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Cloud Contact Centre

Trends to watch in the South African **contact centre industry**

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Leaders in delivering **cloud-based call centre** solutions

1. Executive summary

There is a saying that the only constant is change.

Those in the contact centre sector know this only too well. With **technology evolving at a rapid pace**, business priorities shifting, and the focus moving to the customer, companies need to **embrace the concept of change** more aggressively than ever before

Indeed, a globally competitive market means that decision-makers can ill afford to rest on their laurels and not adapt their contact centres to meet market requirements. Customers are less concerned about being brand loyal and more interested in how they can benefit from real-time connectivity in all aspects of their lives. In the past, technology drove business strategy. This is no longer true. In the digital business market, strategy is now the key to how technology is used and implemented.

Yet for many local companies, their contact centre strategy still revolves around voice - with some social media and email integration taking place. However, as new trends emerge requiring more fluidity in customer engagement, companies must reflect on what they need to do to remain competitive. From cloud computing and analysing data, to delivering more nuanced customer solutions to drive Omni-channel and the Internet of Things, modern businesses need to be at the forefront of the trends that shape the contact centre industry.

Businesses that rely on contact centres to provide customer touchpoints need to more accurately measure their success, for example. With real-time communication driving many of the trends discussed herein, executives need to understand that there is a new age of complexity upon them.

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Customer service, satisfaction, and measurement have long been the pillars of success for contact centres. And while getting the traditional foundation in place in terms of building and growing a contact centre, 2016 will undoubtedly bring with it fresh challenges and opportunities to take the business to the next level.

We are fast approaching the point where differentiation on product will be a thing of the past. The only way to define your success as a business will be through your service. And if the contact centre has not kept up with changing customer expectations, then even the best strategy in the world will mean little to nothing...

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2. **Reflect**ions

In our previous trend report (published in 2012), the focus was on the promise of cloud computing, the significant impact cloud-hosted solutions will have on the way contact centres are managed, and how the in-house IT department was experiencing a shift in focus.

The shifting role of the in-house IT department

We examined what the impact would be when IT would be procured as a service, rather than a product - it could lead to a reduction in costs and an improvement in the quality of the hosted provider. Given how the role of the CIO has evolved in subsequent years since our previous report, this trend has materialised and has significantly impacted businesses. In-house IT teams still fulfil an important role, but the service-focused approach means that they can concentrate on integrating solutions more effectively with businesses.

The advent of **home agents**

While many anticipated home agents to play an important role in the evolution of the contact centre, this has not materialised in a significant way in South Africa. Many companies still prefer on-site agents, even though the technology is readily available (and easy to implement) to integrate a home-based model. In some respects, the traditional-minded approach by local organisations has limited the potential of this trend.

Migration to cloud no longer driven by **cost**

Cloud computing adoption has been the most impactful driver in the contact centre market in recent years. We will examine this more closely in the next section, but suffice to say that companies around the world are seeing the benefits beyond the relatively low cost of implementation and the increase in agent efficiencies.

Ease of provisioning becomes **primary driver** of hosted solutions

The transition to a hosted contact centre environment has been one that many businesses across industry sectors have been adopting. Granted, many organisations still struggle to manage or phase out their legacy systems and hardware, but the realisation is there that going the hosted route is a business imperative.

The growth of smart, mobile clients

Thanks to increasingly affordable devices and data, mobile and social networking have become virtually pervasive in South Africa. But while there has been much excitement around embracing new platforms to engage with customers, many organisations still focus primarily on voice engagement. There are certainly several local success stories around using social media as an impactful channel of communication for customer retention and growth, but it still has some way to go for businesses to universally adopt it.

Increased interest in South Africa as a **BPO destination**

Many multinational organisations have come to rely on South Africa as their base for contact centre operations. The operating environment in the country has made it attractive to those businesses that want to set up an offshore contact centre. A weakening local currency and an ICT market that is conducive for growth, mean South Africa will remain a good investment opportunity in this regard.

The increase of **customer-orientated legislation**

Despite concerns around The Protection of Personal Information Act (POPI), local companies have been able to embrace new legislative requirements in spite of obstacles. And while security and privacy will always be priority areas, negative expectations around legislation proved to be ill founded.

3. Trends

Looking towards 2016, there are several technology trends to be aware of that are either specific to the contact centre industry or that can be applied to the business environment. While these trends are by no means an exhaustive study of the sector, they have been selected based on the potential impact they can have in South Africa (and other developing markets).

Among the key factors driving many of these trends is the fact that telephony and connectivity costs have been steadily decreasing since 2008. This puts companies in the fortunate position of being able to grow their businesses while their telephone and data bills are generally less than what they were in the past.

It should also be noted that the call centre is fast evolving to become the crossroads of sales, service, and support. And while South Africa is a developing market, there is not a huge difference between what is happening here as opposed to the United States and the United Kingdom, for example. Companies like Amazon, Lufthansa, and Shell, to name but a few, outsource their contact centre operations to South Africa. What has become clear from this, and from examining how they operate, is that their approaches to contact centres are not markedly different to what local companies are doing.

Cloud computing

The cloud and all it entails is fast becoming mainstream. Whether it is from a consumer perspective or an organisational one, the cloud has already influenced how people use technology. In fact, most companies, irrespective of industry, have come to rely on the cloud to help drive business operations forward.

Cloud computing has simplified numerous products and services resulting in a fresh new way of examining hosting and the benefit this provides. For the decision-maker, going the cloud route means that the focus is on implementing organisational strategy instead of being concerned about the nuts and bolts of getting IT systems running properly. This is also happening in the contact centre market where hosted solutions translate into more efficient ways of managing agents, tracking calls, and running performance appraisals.

Three years ago, there was a significant push back on the cloud. Today, people have accepted it and are finding new ways of implementing a cloud model in all aspects of their business. The coming months will see an acceleration of this taking place with even more services being moved to a hosted environment. Solutions are likely to be more customised to take advantage of this and address the specific contact centre needs within a business.

Data analysis

In a data-driven world, call centre executives want better tools to understand what is happening. They need more information to enable them to make more effective decisions. This data needs to be accessible, and presented in an easy to digest way without complicating the decision-making process.

With this focus becoming a priority, Big Data and business intelligence (BI) tools have become part of the business discourse. The call centre is the crossing point for service, support, and sales - especially in the online world. There is a drive to provide reporting that provides meaningful high-level information for management, as opposed to just getting sight of the performance and quality of the call centre.

Most times, the contact centre is the only human touch point for a business. It is therefore a mission-critical area that can offer business information that can be consistently measured and analysed.

HTML5 and WebRTC

The emergence of HTML5 and WebRTC (Real-Time Communication) have already started impacting how people use applications for voice calling, video chat, and file sharing. Until recently, software had to be downloaded to facilitate online discussions. In addition, the underlying operating system could also impact whether a person could 'dial in' to an agent.

With HTML5 and WebRTC, that all changes. Communication takes place through a smart device with a browser and the need for a telephone number disappears. This will see numberless communication shifting to become one of the primary forms of engagement between companies and customers.

Omni-**channel**

With Amazon recently opening its first permanent physical store, the focus on the Omni-channel contact centre environment takes on a new dimension. Not only are people communicating with companies via voice, e-mail, SMS, and social media, but they are using branch offices, retail environments, and the like.

That said, an Omni-channel approach is about more than just engagement and contact centre complexity. It requires the organisation to treat every channel as a priority and sell products and services equally effectively.

In South Africa, the increasing rollout of fibre will have a major impact on connectivity for both companies and individuals. This is resulting in more consumers doing business online and relying on secure sites for their banking, insurance, and retail needs.

Internet of Things

Gartner estimates that by 2020 there will be 25 billion devices (or things) connected to the internet. Considering that the expectations are for 4.9 billion connected devices at the end of this year, this growth is significant. The emergence of the Internet of Things (IoT) is changing how people engage and interact with companies.

Today, the user wants to communicate with an organisation using the device and platform he or she feels most comfortable with. This new environment means contact centres can no longer have communication channels without an integrated approach when managing customer responses.

A company's brand is directly impacted when one department is not aware that a customer has already been in contact with several other departments to resolve a query - and there is the additional complexity of compiling multiple reports across communication channels.

Visual IVR

With the increasing ubiquity of smartphones and tablets, there will undoubtedly be a rise in visual interactive voice response (IVR) systems.

Currently, there is a significant drive around usability and improving the user experience across all facets of business. Unfortunately, many companies still push archaic response systems that are inherently difficult to use (with some providing the caller with up to nine different options before a choice can be made). In the past, IVR was done to cater for the needs of the company and not the caller. There have already been moves to change this and focus on a more customer-centric approach.

Visual IVR will provide the caller with a quick and convenient way to see which options are available, and for actions to be more effectively resolved.

Outsourced managed **services**

It is clear that IT services are changing. Technology has become more niche and requires specialist skills to extract value.

Just having access to the technology is not good enough to derive business benefit. The technology needs to be planned, deployed, and managed by knowledgeable professionals.

Indeed, IT has evolved beyond a box-dropping approach into one that drives managed solutions. This means going beyond installing a new technology solution at a client and handing over the responsibility. Instead, the call centre needs to outsource individuals with competent skills to take implementation to a new level, and ensure it integrates smoothly with existing operations.

In the past, it was all about getting a technology quote and deciding whether the cost is justified. Today, the shift in customer expectations means that the technology implementation is focused around embracing an outsourced managed service in a much more cost-effective way.

Gamification

A trend that has been gaining significant traction in business is that of Gamification. It sees the use of game mechanics and design techniques to create a game-like experience in the enterprise. The main purpose is to make work more appealing, motivating, and fun while still meeting company goals.

The concept works well in the call centre space where agents tend to be younger and have had exposure to some form of online gaming. Gamification is broadly made up of challenges, achievements, and quests where agents or teams can compete against each other with the successful outcome resulting in a reward.

Agents are updated via a web-based console on current leaderboards to see how they compare with their colleagues. The reward for completing a quest or winning a challenge may be points that agents can save to spend in an online shop on items ranging from chocolates, choice of shifts, or even additional vacation days. The challenges and quests are developed to align with the call centre strategy and key performance indicators of the company. Examples include team NPS scores or the most products sold over a two-day period.

For the business, Gamification offers an innovative tool to drive core KPI strategies into the call centre, to align agents with management thinking, and decrease churn with agents becoming more engaged. For the agent, Gamification can offer a transparent way to be rewarded for meeting or exceeding company goals.

4. Conclusion

The contact centre environment is one that is heavily influenced by changes in the technology landscape. This in itself is putting decision-makers under pressure to adapt their strategies in ways that cater for a more dynamic market landscape. However, this (pressure) is exacerbated by the need for businesses to not only improve efficiencies but also drive down costs.

In this new and more connected business world, the pace of change will continue to accelerate. Decision-makers therefore need to be cautious when considering going the traditional route and investing significantly in on-premise equipment. This is especially relevant when all signs point to the benefits (both in terms of cost and operational efficiencies) of moving towards a hosted environment.

Contact centre executives need to recognise these market shifts and look towards the trends that can provide immediate benefit while still promising long-term growth. All of this needs to happen in a world where customer expectations are such that companies need to engage with them on the platforms of their choice, in real-time.

Irrespective of whether the approach includes such trends as Cloud computing, Gamification, Omni-channel, and the Internet of Things, change needs to happen sooner rather than later.

5. About the Authors

Bruce von Maltitz

Director at 1Stream

Bruce has more than 20 years' experience in the service industry focussing specifically on contact centres for the last 15. He has a detailed understanding of how to design, build, and operate contact centres having worked in the industry in SA, Africa, and abroad. Bruce holds a Bachelor of Social Science Degree, a Master's in Business Administration, and a Project Management qualification - all from the University of Cape Town.

Jed Hewson

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Jed studied at York University and has spent the last 20 years in the IT industry. Working as a Technology Director, Jed helped pioneer the voicemail and Unified Messaging industry in South Africa, including delivering SA's first contact centre using VOIP over ATM. His experience in the contact centre industry includes multimedia contact centres, multi-country managed services, and assisting with the first hosted call centre platform in SA.

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6. About 1Stream

1Stream is a provider of cloud-based contact centre technology, with a simple philosophy: they focus on delivering best of breed technology, backed up by great support from a technical team that understands what is needed to operate world-class call centres.

*Enabling **modern call centres***

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1Stream prides itself on building strong partnerships and offering ongoing user training and 24/7 support. Its award-winning platform serves customers of all sizes, providing pay-per-use access to world-class technology that is rapidly scalable and available on demand. Its team has extensive experience across a multitude of markets and combines their expertise with this experience to address the needs of their clients, no matter who they are or what their situation may be. One company, multiple solutions.

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