Use Effective Call Centers to Build Customer Loyalty

Call-center representatives are the company to the customer because they are the only employees your customers have contact with.

—Richard Gerson, Gerson Goodson, Inc.

WHAT YOU’LL LEARN IN THIS CHAPTER

■ A call center has become an integral part of a complete customer-service strategy.
■ Modern call centers are sophisticated multi-person operations supported by telephone and computer technology.
■ Telephone strategies can lead to effective customer conversations.
■ Key customer-service skills are needed to provide an A-plus experience.
■ Call centers will continue to evolve as the e-world expands.
THE WAY IT IS: EXCELLENT CUSTOMER SERVICE
EVERY DAY AT SONY COMPUTER ENTERTAINMENT

When Sony first ventured into the U.K. computer games market, it had to contend with the games giants Sega and Nintendo, who had hit the world like a storm, revolutionizing young people's leisure time. Nonetheless, armed with their state-of-the-art games console, PlayStation, and supported by a comprehensive customer care strategy, Sony set out to challenge its competition. The Sony PlayStation is now the most successful Sony product to be launched by the company since its founding in 1946 as the Tokyo Telecommunications Engineering Corporation. Sales from Sony computer games now surpass those from its cameras, stereos, and other electronic products.

To ensure the success of the PlayStation launch, Sony Computer Entertainment embarked on a "customer-service strategy" that involved two customer inquiry lines—the "Careline" for general customer care queries and the "Powerline" for game enthusiasts looking to improve their game technique. Sony anticipated that the average PlayStation user would be more mature than a typical "toy" customer and planned accordingly. In fact, Sony research predicted the average user would be a 24-year-old male who required a level of customer service that was sophisticated and engaging.

---

**The Careline.** The Careline is designed to provide live customer service from 8 A.M. to 10 P.M. seven days a week. Call center representatives field support questions that deal with any type of PlayStation inquiry, eliminating the need for the customer to ever return to the retailer.

**The Powerline.** The Powerline is a premium-rate number, operating 24 hours a day, every day, at a cost of 60 pence per minute. Each PlayStation game is branded with a unique telephone number. When the customer calls the Powerline, the Interactive Voice Response system recognizes the unique brand number and "provides hints, tips, and even cheating methods for the specific game."

In the United Kingdom, the Careline services are provided by two different call centers. All queries are answered in English. With a contingent of 17 agents, one center handles 65 percent of the total inbound customer care calls. The remaining 35 percent of incoming calls are fielded by a second center based at a repair building where eight agents specialize in technical care. Services at both call centers are outsourced and provided by two different telemarketing companies working to create one seamless process. Service level standards require that 90 percent of the calls be answered within 10 seconds.

"The Careline operators at Sony Computer Entertainment in the U.K. play an important role," says Andy Barker, director of consumer services in
USE EFFECTIVE CALL CENTERS TO BUILD CUSTOMER LOYALTY

Europe. "They are the only people who speak on a one-to-one level with customers. Every time the phone rings, it is a moment of truth for them. And at Sony Computer Entertainment we are careful that whatever we do, we need to look after the customer first."

THE WHAT AND WHY OF CALL CENTERS

Call centers are a relatively new phenomenon. More than 40 years ago when customers had questions or concerns about a product or service, they would usually call the company and ask to speak to a representative. The operator would patch the caller through to an employee in customer service, who usually worked at a desk outfitted with a phone, some reference materials, a notepad, and a pen or pencil. If the rep could answer the customer’s question, she would. More often than not, however, she didn’t have all the information. She’d explain that she needed to research the issue and ask the caller to leave a name and number. The customer-service representative (CSR) or call center agent would then begin the time-consuming process of rifling through file cabinets and paper records looking for an answer. Assuming the CSR didn’t lose the customer’s phone number, later that day or even that week she would call back with the requested information.

Was the traditional approach effective? Generally, yes. Customers’ concerns were actually addressed and usually to their satisfaction. But such an operation was hardly efficient. It took lots of agents and lots of time. As the volume of calls increased, companies either added more desks, phones, and reps or took longer to get back to their callers. Life was slower then, and customers were more patient.

Since then, the pace of business has accelerated from the speed of sound to the speed of light. The current generation of consumers—the Net generation—would never put up with, "I’ll get back to you in a couple of days." Today’s customers want answers now. Fortunately, for them, technology has changed everything, allowing companies to improve the service they provide over the phone.

Building Relationships One Phone Call at a Time

Beginning in the 1960s, larger companies in the travel and hospitality industries began installing their own telephone line switching equipment or a private branch exchange (PBX). This eliminated the switchboard operator as middleman, allowing incoming and outgoing calls to be handled more quickly. A computer terminal was added to the solitary phone on the CSR’s desk. Now,
Instead of rummaging through the office file system, the customer-service rep could look up critical information online. For average call volumes, this was a step forward in customer care. However, high incoming call volumes would tend to swamp the PBX, resulting in the caller getting a busy signal. Being put on hold wasn’t an acceptable option. Many callers simply hung up in frustration.

In the 1970s, the introduction of automatic call distributors (ACDs) solved the problem of dropped calls. This new technology would answer each call immediately and route it on a first-come, first-served basis to the next available call center agent. If a rep wasn’t available, the caller would be informed, placed in a waiting queue, and encouraged to hold. Sophisticated ACD systems would announce the average wait time, play music, and inform the caller of alternative ways to contact the call center.

By the 1980s, interactive voice response (IVR) units had been added to the call center technology lineup. IVRs provided callers a self-serve option for common questions. Now, using a touch-tone phone, customers could get answers to frequently asked questions, check account balances, or order prescription refills. If the customer’s questions weren’t all that common, the IVR system would route the caller to a live agent, but not before collecting important customer information such as account numbers.

IVR was soon joined by computer telephony integration (CTI). With CTI, when a call finally did reach the call center agent’s desk, the customer’s records would pop up on the agent’s computer. “Screen pops” gave the agent the necessary background information to better serve the caller. By the 1990s, call center technologies from PBX to CTI had converged into a single turnkey (ready-to-use) package priced such that even the small to midsize enterprises could afford to operate big league–type call centers.
The number of call centers in the United States will soon exceed 80,000, employing over 7 million call center agents. Europe, by comparison, will host some 28,000 call centers by the middle of this decade. The combined dollar value of all call center services worldwide was estimated at $23 billion in 1998. Industry analysts forecast that the world market for call center services (i.e., consulting, systems integration, and outsourcing) will soon exceed $58.6 billion. Outsourcing to professional call center agencies (as opposed to call centers within the company) will be the largest segment at a projected $42 billion.

A Call Center Is . . .

Now that we’ve explored the evolution of modern call centers, we should be able to answer the following question: “What is a call center?” We know it’s more than a couple of phones, desks, and agents. Here’s what the industry experts say:

A call center is a department within a company or a third-party organization that handles telephone sales and service. Call centers use ACDs to route calls to the appropriate agent.

A call center is a physical location where calls are placed, or received, in high volume for the purpose of sales, marketing, customer service, telemarketing, technical support or other specialized business activity. Examples include reservation centers, catalog retailers, help desks, telemarketers and fundraisers. Call centers are generally set up as large rooms, with workstations that include a computer, a telephone set (or headset) hooked into a large telecom switch and one or more supervisor stations.

At a minimum, then, a call center is a facility where customer-service representatives handle high-volume phone traffic, whether inbound or outbound, using sophisticated telephone and computer technology (see Figure 6.1). Call centers typically serve external customers by answering questions, taking orders, responding to billing concerns, or pitching products and services through telemarketing. For some industries such as financial services, catalog retailing, and travel, call centers provide the primary presale contact point with the customer. For other industries such as consumer products and utilities, call centers are the primary postsale customer care channel. Regardless of when the customer is served, however, call centers have earned their place as an integral element in a modern customer care strategy.

An effective call center is a strategic asset. Managed wisely, it can nurture customer relationships and even provide an additional source of profit through cross-selling. Managed poorly, a call center can alienate existing customers.
customers and turn away potential ones. According to a recent survey, over 40 percent of the respondents canceled a credit card account or closed a bank account due to poor customer service provided by call centers. Fifty-three percent found automated phone systems to be particularly vexing. Most annoying was being placed on hold for over five minutes.7

WHEN CALLS HAPPEN

Before a customer call is resolved, it may go through several possible activity states. Each state represents a possible condition in the customer dialogue. As customers move through the possible states, they transition from one state or condition to another, hopefully moving closer to resolution. Transitions are triggered when there is a contact event, passage of time, or change in condition.

Figure 6.2 depicts the flow of states and events during a typical customer contact with the call center. A rounded rectangle represents a state. A transition is depicted by the labeled arrows connecting two states. Branches in the control flow are indicated by diamonds with one incoming arrow and two or more outgoing arrows. The outgoing arrows are labeled with alternative

A state chart depicts the flow of events from the time the customer initiates the call through to resolution.
conditions. The solid black circle indicates the initial state of the flow diagram, while the black circle enclosed in a white ring represents the final state of the customer contact. Such notation is based on Harel’s “statechart,” diagrams used to describe the sequence of states that may occur in response to a series of events.8

Let’s trace a customer contact to a modern call center from the initial call through to several possible conclusions. Once customers place the call, an automated answering system offers them the option to work through a menu of self-service alternatives or speak to the next available agent. If customers select the first option, they are guided through an interactive voice response system that gives them answers to common questions or routes them to a specific queue. Customers choosing to speak with the next available agent are placed in a general queue. At this point, both types of callers are placed on hold. They may choose to hang up or wait for an agent to resolve their inquiry. As you can imagine, callers in the specific queue have a higher likelihood of getting answers to their questions quicker. That’s because responding agents already know what kind of inquiry to expect and will usually have the appropriate information at their fingertips when the call patches through.

Figure 6.2 illustrates the three possible states customers can move through after making the call: (1) exploring an IVR menu, (2) waiting for an agent, or (3) talking with an agent. Each of these three states represents a possible point of contact with the organization. How these points of contact are managed determines whether customers hang up in frustration or have an effective call center experience that builds organizational loyalty.
Interactive Voice Response

Automated answering systems are often the butt of many jokes, like the one about the psychiatric hot line:

Hello. Welcome to the psychiatric hot line.
If you are obsessive-compulsive, please press 1 repeatedly.
If you are codependent, please ask someone to press 2.
If you have multiple personalities, please press 3, 4, 5 and 6.
If you are paranoid-delusional, we know who you are and what you want, so just stay on the line until we can trace the call.
If you are schizophrenic, listen carefully, and a little voice will tell you which number to press.
If you are manic-depressive, it doesn’t matter which number you press; no one will answer.

Laughter aside, automated answering systems can be cost effective. An IVR system that interacts with one or more online databases can handle up to 30 percent of incoming calls by providing self-help solutions for common transactions and inquiries. This can translate into considerable savings for high-volume call centers. Customers get answers to questions quicker; routine transactions are handled without an agent. Everyone wins—unless, of course, the automated system is mismanaged.

Unfortunately, many IVR systems are improperly set up and administered. According to Rich Tehrani, editor-in-chief of Technology Marketing Corporation, customers are often faced with at least four IVR obstacles that tend to drive them into the hands of competitors. First, there is the menu tree from hell. “What may seem like a logical flow to someone who knows your company may be hopelessly confusing to a caller who doesn’t know how your company is organized,” says Tehrani. For instance, your caller may be trying to contact the human resources department but your menu offers them the not-so-synonymous “Organizational Capital.”

The second mistake call centers make is the "self-service trap." In this classic pitfall, "companies assume their self-service options are so perfect, no one will ever need to speak to a human," says Tehrani. Such an assumption couldn’t be further from the truth. Regardless of how ingenious the company is in anticipating every possible concern, customers will always surprise you with that one question you didn’t expect. Self-service is one strategy for reducing call center costs, but it should never be the only answer. Callers should be able to access a live agent at any time by pressing zero.

Regrettably, some live agents may do more harm than good, which brings us to the third obstacle in IVR systems. Poorly trained agents often
rely exclusively on cue cards. If the question is beyond the agent’s capability, customers are often subjected to stock answers that completely miss the point. The representative continues to read from the script when it is obvious to the customer that the agent is, in fact, clueless. Such agents soon become a liability to the company as customers angrily hang up.

Finally, IVR systems are often notoriously flawed when it comes to database integration. How many times have you contacted a call center and been asked to enter your account number, only to be asked to give that same number over again to every agent you speak with? It’s as if none of the databases talk to each other. And, sadly, that’s exactly what is happening. Sophisticated call centers subscribe to "once and done." Customers enter account information only once, talk to only one representative (if they have to talk to anyone at all), and hang up feeling satisfied. Sensibly deployed IVR technology can enhance the customer experience. Avoiding the menu labyrinth, the self-service trap, poor agents, and repeated reentry can make the difference between an effective call center and one that is undermined by its own IVR system.

**The Waiting Game**

Customers arrive at the “wait state” by taking one of two paths. As Figure 6.2 shows, they have either selected the “live” agent option initially, bypassing the voice response unit, or they have navigated through the IVR system without resolution. This latter path is sometimes referred to as “zeroing out,” meaning that the customer presses zero on the touch-tone keypad in order to speak with an agent.

Regardless of the preceding circumstances, the customer is placed on hold. At this point the waiting game begins. Customers must now decide if it’s worth their while to continue holding or if they should hang up. By the same token, call center managers must decide how to administer the queue, staying ever mindful of the trade-off between call abandonment rates and personnel costs. It’s a tricky balance, especially since according to a La Trobe University study, “waiting on the phone” is ranked by customers as the number two cause of frustration with call centers. A quick response, by contrast, can be seen as an A-plus situation for customers and thus enhance their loyalty.

In a recent study by Purdue University, researchers found that, on average, customers wait in the call queue 45.6 seconds before talking with an agent. Over 70 percent of calls from these customers are resolved on first contact. This is the good news. The bad news is that almost 6 percent of customer
calls are abandoned. This translates into one out of every 16 customers hanging up. Irritation replaces satisfaction. Loyalty suffers. What can be done?

Clearly, benchmarking is important. In order to know you have a problem with abandonment, you have to measure it. Most call centers keep elaborate statistics on the average time it takes to answer or pick up a call, the average time callers wait in the queue, the average time before abandonment, the number of calls resolved on first contact, and the average time it takes for the agent to resolve the query. Using these metrics and industry comparisons, call center managers can beef up staffing to decrease wait times and reduce abandonment. Throwing additional staff at the problem is one solution.

Another approach is to enhance the customer's waiting experience. This can be done in one of two ways:

■ Creating a feeling of involvement
■ Ameliorating the wait

Analysts at Henley Centre, one of Europe's leading strategic marketing consultant groups, found that 54 percent of all customers preferred intelligent queues over ordinary queues. Intelligent queues announce the customer's position in the waiting line. For example, "You're caller number three in the queue. Calls are answered in the order received. Thank you for holding." When customers are acknowledged in this way, they engage with the call-handling process. They feel recognized. They have a sense of involvement that simulates their progress in a physical waiting line, making the virtual queue seem more real.

The second strategy for addressing what may seem like an infinite "hold" is to lessen the impact of the wait. Companies ameliorate the wait by playing music, alternating wait messages, providing information about new products or services, or using the time to prepare the customer for the agent dialogue (asking them to have their PIN number ready, for instance). Researchers at Leicester University in the United Kingdom found that callers will hold for an average of 33 percent longer if they are listening to music rather than a voice. Of course, the music must be engaging enough that it encourages customers to stay on the line. The current trend is away from classical music to upbeat instrumentals.

Agent Resolution

The wait is over. The call rings through to the next available agent. The customer feels a small measure of joy at the opportunity to talk with a human at last. It is now up to the call center agent to manage the ensuing conversation to the customer's satisfaction. The agent has one goal—resolution.
And, if at all possible, resolution on first contact. What’s necessary? Three things. The agent must have a thorough understanding of the telephone and computer technology that supports the call center, knowledge of the company’s products and services, and superior customer-service skills.

**Understanding of Call Center Technology**

Today’s call center agents must be more than computer literate. They must have a solid understanding of the telephony services and computer technology that support their desktop. They should feel at home with the telephone switching and routing system and be able to deal with the complexities of taking inbound and making outbound calls. They should be comfortable with call monitoring and understand its importance in assessing customer service levels. According to the Incoming Calls Management Institute, nearly all (93 percent) of call centers monitor agent-customer conversations.15

Call center agents supported by computer telephony integration (CTI) have the luxury of customer account information in the form of "screen pops." Those that don’t have CTI support need a basic knowledge of how to research customer data using the center’s databases. They must know how to search and filter information. Finally, all agents must be able to read and navigate the call center scripts that shape the customer dialogue.

**Product Knowledge**

Although it is not the number one factor linked to customer frustration with call centers, "receiving unreliable information" still is in the top 10, ranking 6th.16 An ill-informed call center agent often does more damage to company reputation than good. As Technology Marketing Corporation editor-in-chief, Rich Tehrani, says: "A bad agent is a liability to your company. . . . A good agent is the most valuable asset your call center can possess."17

At a minimum, customerservice representatives should be familiar enough with their organization’s products and services that they can answer routine questions. In addition, agents handling calls related to organizational processes should have deep knowledge of all the steps in those processes and any related policies. For instance, if a customer calls to ask what to do about a loan payment that was accidentally submitted without sufficient postage, the agent should have a ready answer for "payments made received postage due."
CHAPTER 6

**Soft Skills**

Probably more than technical or product knowledge combined, soft skills are the primary tools agents use to reach call resolution. **Soft skills** deal with the human side of customer service and include the ability to communicate, listen, solve problems, be a team player, and serve others. In fact, soft skills are so important to successful customer interaction that one of your authors has written an entire book on the topic entitled *Customer Service: Career Success Through Customer Satisfaction.* Among the many tips he provides to agents are some commonsense telephone behaviors such as these:

- **Give the caller your name.** Let the caller know who you are just as you would in a face-to-face situation (via a name tag or desk plaque).
- **Smile into the phone.** Somehow people can hear a smile over the phone. Some telephone pros place a mirror in front of them to remind themselves that a facial expression can communicate through the phone.
- **Keep your caller informed.** If you need to look up information, tell the customer what you are doing. Don’t leave callers holding a dead phone with no clue as to whether you are still with them.
- **Commit to the caller’s requests.** Tell callers specifically what you will do and when you will get back to them. (“I’ll contact the installer and get back to you by 5 this afternoon, okay?”) Then do what you’ve promised.
- **Let your voice fluctuate in tone, rate, and loudness.** You hold people’s attention by putting a little life into your voice. Express honest reactions in expressive ways. Let your voice tones be natural and friendly.
- **Use hold carefully.** People hate being put on hold. When it is necessary, explain why and break in periodically to let them know you haven’t forgotten them.
- **Use friendly, tactful words.** Never accuse the customer of anything; never convey that their request is an imposition.
- **Use courtesy titles to create credibility.** Call the customer Mr., Ms., Dr., etc.
- **Bring the conversation to a pleasant but efficient close.**
- **Always thank people for calling.**
- **Contact your own company from time to time.** This will let you hear what kind of impression customers experience.

**CUSTOMER-SERVICE TECHNIQUES FOR BUILDING CUSTOMER LOYALTY**

Call centers offer customer convenience. Without having to trot off to a retail location, the caller can place orders, make reservations, check balances, register complaints, ask questions about products and prices, or clear up a
mistake in billing. This convenience comes at a price. Conducting business over the phone is never as personalized as face-to-face interaction. Too many visual cues are missing—the people can’t see whom they are speaking with—leading to less than complete communication. Then there’s what seems like an interminable wait in the call queue or, worse, the handoff to yet another agent who can’t really seem to make the problem go away. The cost of convenience includes impersonal agents, long virtual lines, and the runaround that leaves many customers apprehensive about their chances of successfully resolving difficult concerns on the telephone. Superior customerservice skills can help call center agents overcome caller angst, injecting some personality back into the customer conversation. Andrew O’Driscoll, a consultant with Managing the Service Business, Ltd., suggests seven techniques for creating customer loyalty:

■ **Build rapport.** To engage the customer, build rapport. To build rapport, modify your tone, tempo, vocabulary, and volume to suit the customer’s speech patterns. If the caller is an executive, short, direct language may be needed. If the caller is a disgruntled consumer, a warm, friendly approach using simple language may be best.

■ **Be an optimist.** How you phrase what may be received as bad news can really make a difference in the mind of the caller. Cushion the blow by focusing on the bright side of things. The following response will end the conversation: “I’m so sorry. We no longer carry that item.” Try this approach instead: “Our product line has recently been upgraded. The item you requested is now available in a new and improved format. Would you like it shipped ground or next-day air?”

■ **Listen actively.** Before call center agents can effectively assist customers, they have to find out what a particular customer wants. This requires listening to what is and isn’t said. Agents should use confirmations such as “yes,” “I see,” and “I understand” as verbal substitutes for the eye contact or head nods of ordinary conversation. Agents should also listen “between the lines” for what is left unsaid. Perhaps there is a special offer or an additional product of which the customer is unaware. Through active listening, agents can create a conversational connection that reassures the caller that someone cares.

■ **Offer an apology.** No one is perfect, and no organization faultless. Mistakes happen, and when they do a sincere and unconditional apology helps defuse an angry caller. What’s interesting is that a genuine apology and proper handling of the complaint can increase customer loyalty. In fact, research indicates that if customers feel their concerns are addressed appropriately, 85 percent will continue doing business with the organization. That’s even better than the rate for satisfied customers, only 65 percent of which will return for repeat business.
Stay positive. Listening day in and day out to people you don’t even know gripe and complain can be emotionally corrosive. Customers can be, and often are, difficult. They rarely hold back. They think nothing of directing their disappointment, dissatisfaction, and displeasure at you. What can you do to stay upbeat in the face of phone rage? First, avoid the tendency toward “fight or flight.” Be proactive. Listen. Put yourself in your customer’s shoes. And if the customer continues to be unreasonable, involve your supervisor. Just the thought that someone higher up is now involved will calm many a frustrated customer. Finally, take a break from time to time to blow off steam. A little lunchtime walk or a jog around the track can help you re-center and get back to a positive place.

Take greater responsibility. All too often, call center agents hide behind the limitations of their computer scripts as a way to avoid dealing with the unusual. For the anticipated, scripts provide an efficient way to conduct customer conversations. It’s when the caller has a concern that deviates from the planned that differentiates the A-plus rep from the “robo-agent.” A-plus customer service reps can think outside the script. They take the initiative. They assume responsibility for doing whatever it takes to resolve the case.

Solve the problem. Customers contact call centers because they need help to do something they can’t do for themselves. They have a problem. Superior call center agents have been trained in problem solving. They know how to assess need. They know what resources are available for addressing that need. They put together people and resources to get the job done. They involve customers throughout the process by asking, “How can I help solve this problem? What would you like me to do? Is there anything else I can try for you?”

THE E-VOLUTION OF CALL CENTERS

When the Internet transitioned from an academic toy to a key component of electronic commerce, some industry gurus predicted call centers would be replaced by the Web. Savvy customers would browse to the appropriate Web site, interact with just the right Web pages, and all their concerns would be addressed digitally. Call centers, after all, were so nineteenth century, relying primarily on Alexander Graham Bell’s 1876 invention of the telephone. Clearly, the twentieth-century technology of the Internet would be superior.

Of course, the experts were wrong. Call centers continue to evolve, integrating the Web as just one more contact channel. In fact, some experts cite as exemplars the cutting-edge organizations that have taken advantage of the new technology by reengineering their call centers as customer con-
USE EFFECTIVE CALL CENTERS TO BUILD CUSTOMER LOYALTY

Another Look

Call Centers in India Becoming Big Business

The impetus behind the advent of modern call centers was cutting costs. Companies were looking for a way to reduce customer-service costs. With a heavy dose of telephone and computer technology, companies found they could handle more calls faster and cheaper. But there are limits to what you can do internally. Outsourcing—getting your service from an external supplier—promised to drive costs even lower. Before long, many internal call center operations were being outsourced to service providers able to achieve greater economies of scale.

But for some companies, even using a local outsourcing company was still too expensive for handling the crushing volume of telephone traffic. These cost leaders turned to offshoring. Companies like General Electric and British Airways now rely on call centers located in India, where they are paying as low as $3 per hour to have English-speaking Indian natives make outbound calls and field inbound inquiries.

“Call centers are a booming business in India,” writes Mark Landler of the New York Times. “The companies value India for its widespread use of English and low-cost labor.”

To convince those who dial toll-free numbers in America that the customer service representative works nearby—not 8,000 miles away in another country—CSRs create fictional phone personas. C. R. Suman, for instance, refers to herself as Susan Sanders while on the phone with a caller. If the conversation ever turns personal, she has developed an entire imaginary background. She’ll indicate she’s from Chicago, her parents are Bob and Ann, and she has a brother named Mark with a degree from the University of Illinois.

But pretense goes only so far. What happens when customers start tossing around colloquialisms, peppering their speech with American idioms? For non-native-speaking CSRs, slang is the kiss of death, making discourse difficult and purposeful discourse sometimes impossible.

“We watch a lot of ‘Friends’ and ‘Ally McBeal’ to learn the right phrases,” says Suman. “When people talk about their Beammer, you have to know they mean BMW. Or when they say ‘No way, José,’ there is no José.” American television helps the Indian call center agents bridge textbook English and everyday language.

tact centers. Daniel Costello proclaims the customer contact center is the rightful heir of the historical telephone call center, defining such a center as follows:

Customer Contact Centers are a unified Call Center system that can track customer needs no matter which mode they use to contact the organization: telephone, face-to-face, web self-service, email, chat, voicemail, interactive voice response (IVR), video or fax, with the goal of providing consistent service across all touchpoints.
As Figure 6.3 indicates, a customer contact center is multimedia, handling customer interaction from a variety of channels.\textsuperscript{23} This offers the customer the opportunity to select the medium best suited for dialogue. By offering assistance across all touch points, customer-service representatives provide A-plus convenience. Such convenience nets increased customer loyalty, yielding enhanced relationships. Multiple communication channels enable the rapid dissemination of the right information at the right time.

\section*{A FINAL THOUGHT}

Here's a little lesson in economics. According to some industry pundits, the future cost of an international telephone call will fall to 1 percent of its current level.\textsuperscript{24} As the price for telephone services drops, demand increases. That's the law of supply and demand in action. What does it mean for call centers? Plenty.

As communication costs approach zero, customer expectations for anytime, anywhere assistance increases. This translates into an even greater demand for call center support, whether consumers want to buy new products or services or to get after-sale help. Call centers, once nothing more than a backoffice operation to minimize the cost of customer care, now provide a competitive advantage in the global economy—when they exceed customer expectations and create customer loyalty. Ovum Research predicts that by 2006 there will be over 13 million call center seats worldwide. Approximately 6.8 million of those seats will be multichannel, with agents responding not just to phone calls but all...
forms of customer communication from e-mail to Web chat. Clearly, the laws of supply and demand are working in the call center's favor. Opportunity in customer contact management abounds.

Summary of Key Ideas

- Call centers have evolved from a couple of desks and a couple of phones to sophisticated multi-person operations supported by telephone and computer technology.
- A call center handles high-volume telephone traffic. Calls may be inbound, outbound, or both. Inbound customer calls generally fall into three categories: orders/reservations, inquiries/complaints, and technical support. Outbound calls include telemarketing and customer satisfaction surveys.
- The basic call center architecture includes PBX, ACD, IVR, CTI, and database technology.
- Call centers are big business, approaching $60 billion worldwide.
- When customers contact a call center they may progress through three possible states: exploring self-serve options, waiting on hold for an agent, and talking with an agent to resolve their concern.
- Mismanaged automated answering systems can alienate customers. Be sure your company's interactive voice response system is properly designed and administered.
- Managing the call queue involves a trade-off between personnel staffing costs and customer call abandonment.
- Superior call centers strive to enhance the customer waiting experience by creating a feeling of involvement or lessening the impact of the wait.
- In order for call center agents to successfully resolve customer concerns, they must have a strong set of soft skills combined with technical and product knowledge. At a minimum, agents need to know how to operate the call center technology that supports their workstation and have a feel for the products and services their organization provides.
- Soft skills include the ability to communicate, listen, solve problems, work in a team, and exhibit a "customer first" attitude. Simple things like smiling and telling the customer your name can enhance his or her experience.
- To overcome the obstacles inherent in telephone communication versus in-person communication, agents can use several strategies such as building rapport and listening actively.
Yesterday's call center is evolving into a multichannel customer contact center.

The demand for call center services is predicted to increase as the cost of technology decreases.

**Key Terms and Concepts**

- automatic call distributor (ACD)
- call center
- call center agent
- channel
- computer telephony integration (CTI)
- customer contact center
- interactive voice response (IVR)
- private branch exchange (PBX)
- seat
- soft skills
- telephony
- touch point
- touch-tone keypad

**Application Activities**

1. In the world of customer care, there's always a trade-off between service levels and efficiency. At one time, a call center was nothing more than a desk and phone. When you called for assistance, a "real" human would answer your questions or help you with an order. Such a simplistic approach to customer service has been replaced with efficient mega-facilities inhabited by hundreds of agents in telephone headsets, sitting in lookalike office cubicles, working round the clock seven days a week, industriously answering calls from people they've never met. Interview three consumers who have contacted a call center recently. Were they put on hold? If so, how long did they have to wait in the queue? Were their concerns resolved on the first call? How did they feel about the level of service they received? What suggestions do they have for the call center?

2. An automatic call distributor (ACD) is an integral component of any modern call center. Using the Internet, investigate three ACD vendors (e.g., Nortel, Lucent, Executone, Siemens, or NEC). Pick one ACD product from each vendor. Compare the types of services and performance statistics these products offer. For a medium-size company with 100 call center agents, which product would you recommend?

3. Contact a company or an organization that uses an interactive voice response unit. Draw a diagram of the menu and submenu options offered. How many menu options are there? How many submenus?
How easy is it to navigate back to the top menu? Are you given a choice to contact a live agent? What recommendations would you make for improving the menu structure?

4. Each year, approximately one in every three call center agents quits. Staffing an organization with a 33 percent annual turnover rate is a real challenge. Using resources available to you, identify the major reasons for such high turnover. Based on your findings, design a recruiting and retention program to reduce personnel loss. What steps would you take to hire the right people? What steps to retain those you hire?

5. Creating an A-plus telephone image requires an understanding of the technology that drives your call center, knowledge of your company’s products and services, and great customer-service skills. Eighty percent of the time, this skill set is enough. It’s the 20 percent of the time when customers call with questions about unsupported products or services that causes you to stretch. Assume you have just received a call from a disgruntled customer with a broken product who claims it should be fixed under warranty. Your CTI system shows his purchase history. His warranty lapsed last month. Construct a dialogue between you and the customer that offers the customer some options that might lead to a positive resolution. Be creative but realistic.

Notes


21. Ibid.


