staff to understand the implications of a data breach, and the overall impact it can have on an organisation's reputation and trust.

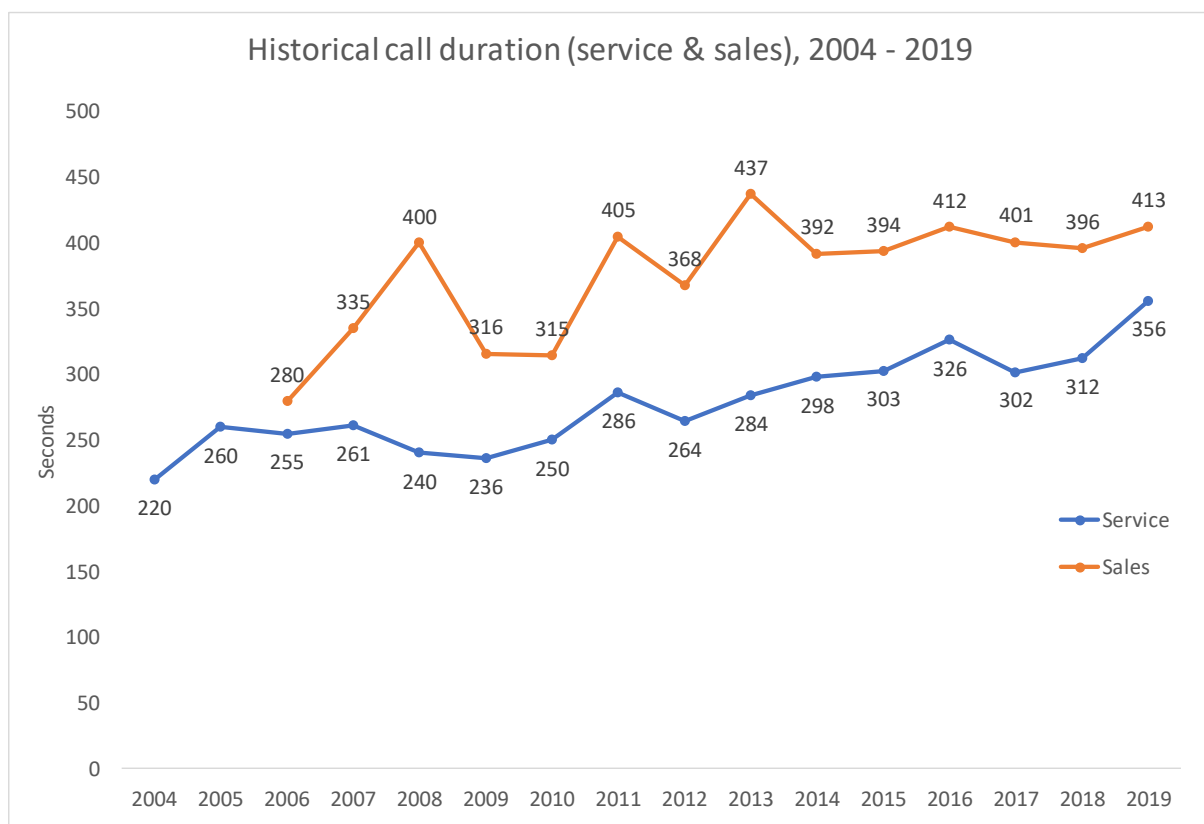
The next charts show how key metrics have changed over the past 15 years.

Average service call duration varied little between 2005 and 2010, being around the 240-260 second range. After a significant jump in 2011, 2012 onwards saw a progressive rise to a peak of 326 seconds in 2016. Although the figure dropped to 302 seconds in 2017, there was a slight upward movement in 2018 and a major jump in 2019.

Sales call durations follow a more varied trajectory, probably because the sample sizes for sales calls are smaller than those for service calls. However, there is a clear upward progression from 2010-16, in the same way that can be seen within the service call duration data. Since then, there have been fairly consistent results.

These findings support the results shown elsewhere that show call duration to be a far less important metric in recent times than it has historically been in the contact centre industry, as contact centres have allowed call times to increase as customer experience becomes more important, and self-service now takes up a greater proportion of the easier short calls.

Figure 6: Historical call duration (service & sales), 2004 - 2019

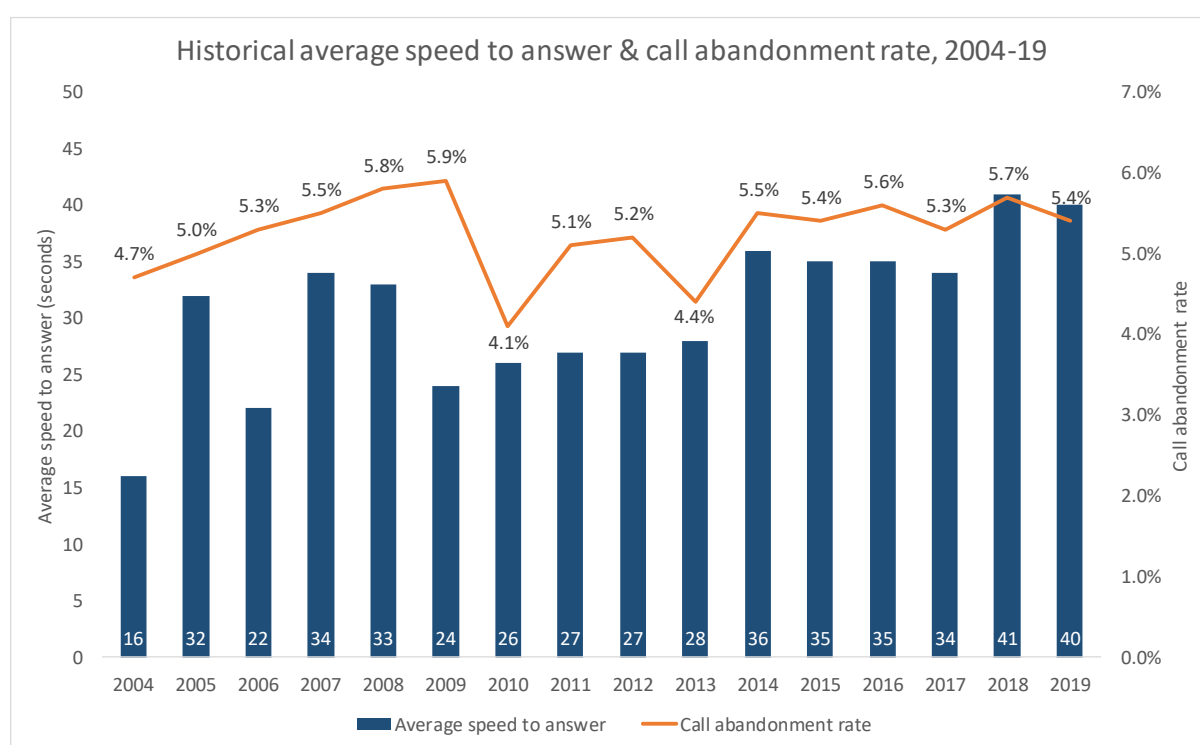


The following chart shows historical figures for average speed to answer and call abandonment rate.

The early years of data do not show a particular pattern in average speed to answer, with the figure doubling between 2004 and 2005 surveys almost certainly as a result of the relatively small sample sizes found in the early surveys. From 2009 onwards there has been a gradual increase in average speed to answer, with a spike to 36 seconds in 2014 which remained quite steady until 2018's jump to 41 seconds. 2019 has seen this steady at 40 seconds.

Call abandonment rate does not show any upward trend, with all but three of the 14 survey results showing data between 5% and 6%.

Figure 7: Historical average speed to answer & call abandonment rate, 2004 - 2019

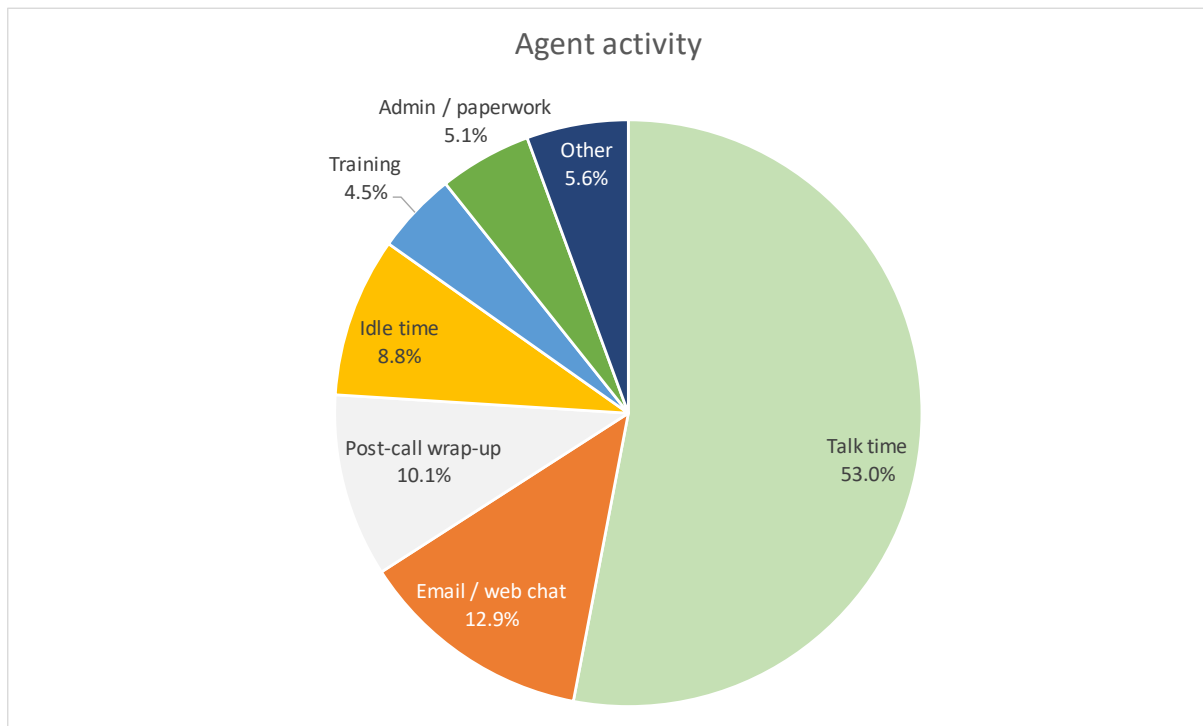


AGENT ACTIVITY

Agent activity per hour is a key structural metric aimed at helping contact centre management understand how the agent's time is being spent. It is segmented into seven parts:

- Talk time: amount of time actually spent on the inbound call
- Post-call wrap-up: after-call data input and actions driven specifically by that call
- Email / web chat: text-based communication with customers
- Training: whether desk-based or lecture-type
- Administration / paperwork: general administration and keyboard- or paper-driven work which may be for internal purposes only (e.g. timesheets) or for external work as well (e.g. sending faxes).
- Idle time: time spent not taking calls or doing other work, usually waiting for the next call
- Other: anything not covered by the previous activities.

Figure 8: Agent activity



Talk time again declines very slightly to 53.0% this year, with post-call wrap-up steady, and idle time dropping very slightly from 8.9% to 8.8%.

Taking into account email and web chat handling time as well, the overall agent/customer communication time is now around 66%.

The identification of idle time is one thing: being able to recover unproductive time in the agent's daily routine and use this otherwise-lost capacity is quite another. A workforce management solution that has intraday capabilities can recover these small pockets of fragmented agent idle time as the day goes on, aggregating this time into larger blocks that can be allocated to other productive activities such as training, coaching, back office tasks or administration, which goes a long way towards using the agent time that businesses necessarily pay for already, but which could not previously be accessed.

There is also a significant opportunity for reducing the non-productive call time at the beginning of the call, where an agent is authenticating the caller's identity. By doing this automatically, either through IVR or more securely, through biometric identification, the business can free up 30 seconds or more of agent time, which makes a big difference to call and queue lengths. This element is investigated in-depth in the 'Customer Identity Verification & Fraud Reduction' section later in this report.

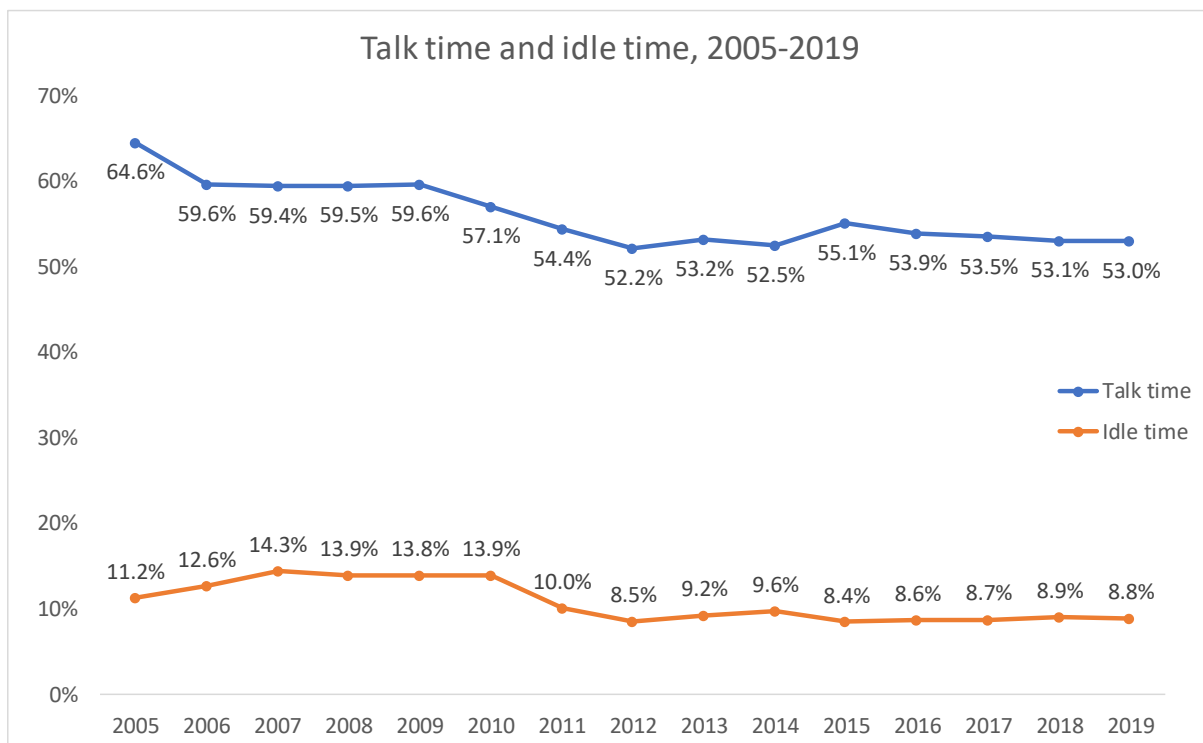
Post-call wrap-up time is also an area which could further be reduced in many contact centres. There are many applications in the market which are capable of reducing the amount of after-call work that an agent has to do by bringing together all of the systems and applications the agent needs on that specific call into a single virtual application and then updating the relevant databases accordingly. This removes the need for a specialist knowledge of legacy system navigation, reducing keying errors and dramatically shortening wrap-time through kicking off relevant back-office processes automatically. Most of these agent desktop optimisers do not touch the logic of the existing systems, but act as a user interface that picks up and presents the relevant fields and business processes at the right time. The "Robotic Process Automation & the Back Office" chapter looks at this in more depth.

Looking historically at how talk time and idle time has changed, it can be seen that the average amount of time an agent spends talking to customers has dropped to the low 50%. Certainly, the agent today has more tasks than previously: the job will tend to be more varied and require greater depth of knowledge, meaning that increased training and administration tasks will need to take place, and of course many agents now handle significant amounts of multichannel work in addition to their traditional telephony role.

We would also expect to find that the overall amount of agent time spent idle has reduced very significantly as a result of agents having so much more to do and the focus that the economic downturn placed on efficiency and cost-cutting. However, although idle time has indeed decreased from a historical average of almost 14%, there has been little improvement since 2012.

One of the main problems with idle time is that it is mainly comprised of small chunks of a few seconds or a couple of minutes at most between calls, which are too short a time for an agent to do an alternative task. As such, unless these fragments rolled up into a larger, schedulable amount of time, keeping idle time much below 9% will be difficult.

Figure 9: Talk time and idle time, 2005-2019



ABOUT CONTACTBABEL

ContactBabel is the contact centre industry expert. If you have a question about how the industry works, or where it's heading, the chances are we have the answer.

The coverage provided by our massive and ongoing primary research projects is matched by our experience analysing the contact centre industry. We understand how technology, people and process best fit together, and how they will work collectively in the future.

We help the biggest and most successful vendors develop their contact centre strategies and talk to the right prospects. We have shown the UK government how the global contact centre industry will develop and change. We help contact centres compare themselves to their closest competitors so they can understand what they are doing well and what needs to improve.

If you have a question about your company's place in the contact centre industry, perhaps we can help you.

Email: info@contactbabel.com

Website: www.contactbabel.com

Telephone: +44 (0)191 271 5269

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