Industry Research 2014

Created for:

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UCD Michael Smurfit Graduate Business School

Agenda

1. Introduction
2. Research Sample Company Profiles
3. Contact Centre Metrics
4. Industry Staff Metrics
5. Future Industry Focus
6. Key Findings

CCMA Ireland

Background

- ✓Contact Centre Management Association Ireland (CCMA), is the leading industry association for the promotion and development of the Contact Centre Industry in Ireland.
- ✓Established in 1999, CCMA is a not for profit organisation which is run by professionals on a voluntary basis. CCMA's goal is to share best practice, connect with industry peers and develop industry relationships.
- ✓CCMA seeks to pioneer and promote best practices within Contact Centre Management professions whilst providing members with access to informal and formal education.

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Purpose of this Research

The UCD Marketing Development Programme was approached by CCMA to undertake research in order to gain a deeper understanding of CCMA member organisations. This information will allow CCMA to provide a personalized and higher quality service to these members.

CCMA Ireland

Sub-Objectives

1. Establish a profile of current members.
2. Determine CCMA Members key contact centre metrics used.
3. Assess members opinions of the key concerns and areas of focus over the coming years.

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Research Methodology

Research	Method
Primary Research	Online surveys sent to CCMA Members
Pilot Test	Pilot test with 8 companies to test out the survey, 28th Feb – 4th March 2014
Rollout	Final survey sent to 45 CCMA Members
Response	42 complete surveys overall including pilot test – **79% response rate** overall

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Research Sample Company Profiles

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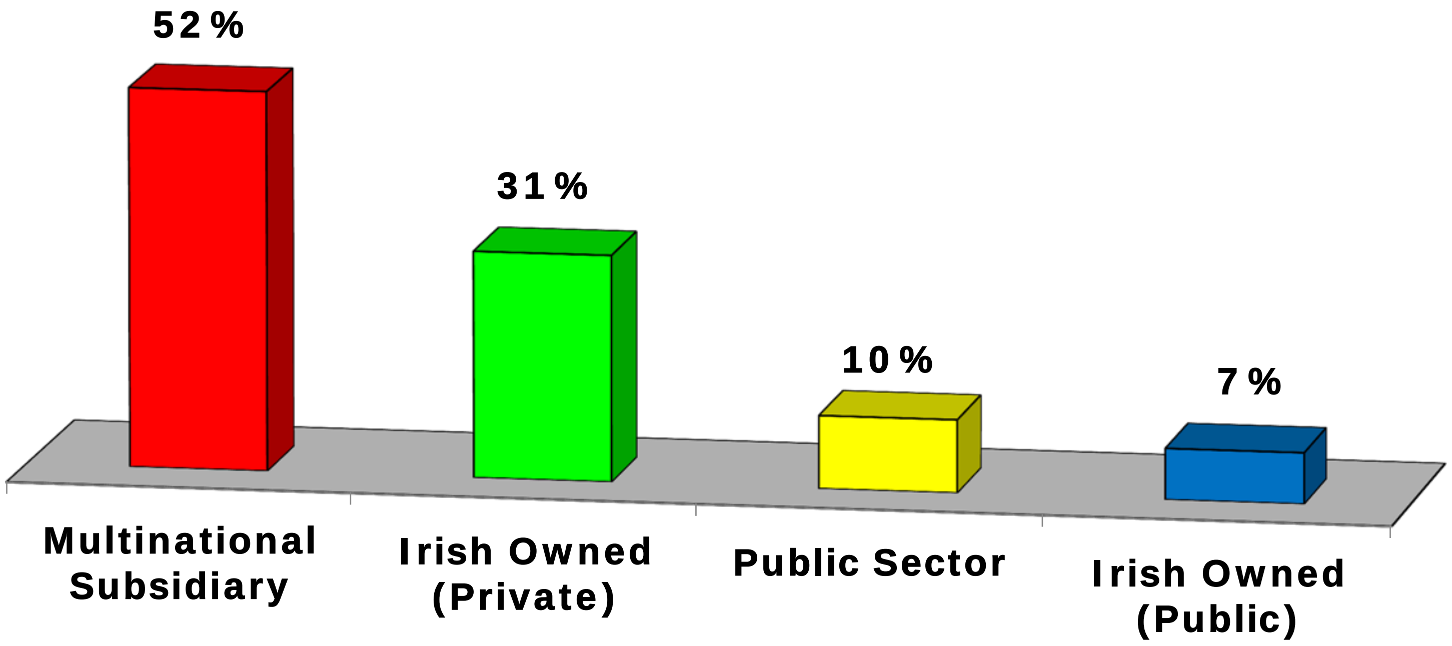
Sector Breakdown

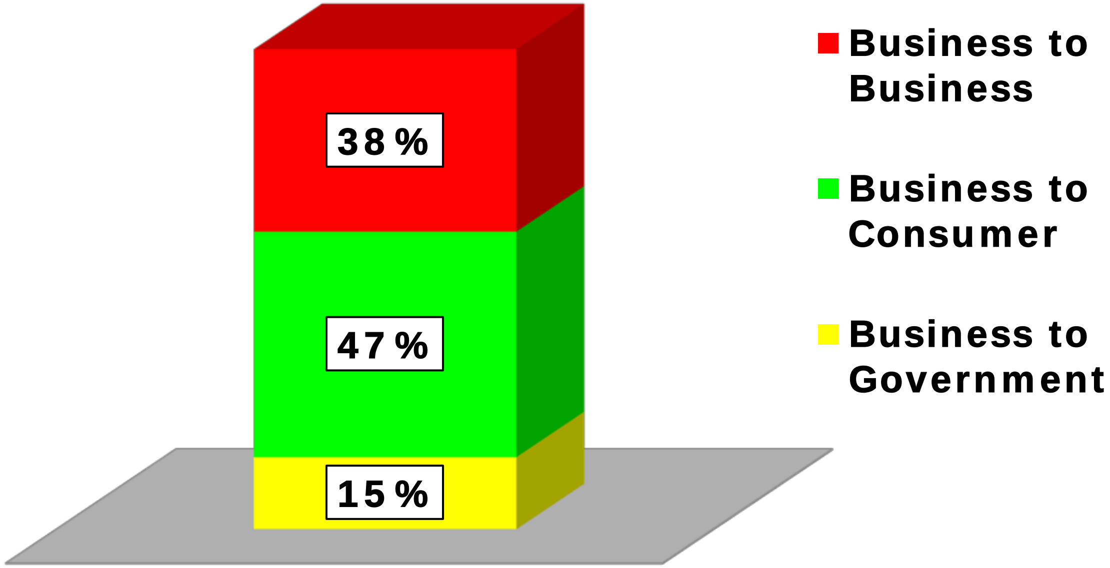


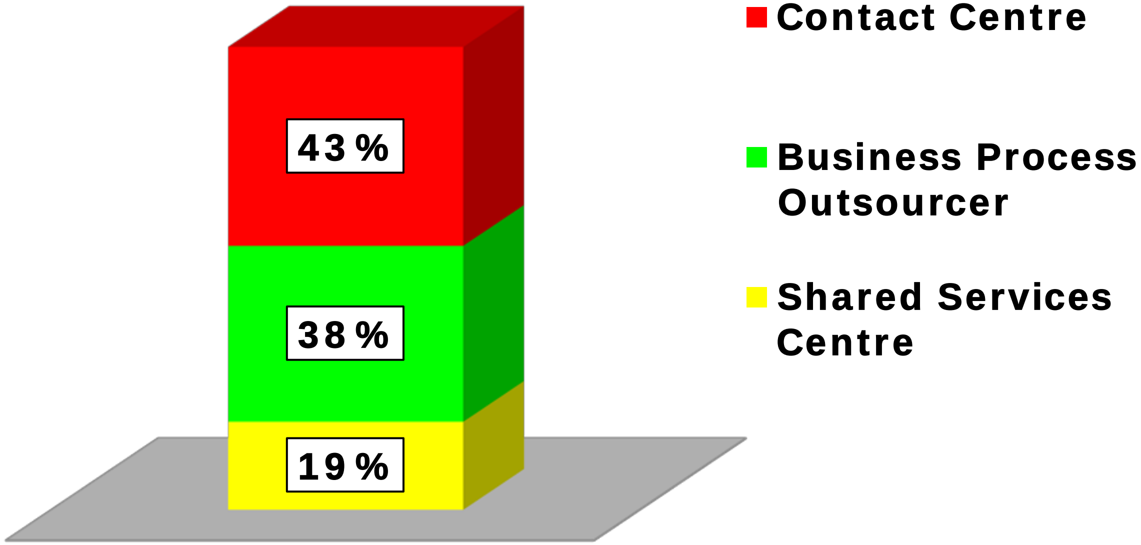
52% of companies surveyed are Multinational Subsidiaries.

Base: 42 Single Response

Q. Which of the following best describes your company?

Company Type & Customer Focus





The majority of companies surveyed supported Business to Consumer.

43% of companies surveyed are Contact Centres with BPO's close behind at **38%**.

Base: 42 **Multiple Response**
Q. What type of business do you support?

Base: 42 **Single Response**
Q. Which of the following definitions matches your company?

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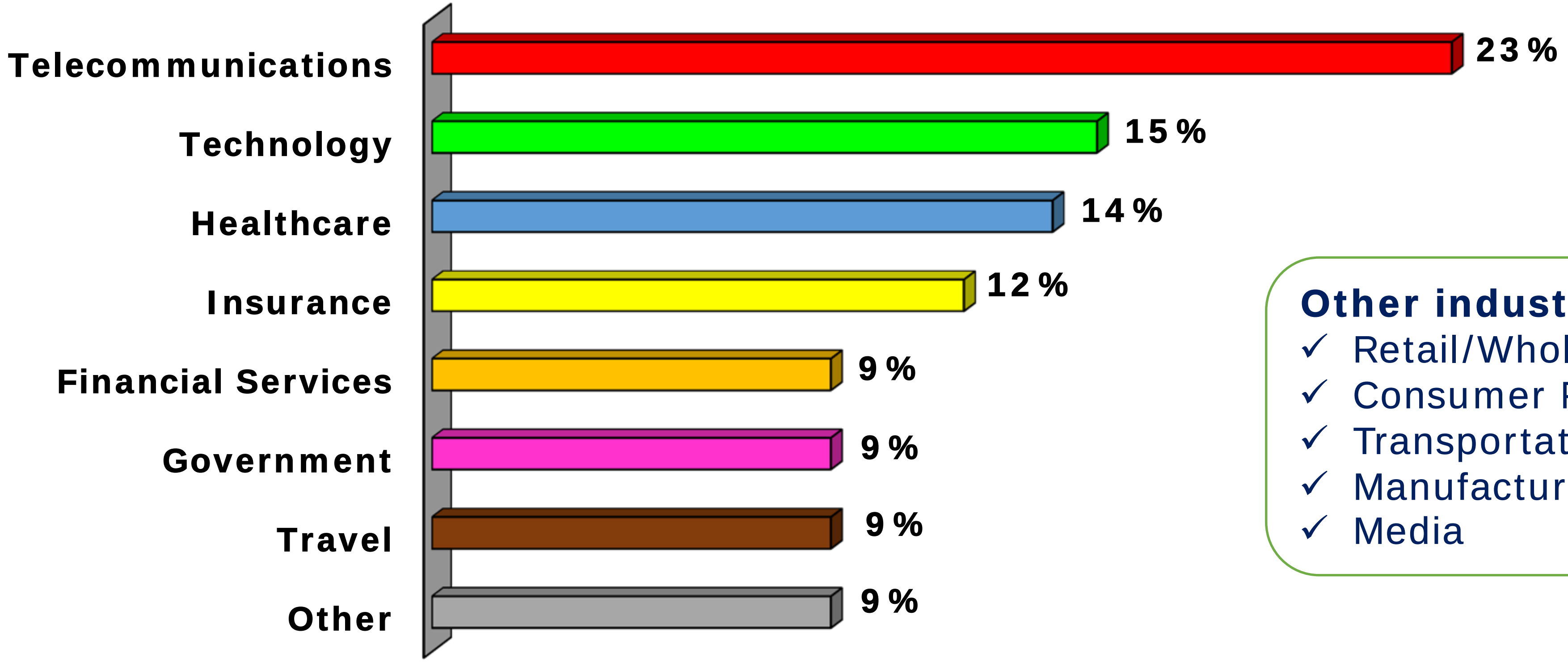
Industry Breakdown



Other industries include:

- ✓ Retail/Wholesale
- ✓ Consumer Products
- ✓ Transportation
- ✓ Manufacturing
- ✓ Media

Base: 34 Single Response

Q2. Which of the following industry sectors does your company operate in?

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Industry Region Breakdown

Ireland: 97%

U.K: 47%

EMEA: 31%

North America: 19%

South America: 12%

BRIC: 10%

Base: 42 Multiple Response

Q. Which of the following regions does your company support?

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Irish Locations

Dublin: 44%

Cork: 17%

Limerick: 10%

Galway: 7%

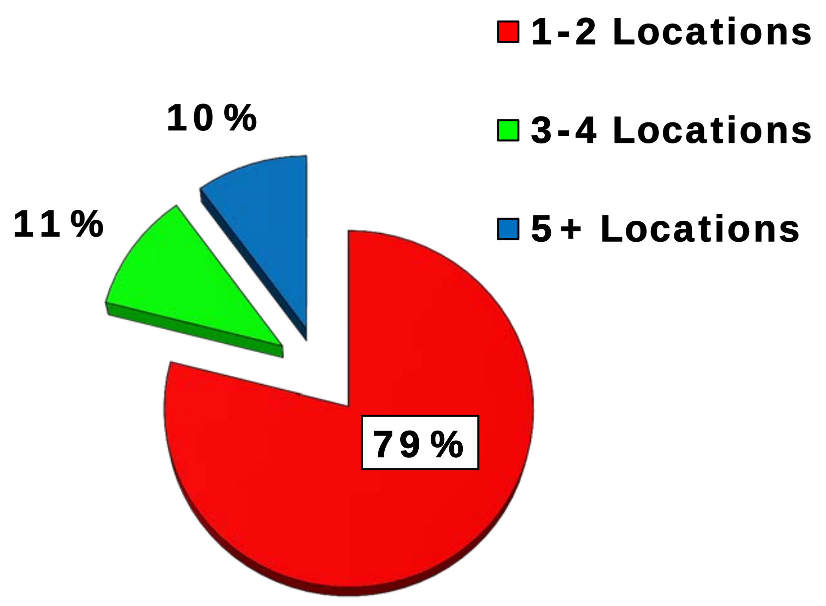
Waterford: 7%

Counties; **Dublin, Cork** and **Limerick** are the main locations for contact/shared services centres in the industry.

Counties: Kildare, Louth, Tipperary, Fermanagh and Down also accounted for 3% each.

Base: 42 Single Response

Q. What is your primary location in Ireland?



47% of companies surveyed, with between 1-2 locations in Ireland have a primary location in **Dublin**.

Base: 38 Single Response

Q. From how many locations within Ireland does your company operate a contact/shared services centre?

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Languages Supported by Companies

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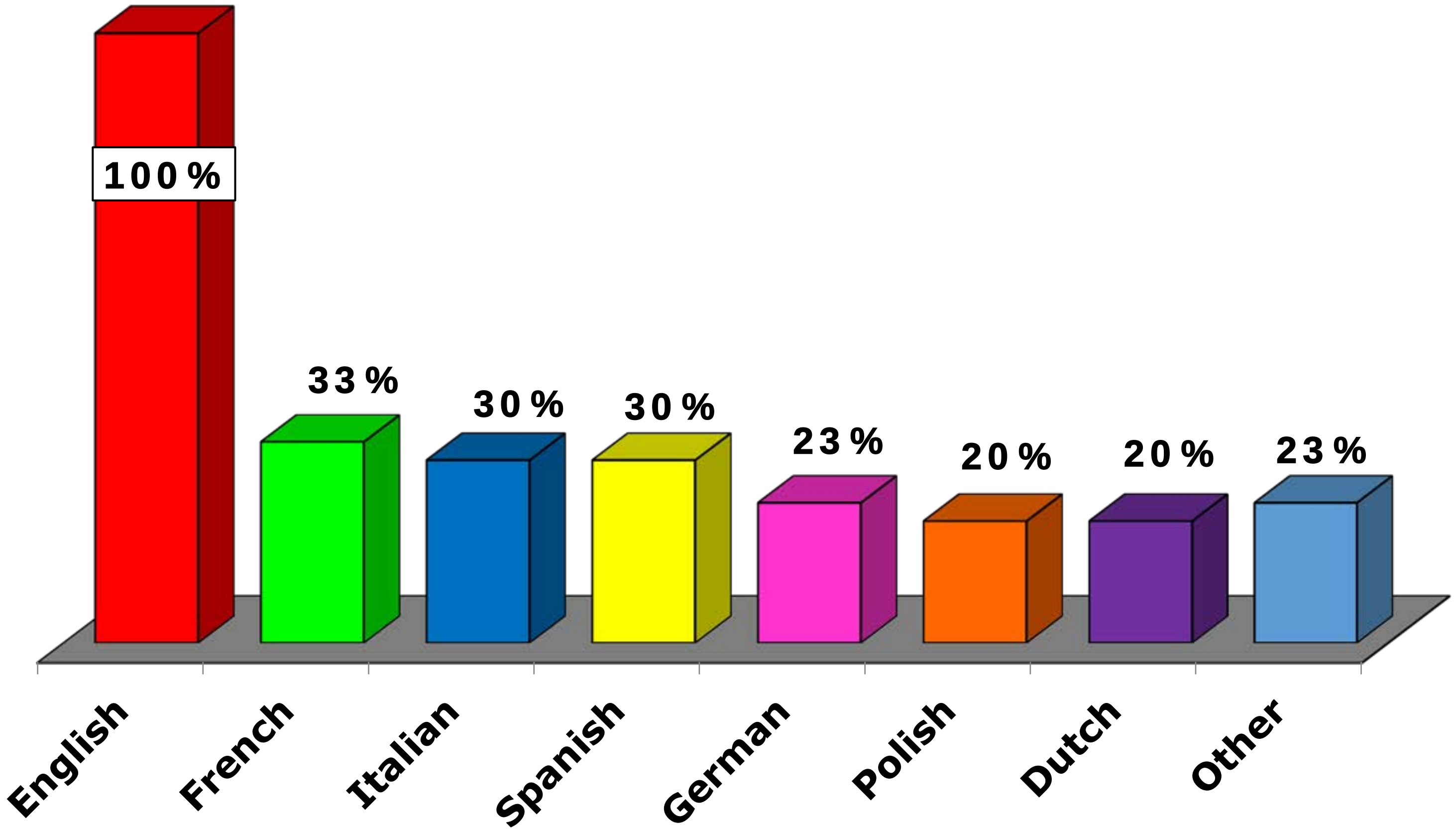

Other languages: Austrian, Russian, Danish, Portuguese, Swedish, Finnish, Norwegian. Irish, Hebrew, Turkish, Sign Language.

Base: 30 Multiple Response

Q. Which of the following languages does your company support?

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Contact Centre Metrics

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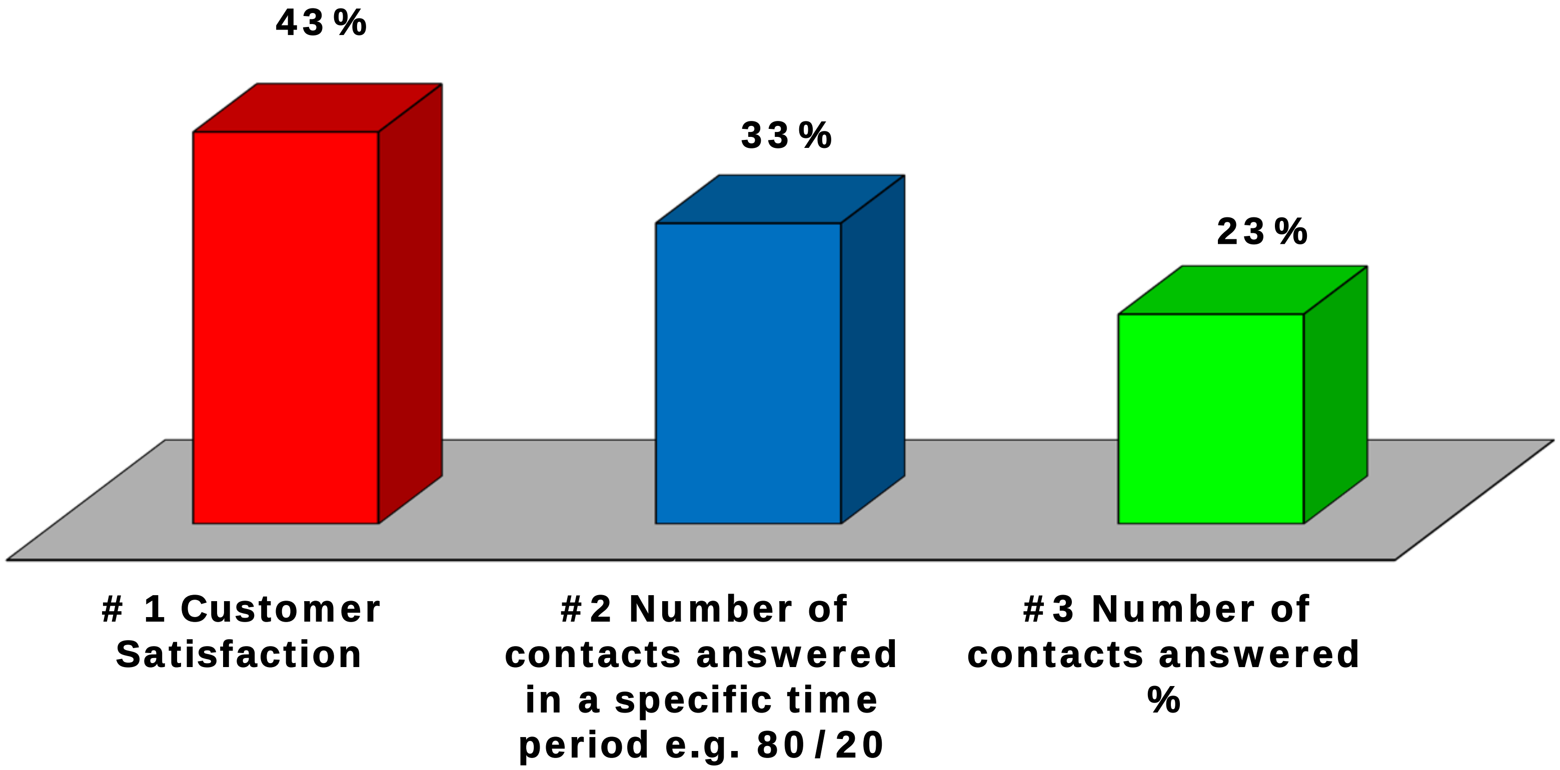
Performance Measurement KPI's

In 2013, **Customer Satisfaction** was the number 1 most important KPI for measuring contact centre performance. Within this metric, **20%** of companies chose **Net Promoter Score** as the No. 1 KPI.



Base: 37 Multiple Response

Q. What are the 3 most important KPIs that you used in 2013 in order to measure performance of your operations?

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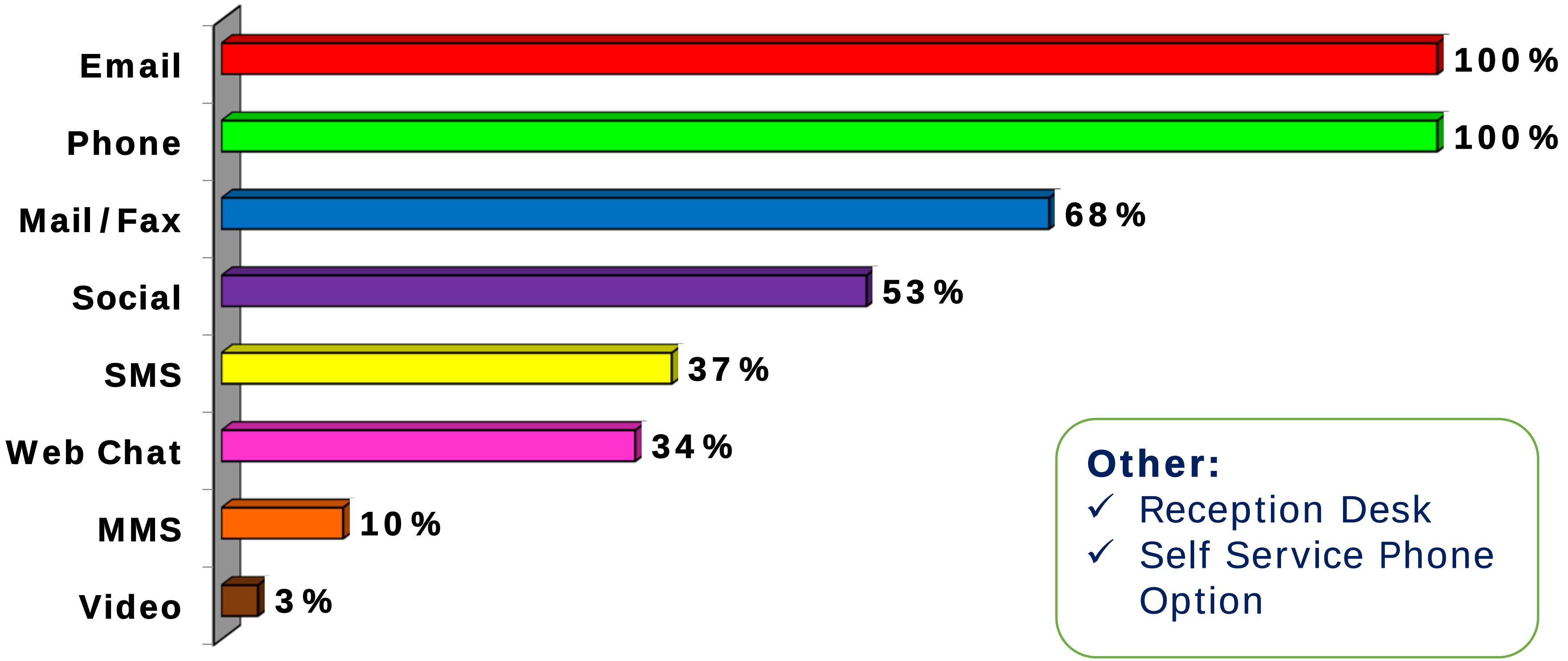
Contact Types Supported 2013

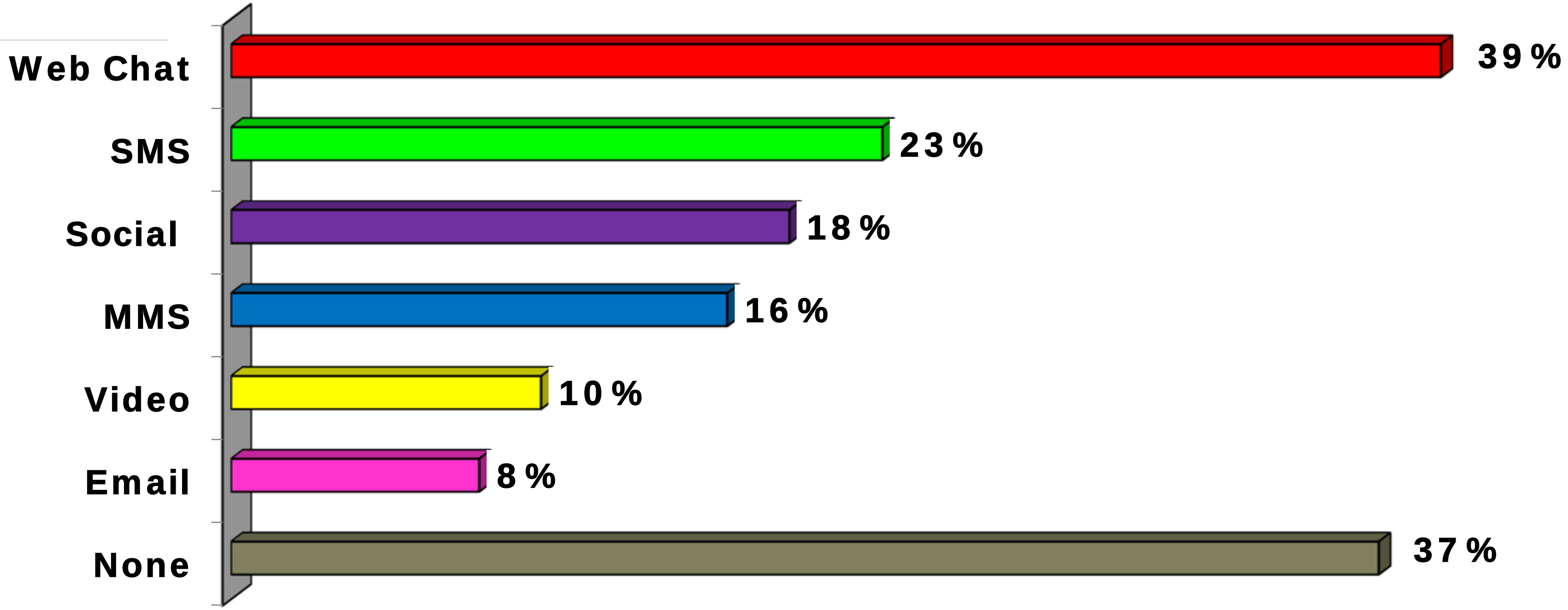


Other:
- ✓ Reception Desk
- ✓ Self Service Phone Option

Base: 30 Multiple Response

Q. Please indicate which of the following contact types you supported in 2013?

Additional Contact Types 2014



39% of companies intend to introduce **Web Chat**, as well as **23%** adding **SMS** by the end of 2014. Over one third will not use any additional types of contact.

Base: 38 **Multiple Response**

Q. What additional types of contact channels, if any do you plan to introduce in 2014.

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Average Annual Activity Levels

Phone

1,240,387
Range: 12k – 9m
Base: 27

Web Chat

606,100
Range: 10k – 2.4m
Base: 5

Email

481,355
Range:1k – 6.8m
Base: 26

SMS

463,938
Range: 1k – 12m
Base: 8

Social

29,919
Range: 350 – 82k
Base: 8

Mail / Fax

21,566
Range: 100 – 200k
Base: 15

Base: 30 **Multiple Response**

Q. For each contact type you supported, what volume of contacts did you handle through each in 2013?

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Company Staff Metrics

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Full Time Equivalent Breakdown

On average, there are **332** FTE's per company. These figures range from **25** FTE's up to **1,500** for certain companies.

Almost ¼ of these FTE's operate within the **Technology Sector**.

2014 **Average FTE** figures indicate a **19% increase** from 2012; from 280 (2012) – 332 (2014).

Sector	%
✓ **Technology**	**24%**
✓ **Telecommunications**	**20%**
✓ Insurance	15%
✓ Financial Services	11%
✓ Government	9%
✓ Healthcare	9%
✓ Travel	6%
✓ Retail	3%
✓ Transportation	3%

FTE Definition: Full-Time-Equivalent (FTE) refers to work carried out by permanent full-time and/or part-time staff being accumulated into "full-time job equivalents". A maximum of three persons can be working per "job equivalent".

Base: 35 **Single Response**

Q. Please indicate the number of FTE in your organisation?

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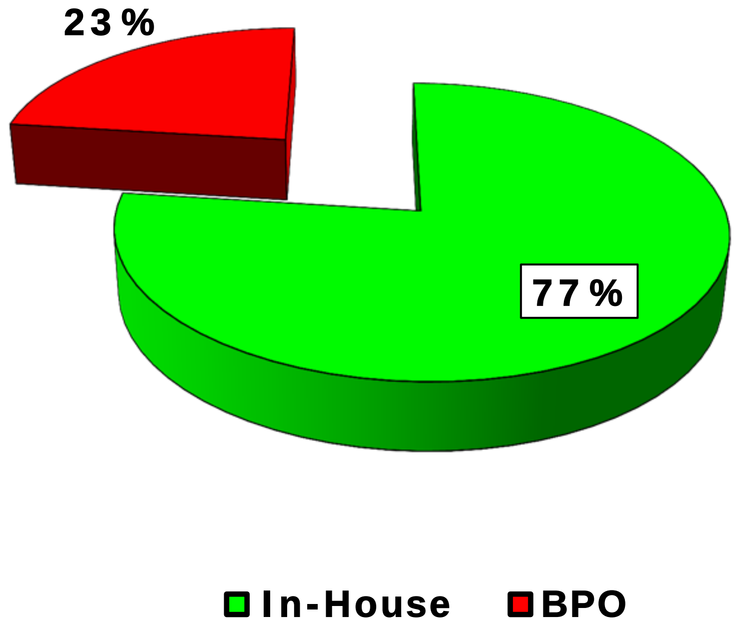
Business Process Outsourcer FTE’s

13 BPO operations surveyed, have in total **2,520** FTE’s.

On average, each BPO has **210** FTE’s.

Business Process Outsourcer FTE’s Account for **23%** of overall FTE’s in this study.



Base: 13 BPO’s Single Response

Q: Please indicate the number of FTE in your organisation?

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Rate of FTE Outsourcing

Outsource Rate	Response
Not At All	**50%**
1%-24%	**20%**
25%-49%	10%
50%-74%	7%
75%-99%	10%
100%	3%

20% of companies outsource FTE's between **1%-24%. Half** of companies surveyed do not outsource any FTE's.

Base: 38 **Single Response**

Q. To what level does your company outsource its contact centre/shared services centre activities? (as a percentage of total FTE)

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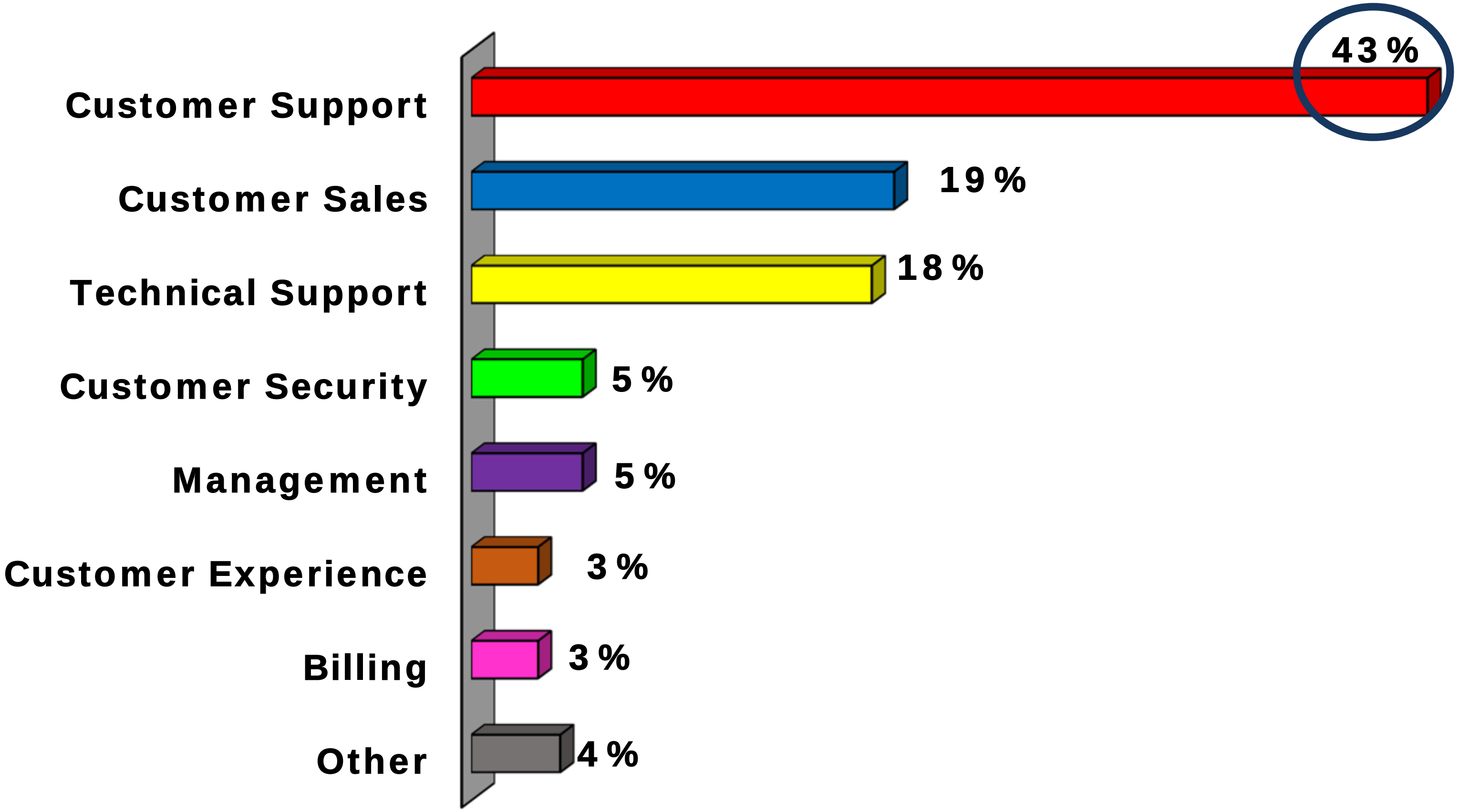
FTE by Function 2013



43 % of overall FTE's operate within the customer support function.

Examples of Other include; Marketing, Finance and HR.

Base: 35

Multiple Response

Q: For each of the following options, please indicate your FTE by function in 2013?

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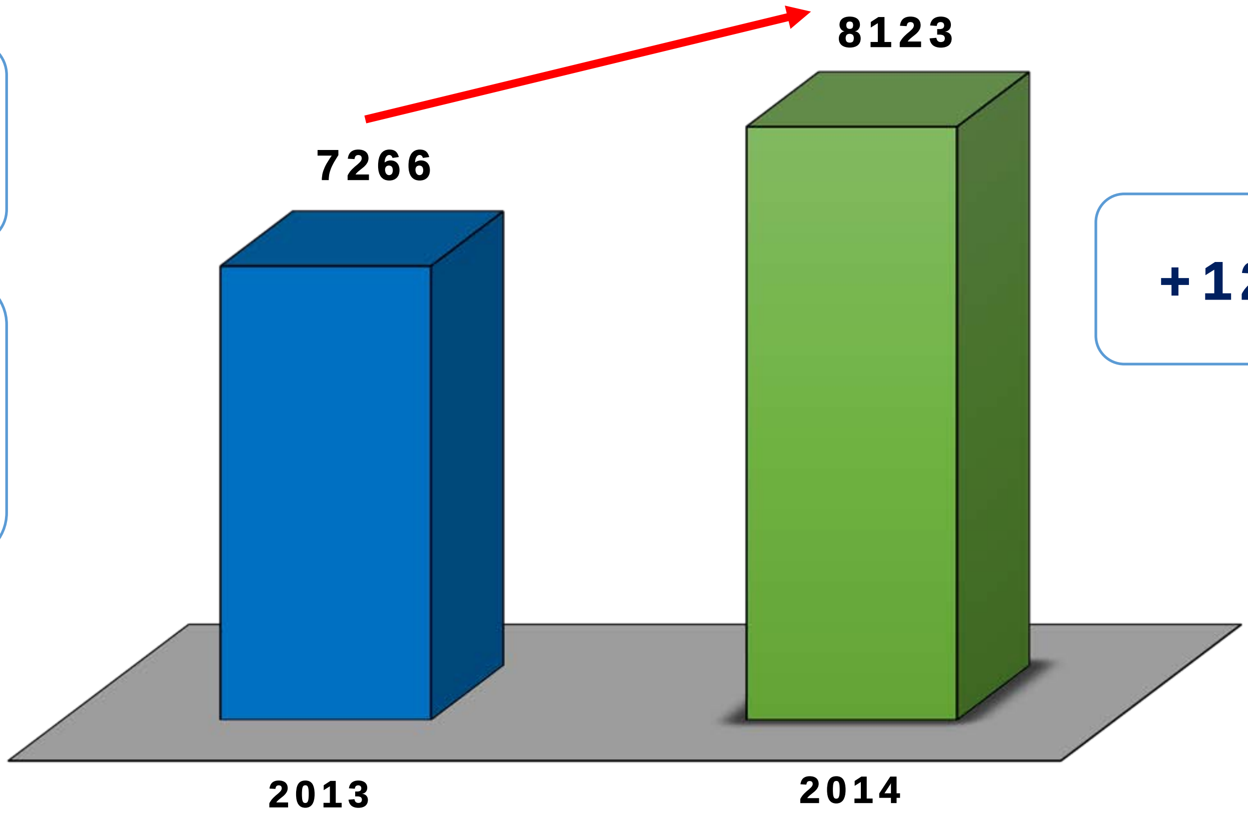
Forecasted FTE Increase by End of 2014

There is an overall forecasted increase in FTE's of **12%** by the end of 2014.

It is forecasted that by the end of 2014, there will be an additional increase of **857** FTE's amongst the companies surveyed.



+12%

Base: 20 **Single Response**

Q: Please indicate the forecasted number of FTE's in your organisation at the end of 2014?

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Annual Staff Attrition Rates 2013

Average attrition rate of **16.8%**.

Attrition rate refers to: The average number of staff that leave an operation over a year expressed as a % of total average staff complement for that year. This includes voluntary and involuntary leaving. *(If your organisation has more than one location/site in Ireland please state the average rate of attrition based on the average attrition across all relevant sites)*

Base: 25 **Single Response**

Q. What was the contact centre, BPO or shared services staff attrition rate (%) within your organisation in 2013?

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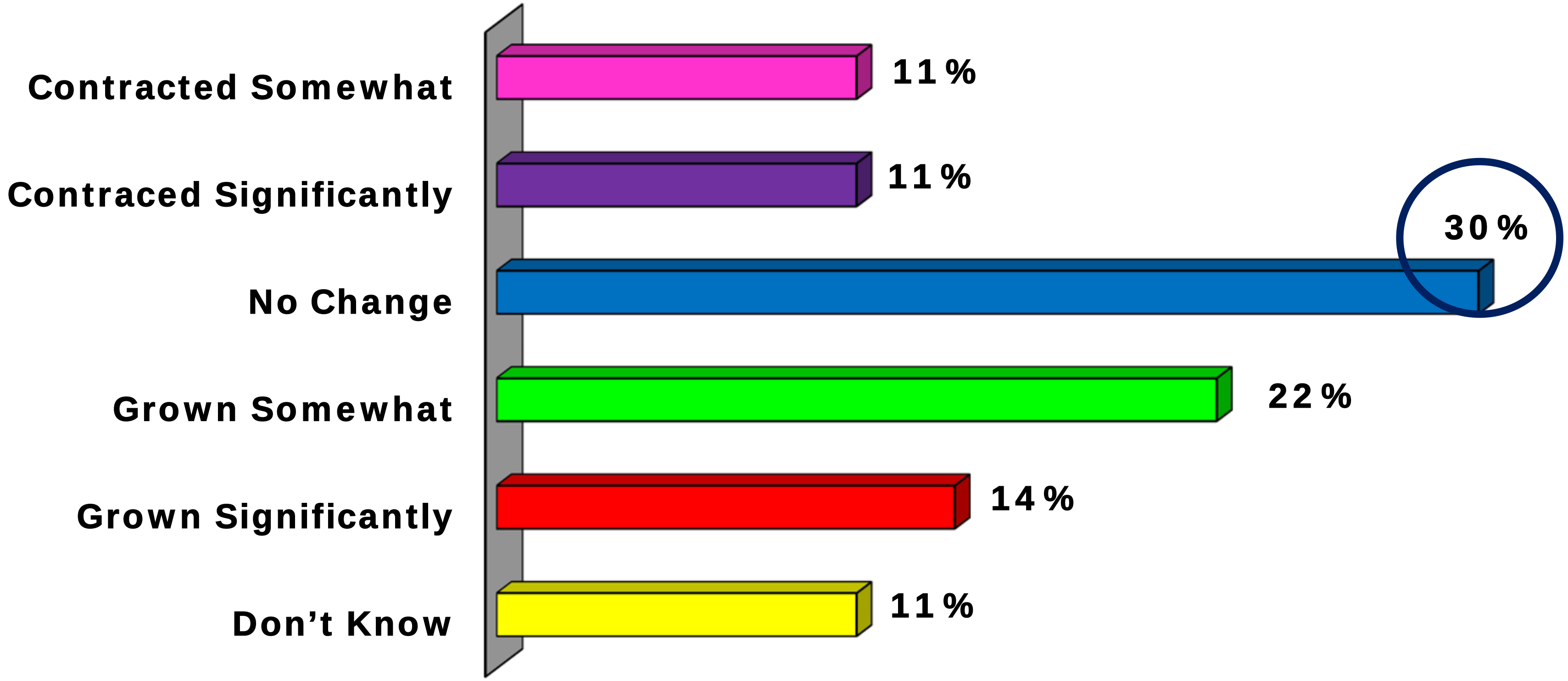
Changes in Staff Attrition Rates 2012-2013



22% believe their staff attrition rate has contracted.

Base: 35 Single Response

Q. Has your contact centre, BPO or shared services staff attrition rate grown or contracted in 2013 compared to 2012?

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Annual Absenteeism Rates 2013

Average absenteeism rate of **6%**.

Annual absenteeism rate refers to: Number of days lost through authorised and unauthorised leave represented as a % of contracted days annually (excluding holidays). *(If your organisation has more than one location/site in Ireland please state the average rate of absenteeism based on the average absenteeism rate across all relevant sites)*

Base: 21 Single Response

Q. What was the annual absenteeism rate (%) within your organisation in 2013?

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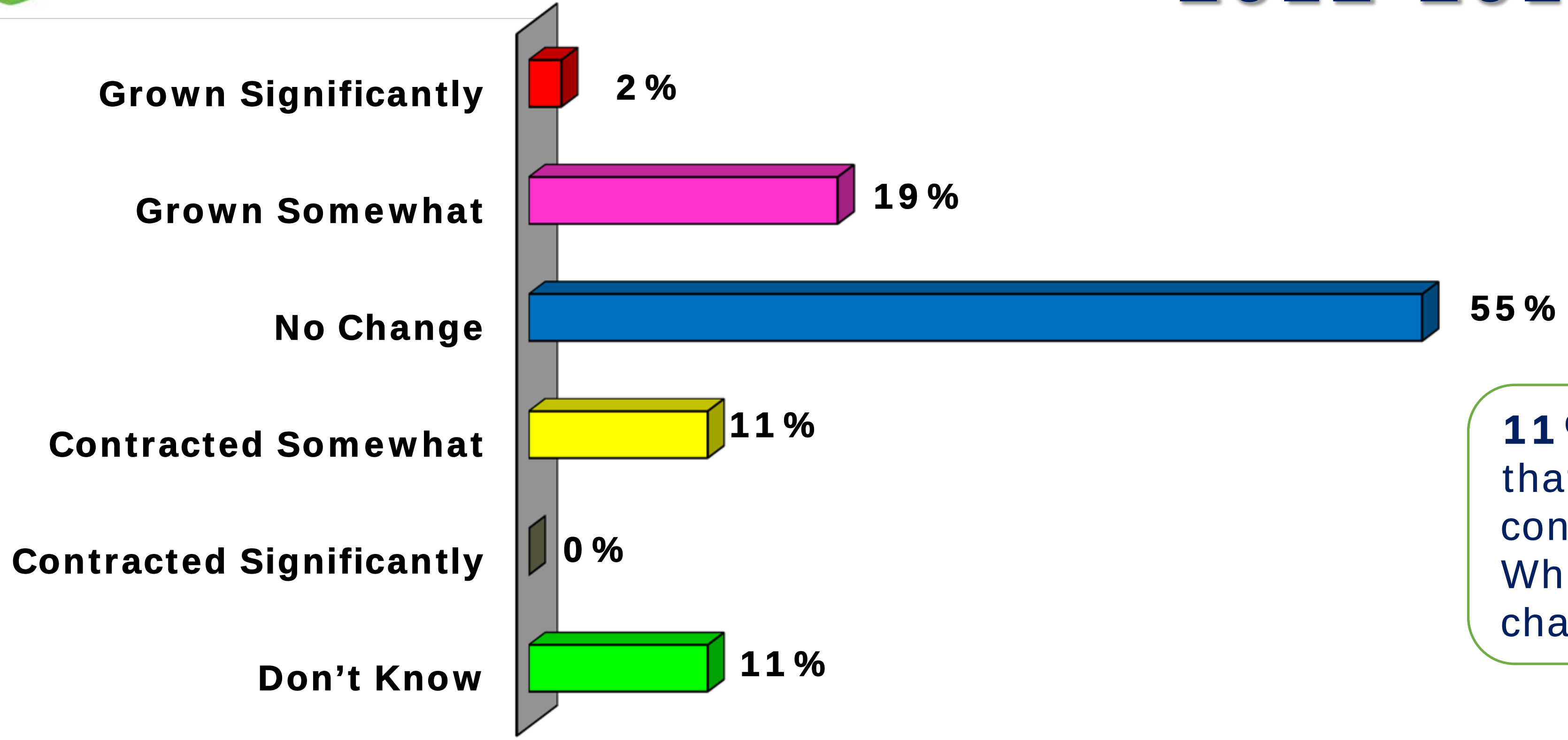
Changes in Absenteeism Rates 2012-2013



11% of companies stated that absenteeism has contracted over the last year. Whilst **55%** experienced no change.

Base: 36 | Single Response

Q. Has your overall contact centre, BPO or shared services operations absenteeism rate grown or contracted in 2013 compared to 2012?

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Contact Centre Agent Salaries

	16K-18K	19K-20K	21K-23K	24K-26K	27K+	Average
English only contact centre agent, ≤3 years experience *(Base: 28)*	7%	29%	**43%**	14%	7%	**€21,960**
English only contact centre agent, ≥3 years experience *(Base: 30)*	4%	21%	**33%**	17%	25%	**€24,143**
Multi-lingual contact centre agent, ≤3 years experience *(Base: 11)*	-	18%	**36%**	27%	18%	**€23,343**
Multi-lingual contact centre agent, ≥3 years experience *(Base: 10)*	-	30%	30%	10%	30%	**€23,850**

Base: Varied **Multiple Response**

Q. What was the starting annual salary in 2013 for each of the following roles in your organisation (excluding bonuses/performance payments)?

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Contact Centre Agent % Bonus

	No Bonus	1-5%	6-10%	11-15%	16%+	Don't Know	Average
English only contact centre agent, ≤3 years experience *(Base: 36)*	**36%**	14%	**19%**	5%	8%	17%	**8%**
English only contact centre agent, ≥3 years experience *(Base: 31)*	**39%**	16%	**19%**	6%	10%	19%	**9%**
Multi-lingual contact centre agent, ≤3 years experience *(Base: 22)*	**32%**	14%	**23%**	5%	5%	23%	**8%**
Multi-lingual contact centre agent, ≥3 years experience *(Base: 23)*	**30%**	13%	**17%**	4%	4%	26%	**8%**

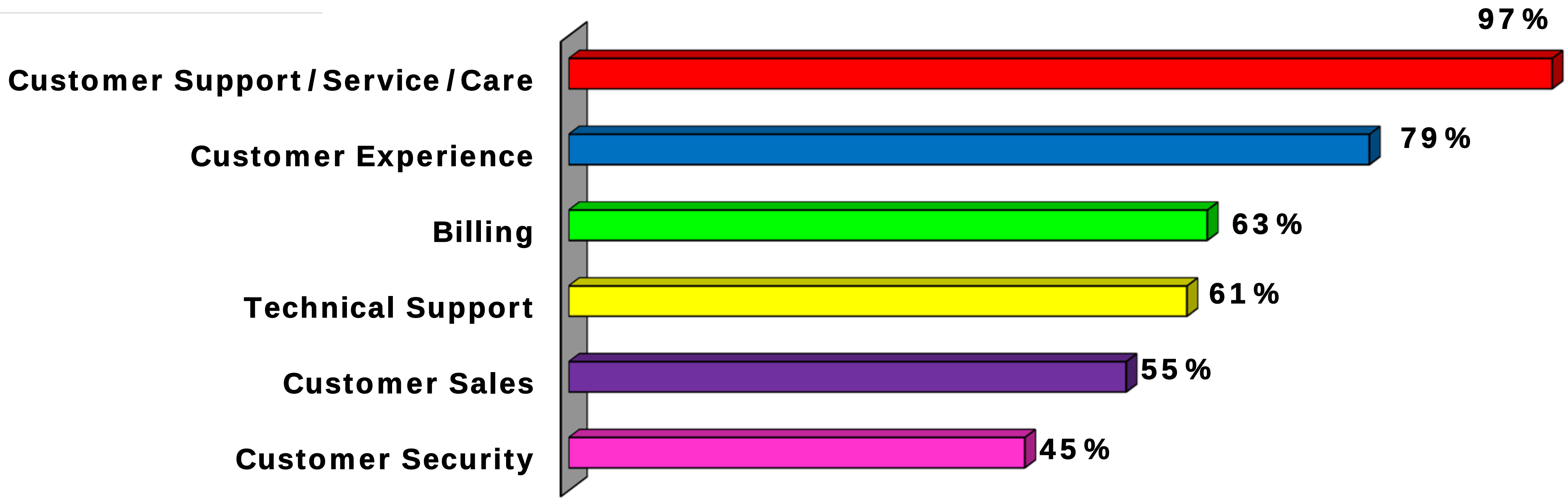
Bonuses were most common in the following industries:
- Telecommunications
- Insurance
- Technology
- Finance

Base: Varied **Multiple Response**

Q. If applicable, what percentage of the following employees' annual wage in 2013 was comprised of a bonus/performance related payment?

Future Industry Focus

Services Supported 2013

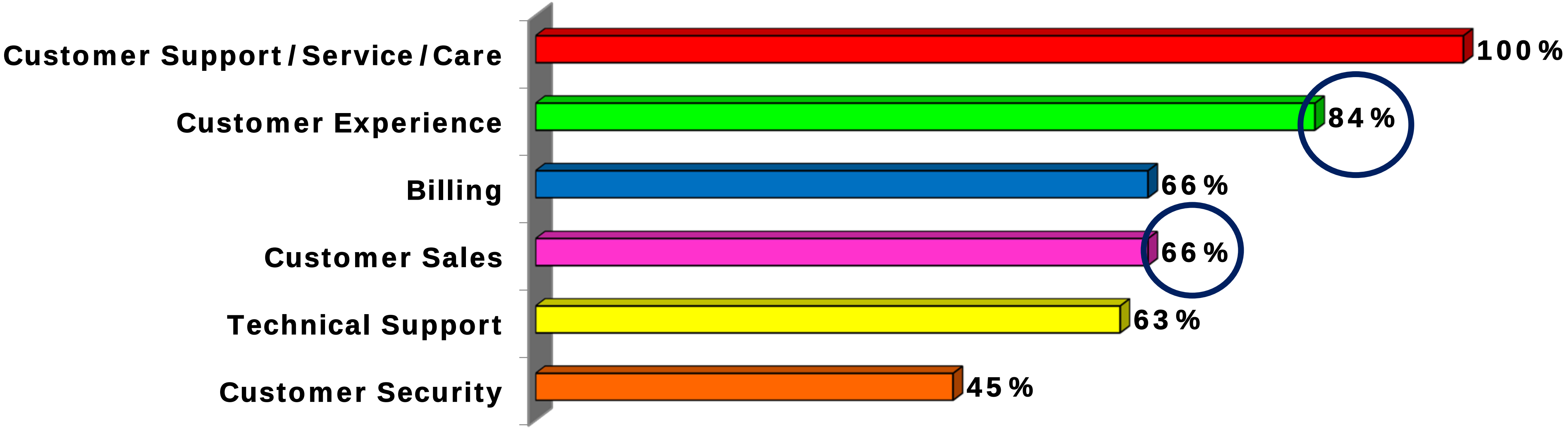


Customer Support/Service/Care, Customer Experience and Billing are the most common services amongst companies surveyed.

Base: 38 Multiple Response

Q. Which of the following services did you support in 2013?

Forecasted Additional Services 2014



Customer Experience is set to grow by **6 %** whilst **Customer Sales** is expected to increase by **10 %** by the end of 2014.

Base: 38 **Multiple Response**

Q. Which, if any, of the following services will you support in 2014?

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Top 4 Areas of Focus/Concern for 2014

1. New Business – Achieving Company Growth	31%
2. Customer Focus	25%
3. Promoting Excellence	23%
4. Cost Control	21%

Base: 42

Multiple Response

Q. In the boxes labelled 1-4 please write your top 4 areas of focus/concern for your operation/business for 2014?

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Examples of Focus Areas 2014

Examples of Responses

1. New Business – Achieving Company Growth	“Enabling Revenue”, “Growing our Base”, “International Contracts”, and “Sales”
2. Customer Focus	“Customer Experience Metrics”, “Customer Satisfaction”, “Customer Process re-engineering”
3. Promoting Excellence	“High quality standard”, “Excellence”, “Performance”
4. Cost Control	“Keep control of costs”, “cost control”, “efficiency”

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Areas of Focus/Concern 2015 - 2018

1. New Business – Achieving Company Growth	37%
2. People Development	24%
3. Cost Control	21%
4. Customer Focus	18%

Base: 42 **Multiple Response**

Q. In the boxes labelled 1-4 please write your top 4 areas of focus/concern for your operation/business over the next 3-5 years?

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Examples of Focus Areas 2015-2018

Examples of Responses

Focus Area	Examples of Responses
1. New Business – Achieving Company Growth	“New business development”, “growth, acquisition, expansion”, “new business”
2. People Development	“attracting staff”, “maintaining staff levels”, “people development”
3. Cost Control	“refinancing”, “cost of labour”, “budget cuts”
4. Customer Focus	“Customer satisfaction”, “First Call Resolution”

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Changes in Focus Areas

2014		2015 - 2018
1. New Business – Achieving Company Growth	V	**1.** New Business – Achieving Company Growth
2. Customer Focus		**2.** People Development
3. Promoting Excellence		**3.** Cost Control
4. Cost Control		**4.** Customer Focus

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Research Key Findings

Key Findings

- ✓ Based on this and earlier research completed in 2012 it is now estimated that there is over **40,000** people employed in the Contact Centre & Shared Services industry in Ireland.

- ✓ 2014 will see an increase in the adoption of interactive communication methods such as **web chat** (39%), **social** (18%) and **video** (10%).

- ✓ Companies expect to expand their **customer sales** (10%) and **customer experience** (6%) services in 2014.

- ✓ Companies are focusing heavily on **People Development** over the coming years.

- ✓ Average Absenteeism and Staff Attrition rates continue to be below the European average.