CONTACTBABEL

US Contact Center Verticals:

Communications

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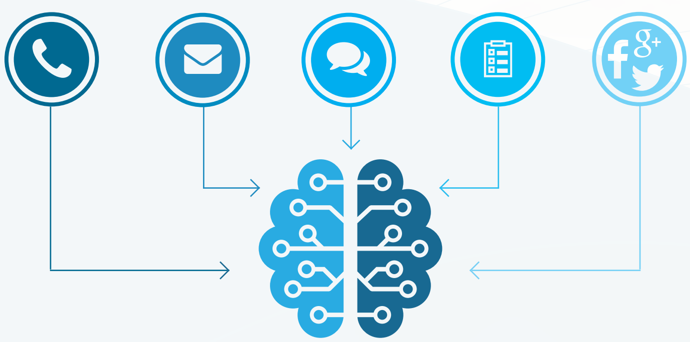
US Contact Center Vertical Markets: Communications




CallMiner
Measuring Voice of the Customer
Data-Driven Strategies & Tools to Unlock Voice of the Customer Insights

CONTENTS

LIST OF TABLES

CallMiner is a speech analytics platform that drives business improvement by connecting insight to tangible action. We use the power of A.I. to scale human understanding, analyze interactions at the deepest levels, identify patterns and root causes, and reveal opportunities.

We believe that business improvement starts with a deep interest and curiosity in people. How do we detect a customer's true emotion, and how do we act on it to shift a business's culture and steer it on the most successful path? We aim to close these gaps through innovation, but the heart of our work lies in humanity: understanding, followed by action. We apply this same principle within our culture, promoting an attitude of kindness, compassion, genuine interest, and respect for one another.

Highlighted by multiple customer achievement awards, including six Speech Technology Magazine's Reader's Choice Awards, CallMiner has consistently ranked number one in customer satisfaction.

Learn more about our customer engagement and speech analytics solutions to help your business:

Web: www.callminer.com

Social Media: LinkedIn, Twitter, Facebook, YouTube, Blog

User Community: EngagementOptimization.com

Email: marketing@callminer.com

US COMMUNICATIONS CONTACT CENTERS: EXECUTIVE SUMMARY & OUTLOOK

Comprising of 380,000 agent positions in 2,800 contact centers, the communications sector is one of the largest vertical markets in the US contact center industry, with employment heavily weighted towards larger operations.

The communications sector will see a growth of around 5,000 agent positions in the next four years, driven by the increasing competition for triple and quadruple-play communications services, as well as the continued roll-out of super-fast broadband (fixed and mobile), along with a raft of services designed to make full use of this. The B2B communications market has also seen strong growth and increased competition, leading to substantial gains in headcount. However, there has been some indication of closures and consolidation, especially in the very competitive B2C sector, which will take some of the heat out of the expected growth rate.

The communications sector has historically had a relatively low level of live telephony and high voice self-service. Recent years have seen a rapidly growing use of web chat and email, especially in 2020. This is reflected in the higher than average use of web chat, email management and AI solutions.

The sector has a large outbound presence, with around one-quarter of its activity being outbound, more than half of which is sales-related. The use of automated outbound dialing is prevalent.

Average salaries tend to be substantially higher than the US contact center industry average. Attrition rates are around the industry average, and absence rates somewhat higher.

While sales call durations are lower than the average, service-related calls are much longer. Add to this the fact that first-contact resolution rates are relatively low and the picture of the sector is one where telephony agents are handling work that is more complex than in many other vertical markets.

INTRODUCTION

"US Contact Center Verticals: Communications" looks at the structure, growth, technology, HR and commercial issues found in contact centers within the US communications sector, which includes telecoms, ISPs and quad-play (fixed telecoms, mobile telecoms, broadband and TV) providers. It does **not** include any data or analysis from offshore contact center operations.

It contains data from multiple large-scale surveys of hundreds of US contact centers, and is the definitive study of this vertical market's customer contact operations.

The "US Contact Center Verticals" series of reports are free of charge to readers. Research and analysis costs are borne by sponsors – contact center and customer experience solution providers – whose advertisements, case studies and thought leadership pieces are included within these reports.

Sponsors have not had influence over editorial content or analyst opinion, and readers can be assured of objectivity throughout. Any vendor views are clearly marked as such within the report.

Please note that statistics within this report refer to the US industry, unless stated otherwise. There is a version of this report available for download from www.contactbabel.com with equivalent UK statistics.

To comply with the usual protocol of market analysis, years are reported as year-end (i.e. the 2020 figures refer to the end of 2020) unless stated otherwise.

MARKET SIZING

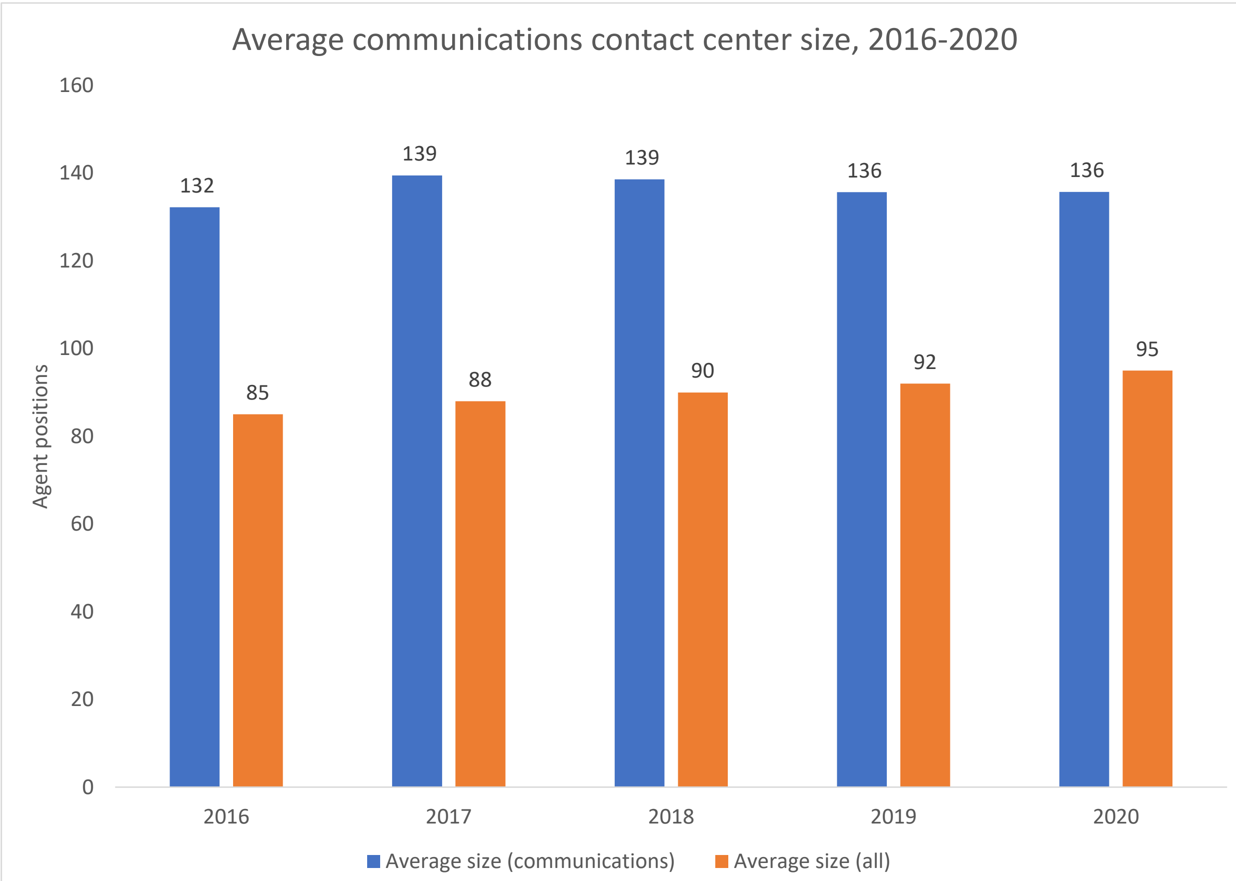
STRUCTURE

The communications sector has declined somewhat in terms of agent positions over the past five years, and the number of physical contact centers has also done so, probably due to consolidation, cost-cutting and the rise of at-home agents. The effect of online self-service in this sector is also growing.

Figure 1: Communications contact centers and agent positions, 2016-2020

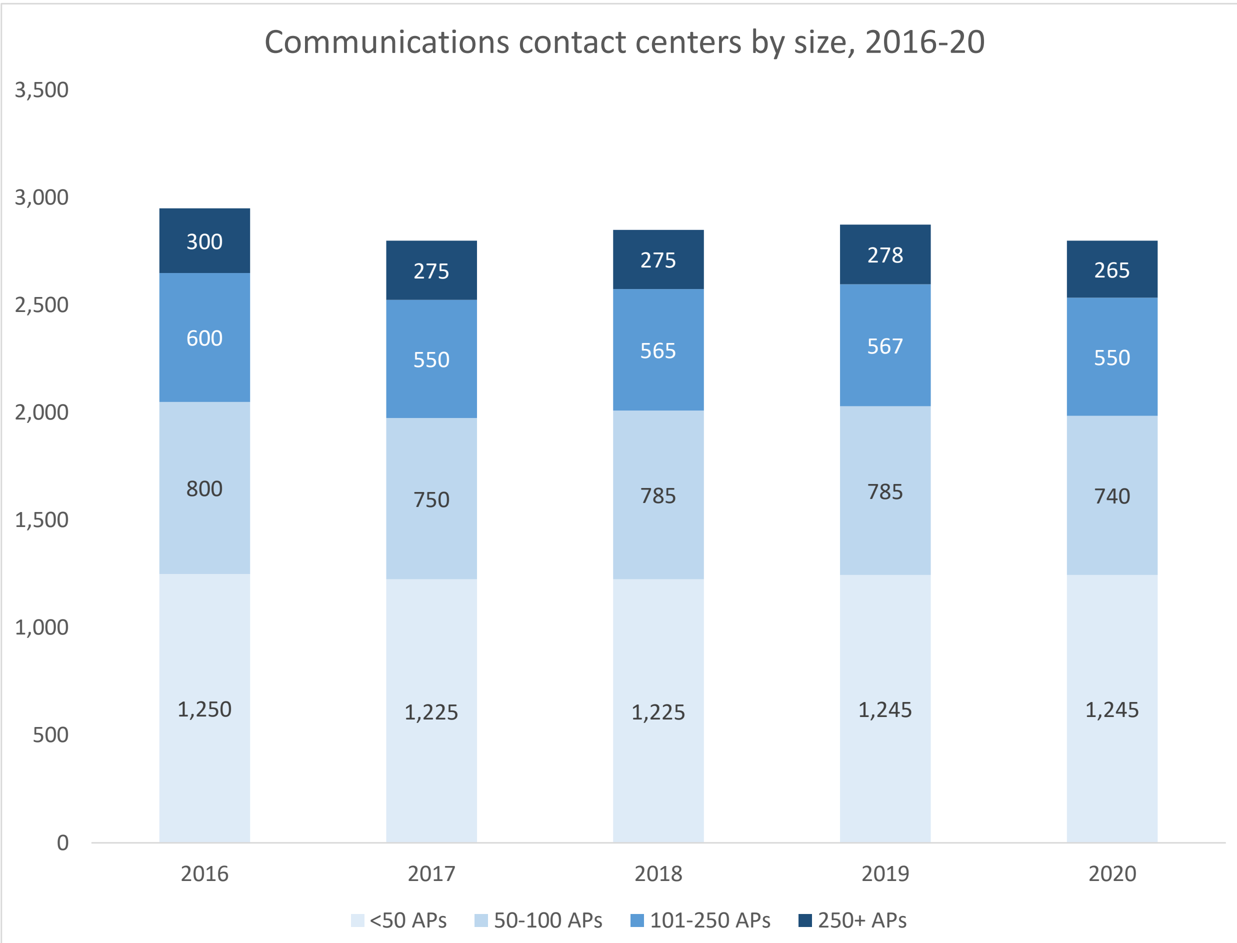
Communications contact centers tend to be larger than the US average, and the typical size has remained fairly steady in the past few years.

Figure 2: Average communications contact center size, 2016-2020



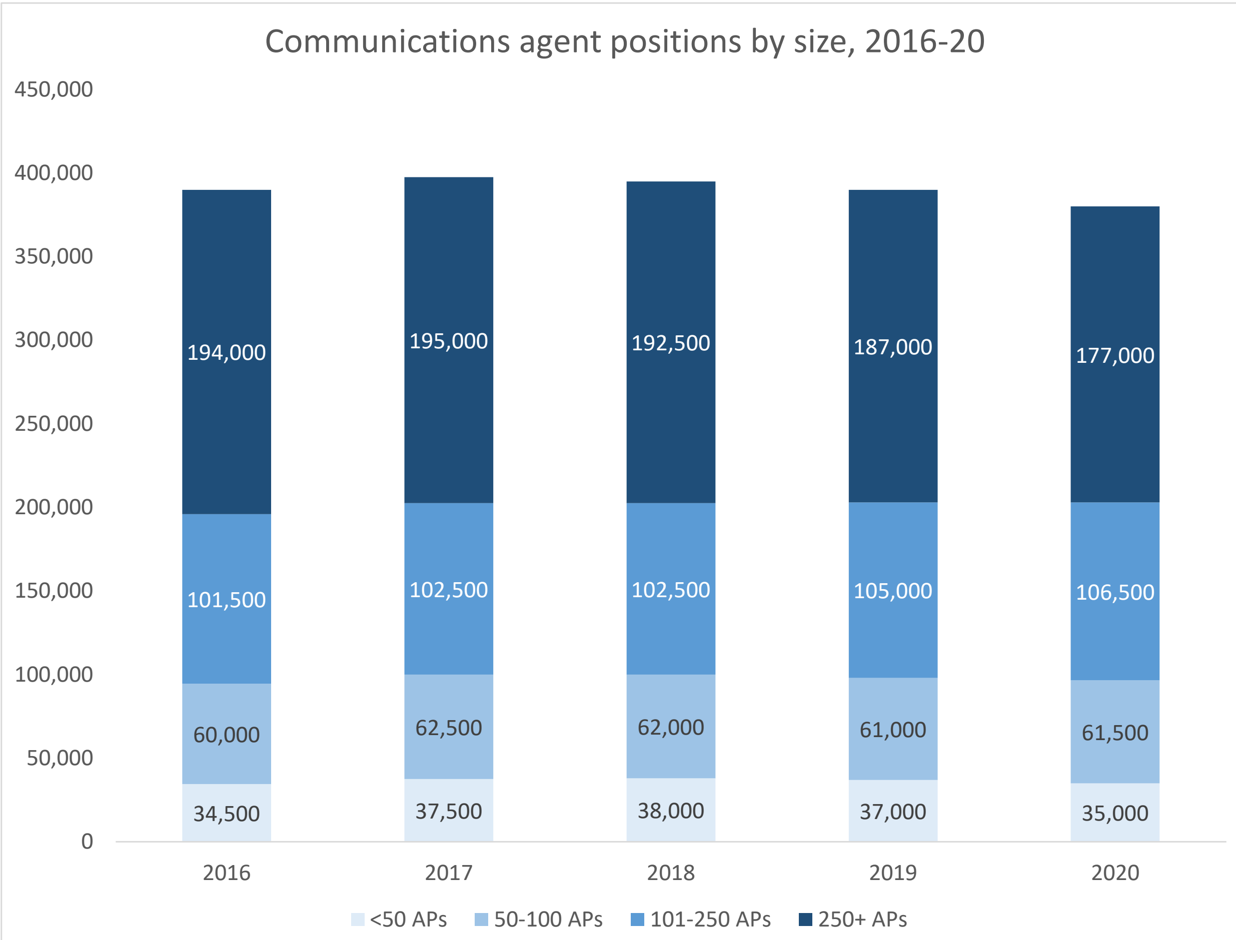
The number of contact centers in the communications vertical market is less heavily weighted towards smaller operations than for many other sectors, with some very large communications operations. Having said that, the majority of contact centers are under 100 seats in size.

Figure 3: Communications contact centers by size, 2016-20



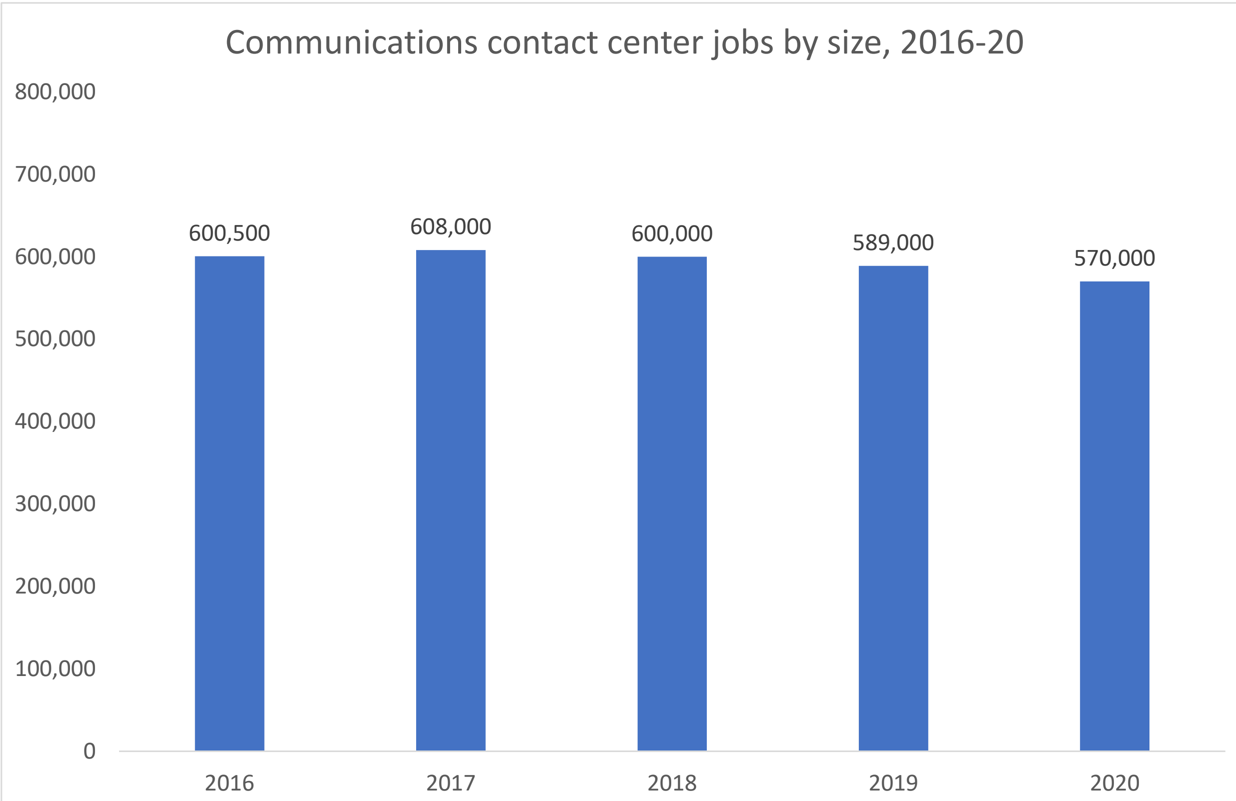
Despite this, employment is focused on larger operations, unlike many vertical markets which are more heavily weighted towards the smaller contact centers.

Figure 4: Communications agent positions by size, 2016-20



The sector currently employs around 30,000 fewer people than it did in 2016.

Figure 5: Communications contact center jobs by size, 2016-20



GROWTH

Communications contact centers have recently seen something of a decline in agent positions, matched by a reduced number of physical operations.

However, while we expect the increased uptake of self-service and automated digital service to have a negative effect on agent positions, we believe this will be more than offset by the increased demand for communications services, both from businesses and consumers.

As such, we expect a slight rise in agent positions over the next four years (with a compound annual growth rate of 0.3% against an industry-wide decline of 0.4%), although the number of physical contact centers will decline further due to cost management pressures and the opportunities afforded by the hybrid / work-at-home employment models.

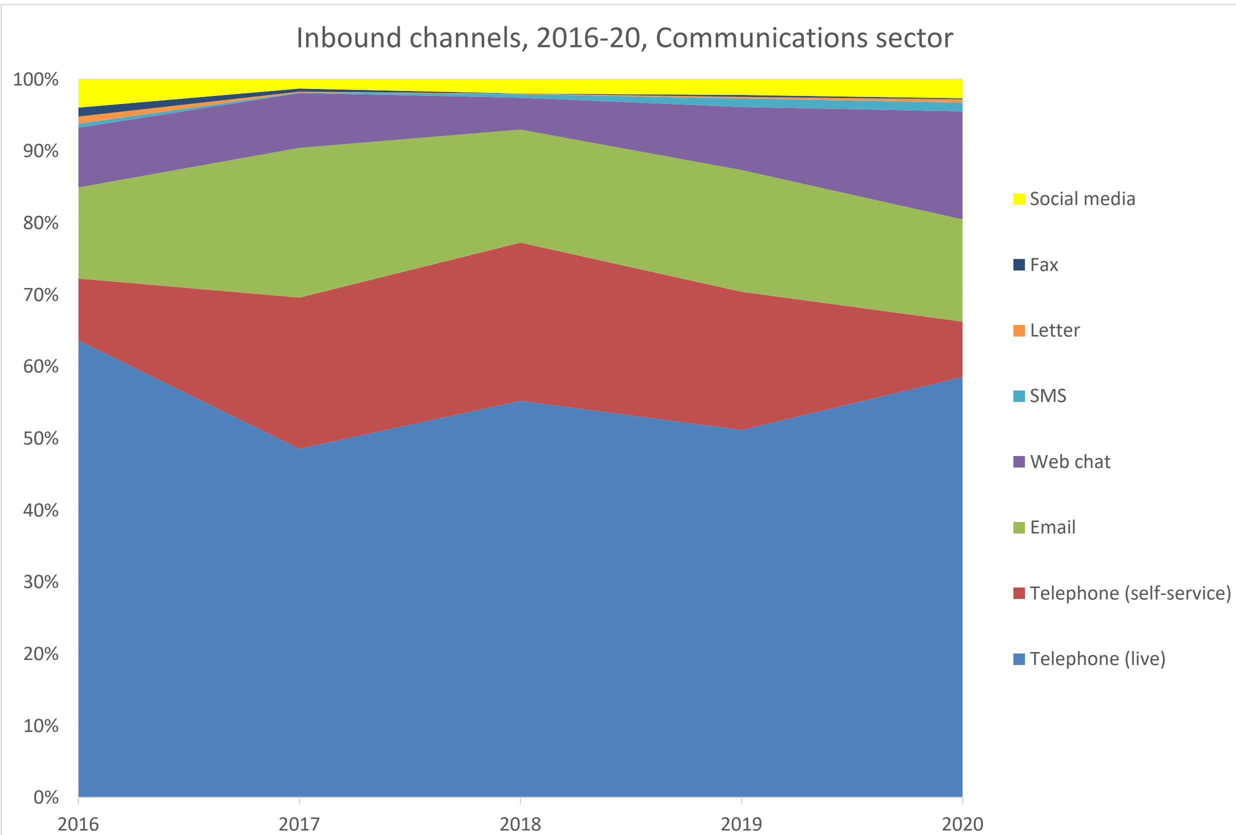
Figure 6: Communications – agent positions and contact center forecasts, 2020-24

	2020	2024	Communications CAGR	Average CAGR
Agent positions	380,000	385,000	0.3%	-0.4%
Contact centers	2,800	2,600	-1.8%	-1.4%

THE USE AND EFFECT OF OMNICHANNEL

The communications sector has historically had a relatively low level of live telephony and high voice self-service. Recent years have seen a rapidly growing use of web chat and email, especially in 2020.

Figure 7: Contact center inbound interactions by channel, 2016-2020 – Communications sector



Channel	2016	2017	2018	2019	2020
Telephone (live)	64%	49%	55%	51%	59%
Telephone (self-service)	9%	21%	22%	19%	8%
Email	13%	21%	16%	17%	14%
Web chat	8%	8%	4%	9%	15%
SMS	1%	0%	1%	1%	1%
Letter	1%	0%	0%	0%	0%
Fax	1%	0%	0%	0%	0%
Social media	4%	1%	2%	2%	3%

Best Practices for Omnichannel Customer Engagement

We know your customers expect personalized and integrated customer service across multiple channels. The following best practices will help create strong omnichannel experiences that satisfy customer expectations.

1. Meet Customers in Their Channel of Choice

The easiest way to ensure you are providing top notch customer service is to meet your users where they already are. Look at your history of customer contact – and in particular, look at where the longest response times exist. It may be that you need to change your team structure to place a deeper emphasis on chat rather than calls. Alternatively, you may need to scale up your social media team. Making these changes is a quick way to improve customer experience.

2. Offer Robust Self-Help with an "Out"

Providing customers with an opportunity to answer their own questions is a "no-brainer." Moving toward self-service can be as easy as expanding your FAQ section. But remember to make it easy to offer a path forward when self-help fails. For more complicated requests, video tutorials or the ability to schedule online meetings with experts can go a long way – and can keep call centers reserved for the most complex issues or customers who best communicate via phone.

3. Creatively Mitigate Your Technology Siloes

If customers call the support center after asking a question on chat and are then transferred between departments only to repeat the same story, you may have lost a customer entirely. Brands understand this but are handcuffed by legacy systems that in many cases make what seems like common sense integration a monumental task. To get around challenges, consider improved knowledge management such as rigorous dispositioning coding. This intelligence can ensure that the customer service team can easily see past customer communication when given a reference (like their name) is provided. This will make the process much smoother.

4. Address Every Channel

Consider process changes, instructional guidance, and agent coaching to help reduce gaps experienced by channel-hopping customers, especially when technology barriers exist. Manually tracking disposition codes or preparing agent with scripts specifically designed for emotionally "hot" customers who failed to self-serve in a digital channel can resolve challenges created by legacy communication channel silos.

5. Correlate Analytics Without Channel Boundaries

Ensure that scored meaning and presentation is not limited by channel boundaries. A best practice is to ensure text and speech analytics are consistently scored and presented, even when the channel from which they are derived are not integrated.

6. Apply Continuous Improvement

Before you implement these steps, test certain metrics. After you have implemented everything you have learned, test them all again. Make sure that everything is working as intended by checking the following:

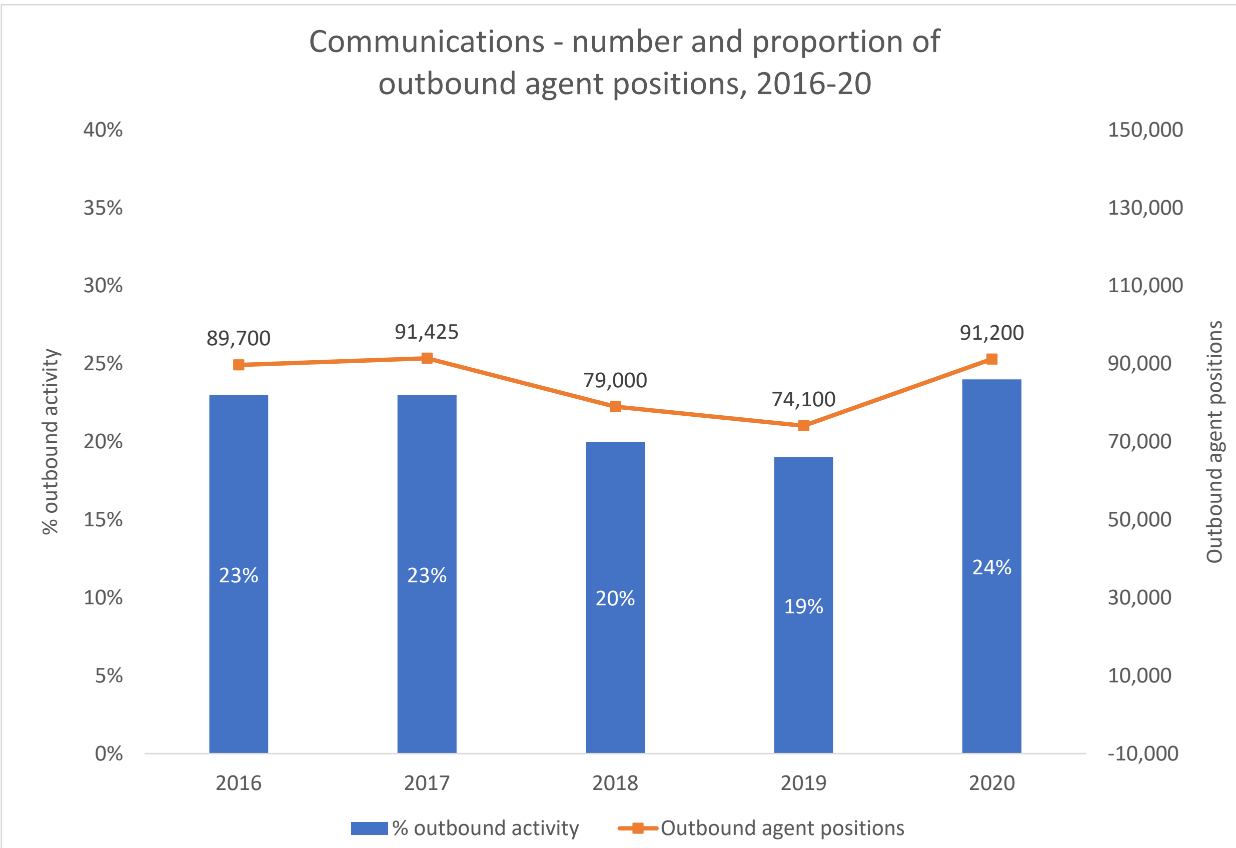
- Average response time by platform
- Shared knowledge between channels
- Ease of navigation
- Satisfaction regarding the response

Beyond adopting the communication channels your customers prefer, many best practices for omnichannel customer experience require capturing a unified view of each customer's interaction with your business regardless of channel. Achieving this single view starts with mapping the customer journey across each touchpoint and capturing relevant data within each interaction. In addition, understanding your customers' needs requires a robust conversation analytics platform capable of capturing each channel.

INBOUND & OUTBOUND ACTIVITY

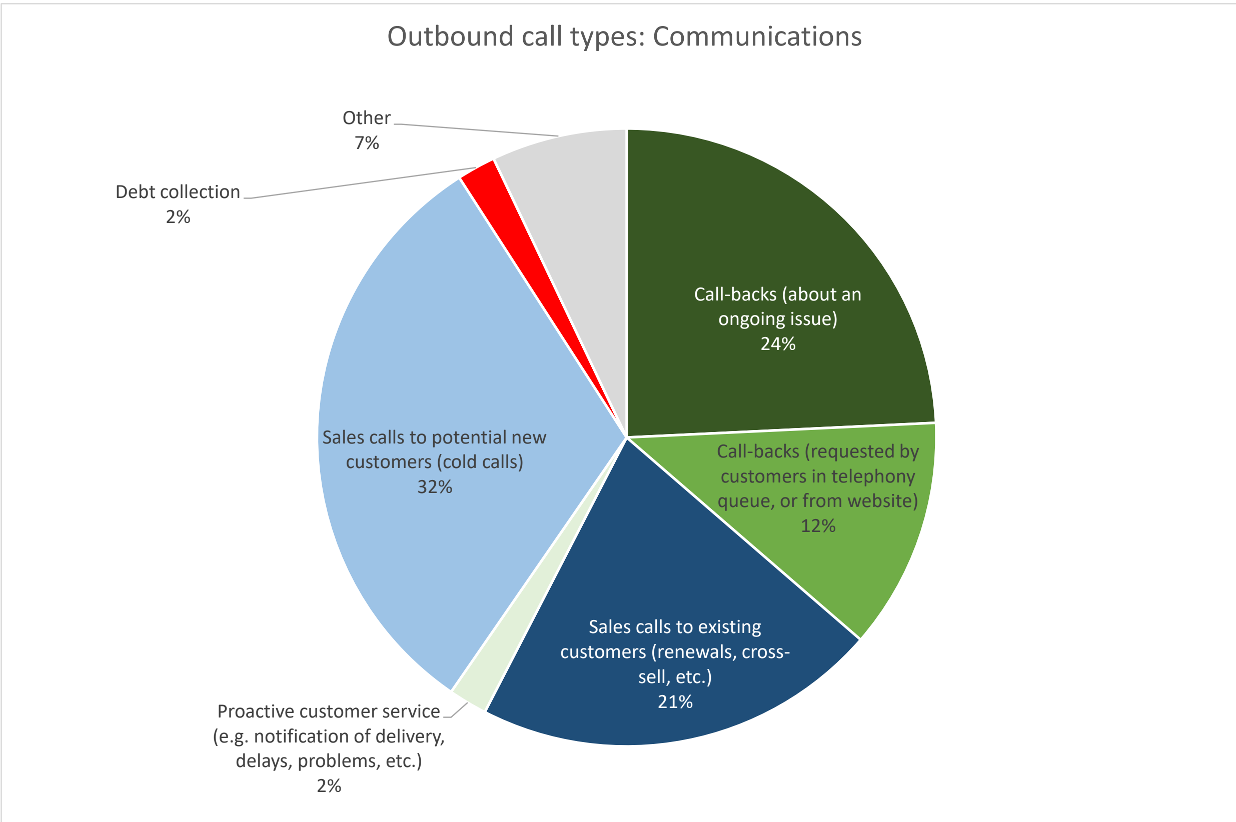
The communications sector has considerable outbound presence, with the sector still accounting for over 90,000 outbound equivalent agent positions.

Figure 8: Communications - number and proportion of outbound agent positions, 2016-20



While there has been a some movement away from sales-focused calls, with call-backs related to existing issues or those generated by the customer from a website or telephone queue accounting for over one-third of outbound calling, the communications industry still carries out a significant amount of outbound cold calling, along with cross-selling and upselling or renewal calls to existing customers.

Figure 9: Outbound call types: communications



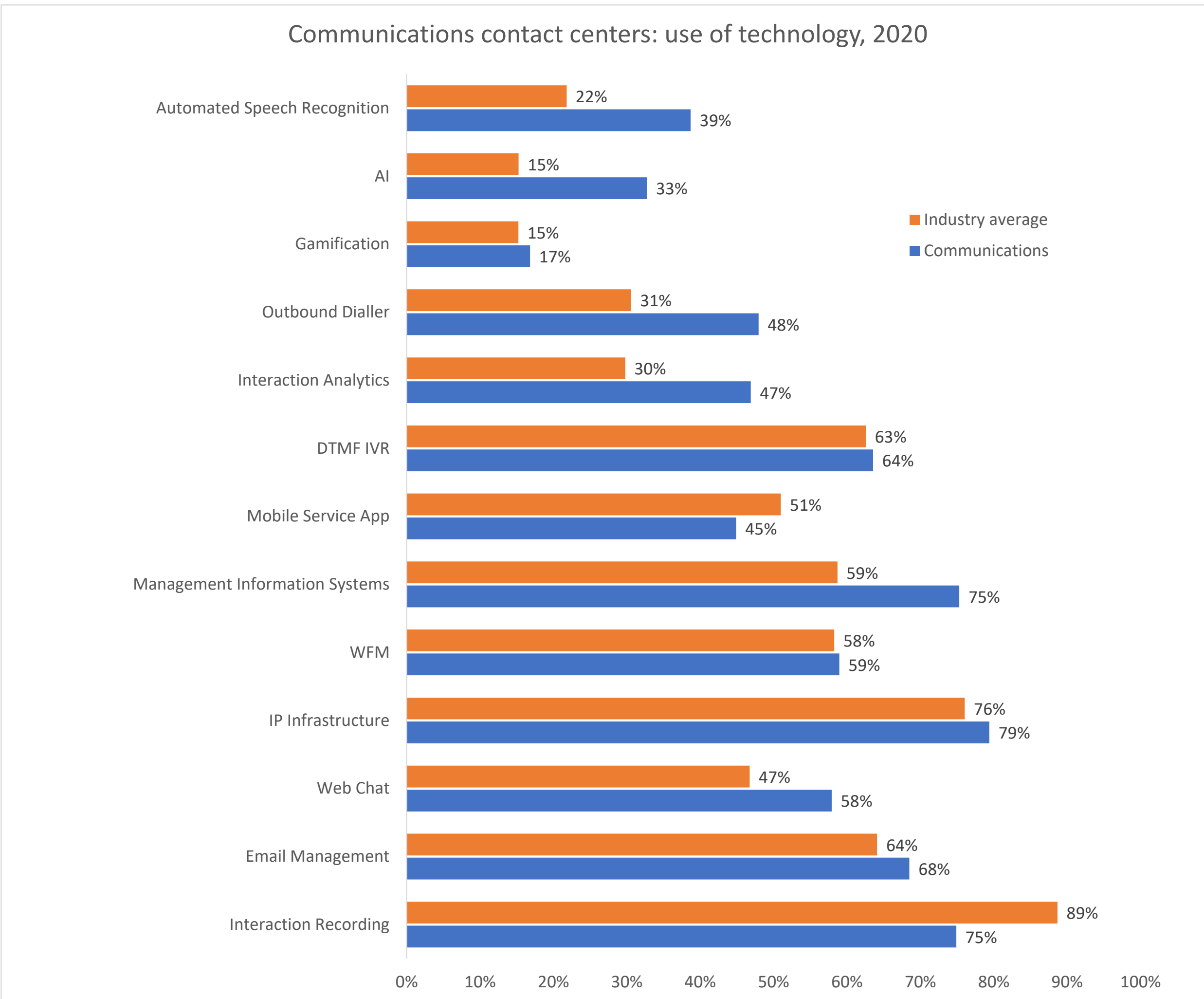
TECHNOLOGY

The communications industry as a whole is ahead of the wider contact center industry in its use of outbound dialing, AI, analytics and speech recognition.

As might be expected from a sector which has significant amounts of digital support, email management and web chat are also widely used.

It is a little behind the curve in terms of interaction recording.

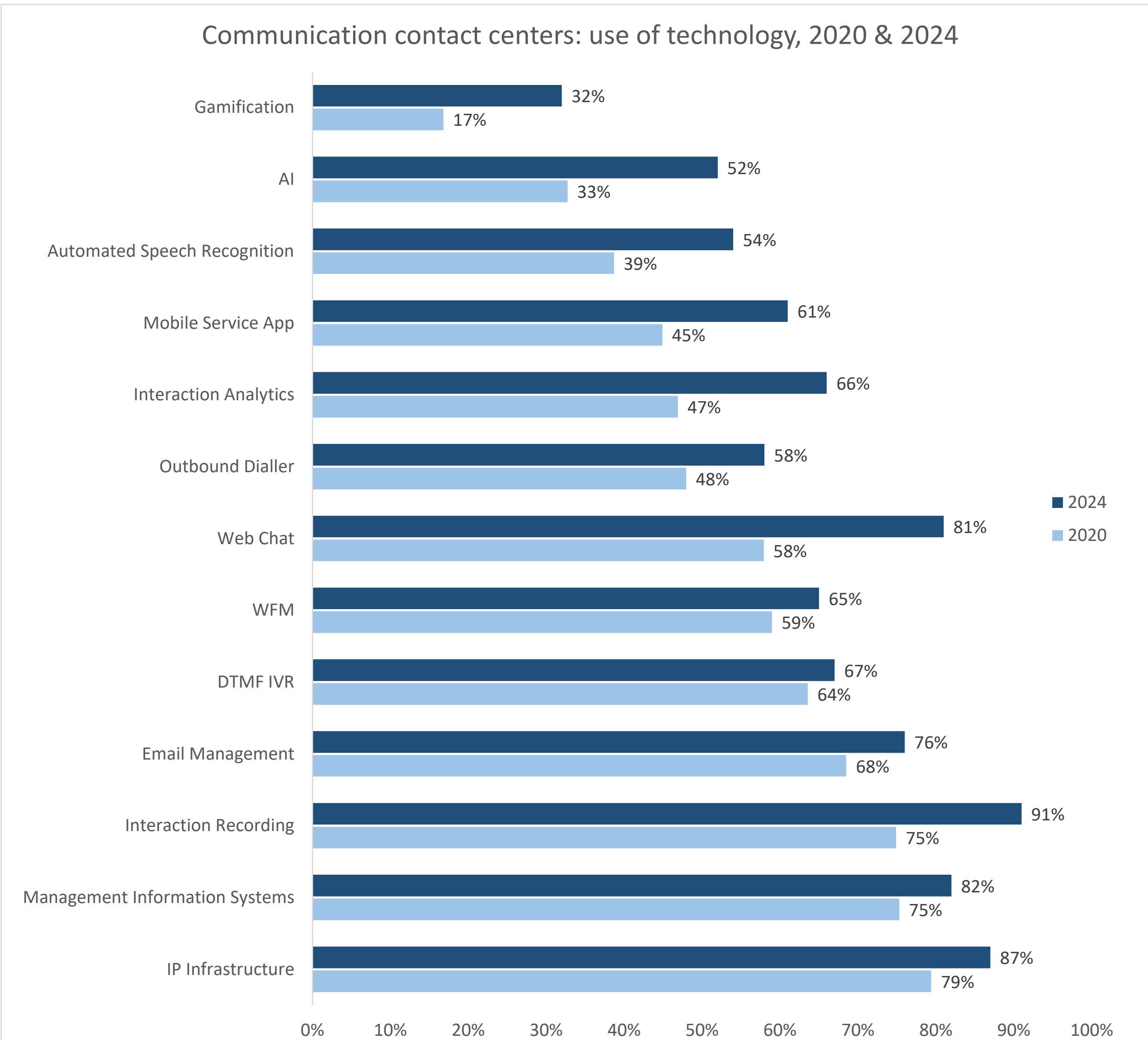
Figure 10: Communications contact centers: use of technology, 2020



The greatest expectation of technology growth – and expectation should not be confused with what the reality is likely to be – comes from AI, speech recognition and interaction analytics which work together to assist agents as well as provide better self-service options. Increasing web chat is also a focus for this sector.

As the average size of communication contact centers is considerable, the sector also shows an interest in implementing gamification.

Figure 11: Communications contact centers: use of technology, 2020 & 2024



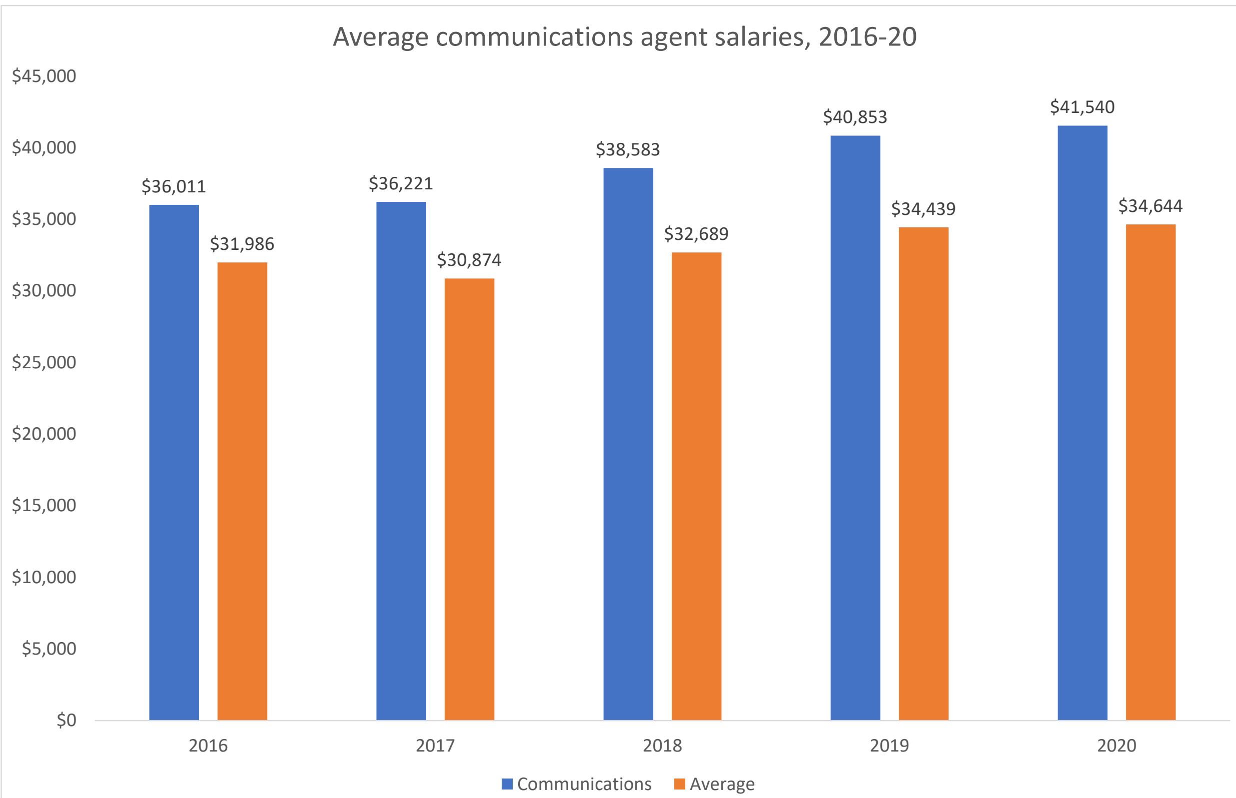
HUMAN RESOURCES

SALARIES

The salary figures below are calculated by adding together the average salary paid to new agents and to experienced agents, and dividing by two.

Communications agents were consistently reported to be paid basic salaries that were significantly higher than the average contact center agent in all of the years studied.

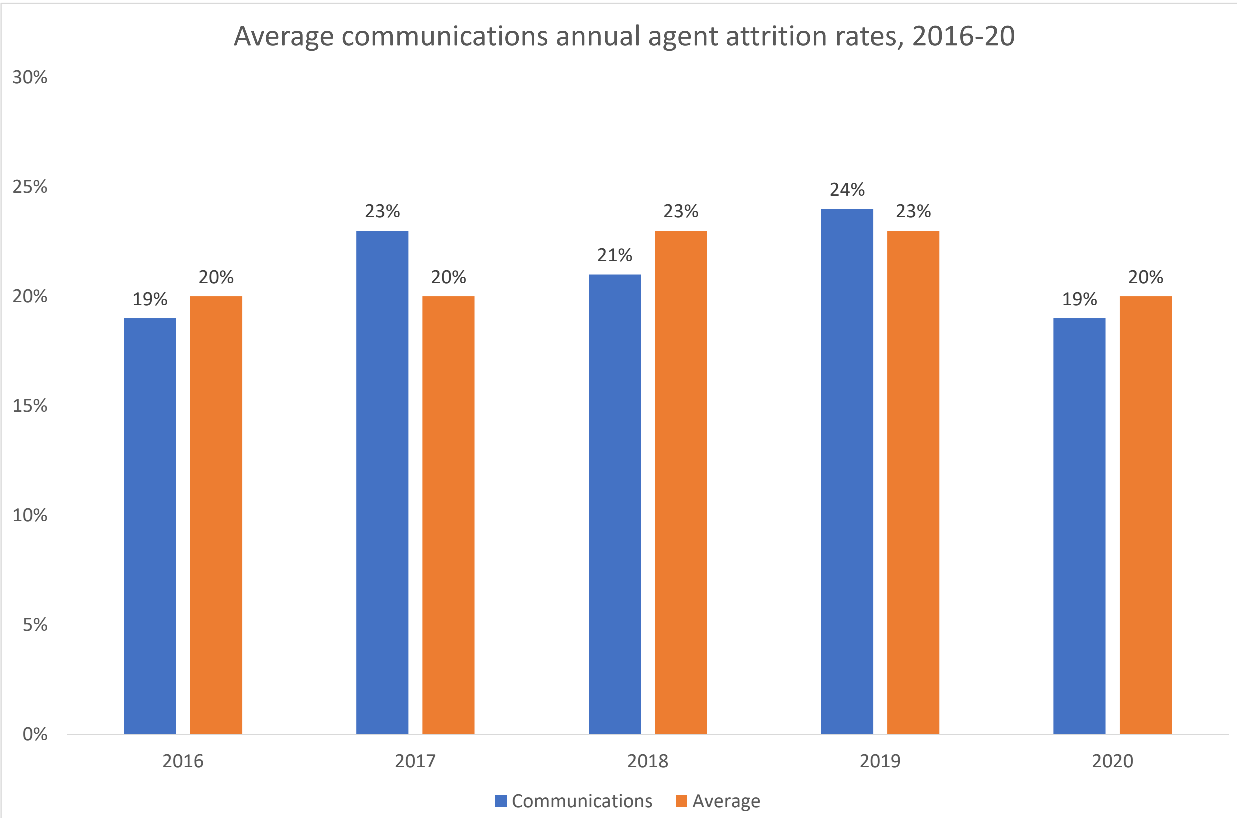
Figure 12: Average communications agent salaries, 2016-20



AGENT ATTRITION

Communications agent attrition rates have stayed very close to the industry average over the past five years.

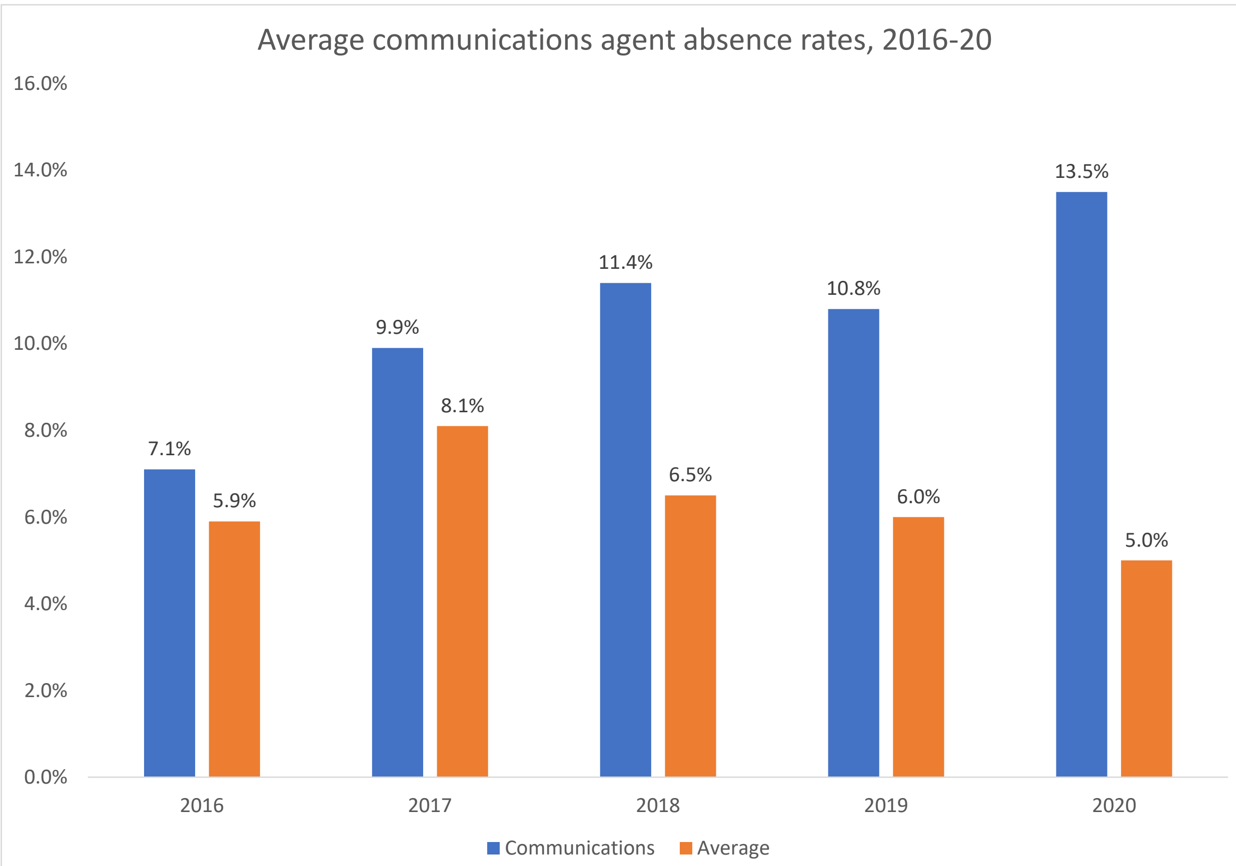
Figure 13: Average communications annual agent attrition rates, 2016-20



AGENT ABSENCE

For all of the five years studied, communications agent absence rates have been higher than the contact center average. This often occurs in operations which have significant outbound work involved, and which are larger than average, as is the case with this sector.

Figure 14: Average communications agent absence rates, 2016-20



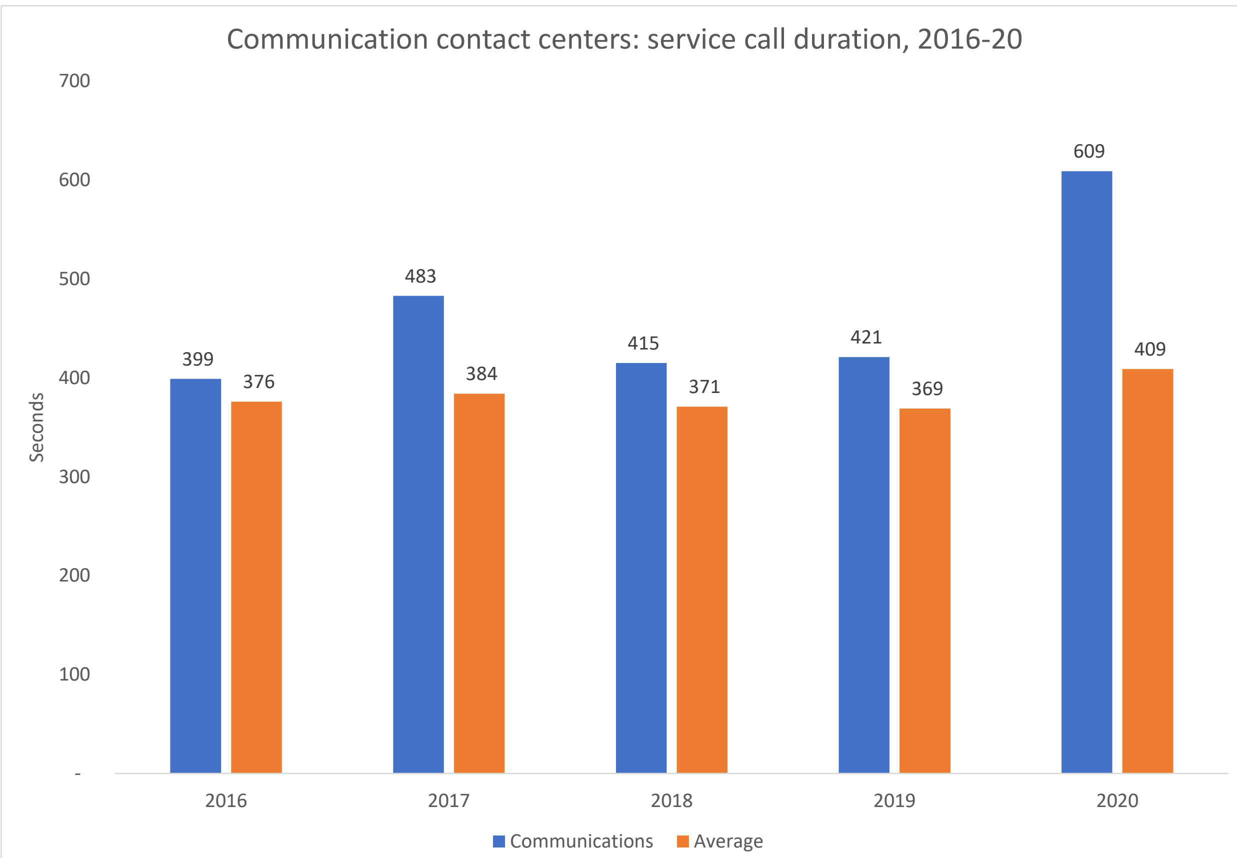
OPERATIONAL BENCHMARKING

CALL DURATION

Average communications service call lengths have been a little higher than the US average, perhaps suggesting that the types of call being handled are more complex than they used to be.

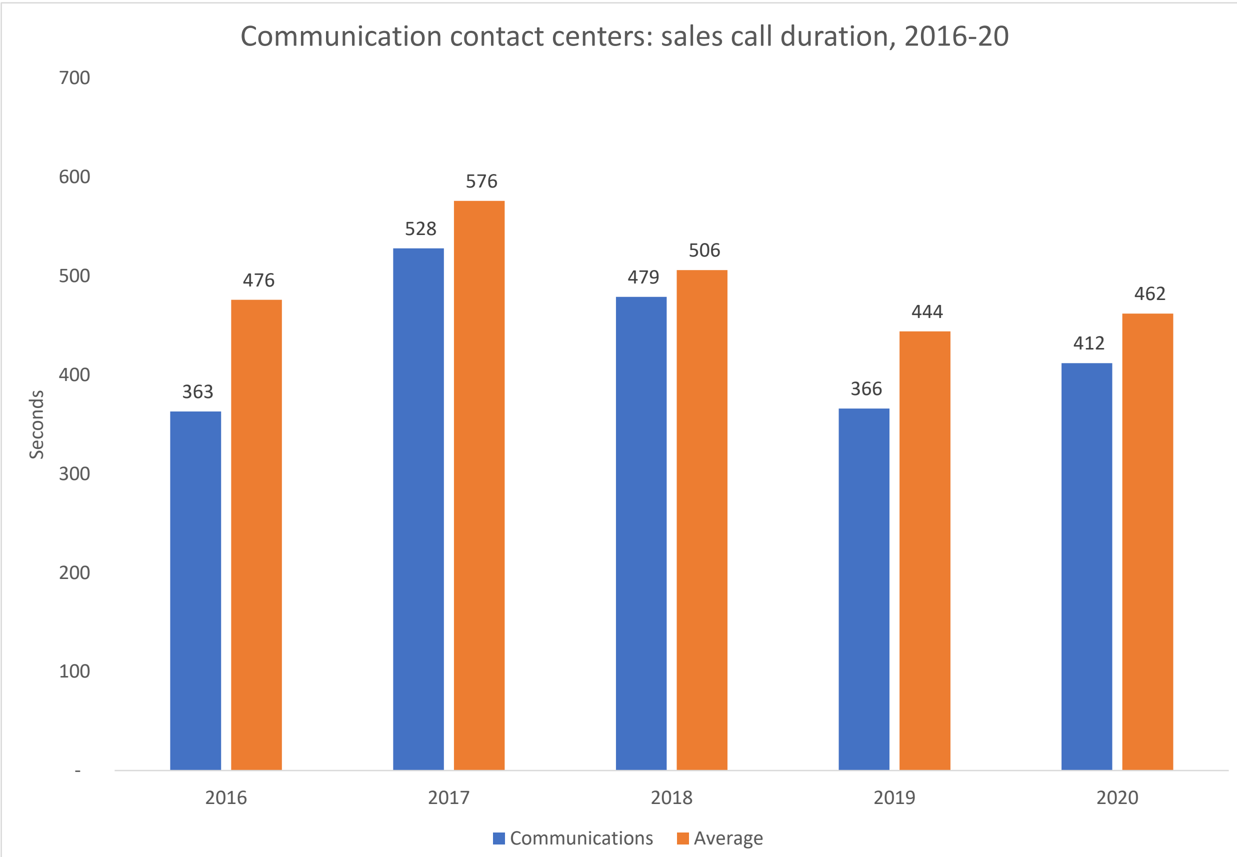
This hypothesis is supported by the fact that there has been a large increase in call duration in 2020, possibly as a result of the pandemic meaning that many work-at-home agents did not have full access to systems and more experienced colleagues for advice, leading to longer calls.

Figure 15: Communication contact centers: service call duration, 2016-20



This pattern is not seen in sales calls, where the average call duration is usually less than average sales-related calls within the overall contact center industry.

Figure 16: Communications contact centers: sales call duration, 2016-20



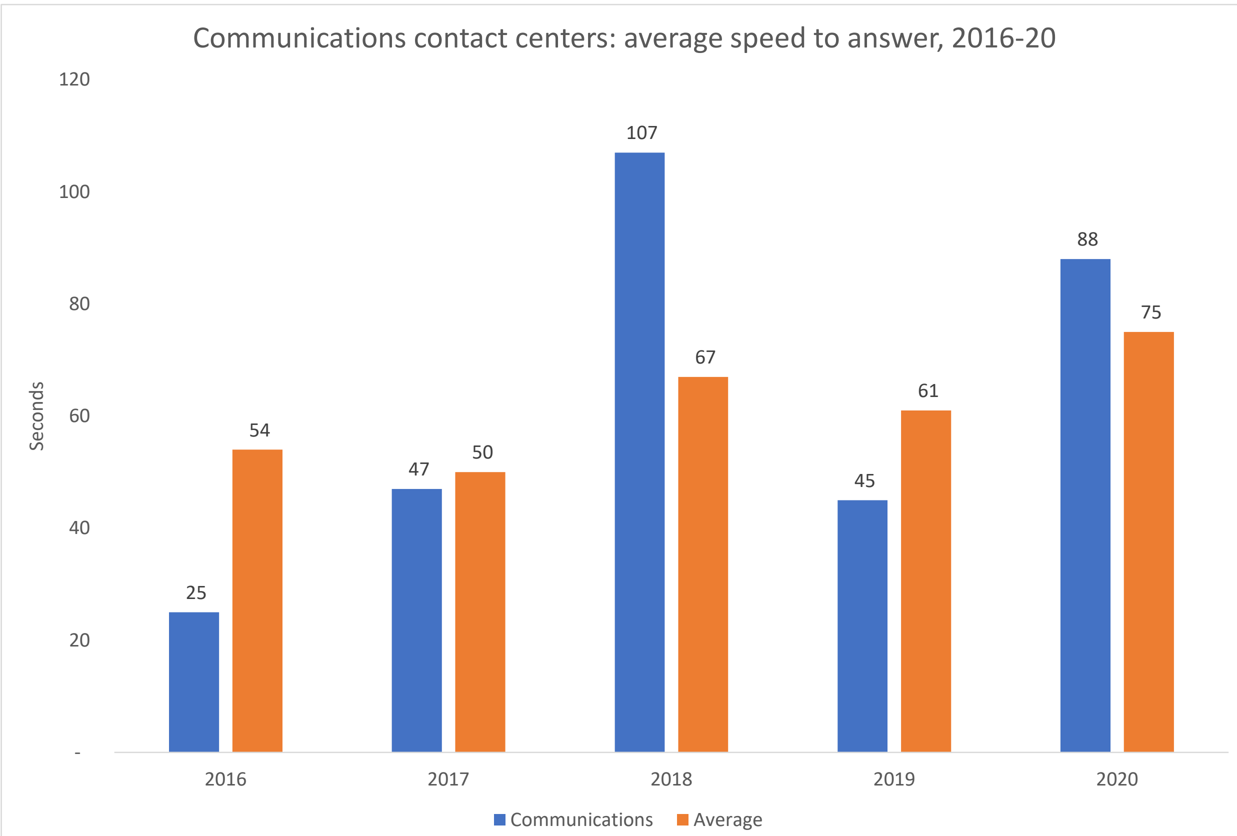
SPEED TO ANSWER

Speed to answer is still one of the most important factors to customers calling a contact center, so a quick answer is beneficial to the customer experience as a whole.

Communications contact centers place strong emphasis on avoiding call abandonment and thus losing a sale or damaging their client service levels, but there is little historical pattern in speed to answer shown here.

Like the rest of the industry, 2020 saw a big jump in speed to answer across most sectors, including communications.

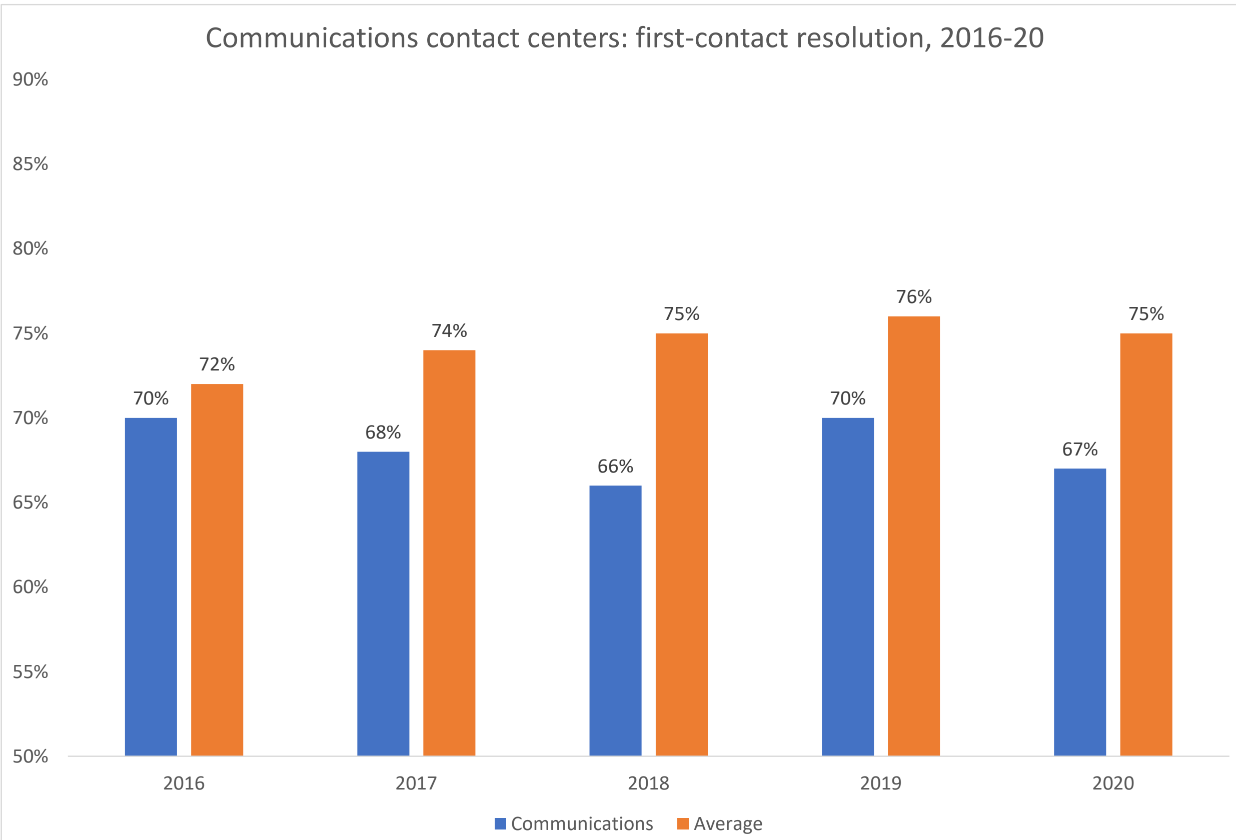
Figure 17: Communications contact centers: average speed to answer, 2016-20



FIRST-CONTACT RESOLUTION

The sector consistently resolves a lower proportion of calls first-time than the industry average, with the long average call lengths and lower FCR suggesting that many calls are complex.

Figure 18: Communications contact centers: first-contact resolution, 2016-20



ABOUT CONTACTBABEL

ContactBabel is the contact center 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 analyzing the contact center 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 center strategies and talk to the right prospects. We have shown the UK government how the global contact center industry will develop and change. We help contact centers 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 center industry, perhaps we can help you.

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Sources:

- The US Contact Center Decision-Makers' Guides
- US Contact Centers: The State of the Industry
- The US Contact Center HR & Operational Benchmarking Reports