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2016 CALL CENTER TRENDS AND MARKET LANDSCAPE SURVEY

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Call centers are undergoing a period of rapid change that is driven by a number of technological and demographic transformations. Millennials, and to some degree Generation 'X', desire to communicate with organizations electronically driving adoption of new agent channels. Businesses, still wary of the recent recession, are looking to reduce costs and improve scalability and flexibility. Meanwhile, new technologies and software are allowing call center leaders to turn massive amounts of data into actionable intelligence.

Evolve IP's 2016 survey of 168 North American Call Centers has declassified the numbers behind these changes and uncovered key insights into call center trends including:

**Intelligence Needed...**

“How can I help you?” This phrase is a common opening for contact center agents when a customer calls. However, based on the results of the survey, it’s also the question call center leaders are asking their management teams. The result is an increased drive and focus on business intelligence, cost reductions and productivity.

Of particular interest though was the fact that while call center leaders desire deeper analytics and more reporting, they struggled with integrating other applications that could turn data into wisdom and did not place an investment priority on business intelligence services.

**Defectors...**

A not so top secret piece of information to come out of the survey was that call center leaders are seriously considering defecting to the cloud. In fact nearly 8 out of 10 plan to evaluate a cloud solution in the future. The main drivers behind that evaluation are business continuity and disaster recovery, lowering costs and the ability to quickly and easily scale.

If they make the move they will likely find themselves in good company. As a newer technology that is able to take full advantage of application delivery and integrations, cloud call center respondents were happier than on-premises survey takers reporting fewer issues with their services almost across the board.

**Under Surveillance...**

Having agents out in the field and working-from-home holds great promise for organizations and certainly, some call centers have been able to implement a program leveraging new technologies. However, for others the program is one that is discussed only in private, seemingly without hope of a green light. The hurdles for implementing a work-from-home program
mostly center on trust, agent isolation and a lack of monitoring. Without an answer for those issues executive approval will be hard to come by.

One operation that seems to have gotten executive approval is the implementation of multi-channel solutions and the hiring of agents that are able to work both sides of customer interaction channels (voice and non-voice/electronic like email, chat, social media, etc.). Nearly 6 in 10 call centers now support multi-channel and the number of agents expected to support working multiple channels at the same time is expected to grow.

Other analysts agree. In fact, Dimension Data’s 2015 survey found that 35% of contact methods were non-voice (email, social media, chat) and that in two years time it would overtake voice as the primary communication method. View the survey at: http://bit.ly/DimensionData2015

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**Call Center Challenges**

*“Data in Deep Cover!”*

Agents input huge quantities of data into a variety of systems. It’s data that could be turned into significant business intel, yet for most organizations it remains in deep cover; essentially encrypted except for the occasional report ‘hacks’. The lack of actionable knowledge from this data can be found in both the absence of call center / agent analytics, as well as with a shortfall of customer insights.

In fact, when we asked respondents about their biggest call center challenge the number one response was insufficient reporting and analytics. 22% of survey takers found this issue to be “very to extremely challenging” and another 4 in 10 found it “challenging”.

The second biggest challenge faced by call center operations was improving agent productivity where 17% noted it as “very to extremely challenging” and another 32% felt it was “challenging”. And in the age of budget cuts, cost reduction was running close behind as a key challenge. 16.5% agreed that finding ways to reduce costs was “very to extremely challenging” with three in 10 noting it as “challenging”.

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There were several areas that survey respondents felt weren’t significant challenges. 67% felt that addressing regulations and compliance was “not at all” or “slightly” challenging. Similarly, just over five in 10 felt that enabling agents to work remotely and outdated technologies weren’t a significant concern.

“GOING DARK”

In the world of spies going dark means going silent – generally to protect yourself from potential harm. For a call center however it can equal disaster; causing significant amounts of immediately lost revenue and, perhaps even worse, frustrated customers with a decreased lifetime value. Unfortunately “Going Dark” isn’t uncommon. In fact, 6 in 10 call centers reported downtime of their telephones or call center technology in the last 12 months.

Perhaps more alarmingly 1 in 5 (21%) noted they were dark for between 6 and 30 hours and an unfortunate 5.5% were down for 31 hours or more. 1 in 3 experienced a loss of operations from between 1 – 5 hours.

For call centers that went down for a significant amount of time one solid option would be to enable agents to work from home. However, just over half, 53% of survey respondents, indicated that their agents were able to be fully functional from home.

Investment Priorities

“TOP GADGETS FOR 2016”

When call center leaders put their budget request in for this year it wasn’t for the latest ‘gadget’. In fact, the procurement department probably found itself looking at requests for integration instead of handsets with the latest widgets.

According to the survey respondents the top 3 investment priorities for 2016 are:

- Customer Relationship Management (35%)
- Customer Satisfaction Surveys (34%)
- Workforce Management (28%)

Interestingly, while the top 2 priorities are designed to provide significant amounts of business intelligence, the actual investment in BI reporting tools was quite low with just 13.5% noting it as a priority.
Further complicating this approach we asked businesses to identify capabilities that delivered “significant business value”. Two of the top 5 capabilities indicated by respondents tied directly to business intelligence including:

- **Combining contact center and operations metrics to create business intelligence (54%)**
- **Integrating the phone system with business applications (52%)**

While the need has been recognized and the value is apparently understood, the investment in tools that provide the integration and reporting is lacking. We believe this represents an area of significant value to contact centers and contact center business intelligence providers.

Rounding out the top 5 features and capabilities, respondents noted that the following have the most value:

- **Quality Management with Agent Scorecards (57%)**
- **Workforce Management (52.5%)**
- **Post call surveys and SMS/Text messaging as an interaction channel (32%)**

Interestingly, SMS/Text messaging was also viewed very negatively with about 1 in 4 respondents noting the capability as “pure hype”. Other weak offerings included “Video as an interaction channel” where 40% noted it as “pure hype” and speech and text analytics – cited as providing little business value by 18% of respondents.
The optimal call center is not only one that effectively routes calls, manages multiple contact points and enables workforce management, it is one that drives insight and real value throughout multiple business units. To best understand how that can happen you need to imagine that information is tiered into three categories: data, knowledge and wisdom.

1) DATA: As one of the major focal points of customer interaction, contact centers are rich with data. They are taking names, reporting details and (hopefully) sharing information in some form of CRM. It is also, unfortunately, the tier where many (if not most) call centers stop adding value to the business.

2) KNOWLEDGE: For more advanced call centers, managers begin analyzing data and start reporting trends. Or perhaps more likely, they are answering questions from management about the real-time realities of the business. How happy are our customers (NPS)? What products are getting returned the most? Where do we have service delivery issues? With the right system and reporting in place, call centers can add knowledge and be a great business partner.

3) WISDOM: When you take knowledge, marry it to other business data points and proactively drive business decisions you’ve moved into the wisdom tier. This should be the goal of a call center and ultimately leaders here will not only advance their call center practice, they will directly influence the long-term strategic success of the business. It is also, as evidenced in the survey’s results showing struggles in systems integration, the hardest tier to accomplish. When evaluating a cloud services call center be sure to have them demonstrate how their system will help you deliver wisdom to your organization.

Evolve IP offers an advanced Business Intelligence (BI) system called the Evolve IP Analyst that delivers accurate, and actionable analytics in an intuitive, self-service environment. Evolve IP Analyst includes pre-populated reports and data from the Evolved Call Center, and allows users to integrate data from different source systems to get answers to pressing business concerns in near real time.

Evolve IP analyst will help organizations whether they need to visualize data; prepare, integrate and model data; or simply access easy-to-read, graphical reports on the road. All components of Evolve IP Analyst are tightly integrated and available through a single interface, assisting organizations in making wisdom-driven decisions.
Cloud Call Centers

The Cold War

Behind the scenes in many call centers a cold war has been bubbling between cloud call centers and premise-based systems. Based on the findings of the survey the wall has fallen and we are looking at a period of quick assimilation.

Today 30% of respondents are in a cloud-based call center and 70% are on-premises but that looks to change dramatically in the coming years.

We asked all respondents why they felt call centers are moving to the cloud and the top responses were:

- Improved business continuity / disaster recovery (60%)
- Lower total cost of ownership (49.5%)
- The ability to scale up and down (43%)
- Getting new features / upgrades without additional investment (37.5%)
- The ability to easily integrate with other systems and applications (35.5%)

We then asked what the major concerns were about moving to a cloud call center. The top responses were:

- Reliability / Uptime (52.5%)
- Security (46%)
- Quality of Service / call quality (40%)
- Loss of control (37.5%)
- Internal ability to administer the system (34.5%)

The set up was now complete and we asked users of both cloud and on-premises systems what their actual challenges were. Overall, cloud call centers significantly outperformed on-premises based systems with 65.5% of cloud call centers citing no concerns compared to just 46% of premises based systems.
So where did cloud call centers outperform premises systems? It was pretty much across the board. The largest difference was in “Integration” where 31% of on-premises users noted it as a challenge. This compared to just 8.5% of cloud based systems. Poor hardware was also noted as a concern by 9.5% of premises-based call centers compared to just 3% of cloud call centers. We would caution however that this is likely due to the aging premises based systems and the relatively newer cloud systems that have significantly less on-site hardware.

Perhaps most interestingly, when looking at the top three issues experienced by both sets of call centers, hosted services outperformed or statistically matched premises-based systems.

- Uptime was noted as an issue by 15% of premises systems compared to just 7.5% of cloud call centers.
- Security was noted as an issue by 15% of premises systems compared to 8.5% of cloud call centers.
- Poor quality of service / call quality was a statistical tie with just 8.5% noting it as an issue for cloud call centers and 7.5% reporting it as an issue for on-premises systems.

Maximizing Agents

Organizations in our survey are clearly looking to improve efficiency and productivity and to get there they are placing more operatives in the field. When we asked what was keeping agents from being fully functional in the field (e.g. working from home) 40% indicated that they were unable to get leadership approval. Not surprisingly, and likely tied to leadership approval, was a lack of agent monitoring technology as cited by about 1 in 3 respondents. Insufficient hardware and software, along with a lack of teleworking policies were also key reasons keeping organizations from implementing work-from-home agents.

Rogue Agents?

Business leaders that don’t want to give leadership approval to enable WFH agents aren’t the only ones concerned about those workers. Respondents themselves have worries about what agents do when they are off the grid. The main concerns are:

- Inability to properly monitor agent activity (40%)
- Agent morale / productivity (40%)
- Protection of confidential / proprietary information (32%)
- Having the right technology in place (32%)
- Technology support (25.5%)
Double Agents?

Multi-channel solutions that handle applications like chat, email, fax, SMS and social media have gained significant traction in the past several years. In fact, the majority of respondents (59%) now have a solution in place.

To take advantage of these solutions many call centers are now deploying double agents (aka blended agents) - those that are available to answer both voice and non-voice channels. Those agents are now used by 50.5% of survey respondents. However these double agents are not universally used in a call center. In fact, of those deploying these select agents, 1 in 5 have less than 10% of their team handling both channels while just 8% have enabled 100% of their staff.

40%

Percentage of respondents who’s main concern was an inability to properly monitor agent activity

Of those not blending voice and non-voice channels 1/3 cited their decision as strategic in nature and about 1 in 4 noted that non-voice interactions were handled by specific agents. 29% noted that their technology didn’t support the initiative.
The Operation

This blind, web-based survey was conducted by Evolve IP during April of 2016 featuring 168 respondents in North America who are directly involved in the operations of their organization’s call center. 81% of the respondents came from companies with a focus on business services while 19% were from the not-for-profit, education and government sectors.

Persons Of Interest:
- 38.7% are Managers
- 26.8% are Directors
- 16.7% are Vice Presidents
- 9.5% are Supervisors
- 8.3% are C-Level

Number of agents in the field:
- 38% had between 1 and 25 agents
- 25% had between 101 and 1000 agents
- 24% had between 26 and 100 agents
- 13% had 1001 or more agents

Sleeper Cells:
- 37.5% of respondents had 1 office location
- 26% had between 2 and 19 offices
- 6.5% had more than 20 locations

The survey is part of ongoing research into Cloud adoption trends by Evolve IP. For more information about Evolve IP, visit www.evolveip.net

About Evolve IP

Evolve IP is The Cloud Services Company™. Designed from the beginning to provide organizations with a unified option for Cloud services, Evolve IP enables organizations to deploy both Cloud computing and Cloud communications services on its award-winning Cloud platform. Evolve IP’s combination of security, stability, scalability, and lower total cost of ownership is fundamentally superior to outdated legacy systems and other Cloud offerings. Today, over 100,000 users across the globe depend daily on Evolve IP for Cloud services like contact centers, virtual servers, virtual desktops, disaster recovery, unified communications and more.