

State of the Call Center Industry Report: 2nd Quarter 2012 Data

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Executive Summary

The second quarter of 2012 was marked by an increase in the number of jobs gained suggesting a rebound in the market place within the contact center industry. This is especially important following the near breakeven report last quarter which could have signaled a slow down. The primary beneficiary of this spike in job growth was the Third Party Outsourcing segment. Verticals that showed job losses included Telecommunications and Government.

States benefiting from employment increases during the second quarter of 2012 include Oregon, Georgia and Texas. Washington State, Virginia and Kansas had net jobs losses during the quarter.

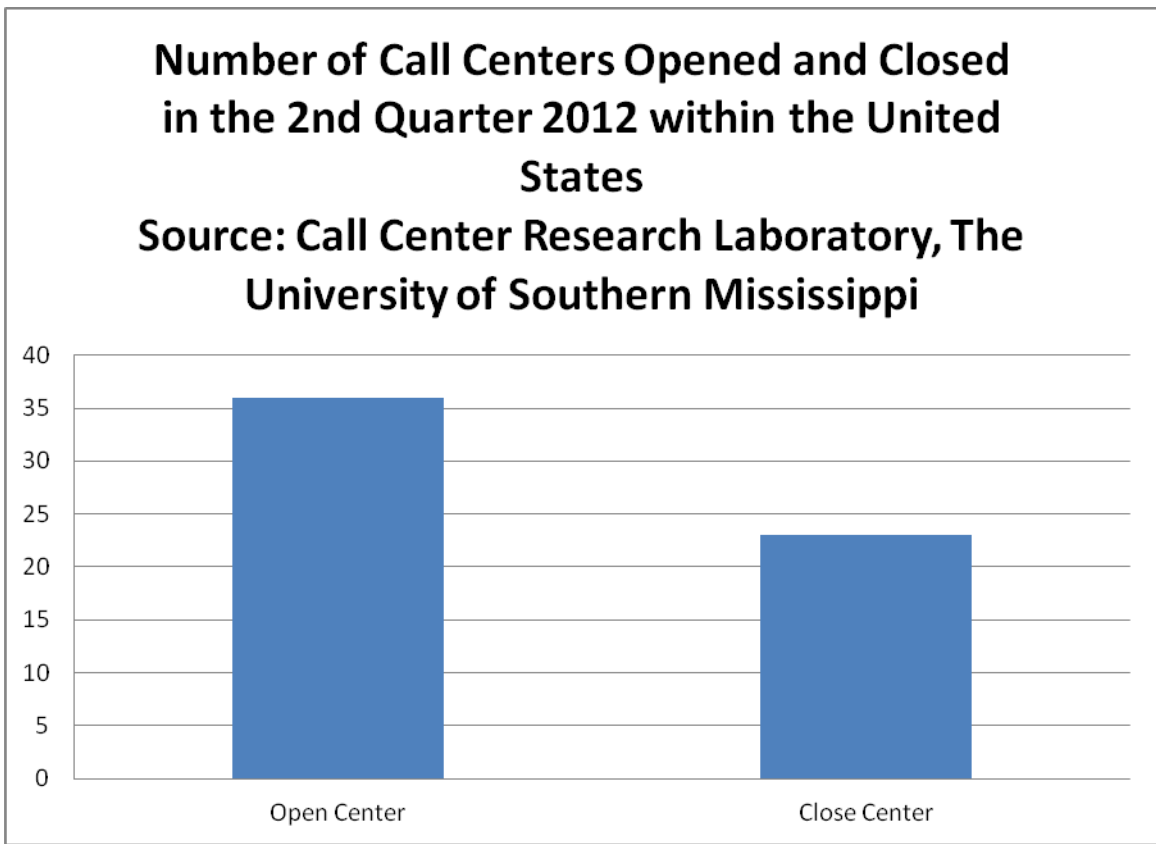
Methodology

The data for this report is compiled by the Call Center Research Laboratory at The University of Southern Mississippi. Starting in 2004, the Call Center Lab has tracked macro industry data such as call center industry openings, closings, expansions, contractions, jobs gained and lost by state. This raw data is supplied to the National Association of Call Centers (NACC) whereby it is turned into charts, figures and tables within reports, and analysis is offered on the trend data. These reports are sent to members of the National Association of Call Centers so that they can remain informed on industry trends in a timely manner thus enabling them to make the best decision possible within their organization. Decision-making based upon solid data improves the call center industry and helps the National Association of Call Centers meet its mission to help advance the call center industry by offering high value-added information, research, and products to its members for effective decision making.

United States Data

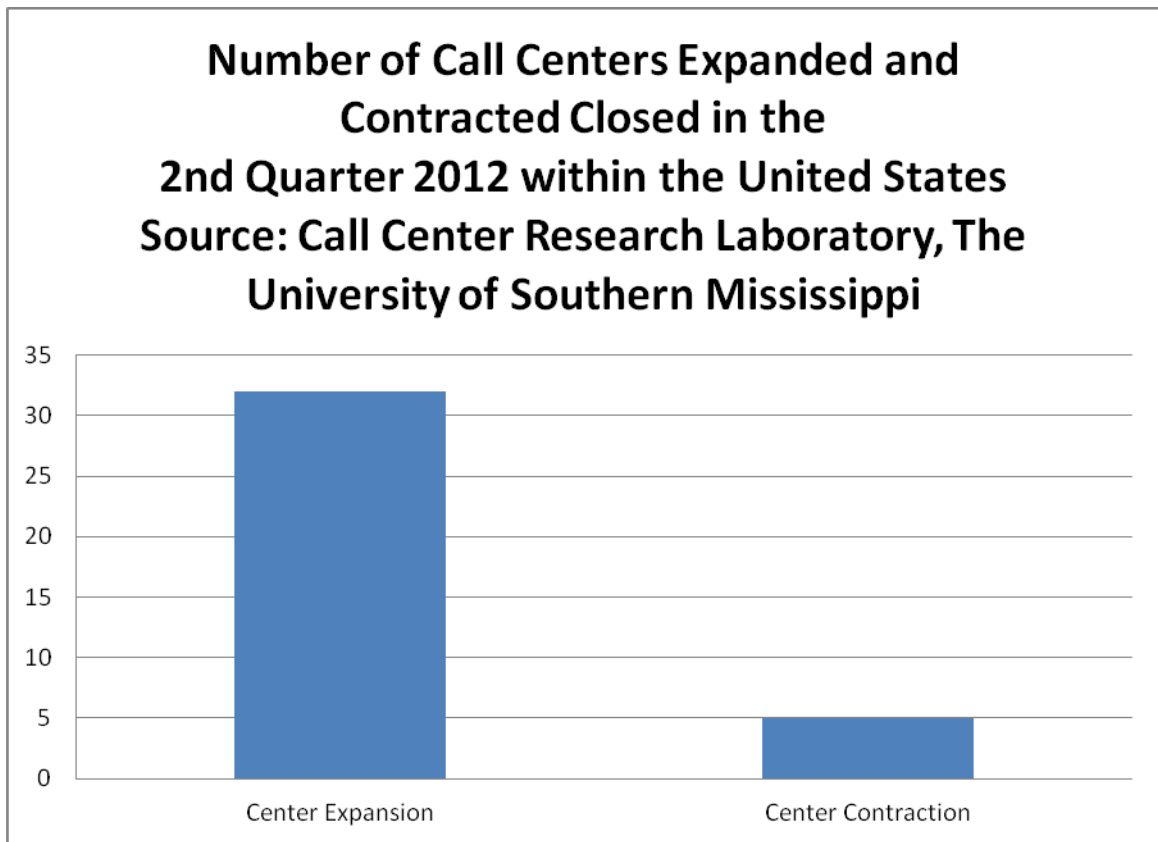
Figure 1 below shows the number of call centers opened (left) and closed (right) for the 2nd quarter 2012 within the United States. The number of openings was 36 while the number of closings was 23, a ratio of 1 opening for every .64 closings.

Figure 1



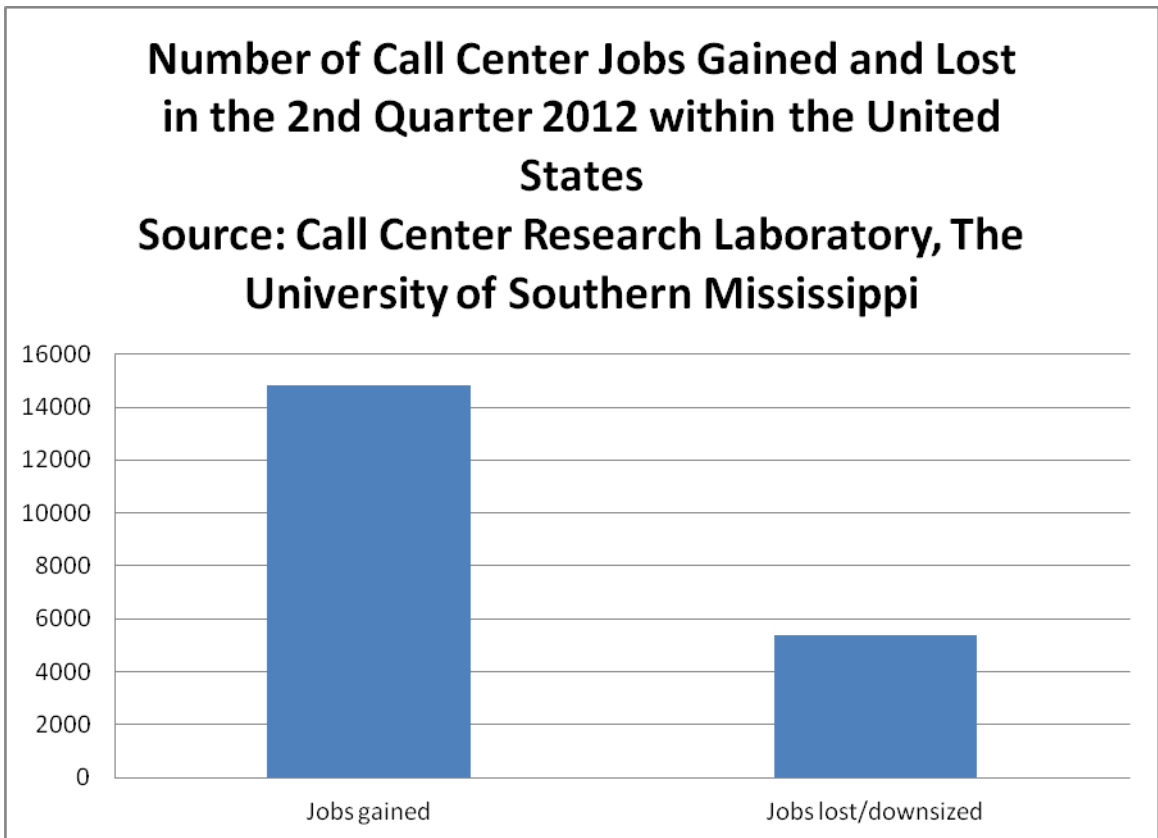
The number of call center expansions; i.e., adding more jobs to existing call centers (left) was more than that of contractions, i.e. removing jobs from existing call centers (right) during the 1st quarter 2012 within the United States as illustrated in Figure 2 below. The number of expansions was 32 while the number of contractions was 5.

Figure 2



Openings, closings, expansions and contractions are surrogate measures for job growth or decline in the call center industry. In Figure 3 below, the number of call center jobs gained was 14,826 while the number of jobs lost during the same period was 5392, a ratio of 1 job gained for .36 jobs lost in the call center industry.

Figure 3



The number of call center openings was higher than call center closings in the United States during the 2nd quarter of 2012. There are some distinct winners and losers when examined at the individual state level. As indicated by Table 1 below Florida, Georgia and California performed well this quarter with a net positive 4 or more call centers opening or expanding in each state. Washington State, North Dakota, Massachusetts, and Utah on the other hand, were the states that had the lowest net performance with a loss or contraction of 2 or more call centers. The remaining states had mixed growth or broke even.

Table 1

State	Open/Expansion	Close/Contraction	Net
Alabama	3	0	3
Arizona	4	3	1
Arkansas	1	0	1
California	4	0	4
Colorado	2	0	2
Connecticut	1	0	1
Florida	7	2	5
Georgia	4	0	4
Idaho	1	0	1
Illinois	1	1	0
Indiana	0	1	-1
Iowa	0	1	-1
Kansas	0	1	-1
Kentucky	2	1	1
Louisiana	0	0	0
Maine	0	2	-2
Massachusetts	0	3	-3
Michigan	1	0	1
Minnesota	1	1	0
Missouri	3	0	3
Montana	0	0	0
Nebraska	0	0	0
Nevada	0	0	0
New Jersey	1	0	1
New Mexico	2	0	2
New York	2	0	2
North Carolina	1	0	1
North Dakota	2	4	-2
Ohio	3	0	3
Oklahoma	1	1	0
Oregon	5	2	3
Pennsylvania	4	3	1
South Carolina	3	0	3
South Dakota	1	0	1
Tennessee	3	0	3
Texas	5	3	2
Utah	2	4	-2
Virginia	1	1	0

Washington	0	2	-2
West Virginia	0	0	0
Wisconsin	0	0	0
Wyoming	0	0	0

Call center jobs gained and lost were mixed within the states as indicated by Table 2. The highest net gain of jobs occurred in Oregon with 1606 jobs. Georgia and Texas also had net positive job gains with over 1000 jobs each. The state with the highest net loss of call center jobs was Washington State with 1003 followed by Virginia and Kansas which both had over 300 job losses. The remaining states experienced various losses and gains.

Table 2

State	Jobs Gained	Jobs Lost	Net
Alabama	220	0	220
Arizona	1180	680	500
Arkansas	250	0	250
California	975	0	975
Colorado	350	0	350
Connecticut	22	0	22
Florida	1275	349	926
Georgia	1200	0	1200
Idaho	100	0	100
Illinois	100	292	-192
Indiana	0	10	-10
Iowa	0	0	0
Kansas	0	400	-400
Kentucky	1000	130	870
Louisiana	90	0	90
Maine	0	241	-241
Massachusetts	200	285	-85
Michigan	130	0	130
Minnesota	0	65	-65
Missouri	525	0	525
Montana	0	0	0
Nebraska	0	0	0
Nevada	0	0	0
New Jersey	0	0	0
New Mexico	250	0	250
New York	365	0	365
North Carolina	400	0	400
North Dakota	4	5	-1
Ohio	412	0	412
Oklahoma	40	200	-160

Oregon	1775	169	1606
Pennsylvania	460	217	243
South Carolina	310	0	310
South Dakota	50	0	50
Tennessee	760	0	760
Texas	2240	980	1260
Utah	4	5	-1
Virginia	47	371	-324
Washington	0	1003	1003
West Virginia	0	0	0
Wisconsin	0	0	0
Wyoming	0	0	0

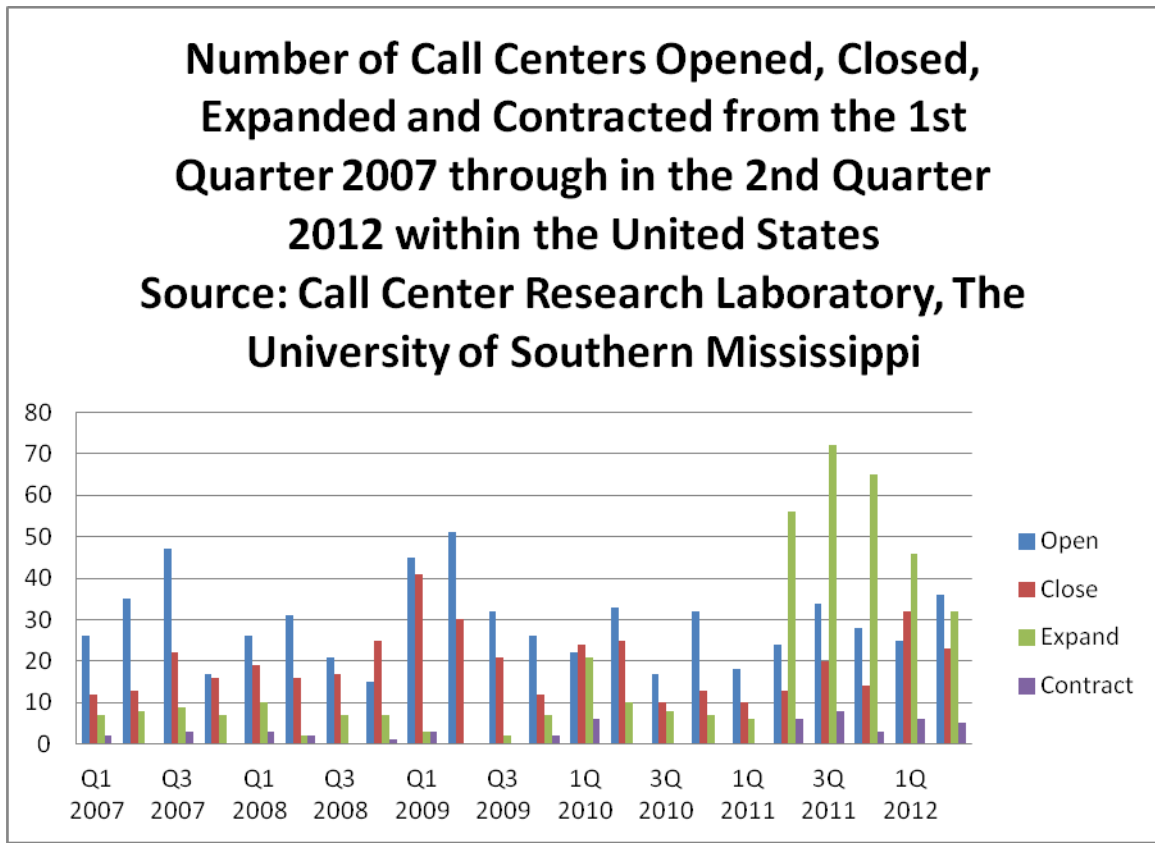
The NACC tracks the call center industry at a macro level as well as at the sector level. Not all sectors fared equally in this quarter as indicated by Table 3. Three sectors had net growth over 1000 jobs, Third Party Outsourcing, Financial Services/Banking/Insurance and Customer Service. One industry had zero job growth, Directory Services/Job Placement. The remaining vertical sectors had a mix of gains with only two losing jobs, Telecommunications and Government.

Table 3

Industry Classification Number	Open/Expansion	Close/Contraction	Net Jobs
Financial Services/Banking/Insurance	12	7	2089
Telemarketing/Collections	1	0	50
Third Party Outsourcing	29	8	4787
Telecommunications	7	5	-225
Government	4	2	-77
Customer Service	2	0	1050
Fulfillment/Distribution/Reservations	6	6	923
IT Services/Data Bank	2	0	60
Directory Services/Job Placement	0	0	0
Other	2	0	550
Medical Services	2	0	47

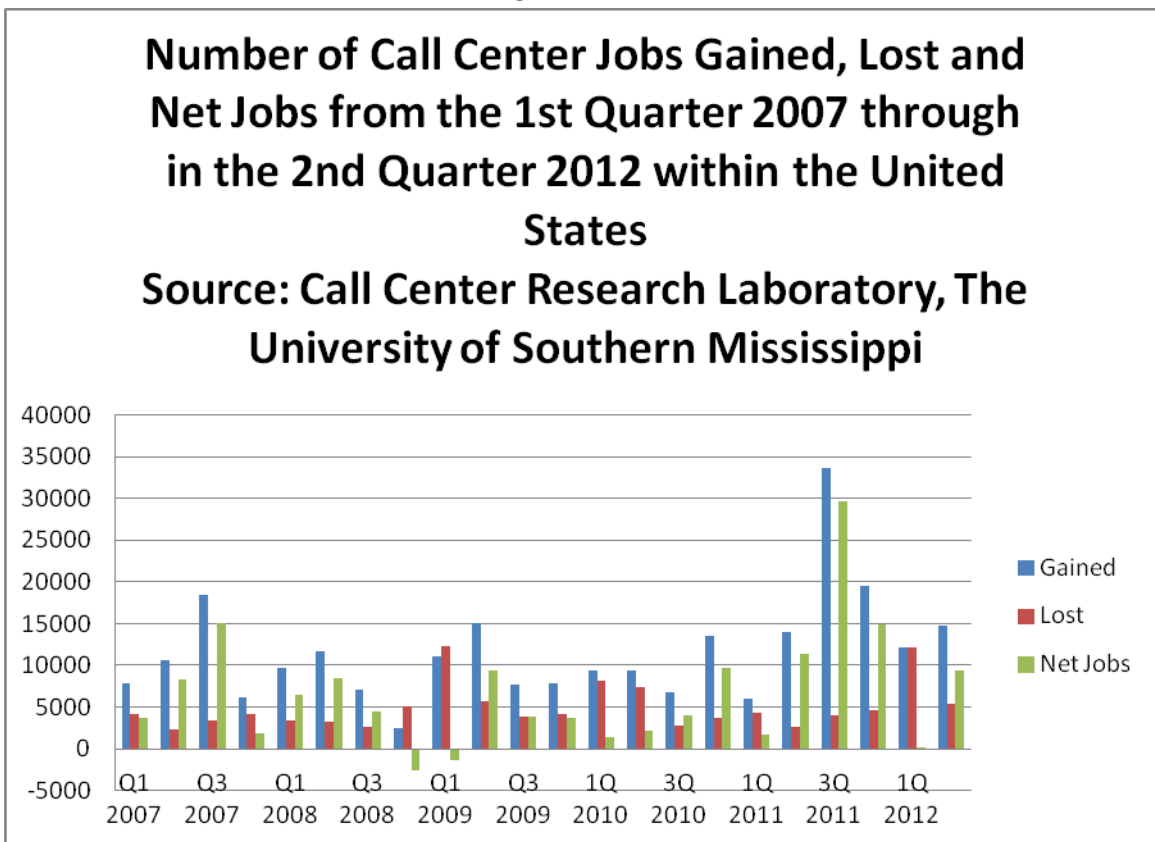
Looking back five plus years to the 1st quarter of 2007 in Figure 4, the number of call center openings within the United States by quarter was positive through all of 2007 and all of 2008 until the 4th quarter of 2008. Starting in the 1st quarter of 2009 and continuing through the fourth quarter of 2009, there was positive net gain in openings. This quarter, the numbers are once again on the positive side with growth in the number of contact center expansions. Also noteworthy during the past several quarters is the large number of call center expansions, at historical highs, appearing to supplement/replace the number of openings.

Figure 4



Looking back four years to the 1st quarter of 2007 in Figure 5, the number of call center jobs gained and lost within the United States by quarter was positive through the 4th quarter of 2008. Starting in the 2nd quarter of 2009 and continuing through the period covered in this report, there has been a positive net gain in call center jobs. This quarter the net gain in jobs was relatively strong after the just barely positive net job report last quarter.

Figure 5



Analysis

The call center industry has recovered from the recession of 2008-2009 and continues to show robust growth. Industry growth is not even across geographies. Some states are doing better than others. Oregon, Georgia and Texas led the group this quarter with a gain in call center with over 1000 jobs in each state. A fewer number of states had job losses, led by Washington State, Virginia and Kansas.

Not surprisingly, Third Party Outsourcing led growth of jobs this quarter followed by a strong positive employment gain in all but two of the vertical sectors.

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