



RIVERSTAR

**2011 RiverStar Contact Center BPO  
Survey Results**

# 2011 RiverStar Contact Center BPO Survey Results

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# 2011 RiverStar Contact Center BPO Survey Results

## Executive Summary

The objective of this survey is to gain insight from executives in Strategy/Leadership, Business Development/Client Management, Operations, and Technology roles about the current state of the Contact Center BPO market. The survey questions focused on the competitive marketplace, operations/management of campaigns, and the technology used to support customer interactions. In total, RiverStar received 65 survey responses. 58 of the 65 respondents indicated that they work for a company that sells Contact Center BPO services; 58 responses were considered valid for the purpose of this study. The responses to 15 survey questions revealed the following:

### Demographics

- Small, Medium and Large BPOs were well represented. 35.1% of respondents have 100-500 Agents, 40.4% of respondents have 500 – 5000 agents, and 21.1% have 5000+ agents.
- Business Development and Sales personnel made up 38.6% of total respondents, followed by Customer Service Operations (28.1%) and Strategy/Leadership (21.1%) functional roles.

### Market

- General Service and Support (98.2%), Sales (73.7%), and Help Desk (73.7%) are the top three business process solutions offered by the respondents.
- 89.5% of respondents believe that the market for Outsourced Contact Center Services will increase by at least 10% over the next 2 years.
- 61.4% of respondents expect to add between 1-10 clients; 36.8% expect to add more than 10 clients this year. None expect to lose clients.
- “Flexible Product and Service Offerings” is overwhelmingly the number one value proposition used in attracting clients.

### Operations, Business Processes and Campaigns

- The number one challenge for Contact Center BPO’s in managing campaigns on behalf of their clients is “Delivering a consistent Customer Experience.”
- Average Handle Times (AHT), First Contact Resolution (FCR), and Conversion Rate are the most commonly used metrics in assessing performance of behalf of client campaigns.

### Technology

- In-house/custom apps, Agent Desktop, IVR, and CRM are the most commonly used technologies to support customer interactions.
- Social CRM still has a long way to go in the Contact Center BPO. Only 28.1% of companies are monitoring social media sites and 26.3% are using community platforms.



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## Demographics

The 2011 RiverStar Contact Center BPO Survey was distributed to executives within Contact Center BPO companies. RiverStar received 58 valid survey responses from executives who work for Contact Center BPO companies in various types of roles. The survey respondents come from four main functional areas (see Figure 1) with 66.7% coming from Sales, Client Service, and Operations. 96.5% of respondents came from companies with 100+ agents (see Figure 2).

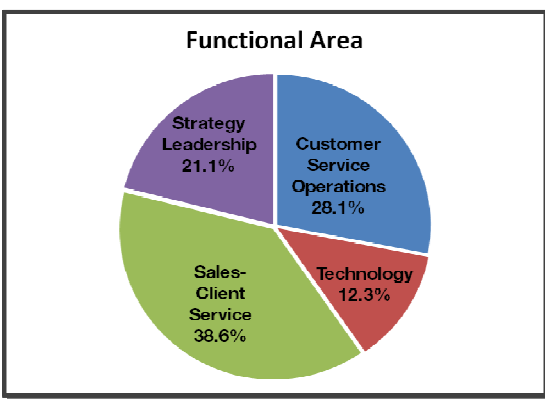


Figure 1: Functional Area of Survey Respondents

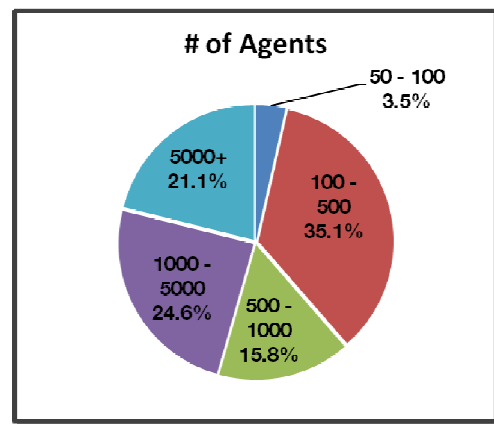


Figure 2: # of Agents in Companies Surveyed

Some of the titles of the respondents included: CEO, CIO, COO, VP of Operations, VP of Call Center Operations, VP of IT, Manager of Customer Care and Inbound Sales, Director of Client Services, VP North American Operations, and Client Relations Manager.

Over 80% of survey respondents operate contact centers in North America. After North America, the most popular regions were Asia-Pacific (Philippines, Malaysia, Australia), Asia (India, China, Japan) and Central America (see Figure 3).

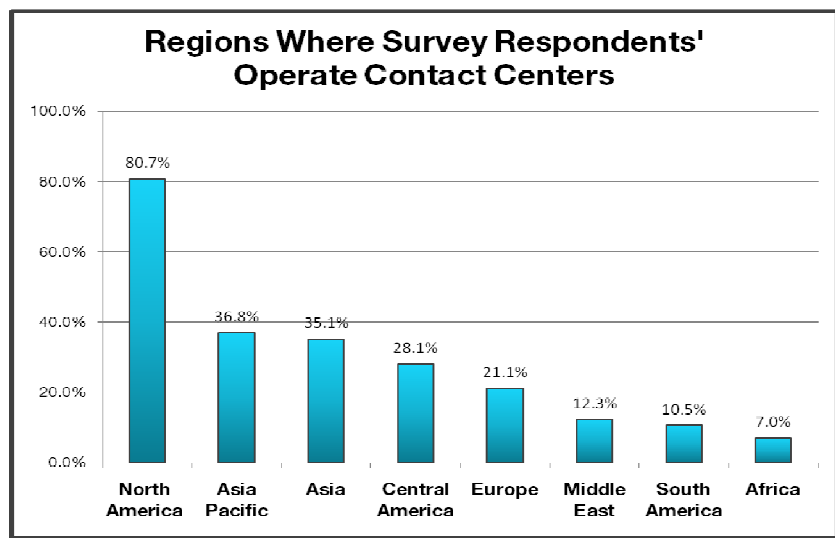


Figure 3: Regions where respondents operate contact centers

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## Market

The most common service offering provided by all of the responding companies was “General Customer Service” followed by “Sales” and “Helpdesk/Technical Support” (See Figure 4).

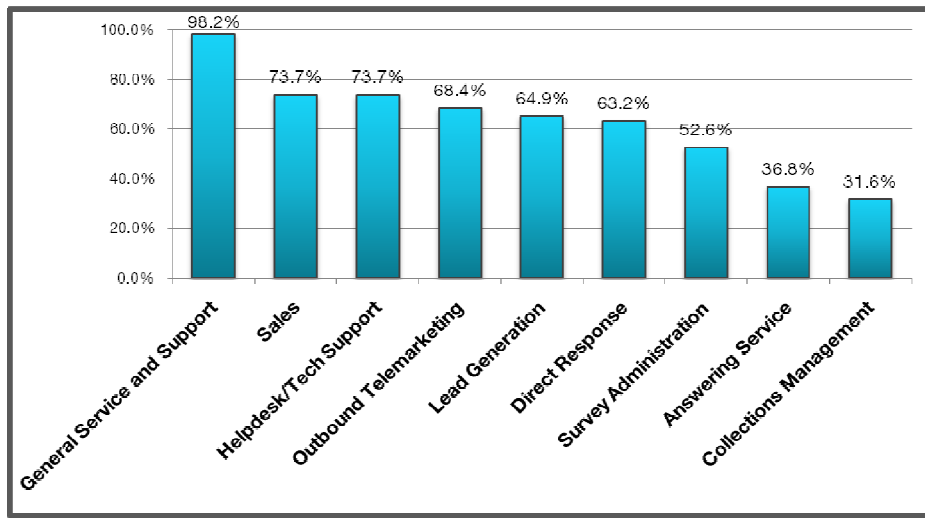


Figure 4: Contact Center BPO Services Provided by Survey Respondents

RiverStar analyzed the size each company’s agent workforce against the service offerings to see which services are the most popular amongst each of the respective agent groups. The larger BPO’s with 1000+ agents led the pack in offering Sales, Lead Gen, Direct Response, and Helpdesk/Technical Support services (see Figure 5). Companies with less than 500 agents led the group in Outbound Telemarketing and Survey Administration.

BPO Service	Largest % of Agent Groups Offering Service
Outbound Telemarketing	100 - 500 Agents, 70%
Lead Generation or Appointment Setting	1000 - 5000 Agents, 85.7%
Sales	1000 - 5000 Agents, 78.6%
Answering Service	500 - 1000 Agents, 55.6%
Helpdesk or Tech Support	5000+ Agents, 91.7%
Direct Response	1000 - 5000 Agents, 71.4%
Collections Management	500 - 1000 Agents, 66.7%
Survey Administration	100 - 500 Agents, 65%
General Customer Service and Support	All

Figure 5: Largest % of Agent Groups Offering BPO Services

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## Contact Center BPO Market Staged for Growth

The market for Contact Center BPO services has seen its share of ups and downs from poor economic conditions over 2009 and 2010. Companies have cut costs, but many buyers have looked to outsource their contact center services to 3<sup>rd</sup> party firms. 2011 and 2012 is staged for a period of market growth. Our survey respondents are very bullish on the market for Contact Center BPO services in 2011. 98.2% expect to add at least one client this year while 36.8% of survey respondents are likely to add more than 10 clients (see Figure 6). Additionally, an overwhelming 89.5% of respondents believe that the market for contact center BPO services will increase by at least 10% over the next two years (see Figure 7). One interesting note, even though Collections Management is only offered by 31.6% of respondents, these same contacts are most optimistic with 72.2% of them expecting the market to increase by at least 20% over the next two years.

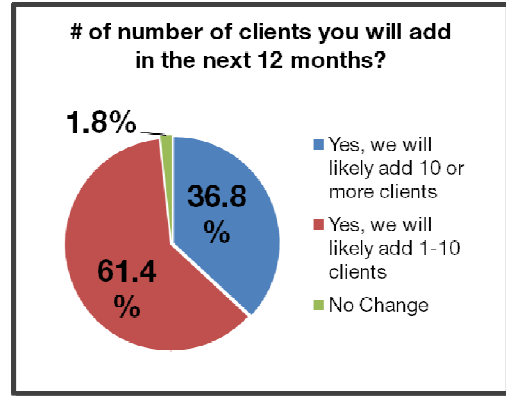


Figure 6: # of clients that will be added in next 12 months

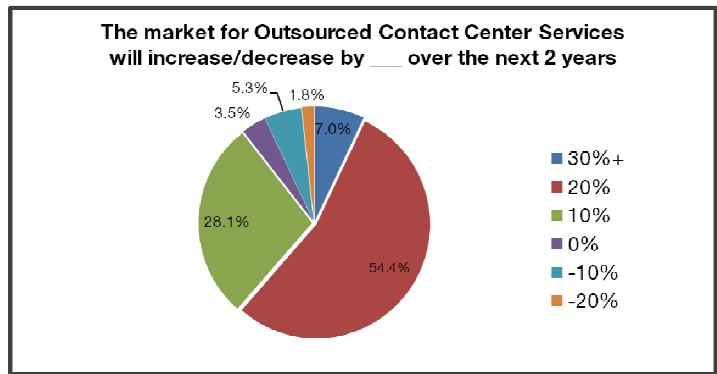


Figure 7: % increase/decrease in total market spend over next 2 years

## Top Value Propositions

With a positive outlook for Contact Center BPO market growth, companies are using three main value propositions to attract customers (see Figure 8). 84.2% of respondents said that “Flexible Product and Service Offerings” is the top value proposition, followed by “Cost Advantages” (70.2%) and “Superior Support for Clients’ Customers” (68.4). During this time of market growth, vendors of BPO services are placing emphasis on

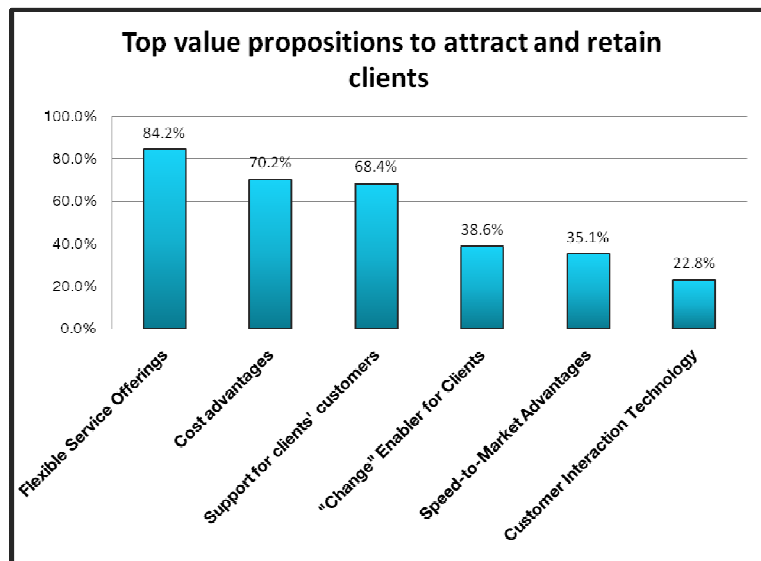


Figure 8: Top value propositions used to attract and retain clients

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flexibility, cost, and support services to attract and retain clients. Surprisingly, only 22.8% of BPOs use “Customer Interaction Technology” as a top value proposition.

## Challenges Managing Campaigns on Behalf of Clients

The prospects for growth are great news for people in the Contact Center BPO industry. Nonetheless, questions remain on what challenges lie ahead. We asked our survey contacts to select the most challenging factors in managing client campaigns. Out of 43 responses (15 people said that “None of the Above” challenges were present in their company), “Delivering a Consistent Customer Experience” was the principal challenge for 59.5% of people, followed by “Converting Up Sells” at 40.5% and “Providing Reporting/Analytics” at 35.7% (see Figure 9). The customer experience movement has gathered a lot of momentum over the last few years and many studies have shown that delivering great customer experiences leads to more profit and revenue<sup>1</sup>. It’s still early to tell exactly how Customer Experience initiatives will impact the BPO environment, but it’s surely a challenge that BPO people are looking at very closely.

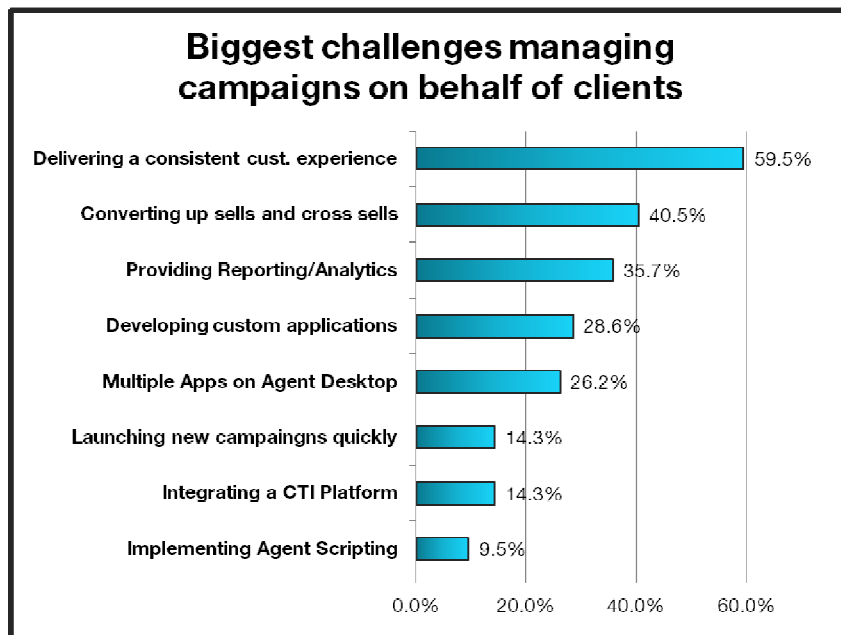


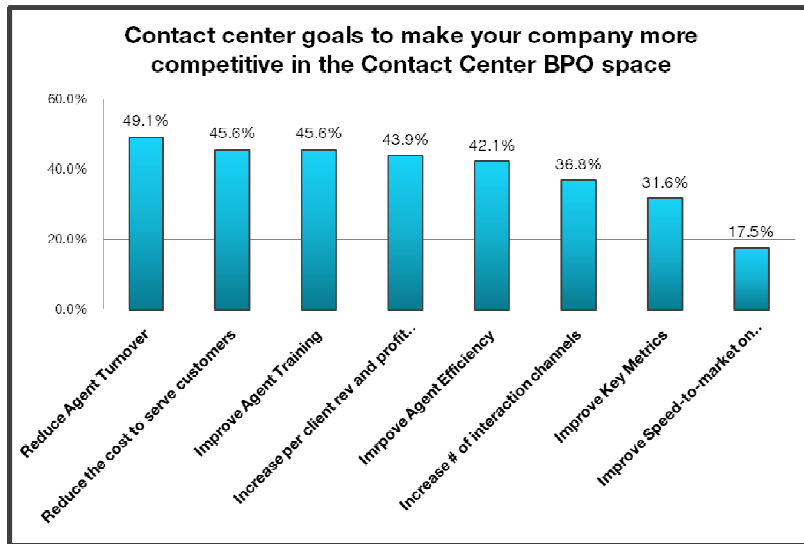
Figure 9: Top Challenges

<sup>1</sup> Conlon, Ginger. "Does Customer Experience Really Matter? - Think Customers: The 1to1 Blog." *Customer Strategy | CRM Strategy | Marketing*. 1to1 Media, Nov. 2010. Web. 18 Feb. 2011. <[http://www.1to1media.com/weblog/2010/09/does\\_customer\\_experience\\_reall.html](http://www.1to1media.com/weblog/2010/09/does_customer_experience_reall.html)>

# 2011 RiverStar Contact Center BPO Survey Results

## BPO Goals

While the Contact Center BPO market continues to grow, so does the competition for customers. In the survey, the companies in this space identified with achieving a broad number of goals that would make them more competitive. In general, companies identify with agent goals, reducing costs, and increasing per client revenue (see Figure 10). However, when we group the goals by



functional area, we see a different story developing. The customer service and operations functions are exclusively agent focused with all of their top three goals centered on agent goals (see Figure 11). Naturally, the number one goal for Sales and Business Development is “Increasing per Client Revenue”, which was surprisingly included in the Technology’s top 3, and absent from the responses of contacts within leadership roles.

Figure 10: Contact center goals to make your company more competitive in the Contact Center BPO space

Top 3 Goals by Functional Area (% of Respondents)			
Customer Service/Operations	IT/Technology	Sales/Business Development/Client Management	Strategy/Leadership/CEO
1. Improve Agent Training (68.8%)	1. Increase per Client Revenue (57.1%)	1. Increase per Client Revenue (63.6%)	1. Reduce Agent Turnover (58.3%)
2. Reduce Agent Turnover (62.5%)	2. Improve Agent Training (57.1%)	2. Reduce Cost to Serve Clients (50%)	2. Reduce Cost to Serve Clients (50%)
3. Improve Agent Efficiency (62.5%)	3. Reduce Agent Turnover (57.1%)	3. Increase # of Interaction Channels (36.4%)	3. Improve Agent Training (41.7%)

Figure 11: Top 3 Goals by Functional Area

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## Technology

In nearly all of the conversations that RiverStar has with BPOs, in-house development and custom apps are part of the customer interaction technology equation. It was no surprise to see that the leading technologies to support customer interactions are custom applications developed by an

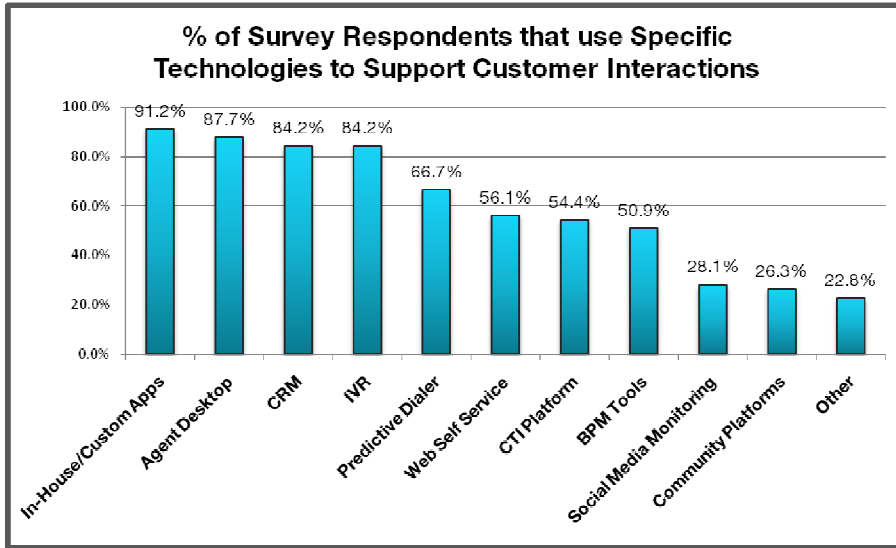


Figure 12: % using specific technologies

internal team. In addition to an in-house development team, Agent Desktop, CRM, and IVR are critical technologies in the Contact Center BPO (see Figure 12). Although there has been a lot of hype around Social CRM tools in the contact center, only around ¼ of BPOs have implemented Social Media Monitoring or Community Platforms

to support customer interactions. The use of social technologies is likely to rise dramatically over the coming years as BPO buyers look to companies that can monitor the social happenings of their customers and create more community based self help platforms.

## Business Processes and Campaigns

In most Contact Center BPO environments, the vendor will typically handle different types of business processes on behalf of their clients. These business processes are often grouped into three main categories: Service and Support, Acquisition, and Retention. A little over half (50.9%) of

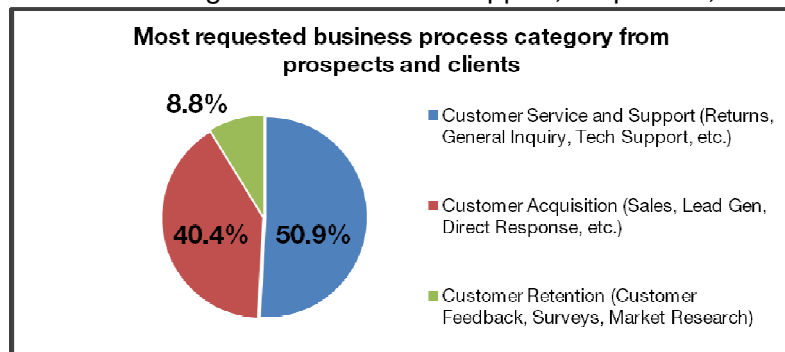


Figure 13: Most requested business process categories

our survey respondents said that they receive the most inquiries for Customer Service and Support (General inquiry, Returns, Tech Support) needs, and 40.4% said that Customer Acquisition (Sales, Lead Gen, Direct Response) was the most requested category (see Figure 13).

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When breaking down the two most requested business process categories, Customer Acquisition and Customer Service/Support, it's apparent that each category of business processes changes the priorities that BPO companies place on their respective value propositions (see Figure 14). For example, companies who receive the most requests for customer acquisitions are more likely to use "Customer Interaction Technology" as a value proposition to attract clients than companies who receive the most requests for customer service/support processes.

Value Proposition	Customer Acquisition	Customer Service and Support	Difference
Flexible Product and Service Offerings	91.3%	79.3%	12.0%
New Client Speed-to-Market Advantages	39.1%	31.0%	8.1%
Superior Ability to support clients' customers	60.9%	72.4%	11.5%
Cost advantages to Outsourcing	69.6%	75.9%	6.3%
Customer Interaction Technology Advantage	34.8%	13.8%	21.0%
Act as an enabler for "Change" for Client Business Processes/Models	34.8%	37.9%	3.1%

Figure 14: Most used value propositions within most requested business process categories, Customer Acquisition and Customer Service and Support

## Go-to-Market Timeframe on New Client Campaigns

To carry out each of the business processes that BPOs are supporting on behalf of their clients,

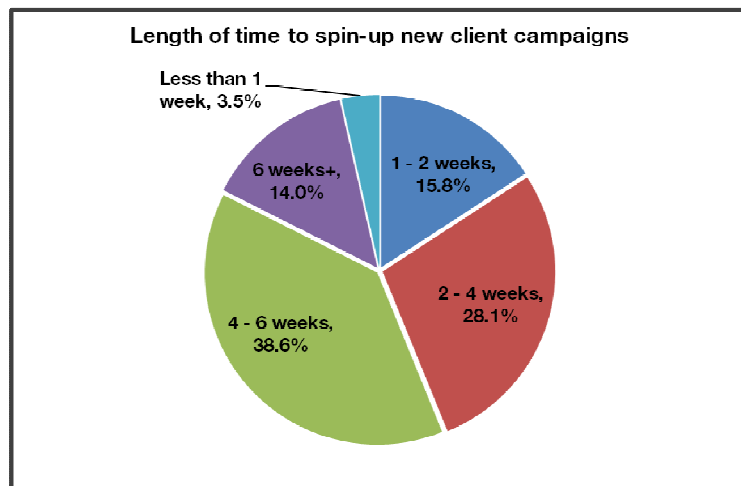


Figure 15: Spin-up time for new campaigns

vendors must go through a period of implementation to get clients into a production state. Scripts and processes are hammered out, integration with client systems take place, new applications are developed, and agents are trained to handle calls from customers. Less than 20% of the outsourcers surveyed are able to launch campaigns in less than 2 weeks. The majority of outsourcers (nearly 53%), take 4+ weeks to spin up a live campaign for a new client (see Figure 15).

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## Metrics

Part of the survey aimed to find out which metrics are most popular to measure the performance of BPOs in managing client campaigns. We found that the big three contact center metrics (Average Handle Times, First Contact Resolution, and Conversion Rate) reigned supreme with our survey takers (see Figure 16). Many industry insiders have pointed to some flaws in traditional contact center metrics, such as Average Handle Time, which 86% of people said is the most widely used metric. Some contact centers have moved away from operational measures, such as AHT and adopted more “Customer Friendly” measures, such as First Contact Resolution – which is quite popular in usage (71.9%). However, other customer measures like Call Routing Accuracy and Customer Lifetime Value remain low in usage. Even though CRA and CLV have received positive acclaim for their contribution to measure the customer experience, they are seldom adopted in the Contact Center BPO.

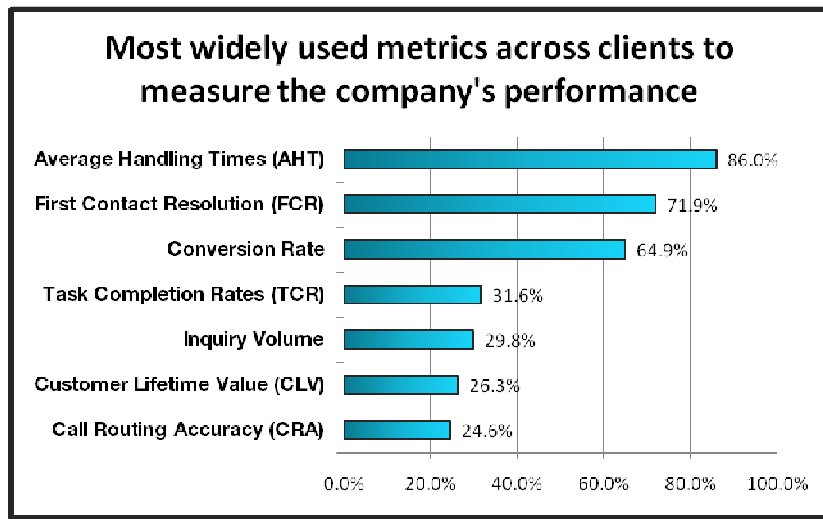


Figure 16: Metrics used to measure company performance

# 2011 RiverStar Contact Center BPO Survey Results

## 11 Key Findings from the 2011 RiverStar Contact Center BPO Survey

1. **Steady growth over the next two years.** 89.5% of survey respondents believe that the market will increase by at least 10% over the next 2 years. 61.4% believe it will increase by +20%. 36.8% of companies expect to add more than 10 clients this year.
2. **Custom development is #1.** 91.2% of Contact Center BPOs develop custom in-house applications to support customer interactions.
3. **Challenged by the “Customer Experience”.** 59.5% of respondents say that “Delivering a Consistent Customer Experience” is the most challenging component to managing campaigns on behalf of their clients.
4. **Social CRM is in an infancy stage.** Only 28.1% of BPOs have implemented Social Media Monitoring technologies and 26.3% have implemented community platforms.
5. **Customer Service and Support offerings are most requested.** 50.9% of respondents said “Customer Service and Support” services are requested most by clients, while 40.4% said “Customer Acquisition” is the most requested.
6. **When the focus is Customer Acquisition, more value is placed on Technology.** 13.8% of companies focused on Customer Service chose “Customer Interaction Technology Advantage” as a value proposition, compared with 34.8% focused on Customer Acquisition.
7. **Want to attract customers? Be flexible.** 84.2% of companies use “Flexible Product and Service Offerings” as a value proposition to attract and retain clients.
8. **Breadth of Service Offerings.** On average, our survey respondents offer 6 different types of contact center business processes. 98.2% of respondents have an offering around General Customer Service and Support.
9. **How long was that call?** 86% of companies rely on Average Handling Time (AHT) as a measurement of performance in managing client campaigns.
10. **Was the issue resolved on the first call? Depends on who you ask.** Second to AHT, First Contact Resolution was named by 71.9% of respondents. 83.3% of people in Strategy and Leadership roles cited FCR as a key metric, whereas only 57.1% of people in Technology cited FCR.
11. **Slow time to market on new campaigns.** 52.6% of companies take longer than 4 weeks to spin up a live campaign for a client.

