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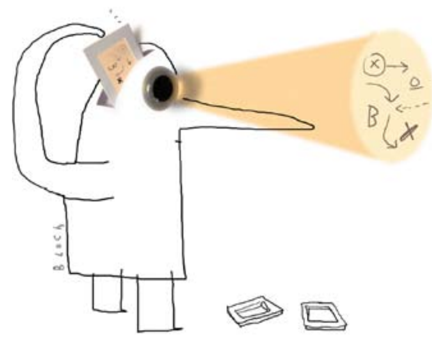

OPERATIONS

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Anticipating customer queries in **call centers**

An effort to determine the value of specific kinds of customer inquiries shows how companies should decide which channels are best for dealing with each of them.

Raffaella Bianchi

Article at a glance

A telecommunications company trying to optimize the economics of its call centers hesitated to automate its customer interactions because it didn't want to lose revenues from additional sales made by its agents.

Analyzing the potential revenues from each type of inquiry helped the company identify which kinds of calls should be automated and which handled by live agents.

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Situation

Companies seeking to improve the performance and contain the costs of their call centers by automating customer service interactions enjoy a growing array of options—including e-mail, Web sites, online chat, and voice recognition systems. Deciding what and how to automate is challenging, though, since companies that do so excessively risk alienating their customers and forgoing the revenue opportunities generated by agents. A telecommunications company faced this problem as it investigated ways to ease the pressure on its overwhelmed call centers.

Complication

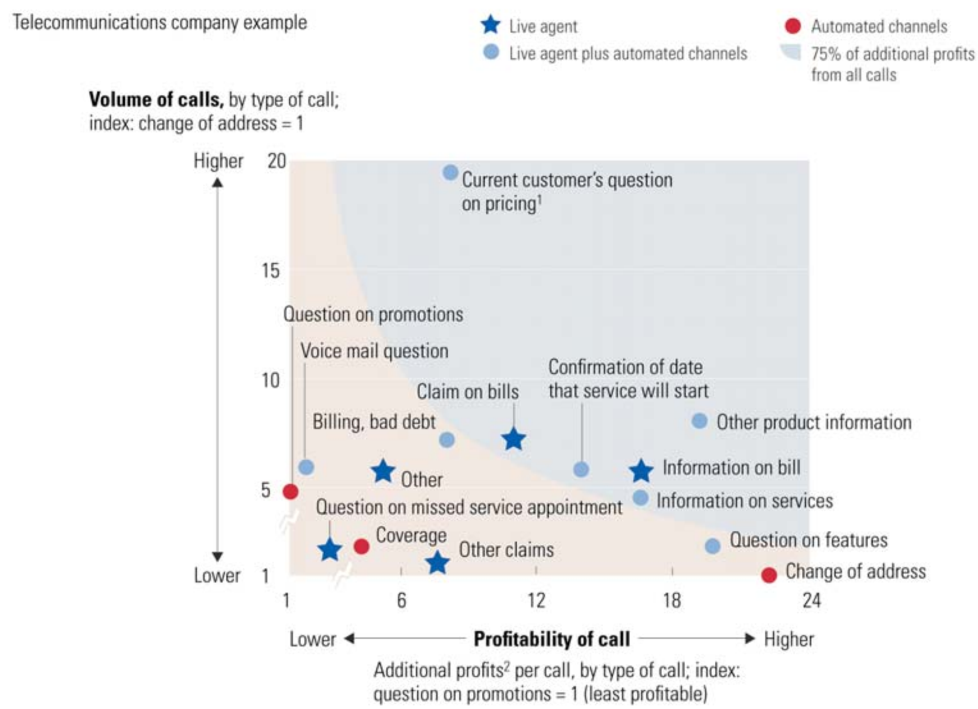
The company's managers had detailed information about the potential value of various types of customers but didn't know the value of each kind of incoming call, though they suspected that the value of different ones could vary significantly. A customer calling to learn about new products might be open to buying additional services, for example, but the same customer, calling a week later to complain about spotty wireless coverage, would likely be less so. Without knowing the potential value of each inquiry, the managers couldn't determine the best channel for handling it.

Resolution

In response, the company categorized inquiries by mapping their volume and type against the revenues they produced. It found that six kinds of queries accounted for 60 percent of its total call volume but generated 75 percent of its additional profits,[1] making such queries candidates for live interactions with agents. The company then considered which types of calls were easiest to automate, and it introduced automated systems to route low-value inquiries by category whenever possible. Managers also developed processes for starting calls with live agents and then moving customers to a detailed e-mail or Web site providing information to help resolve their problems—a practice that 93 percent of surveyed customers preferred. Handing off calls in this way reduced their duration by about 15 percent, thus freeing up the agents' time to focus on higher-value inquiries.[2]

EXHIBIT

Some calls are more valuable



[1]For example, mobile-rate plans, international calls.
[2]New revenues minus additional costs to make offer (mostly increased length of call).

Implications

The principles underlying the telecom company's analysis of its incoming call-center queries are relevant for businesses making trade-offs between the costs and potential benefits of customer calls much more varied than those the telco received. Business-to-business suppliers, for example, must determine which customer needs merit a live salesperson, a service technician, or a key account team and which can be met effectively through lower-cost Web-based options. Understanding the value of each kind of interaction helps a company boost its revenues by meeting its customers' most exacting needs and sales potential more successfully. And by reducing overall sales and service costs, a company can ensure that resources aren't wasted on interactions with low sales potential and for which customers don't value high-touch treatment.[3] Q

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1 These profits are the new revenues generated by the call center minus the additional costs to make the offers (mostly the increased length of the calls).

2 These results were part of a broader improvement program to streamline and optimize the call centers' processes and operations. Taken as a whole, the program reduced the costs of the company's call centers by 20 percent and

increased the revenues they generated by 35 percent through increased sales opportunities and higher customer satisfaction.

[3] For more on this topic, see Thomas Baumgartner, Roland H. John, and Tomas Nauclér, "Transforming sales and service," *The McKinsey Quarterly*, 2005 Number 4, pp. 80–91.

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