

TELECOMMUNICATIONS

Customer service:
the customer is king

Customer services remained a major issue in 2011. As firms cut back on spending, it was vital not to do so at the expense of call centre staff and thus reducing customer service expectations.

As over two-thirds of consumers spent less, (with 86% taking more time shopping around), the need to make cuts but ensuring customer retention was a priority remained stronger than ever.

According to research carried out by the Institute of Customer Service (ICS), telco leaders are concerned that cutting jobs (and costs) in areas of service during the recession could lead to an exodus of customers which in the long term will cost £2bn in lost business over the next three years. Alongside job cuts to save money, lack of investment to replace services affected by cuts means that businesses could expect to lose ten per cent of their customer base by 2015, partly caused by cuts and a lack of front line service investment. ICS also reported that cost calculations which made sense while the economy was reeling, now appear flawed, estimating that it takes two months to replace a lost customer at a considerable cost per head.

Telco companies are addressing this issue through adding to their customer service teams through new investment, while others are making cuts to other areas in order to protect existing front line and call centre teams. BT has made a pledge to create 300 call centre jobs for early 2012 in roles whose focus will be improving phone-based service levels. At the same time Everything Everywhere is continuing to axe staff in departments other than front line and call centres under chief executive Olaf Swantee's ambitions to make customer service the company's distinguishing factor.

In a move to ensure customer retention through better standards of service, some firms, such as New Call

Telecom, are moving their call centres back to the UK. In place of offshoring their customer service offer, they will be moving administration back office services to other, cheaper destinations as a way to save costs as destinations such as Mumbai, where they were based, have become too expensive.

Although voice calls are still the customer's preferred choice of communication (a recent YouGov survey commissioned by arvato stated that over 40% of customers view the personal approach as the most important), social media is rapidly catching up and the challenge for consumer brands is how they will engage and interact with their customers, both one-to-one and collectively. The problems that RIM experienced following the Blackberry outages in 2011, and its inadequate response, are a lesson in how not to react to a crisis, and the challenge for companies in 2012 will be how to use social media to deliver on their brand promises.

The gap between the web and the contact centre looks set to narrow over the next twelve months with the trend towards the use of 'virtual' assistants. These animated digital characters support customer service operations by interacting with web visitors, helping customers to navigate their way through interactions, and share relevant information. According to Sabio's Stuart Dorman, the technology used in virtual assistants has evolved considerably and has benefited from advanced text recognition and speech generation technologies.

The evolution and rapid acceptance of consumers communicating and transacting with brands via mobile and social media channels continues to play an increasingly important role in the future of contact centres. A major challenge for telcos will be maintaining an individual 'personal' approach across social media channels.