



# Automation and the Human Touch: Measuring and Implementing the Appropriate Approach

A paper for CCA Industry Council



## CCA INDUSTRY COUNCIL

CCA Industry Council drives the industry's research agenda by interacting to ensure research approach, debate and output provides the pathway for the future in terms of new thinking and strategies from across all sectors.

An initial meeting was held where 30 leading players from industry debated 'Changing the Rules'. From this debate it is clear a need has been established to create 'Beyond Operational Efficiency' - a new vision for how customer contact centres should be repositioned within organisation, placing the customer at the heart of the business.

Industry Council consists of an exclusive group of representatives from leading organisations who are committed to providing this input whilst themselves benefiting from a unique package of leading edge research, networking, government influencing opportunities and profile within industry as 'Leaders of the Future'.

Expert academic and private sector facilitators will draw on leading edge debate and invite participation from other recognised research houses and agencies to engage with Industry Council to ensure the group deliver leading edge analysis.

As the independent professional body, CCA partner with leading organisations and groups to access relevant research and information for the development of the Industry Council. CCA's vision is for contact centres to be repositioned within organisations to reflect the increasing complexity and competitor challenges arising from the dominance of this channel.

CCA are indebted to the efforts of the Foundation Partner Group who have formed the backbone of activity in taking forward the development of the CCA Standard<sup>©</sup> and creating the vision for CCA Industry Council. These organisations across all sectors, both public and private, each have a significant impact on the contact centre market-place.

## FOUNDATION PARTNERS



## Foreword from Rob Pike, Chair of CCA Industry Council



For many years it has been predicted that automation would lead to a rapid decline in voice traffic to the contact centre. Although later than expected there is now hard evidence that the reduction in agent or 'human' calls is not only taking place but gaining momentum. Trends from some large US banking organisations indicate that customers are extensively using IVR and natural voice as part of their customer contact offering, with the majority of transactions completed within the automated system.

Traditionally the pattern from US is followed by the UK, which would suggest that this trend may well be adopted by the UK customer sooner rather than later. However, much of the recent press in the UK has been focused again on customer dissatisfaction with contact centres, specifically in using automated services. If it's true, why does the customer feel frustrated using automation or are organisations not presenting the technology in the most appropriate way? Evidence from the US suggests that the use of natural voice has increased satisfaction for many.

These issues have considerable implications for how we take customer contact to the next level as automated services are used more frequently, and often demanded, by customers. Therefore they need to be effective and efficient from both the business and customer perspective. The role of customer contact centres is becoming increasingly about access and support, and the ability to deal effectively with more complex enquiries as the simpler transactions are completed in the automated route. The challenge for business today is to not only listen to the voice of the customer in terms of design but also to ensure the customer is educated and guided appropriately in all methods of contact to facilitate a positive outcome and enhance experience.

The fourth in a series of research papers exploring the changing face of customer contact this paper discusses how self-serve technology can be used effectively and the impact of its increased use on the role of the agent. The ultimate goal, of course is maintaining the 'human' element whilst implementing the appropriate response for your customer.

We are indebted to the work of CCA Foundation Partners who have been the catalyst of CCA's evolution to Customer Contact Association in 2006. Their dedication has helped create CCA's Industry Council, a unique think-tank which is challenged with finding solutions to ensure that the customer is placed at the heart of an organisation's operations.

We would like to extend our grateful thanks to CCA's Research Council for again providing very insightful findings into this critical issue.

**Rob Pike**  
Chair, CCA Industry Council

*Rob is Director of Operations, Ulster Bank Group and European Consumer Finance at the Royal Bank of Scotland*

## Introduction

The latest quarterly Research Council report looks at the future of voice calls and the impact that speech recognition technology, and other channels, is having on call numbers and customer satisfaction.

The impetus for the research from the CCA Industry Council was the news that two large American banking organisations are now extensively using IVR and speech recognition as part of their customer contact offering. The first receives 750m calls per annum of which 85% are completed within the IVR. The second organisation receives some 245m calls per year of which 80% are completed within IVR.

- What does that mean for the 'traditional' voice-led call centre?
- What response is required from the contact centre to meet the changing needs of the customer?

This quarter we have 5 excellent and well-researched papers from Cap Gemini, CM Insight, Gallup, Intersperience and Dimension Data, which make key points about the questions above:

- The definition of IVR is broadening beyond the well-established call routing, and applications of touch-tone and simple speech recognition, to include advanced speech recognition and natural language technologies such as used by TrainTracker (which can mitigate against the much disliked queuing of calls).
- Improvements in natural language recognition rates, design tools and standards are accelerating the adoption of speech recognition which has reached a breakthrough point in terms of usability.
- These traditional and particularly the newer applications of IVR can improve customer experience. However, the key criteria for the success of IVR is the customers' ability to accomplish goals rather than the technology per se.
- The pace of change can be expected to grow as the economic influence of younger consumers, or the M-Age, drives demand for self-service interfaces.
- The role of customer contact is increasingly about Access and Support. The former is about making it easier and faster for customers to contact organisations through multi channel and the latter is about helping customers with complex issues.
- The role of normal human voice will shift towards the difficult, emotional and detailed calls. This will mean fewer but longer calls. Focus on recruiting the best agents who engage with customers and regular feedback and coaching will sustain future voice call interactions.
- The major improvements in IVR technology through speech recognition and natural language techniques, is just one opportunity among a range of multi channel applications demanded on various occasions by customers.
- Education and guidance for consumers is vital to the successful adoption new self service technologies.

- Overall, there are significant opportunities to review customer contact management. Much of this is around driving down call numbers, lowering costs of interaction. But significantly, the chance to improve customer experience through shorter turnaround times, improved call outcomes and 'One & Done' programmes also exists.
- Lastly, the role of contact centres in determining the brand perceptions of organisations is set to grow. This means having a holistic approach to all customer contact, rather than simply 'bolting on' a new speech recognition capability. All channels need to be measured and linked to a central customer database to provide a joined up customer experience.

## 'Engaging Customers Consistently in the Contact Centre'

'How call centres can engage customers effectively and consistently, especially as the voice channel is used for increasingly complex and emotional enquiries?'

Prepared by James Rapinac, Gallup

**GALLUP**

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## 1. Executive Summary

The challenge of consistently engaging customers in call centres is not new. However, the advent of technology-enabled self-service solutions - in particular for transactions which in the past would have been handled 'live' by customer service staff - is having a compounding effect on the engagement challenge. The nature of incoming calls has seen a change in its complexity; simple transactions are being replaced with more involved conversations and far too frequently staff find themselves in the unenviable position of needing to appease an emotionally charged caller on the other end of the line.

The obvious response to the desire for consistency comes in the form of more stringent controls, in a valiant but frequently misguided bid to removing variation. Where the vast majority of calls were of a simple execution variety, the step-by-step process could take all but the most resistant customer (or call centre customer service representative - CSR) to an acceptable conclusion. However, with the changing profile of calls, the answer to the challenge of consistently engaging customers in the call centre is unlikely to lie with increased procedures and scripting of responses and focussing on call duration targets is not the solution. Every customer interaction either increases or decreases customer engagement - it never stays the same. Call centres must therefore adapt to this changing environment to create and sustain high levels of customer engagement.

Technology is of course invaluable as a mechanism to support call centre efforts to drive customer engagement. At the same time, call centre technology must be deployed and used thoughtfully as part of a broader customer engagement strategy. For example, call monitoring software is useful as it allows for frequent, real-time CSR-level productivity measurement. However, it can also flood supervisors with too much information and make it difficult or impossible to focus on key drivers of engagement. Likewise, CRM systems offer the potential of bringing together customer contact data across multiple products and touchpoints and making it easily accessible to CSRs at the point of contact. But at many companies customer information is frequently incomplete or housed in different systems that are not integrated, making it difficult for CSRs to leverage in a way that helps them perform their jobs more effectively.

Therefore, technology's role in the call centre is to support CSRs and supervisors, and enable them to concentrate fully and completely on engaging the customer.

First, it is essential to measure the range in performance among CSRs: Which individuals are doing the best job of consistently engaging customers and achieving other key outcomes? The same goes for supervisors: which are best at consistently improving the employee engagement levels of their teams? Second, once these have been identified, it is important to implement a talent-based recruitment and selection process to hire more CSRs - and supervisors - who are like the very best. Third, frequent measurement of customer engagement ensures that CSRs receive regular feedback on their performance.

One challenge for supervisors is to find ways to keep CSRs committed to engaging customers, especially when granular measurement data are not readily available. This task becomes easier as more "high talent" CSRs are hired into the call centre; for them, nurturing customer engagement is

second-nature. There are a number of practical, effective coaching techniques supervisors can use with all CSRs to help them build and sustain emotional attachment with customers.

Gallup's research has indicated that call centres must implement both *transactional* and *transformational* activities in order to effect sustainable performance improvements. (See CCA Business Briefing *Understanding the links between Employee Engagement, Customer Engagement and Shareholder Value*, 23<sup>rd</sup> March 2006.) Transformational activities are structural in nature and include such disciplines as performance management strategy, succession planning, employee development and recognition.

One fundamental transformational activity is improving the process by which CSRs and supervisors are hired - enabling the hiring and staffing of call centres with employees capable of achieving high levels of performance. However, in order to hire more employees who perform like the very best, it is essential to measure the range in performance across all employees in the call centre.

## **2. Measure the Range in CSR and Supervisor Performance**

Long-term, the key to creating and sustaining highly engaged customers in this evolving, increasingly emotionally-charged environment is by understanding which CSRs are top performers - and identifying how they are different from average and low-level performers. When conducting this analysis among hundreds or thousands of CSRs it is vital to gauge performance in terms of customer engagement rather than service level metrics. If a call centre measures customer engagement on a frequent and consistent basis at the CSR level, then these performance data are readily available. The object of this analysis is to identify the top 10% of CSRs in the call centre.

Supervisors are hugely important in creating the right kind of environment for their call centre teams. When companies hire supervisors who have the ability to know and understand each individual CSR and to help the team grow and develop together, performance will improve.

It is no coincidence that top-performing CSRs are usually in teams managed by the best supervisors. An effective means of gauging manager performance is by measuring employee engagement at the CSR team level. Ultimately, this measurement should be used as feedback for the supervisor to work with his or her team to implement change locally and over time improve employee engagement as well as customer engagement and productivity. Which supervisors have achieved the greatest increases in employee engagement and have been most successful at sustaining high engagement levels? What has the impact been on team productivity and customer engagement metrics?

Once again, the goal is to identify the top 10% of call centre supervisors - those that companies would gladly hire more of, if they knew how to identify them.

### 3. Deploy a Talent-Based Hiring Process

Once the best CSRs have been identified: based on their ability to consistently achieve superior customer engagement scores and team supervisors based on their success at creating engaged call centre teams - the next step is to design and deploy a process to hire CSRs and supervisors who perform at this high level.

Our research shows that the most effective way to understand and replicate superior performance is to study success in a specific role. Top performers think, talk and act differently from average and poor performers. They exhibit certain recurring patterns of thoughts, feelings, and behaviours; understanding these patterns, or “talents”, is the key to understanding outstanding performance in each role. When the optimal set of talents that contributes to outstanding performance is identified and used to guide hiring decisions, the organisation is then equipped to enhance both individual and company performance.

To hire CSRs and supervisors capable of achieving high performance, it is necessary to identify the specific “talents” each exhibits while performing in the role. In essence, these “talents” are the requisite raw material that must exist in order for a person to achieve success consistently. Once the set of talents has been identified, a talent-based hiring instrument - a series of structured questions designed to elicit responses from candidates pertaining to the desired set of talents - is created. The hiring instrument is then tested among the top-performing call employees as well as a control group for validation purposes as well as to ensure that top performers respond differently to questions than average or poor performers.

Hiring for talent is one sure way to drive call centre performance and customer engagement - but it must not be done in a vacuum. A thorough review of the hiring process should be conducted to optimise candidate sourcing, job advertising, recruitment, selection and on-boarding strategies and processes. This will ensure that the hiring process fully supports the performance objectives that have been defined for the call centre.

### 4. Implement Frequent Customer Measurement and CSR Feedback

It clearly pays for call centres to equip themselves to handle increasing numbers of complex, emotional and “moment of truth” calls effectively. Doing so consistently will drive customer engagement. Gallup research shows that fully engaged customers deliver a 23% premium compared with average customers in terms of share of wallet, profitability, revenues and relationship growth.

It therefore follows that, since customer engagement is so important, frequent measurement and feedback to CSRs and call centre supervisors is critical to achieving consistently high performance. Further, it is vital to measure and give feedback relative to performance *outcomes* as opposed to tasks or steps.

Gallup recommends frequent (monthly, ideally, but at least quarterly) customer engagement measurement at the team and individual CSR level. This provides for local accountability and ownership of customer

engagement scores and most importantly enables targeted feedback to CSRs and supervisors about how to improve customer service and engagement.

In our research on measuring and managing customer engagement, Gallup has found that there is a four-level hierarchy that describes how customers form relationships with products, brands and services. The foundation of the hierarchy is *confidence*: the belief that the company can be trusted to keep the promises that it makes. The next level is *integrity*, or the belief that the company will always treat its customers fairly and can always be counted on to stand behind its products and resolve any problems. Next in the hierarchy is *pride*, which reflects the extent to which customers feel appreciated by the company and proud of their personal association with it. At the summit of the customer engagement hierarchy is *passion*, defined as the belief that the brand is essentially irreplaceable and represents a seemingly perfect fit with the customer's needs.

To gauge customer engagement in a meaningful way these four hierarchical dimensions must be measured. To improve customer engagement effectively, CSRs need to receive feedback about each dimension along with coaching from their team manager or supervisor about how they can meet their customers' emotional needs more effectively with every single interaction.

### Confidence

Call centre supervisors should coach CSRs to listen closely to each person on the phone to determine if there is a discrepancy between a customer's expectations and his or her experience of the brand promise. There are three key situations in which CSRs have an opportunity to instil brand confidence:

**Recognise customers' vulnerability** - Supervisors should coach CSRs and help them to practice listening for areas of vulnerability and practice easing those concerns to create trust.

**Reassure customers** - CSRs should be coached to assure customers by explaining what they are going to do for the customer, why they are doing, and what the benefit will be to them.

**Resolve the issue on the first call** - CSRs need to be empowered to resolve certain types of issues and also know when and how to "escalate" calls to solve problems as quickly as possible. This is the best way to fulfil the brand promise and build engagement.

### Integrity

CSRs can convey brand integrity by handling every customer transaction - particularly complex, emotional calls - respectfully and in a way that resolves issues fairly. Some specific methods that supervisors can use to foster brand integrity are:

**Look for CSR knowledge gaps** - There may be some calls or interactions that a CSR is not comfortable handling because he or she needs more information or does not understand the problem clearly. Coaching can help CSRs become more adept at handling these calls (though "high talent" CSRs will absorb and apply this coaching much more readily than the others).

**Help CSRs educate customers, not patronise or lecture them** - When appropriate, CSRs should inform customers about actions they have taken on their behalf and offer tips about how they can avoid similar problems in the future.

**Reinforce accountability and communication** - CSRs should inform customers of the process they are using to resolve an issue, so they do not feel confused or lost.

**Coach CSRs to apologise but not to make excuses** - Apologies convey sympathy for the client, but CSRs should never feel compelled to say "I would help you if I could, but the company won't let me."

### Pride

The brand that a customer uses is both a reflection of who the customer is and how he or she wants to be perceived. There are three simple ways CSRs can reinforce this emotional bond:

**Compliment customers on their history when appropriate** - CSRs should praise customers for things like perfect payment history, renewals, and loyalty.

**Reflect the customer's excitement about a purchase** - CSRs should understand that they are more than a voice on the phone - they are the brand to a customer and should be as proud of the brand and product as the customer is.

**Support customer desire to feel competent and in control** - CSRs should look for opportunities to make customers aware of ways to manage their accounts more effectively or to make better product/service choices to meet their needs.

### Passion

Passion is the highest level of emotional customer engagement. Passionate customers are the most valuable of all to an organisation or brand, and they should be recognised as such. Here is how CSRs can help create and sustain customer passion:

**Treat customers as unique individuals** - Coach CSRs to communicate individually with customers whenever resolving an issue, providing information, or explaining processes and policies.

**Be attentive to customers and spend appropriate time with them on the call** - A customer's time is at least as important as a CSR's time, and respecting this will help engage customers and build their passion for the brand.

**Maximise CSR engagement** - Simply stated, engaged CSRs create engaged customers. Call centre supervisors must focus on maximising the employee engagement of their teams by coaching them individually, and by removing barriers to performing their job effectively.

In summary, call centres must adapt to the changing profile of customer service calls and answer the challenge of consistently engaging customers, one call at a time. To do so, they need to measure the range in

performance among CSRs to identify the best of the best, and do the same for call centre supervisors. A talent-based recruitment and selection process to hire more CSRs and supervisors likely to perform like the very best should then be implemented. Frequent measurement of customer engagement at the team and CSR level, plus individualised feedback and coaching to all CSRs, will help the call centre build and sustain customer engagement with each and every call.

When companies identify the range in call centre rep performance, hire new CSRs with the talent to be top performers as well as coach their teams to focus on the emotional needs of customers, the call centre will be well equipped to handle these complex, emotional calls and drive customer engagement consistently.

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Additional materials/references:

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- *Manage Your Human Sigma* by John H. Fleming, Curt Coffman, James K. Harter - Harvard Business Review, 1<sup>st</sup> July 2005
- *Creating an Employee-Centric Call Center* by Teresa J. Tschida - Gallup Management Journal, 13<sup>th</sup> October 2005

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