



Part 6 | The Evolution of the Contact Centre

July 2022

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When every moment matters

Supporting society through difficult times

In August 2020, the CCMA started on a journey to track how the contact centre is evolving during times of profound change. This is the sixth part in a series of research reports kindly supported by Puzzel, exploring the evolution of the contact centre.

Since Part Five was published in February 2022, we have been plunged into a cost-of-living crisis the likes of which have not been experienced in generations. The implications are far-reaching in all aspects of society, including for a contact centre industry that was still grappling with the seismic changes brought about by the pandemic.

This sixth instalment of The Evolution of the Contact Centre explores the impact on customers, colleagues and organisations of rising inflation and growing financial constraint. As in previous waves this report is based on qualitative research comprising group discussions with industry leaders representing some of the UK's leading brands.

With thanks to

We invited seven contact centre leaders representing a diverse mix of vertical markets, contact centre types and experiences to a series of focus groups in June 2022 to explore how the industry is evolving. The CCMA and Puzzel extend their sincere thanks to these individuals for their generous participation in the study.

Joe Beal, Chief Commercial Officer, DDC OS

Lorraine Dunn, Head of Operational Strategy and Quality, Stepchange

Ruth Genelazo, Director of Customer Service, Nectar Sleep

Tanya Gray, Head of Customer Operations, Moat Housing

Sarah Leff, Operations Director, Interact CC

Catherine Lindsay, Operations Director, Newcastle Strategic Solutions

Sabina Onwuka, Customer Services Manager, London Borough of Barking and Dagenham

Foreword from CCMA

As we go to press, a United Kingdom that was just starting to bounce back from the pandemic is reeling from the double whammy of high inflation and low growth. Massive and sudden increases in fuel and energy prices are just some of the ways in which people are feeling the pinch.

Being the front line of organisations, contact centres get to see and hear the impact on customers first. As such, we serve as valuable bellwethers of how people are feeling and behaving, of social and economic upheavals. And just as our teams played an instrumental role in helping the country get through the pandemic, the job that we do is even more crucial and irreplaceable in a time when so many people need help.

In Part 6 of The Evolution of the Contact Centre we offer a first glimpse of how the economic pressures are affecting our customers and our colleagues. There can be little doubt that we are at just the start of this challenging period, and it will get worse before it gets better. This is by no means our final or definitive take on the situation. But we are already starting to see themes and best practices emerge. Much of what we learned during the pandemic and the resilience that we built continues to serve us well.



Leigh Hopwood,
CEO, CCMA



Foreword from Puzzel

With the continued decline in consumer confidence and tightening of budgets, now more than ever, brands need to focus on investing in technology to create a seamless, streamlined service.

In this phase of the Evolution of the Contact Centre, we hear first-hand the impact the rising cost of living is having on customers and the result that it has on our frontline staff. Contact centres are stretched more than ever which makes delivering empathetic, expert customer service super challenging.

To create truly seamless customer journeys, brands must invest in tech that helps their agents do what they do best, better. It should make customer data

easily accessible and harness AI to anticipate customer needs and point agents to relevant information (when needed).

There is no denying that the coming months will be difficult for society. I believe that as an industry, we need to do all we can to support our customers and agents during this unpredictable time. We need to remain agile and invest in new technologies and training programs to help our agents deliver more empathetic and personalised customer service at scale.



Jonathan Allan,
CMO, Puzzel



The impact of the rising cost of living on customers

On 22 June 2022 the Office for National Statistics (ONS) published its latest inflation update showing the Consumer Prices Index (CPI) 9.1% higher than for the same period 12 months prior, the biggest annual increase posted in 40 years.

Consumer prices have been increasing since early 2021 but the rate of increase has accelerated in 2022, with record high prices for energy and fuel costs being especially visible to consumers and leading to price increases in other areas. At the same time growth is stagnating – ONS figures show that UK GDP increased by just 0.2% in the three months to April 2022. A recession is looking likely.

As rising costs not matched by income growth force people on lower incomes to default on bills, contact volume rises. For some organisations it has also prompted a change of approach away from 'enforcement' to empathy.

"We're already seeing an increase in dishonoured direct debits which then involves making more calls to customers. It's frightening that we're seeing that now before we get to the time of the year when we're going to be putting the heating on."

- Tanya Gray, Head of Customer Operations, Moat Housing

“ As more customers go into arrears we're having to work harder, to say 'we can see your account is about to go into arrears, what can we do to help you?' We're changing the conversation, the culture and behaviours away from sending the bailiff right away to trying to pre-empt, make customers aware of benefits and resources, trying to get in there before it gets really bad. **”**

Sabina Onwuka, Contact Centre Manager, London Borough of Barking and Dagenham

Changing customer behaviour

Awareness of the cost-of-living crisis has grown rapidly with considerable media coverage going hand in hand with people feeling the pinch directly. As awareness increases so does the need to be informed, and to take remedial steps. 60% of adults report cutting back on non-essential items in response to costs which are rising far quicker than incomes.¹ Businesses of all kinds are seeing an increase in churn, as customers are motivated to seek out deals.

"We have a 365-night trial. You can return your mattress within 365 days for a full refund. That might be something that will start to spike as people need money. It's literally keeping money in your mattress." - Ruth Genelazo, Director of Customer Service, Nectar Sleep

As customers become more knowledgeable and self-serve accounts for a larger share of simpler interactions, the complexity of contact conversations goes up.

"Everybody knows a bit more about what's going on. It's front-page news. You're more informed and more likely to have questions. Understanding your energy bill is one thing, but having to train a relatively junior member of staff to explain price rises, price caps, all of that kind of stuff is hard. You're on the phone with someone that might know more than you." - Joe Beal, Chief Commercial Officer, DDC OS

Learning from the experience of energy companies when price rises became headline news earlier in the year, contact centres are

¹ <https://www.ons.gov.uk/economy/inflationandpriceindices/articles/overviewofinflationandthecostoflivingforukconsumers/june2022>

preparing for upcoming events that are expected to generate waves of customer contact. Sometimes demand peaks are caused by unintended consequences.

“The council tax rebate was great, but systems are usually set up to receive money. A number of councils have had to purchase new systems just to credit people’s accounts as this project has never been done before. But then not everyone likes direct debits because people want control of what is coming in and taken out of their accounts. Because of the rebate, more of our residents signed up for direct debit as everybody wanted that extra money straight away. But now that most residents have received the money, direct debit

up take is static and we’re back to square one trying to encourage customers to sign up again.”

- Sabina Onwuka, Customer Services Manager, London Borough of Barking and Dagenham

As the cost of living rises so does the number of people in vulnerable circumstances, which in turn drives up the volume of difficult and emotional calls coming into the contact centre.

“We’re seeing a lot more clients in distress, and an increase in suicide threats. This really affects the advisors who take the calls.”

- Lorraine Dunn, Head of Operational Strategy and Quality, Stepchange

“ It’s a tough thing to deal with and my managers are struggling. It’s not easy to carry the weight of those conversations. ”

Sarah Leff, Operations Director, Interact CC

Customers turn back to assisted channels in times when reassurance is needed more than ever

Greater financial constraint means there is more at stake for customers than ever. Contact centres are seeing this reflected in increased demand for assisted channels.

Even organisations which have been successful in migrating simpler queries to self-serve are reporting an uptick in voice and live chat, as customers seek reassurance that their transaction has been successful.

“I did some call monitoring yesterday and what struck me was a lot of the calls didn’t need to come through, but customers wanted the reassurance of someone walking them through something or confirming to them that something had been done.” - Catherine Lindsay, Operations Director, Newcastle Strategic Solutions

“We ask ‘did you go online?’ ‘Yes, I did. But I just still need to hear it from you.’ It doesn’t matter how many self-serve options you provide: residents want assurance.”

- Sabina Onwuka, Customer Services Manager, London Borough of Barking and Dagenham

“We had a customer on a particularly busy day that waited 55 minutes for somebody to take a payment. They knew they could use the portal, but preferred to wait for somebody who could confirm that payment was received.”

- Tanya Gray, Head of Customer Operations, Moat Housing

In sectors such as banking which receive a high volume of complex customer queries, providers are discovering the limits to automation.

Furthermore, poor experiences with self-serve may also be driving some customers back to assisted channels.

“Businesses have been telling people that digital is the way to go. But if you haven’t got the experience right, that’s that channel dead to that customer for evermore. Too many organisations signposted too early. We’re now dealing with the aftermath, which is people are coming back to the phones.” - Joe Beal, Chief Commercial Officer, DDC OS

“In my previous role, the stuff we were able to automate was the really simple stuff, but there wasn’t a lot of it. A lot of financial services can be quite complicated. If you want to do an ISA transfer, and you’re not particularly ISA savvy or how you want to work out what makes up a contractual payment on your loan, I’m not sure that always adapts itself very well to self-service with some of our customer demographics. Reading it on an FAQ doesn’t always do the same job talking to somebody, particularly for some customers in vulnerable circumstances.”

- Catherine Lindsay, Operations Director, Newcastle Strategic Solutions

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Catherine Lindsay, Operations Director, Newcastle Strategic Solutions

From Average to Appropriate Handling Time

Handling times rose significantly for many organisations during the pandemic and continue to rise during the current economic environment, reflecting customer conversations which now cover more topics and nuances.

“A call that used to take five minutes is now taking seven or eight. Now we’re asking people ‘did you know about these benefits?’ it’s becoming a more rounded conversation. Even if it’s just a repair, I’ve got my advisors to listen out for little hints and proactively offer support if appropriate. My AHT for repairs used to be seven minutes. Now it’s 12. Revenues and benefits used to be eight minutes and now it’s around 15 to 16 minutes. Generic contact used to be about three minutes and are now four to four and a half.” - Sabina Onwuka, Customer Services Manager, London Borough of Barking and Dagenham

“People keep asking us to bring our average handling time down. I tell them it’s appropriate handling time. If you rush people off calls, they’re just going to call back. It just means you’re going to need more people later to handle even more disgruntled customers.” - Sarah Leff, Operations Director, Interact CC

The impact of the rising cost of living on colleagues

Frontline teams must cope with the stresses of handling difficult conversations at the same time as many of them themselves face the same challenges that customers are experiencing. With hybrid working now well established, many advisors face the further complication of taking these conversations in their own home where the impact on them of listening to frustrated, angry and sometimes abusive customers cannot be easily shaken off.

Best practices and support networks built during the pandemic are continuing to be invaluable.

“The stuff we put in place during the pandemic has set us up well to have more frequent, honest, two-way conversations. We’re not going backwards. It’s about building from there.” - Catherine Lindsay, Operations Director, Newcastle Strategic Solutions

“Our borough is one of the poorest in the UK. Even though they’re supporting someone on the phone who’s a resident, they are equally residents as well. Whatever we do for our residents we also do for our staff.” - Sabina Onwuka, Customer Services Manager, London Borough of Barking and Dagenham

Many organisations have introduced specific resources to help colleagues manage through their own cost-of-living challenges.

“We have Workplace where people exchange ideas, and there’s a list of places to get discounts and cashbacks. We encourage each other at all levels to share case studies. And we’ve done some

food bank drives, in which everybody likes to get involved.” - Lorraine Dunn, Head of Operational Strategy and Quality, Stepchange

The improved internal communication and empathy which become a hallmark of the pandemic continues to help colleagues stay informed and cope. During the pandemic well-being and colleague support rose to the top of the leadership agenda and it has stayed there.

“We have exec updates every single week where we’re always talking about it. This is what’s coming. This is what’s happening from the government. This is what we’re doing. This is what our finances look like. We’re in a rhythm. Rather than a one-off, it’s constant.” - Lorraine Dunn, Head of Operational Strategy and Quality, Stepchange

“We’re not calling them one to ones, we’re calling them well-being sessions. First off, ask how your member of staff is doing. Try to make them comfortable opening up before covering performance. Because if I know how you’re doing, then by the time I’m getting to ‘you’re not performing’ I already know how to rephrase. Instead of ‘you’re not meeting targets’ it becomes ‘I can understand why your performance has been impacted’. Through these conversations we’ve got to know our staff more and we’re able to understand why some people’s performance dipped. It’s about trying to understand and keeping the door open.” - Sabina Onwuka, Customer Services Manager, London Borough of Barking and Dagenham

“ We’ve introduced energy cafes where staff can get tips on how to save money on electricity and their heating. **”**

Tanya Gray, Head of Customer Operations, Moat Housing

While the pandemic helped to de-stigmatise mental health and to encourage colleagues to ask for and to give help, a topic as sensitive and personal as one's financial situation often brings further reticence.

"It's difficult to talk about and it often crops up as other behavioural issues." - Sarah Leff, Operations Director, Interact CC

"There's an embarrassment and a vulnerability as a colleague to be able to come forward and say you're struggling. It takes a lot of courage to do that. As a leader you try to be as open as you can and show that we're all in it together." - Lorraine Dunn, Head of Operational Strategy and Quality, Stepchange

One way to create 'safe spaces' and inspire colleagues to ask for help is for leaders to visibly show their own vulnerability. The need for managers and leaders to demonstrate emotional intelligence has never been greater.

"My managers haven't had to provide this type of pastoral care before. I need to make sure that they get the support they need. I myself took a few courses and I leant on some experience outside of work." - Sabina Onwuka, Customer Services Manager, London Borough of Barking and Dagenham

"I lost my mum last year, and I shared what that grief meant to me and how it impacted me. People didn't know about that side of me, that actually I get panic attacks sometimes, I feel anxious sometimes. They think you are invincible."

- Lorraine Dunn, Head of Operational Strategy and Quality, Stepchange

As customers' questions become more complex and difficult, many contact centres are facing a need to upskill their frontline staff and revisit their training programmes. Programmes that promote well-being and resilience are proving popular, provided either by internal trainers or external organisations. 'Train the trainer' courses help organisations build their internal capability.

"There has been a shift towards conversations that require even more care, consideration and counsel. Many of our call handlers are relatively inexperienced in their careers and in life. We've had to rethink many aspects of our training, it's been a steep learning curve." - Joe Beal, Chief Commercial Officer, DDC OS

Rising contact complexity can pose challenges for organisations and it can test the resilience of colleagues. It can also be a source of satisfaction, as the job content becomes more intellectually stimulating and even more rewarding when difficult problems are solved.

“ Our teams thrive when the focus is on the customer. It creates the opposite environment when demand leads to switchboard or triage style approaches. **”**

Joe Beal, Chief Commercial Officer, DDC OS

Ongoing recruitment and retention challenges

As documented in Part 5 of The Evolution of the Contact Centre, contact centres continue to grapple with a tight labour market and heavy competition for talent, while rising inflation is further adding pressure to increase salaries.

With remote working by now well established, the effects are being seen in terms of perceptions of employer competitiveness (some candidates will not consider organisations that do not offer remote working) as well as salary benchmarks as the historical link between geographic location and pay is being re-defined.

Coming to terms with high attrition

High attrition has always been a fact of life in contact centres. Earlier editions of The Evolution of the Contact Centre have documented the ongoing efforts to find ways to improve retention, such as improving career opportunities and mobility for colleagues to move into other roles both within the contact centre and in other parts of the organisation.

With the challenging recruitment market showing no sign of changing anytime soon, coming to terms with attrition and creating an environment that embraces this reality can actually be an effective engagement strategy.

“Instead of fighting it contact centres need to build environments that embrace a largely

Spotlight on outsourcing

Perhaps not surprisingly given the current difficulty with recruitment and retention, working with outsourcers is very much in demand not only for cost reasons but to reduce management overhead.

“As much as we’re focusing on our customer offer, we’ve spent a lot of time reviewing our employee offer. We’re not getting the applications that we used to. It’s a 30 to 40 minute train journey into London, where the wages are a lot higher than what we offer in Kent. We’ve always benchmarked against businesses around where we are, but we need to be looking further afield.” - Tanya Gray, Head of Customer Operations, Moat Housing

transient workforce, where for most it is often a training ground before moving on to pastures new. Embracing this environment keeps you focused on process efficiency and what’s important to retain talent.” - Joe Beal, Chief Commercial Officer, DDC OS

“We need to accept that we have to put a lot of time into the training. And there’s going to be a break-even point where we just have to say right, that’s it, we’ve got back what we need, even if this is a lot less than what we had previously.” - Lorraine Dunn, Head of Operational Strategy and Quality, Stepchange

“It takes my recruitment problem away and this becomes someone else’s problem.” - Ruth Genelazo, Director of Customer Service, Nectar Sleep

Some organisations who have never previously outsourced are now trialling or considering it, with triaging (employing a help desk to initially field calls which are then passed on for follow up) being a typical first step.

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“A lot of organisations are adding triage in to cater for surges in demand. There’s this constant pressure to balance front office with back office. If you

keep just diverting contact by raising tickets, your back office is going to fill up, you’re going to be in backlogs and you could be in trouble with the regulator. A lot of our clients have seasonal peaks. Mixing sectors with opposing demand profiles is crucial to maintain a balanced workforce.” - Joe Beal, Chief Commercial Officer, DDC OS

Five learnings from Part 6 of The Evolution of the Contact Centre

1. The cost-of-living crisis is driving up contact volume as customers seek support and reassurance.
2. Assisted channels are more important than ever, as customers feel urgency and seek certainty.
3. Emotional intelligence and well-being are still top of the leadership agenda.
4. Inflation adds further pressure to increase salaries, already influenced by the tight labour market.
5. The role of the contact centre in supporting society through difficult times has never been more important.



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