

## Outsourced Call Centers return to the U.S...U.S. Homes that is!

### *Subtext: Is home-sourcing becoming the new outsourcing?*

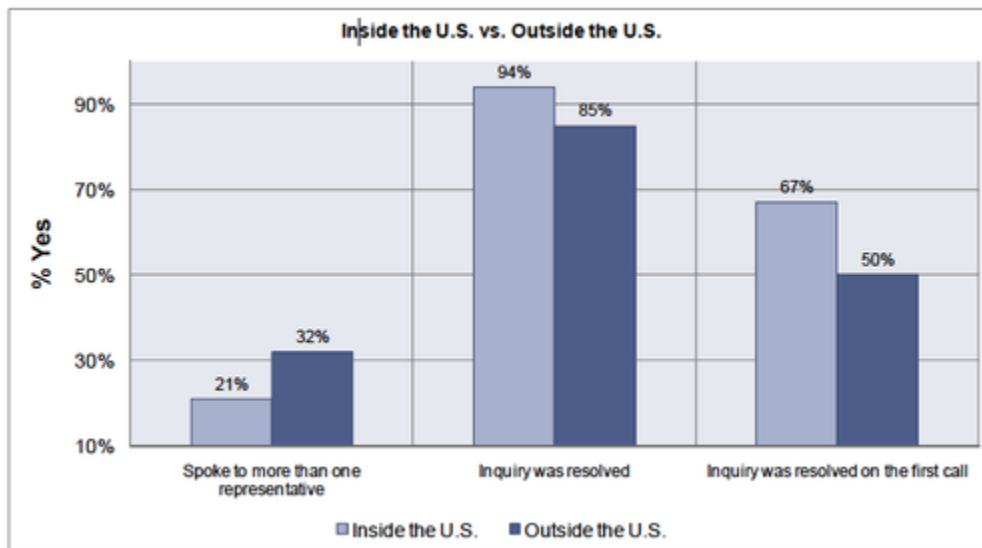
Recently, (September 2010), NPR ran a story on a growing trend: instead of outsourcing customer service and technical support to such far-flung countries as India and the Philippines, some organizations are [moving service and support back home](#). To the agents' homes, that is!

Customer Service agents working remotely from home is the new service trend. As NPR reported, outsourcing isn't as cost-effective as it once was:

*"High inflation and double-digit annual raises in some sectors are pushing up the cost of labor in India. At the same time wages in the U.S. are falling and companies are rethinking the trade-offs associated with outsourcing."*

So the primary reason for outsourcing, cost savings, isn't as remarkable as it used to be. The primary factor that is moving the needle is economics. The article points out that without cost of labor increases in India, the home-sourcing trend wouldn't have happened.

Couple that with some interesting findings from the [CFI Group's Contact Center Satisfaction Index 2010](#), and there is a stronger motivation to home source. From the report:



- **The perceived location of the contact center is a critical driver of contact center satisfaction.** For customers who thought the call was handled inside the U.S., CCSI is 79. But for those who thought the call was outside the U.S., CCSI was 21 points lower at 58.



- **The issue with offshore contact centers continues to be their effectiveness.** Customers are far more likely to be shuffled to multiple agents before their issue is resolved, far more likely to have to call multiple times to resolve the issue, and have significantly fewer issues resolved.
- **Callers report having a difficult time understanding offshore agents,** which leads to an ineffective and inefficient process. On the positive side, however, agents do get credit for trying.

Two issues stand out from these statistics. First, the *perceived* location of the contact center influenced satisfaction, not the actual location. That is, if the experience *feels* native enough, customers will most likely report a better satisfaction rate. And second, the callers seemed to have valid reasons for reporting a bad experience (multiple transfers and multiple calls to resolve an issue) with outsourced call centers. Again, that would imply that if outsourced call centers could decrease the number of transfers and increase first call resolution, they could once again compete in the market.

With costs being closer to equal for home sourcing and outsourcing, it comes down to the service.

From this discussion, Riverstar concluded that [Americans prefer American call center agents](#). I'm still of two minds about that conclusion. What Americans prefer is good customer service: an efficient interaction with the IVR, no transfers and first-call resolution. Whether that is from a woman in Virginia wearing pink slippers or a man in India wearing a headset, customers will still let organizations know when the service is bad--by going somewhere else. If the economic situation has leveled the playing field in terms of cost-effectiveness, the field of play goes to the one with the best service.

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