



National Association of Call Centers In Queue

The fun, informative, and unique newsletter for the call center industry

Welcome to the March 2017 issue of the NACC In Queue newsletter!



The Business Case For Chatbots

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Chatbots were all the rage of 2016 – and there is no sign of it subsiding in 2017. Unfortunately, many bot implementations have not lived up to the inflated expectations. However, chatbots have real value when properly conceived, and one area with tremendous potential is customer service.

Let's look at some facts:

Fact 1: Consumers hate to repeat themselves, hate to wait on hold — or just outright hate phoning businesses in the first place (2016 Aspect Consumer Experience Index).

By taking the conversation to a messaging channel (to complement IVR), contact centers immediately benefit from an “eternal thread” between the enterprise and the customer, which can be built upon with every new conversation. Furthermore, contact center agents benefit

from the asynchronous nature of the channel, they can pace the dialog at their convenience without any perceived “on hold” times. Agents can also multi-task during messaging and chat conversations, while a phone call takes their entire attention.

In This Issue...

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Pearls Of Wisdom

“Compassion is language the deaf can hear and the blind can see.”
~ Mark Twain

Reports From NACC

The NACC has been burning the midnight oil and typing until our fingers are sore to bring out reports to our members. Each is listed below. If you are interested to see what we are writing about, click on the links below and download the executive summary of each. If you like what you see,

join the NACC so that you can view these reports and others that will be coming out soon on our website. These reports will ensure that you know the latest trends in the industry.

- [NICE Introduces Nexidia Analytics: Omni-Channel Analytics For The Contact Center: January 2017](#)
- [Text Analytics Market Update: April 2016](#)
- [Kodak Alaris Launches AI Enabled](#)

Why is Customer Service on Messaging so Attractive?

- Personal**
Cell phone or Messenger account belongs to one person, not shared
- Ubiquitous**
1 billion individuals use Messenger already, growing fast. EVERY phone can text
- Asynchronous**
Does not take user's entire attention, i.e. they can pursue other tasks while messaging
- More robust**
No speech recognition challenges through noisy environments or accents

- Persistent**
Dialogs are archived in message apps automatically
- Consistent**
One client, central storage of messages
- Less intrusive**
Messaging dialogs can be conducted silently, during meetings, in presence of others, while travelling, etc.
- Secure**
Identity protected through username and password on messaging apps like Messenger

Fact 2: The most expensive cost factor in the contact center is labor.

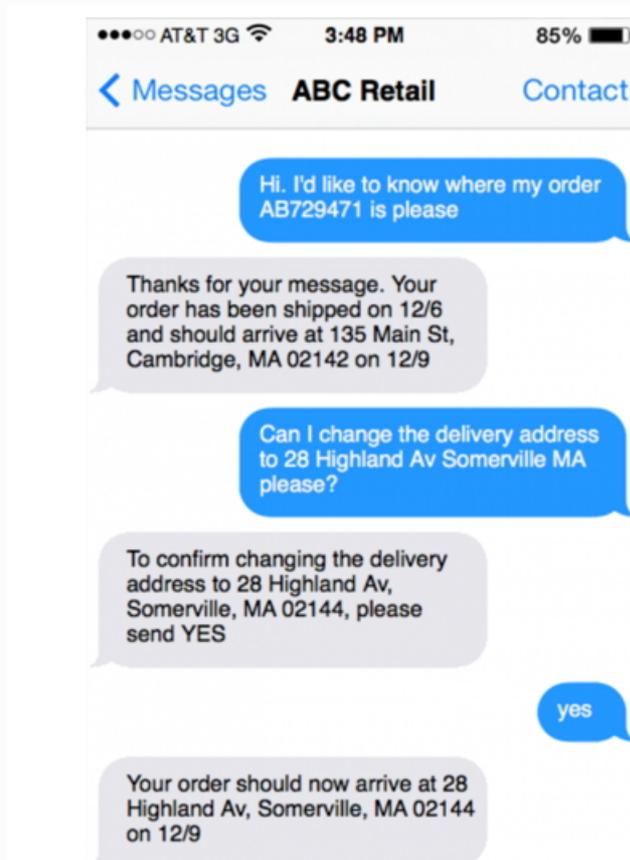
Many agents are employed to do mundane, repetitive tasks, such as asking about the nature of the call (pre-qualification), or who the customer is (authentication). Oftentimes, they are also tasked with answering routine inquiries such as "what is my balance."

Human performance deteriorates when confronted with boring repetition, yet thrives with engaging challenges. Humans shouldn't spend their time doing mundane and non-creative work for long periods of time; in the same way, bots shouldn't be doing complex work, such as solving a complicated service issue, or providing a human touch to calm an angry customer. In the world of customer care and the contact center, the human and the digital employee (aka bot) can co-exist peacefully and even enhance the performance of each other.

Rather than port games or frequently needed utilities over to the world of conversational UIs (CUIs), why don't we leave those with mobile apps where they belong, and tackle an area in desperate need of improvement?

A Simple Business Case for Customer Service Bots

Let's do some (simplified) math on a typical customer service inquiry: "where is my order" (WISMO). On average, a call with an agent in the contact center costs the business about \$2.50. Now compare that to a "digital employee" having a messaging-based conversation with you; the following example goes even beyond the WISMO inquiry and shows change of delivery address:



- [Launches AI Foundry To Deliver Artificial Intelligence-Based Solutions For The Contact Center: November 2015](#)
- [- HireIQ Candidate Optimizer Disrupts The Status Quo, Powers Revolution In Customer Service Human Capital Management: May 2015](#)
- [- Verint Jumps Into The Gamification Game: April 2015](#)
- [- Research Update - Strong 4th Quarter Tops Year Of Growth For The 2014 U.S. Contact Center Industry Employment: March 2015](#)
- [- Geo-Fencing: Expanding The Contact Center Boundaries?: November 2014](#)
- [- Neural Phonetic Speech Analytics: The Brains behind Nexidia Interactions Analytics 11.0: July 2014](#)
- [- Nexidia Pushes Speech Analytics Envelope with Nexidia Interaction Analytics 11.0: July 2014](#)
- [- The Time is Now: Workforce Optimization Becomes Reality for the Small-to-Medium-Sized Contact Center: July 2013](#)
- [- Finding the Silver Lining in the Contact Center Cloud: May 2013](#)
- [- The At-Home Agent Movement - A](#)

- [Benchmark Quantitative Analysis: January 2013](#)
- [- State of the Call Center Industry Report: 2nd Quarter 2012 Data](#)
- [- State of the Call Center Industry Report: 1st Quarter 2012 Data](#)
- [- Contact Center Mobility Study: May 2012](#)
- [- State of the Call Center Industry Report: 4th Quarter 2011 Data](#)
- [- State of the Call Center Industry Report: 3rd Quarter 2011 Data](#)
- [- State of the Call Center Industry Report: 2nd Quarter 2011 Data](#)
- [- State of the Call Center Industry Report: 1st Quarter 2011 Data](#)
- [- State of the Call Center Industry Report: 4th Quarter 2010 Data](#)
- [- State of the Call Center Industry Report: 3rd Quarter 2010 Data](#)
- [- State of the Call Center Industry Report: 2nd Quarter](#)

Let's assume that the cost per message (both directions) comes to 2 cents. With an average of 4 messages back and forth we would be at \$0.08. That would mean \$0.08 to do the same task with a digital employee, vs. \$2.50 to complete it with a regular employee: **savings of over 95%**.

Finally, let's assume you handle 5000 inquiries a day, and you can, through marketing or announcing the new option on the phone, convince 20% of your customers to try messaging vs. calling in the future. That would mean \$2500/day (or \$912k a year) when using live agents. Compared to \$80/day (or ~\$29k a year) with a bot.

Bottom line: the initial cost of developing the bot aside, following this simple model, **can save that company over \$880k a year with a chatbot!**

To those familiar with automation in the contact center, these numbers shouldn't come as a surprise. IVR is known to cost only 1/10th of an agent, and Interactive Text Response (ITR) can easily reduce this cost further, so that even more savings can be accomplished when taking the step from voice to messaging. For most retailers, WISMO inquiries are still the number one reason why customers call them; and because of the challenge with entering alphanumeric order codes over IVR, most of these are still handled by live agents. With chatbots, what you type is what you get, so new use cases become possible that aren't feasible or affordable with IVR. Finally, introducing convenience through messaging can positively impact CSAT or NPS (Net Promoter Score). Just a few points up mean a lot to many organizations these days, as customer experience is increasingly becoming a distinguishing factor.

Let's start building bots that deliver on this vision — and then, let's talk again about how useful a chatbot is...



PCI Certified Level 1 Call Center: Better Protecting Your Customer's Data

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You've made the decision. Your organization is seeking an outsourced call center to work on your behalf. Outsourced call centers are often referred to as Service Agencies, Telemarketing Vendors, or Business Process Outsourcing (BPO). Regardless of what they are called, many factors will need to be considered, including call center size, location(s), management, technology capabilities and experience with different types of calls such as helpdesk, customer service or sales. One factor that should not be overlooked is Information Security. How secure will your customer data be with a potential call center? Let's look at how a [PCI Certified Level 1 Call Center](#) will be able to best protect your customer data as opposed to a call center that is not PCI Certified Level 1.

No Brainer for Credit Card Processing

If your outsourced call center will be processing credit cards, then the decision is a no brainer. A PCI Certified Call Center will have to be used. What is PCI? PCI DSS stands for Payment Card Industry Data Security Standard and is an information security standard for organizations that handle credit cards from the major card providers including Visa, MasterCard, American Express, Discover, etc. .

There are 4 PCI certification levels available. Levels 2-4 only require a Self-Assessment in order to receive certification. Level 1 is more rigorous and requires a 3rd party to audit corporate governance (policies and procedures), the operations/processes being used and all technology involved. Through this thorough review along with penetration tests the 3rd party Qualified Security Assessor (QSA) is able to determine if all systems and processes are secure with the proper protocols and encryptions. Obviously becoming PCI Certified Level 1 involves more time with a higher cost; but having a 3rd party review all aspects of your organization definitely ensures that your customer data will be very secure.

If your organization's outsourced call center will handle credit card data or other sensitive Personally Identifiable Information (PII), you really don't want to take your chances. Depending on the volume of credit cards transactions that you process with your merchant account provider, being PCI DSS compliant will be a requirement at either a low level or at the Level 1 extreme. In addition, there are also other negative consequences that can result from a data breach of your customer data, including financial penalties, bad publicity, and possibly losing credit card transaction processing privileges. Taking the proper steps to become PCI certified will help protect both your customer data and your organization's well-being for the long term.

What about call centers not processing credit cards?

You are probably thinking, if my third party outsourced call center does not need to process credit card transactions, why would I require the organization to be PCI Certified? Keep in mind that since the standards for becoming PCI certified are so high, your customer data will definitely be more secure. Take a look at this table that breaks out a few differences between a PCI Certified Level 1 Call Center and a Call Center that is not PCI Certified.

	Non-PCI Certified Call Center	PCI Certified Level 1 Call Center
Detailed policies including password policies, physical security policies, acceptable use policies and information handling policies.	Maybe	Required
Processes to support the detailed policies.	Maybe	Required
Secure Firewalls – protecting customer data from cyber-attacks.	Maybe	Required
Proper encryption while customer data is at rest and		

[2010 Data](#)
[- State of the Call Center Industry Report: 1st Quarter 2010 Data](#)
[- State of the Call Center Industry Report: 4th Quarter 2009 Data](#)
[- State of the Call Center Industry Report: 3rd Quarter 2009 Data](#)
[- State of the Call Center Industry Report: 2nd Quarter 2009 Data](#)
[- State of the Call Center Industry Report: 1st Quarter 2009 Data](#)
[- North American Contact Center Industry 2008-2009: The Year in Review and a Look Ahead](#)
[- State of the Call Center Industry Report: 4th Quarter 2008 Data](#)

Proper encryption while customer data is at rest and in transit.	Maybe	Required
Yearly Security Awareness Training for all employees	Probably Not	Required
Quarterly and Yearly Penetration Scans to ensure customer data is secure.	Probably Not	Required

Based on the table above, which call center do you think would be able to more securely handle your customer data? Clearly, a 3rd party outsourced call center or teleservices agency that is PCI Certified Level 1 is the best choice. They have committed the additional time and money needed to ensure that the proper policies, processes and technologies are in place (with a rigorous 3rd party audit) to handle customer data in a 100% secure manner.

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Avaya Files For Chapter 11 Bankruptcy Protection

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On January 19, 2017, Avaya Inc. of Santa Clara, CA, filed for Chapter 11 bankruptcy in order to attempt to reduce its debt load of about \$6.3 billion. Avaya was facing a deadline of the end of January to address debt agreements with creditors or possibly default. Avaya's debt burden originated with an \$8.2 billion buyout in 2007 by private equity firms Silver Lake Partners and TPG Capital. \$600 million of debt was due for repayment in October 2017 and Avaya had been burdened by interest expense of more than \$400 million per year. In addition, owes its retirees more than \$1.7 billion.

One of the solutions considered to address Avaya's debt was the sale of their contact center business, which they attempted to do in 2016 but could not reach a deal. Buyout firm Clayton, Dubilier and Rice had offered to acquire the business for about \$4 billion. It was announced on March 17, 2017 that Avaya had sold its networking business to Extreme Networks of Santa Clara, CA, for about \$100 million.

Avaya has secured \$725 million in debtor-in-possession financing from Citibank to finance continuing business operations and the administrative costs of bankruptcy. According to the Wall Street Journal, Avaya is reducing pension benefits for certain retirees. The Wall Street Journal also reports that the company is seeking to pay its CEO and 10 other executives as much as \$3.7 million in bonuses for the second fiscal quarter of 2017, which ends this month.

Although this isn't the first time a company in the contact center industry has filed for Chapter 11 bankruptcy protection, this is certainly the highest profile company to file since Nortel filed for Chapter 11 bankruptcy in 2009. As a result, the NACC wished to better understand how customer service professionals in the U.S. contact center industry viewed not only Avaya, but any contact center supplier that undertook Chapter 11 restructuring.

In order to gain this understanding we turned to the NACC membership and conducted a brief survey over the past four weeks. Look for the survey results illustrating the attitudes toward bankruptcy by a contact center technology vendor in the next issue of In Queue.



Call Center Comics





If you like this comic and would like to see more, write Ozzie at callcentercomics@yahoo.com and visit his website at <http://callcentercomics.com> or just click on the comic to take you to his page. The NACC appreciates Ozzie letting us use some of his comics in our newsletter.

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