

State of the Call Center Industry Report: 4th Quarter 2011 Data

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Executive Summary

The fourth quarter of 2011 was marked by a large increase in the number of jobs gained suggesting a return to a solid growth of jobs in contact center industry. The vertical market outshining the others this quarter was Third Party Outsourcing. All verticals showed gains in jobs with the exception of Directory Services/Job Placement.

States benefiting from employment increases during the second quarter include Florida, Georgia, Texas and West Virginia.

Massachusetts, North Carolina and Virginia showed the most net jobs lost.

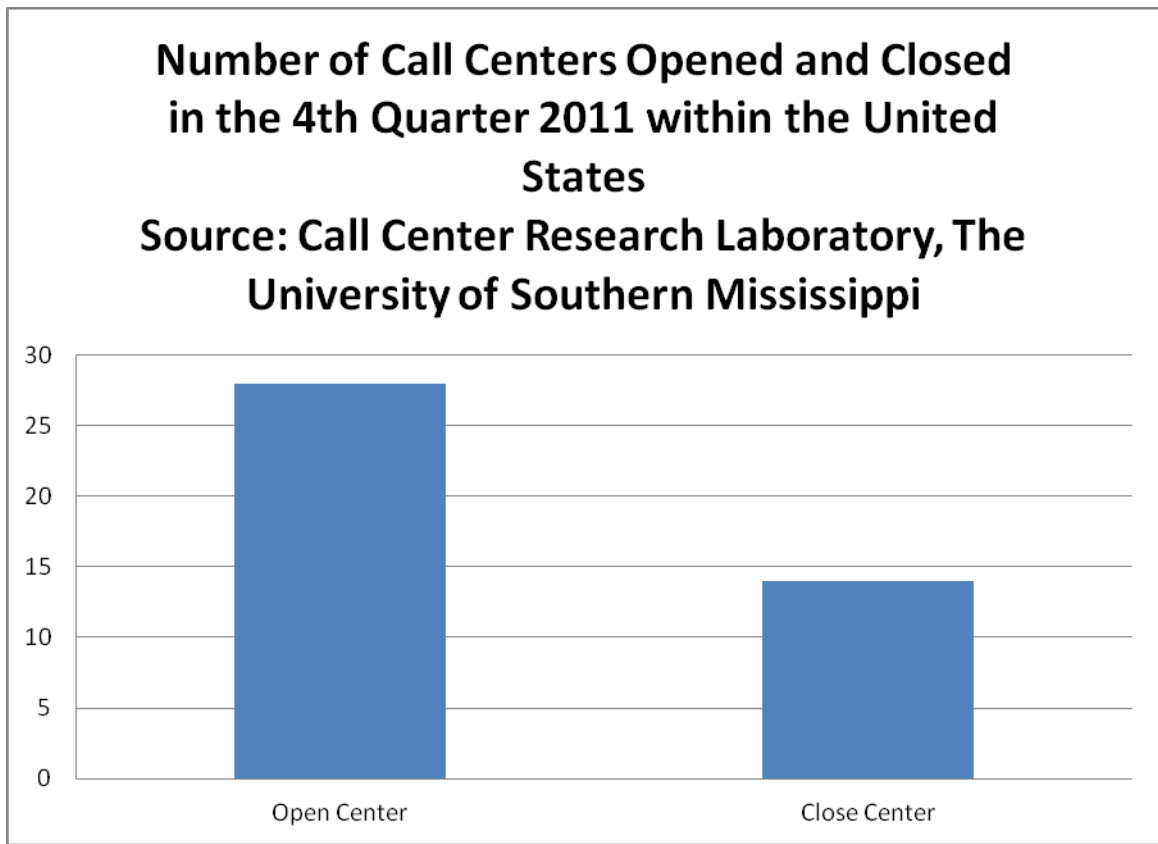
Methodology

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

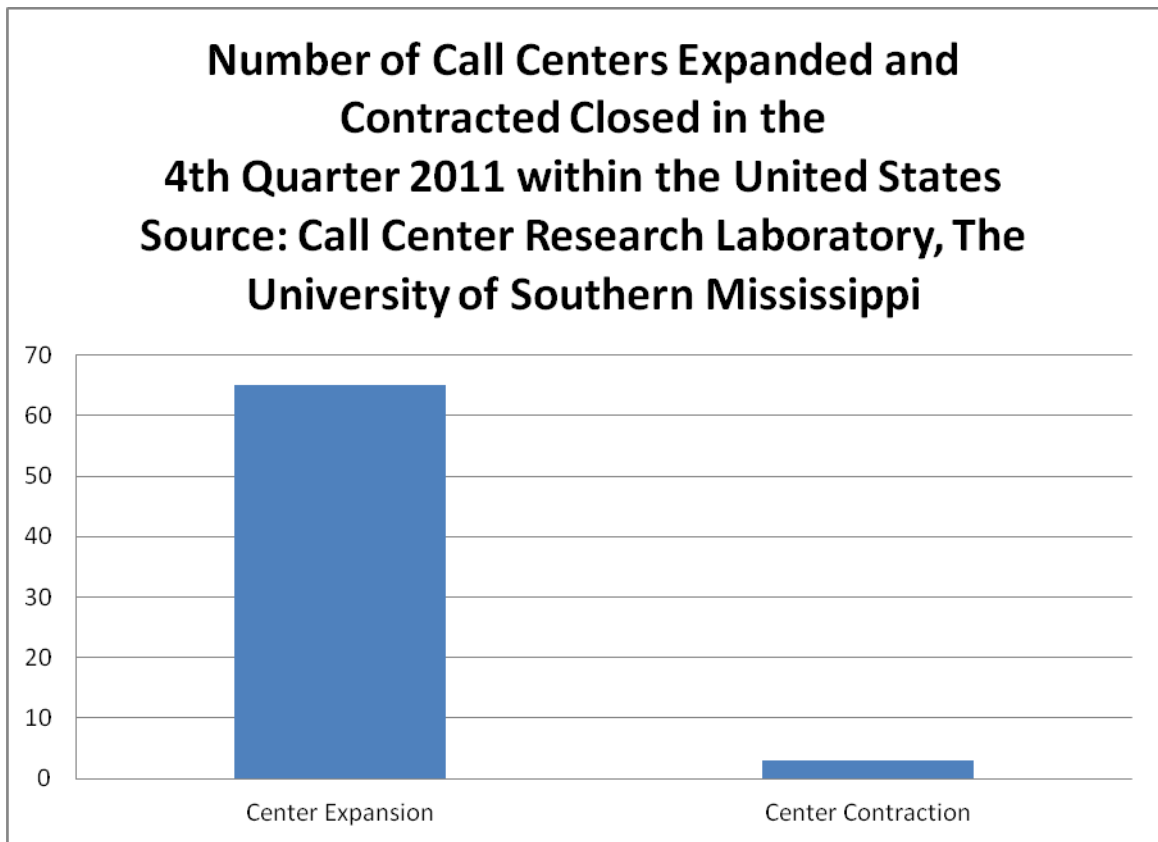
Figure 1 below shows the number of call centers opened (left) and closed (right) for the 4th quarter 2011 within the United States. The number of openings was 28 while the number of closings was 14, a ratio of 1 opening for every .50 closings.

Figure 1



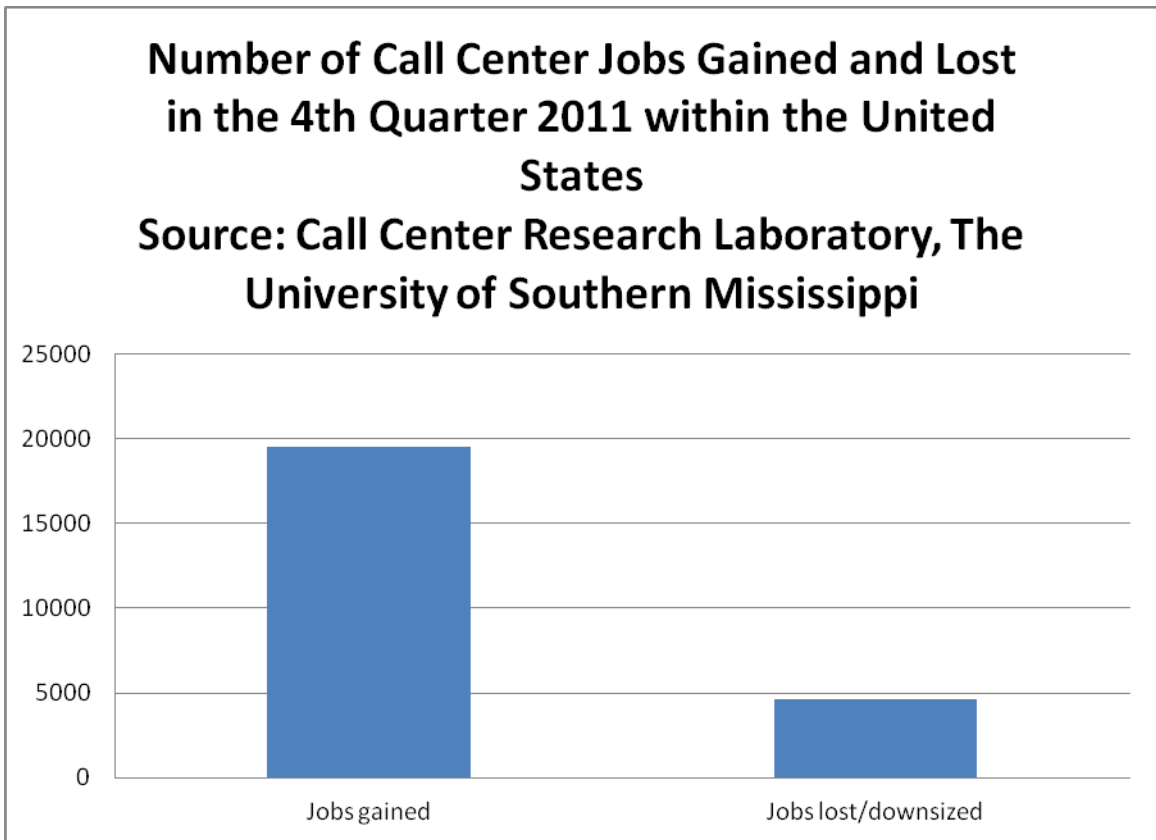
The number of call center expansions; i.e., adding more jobs to existing call centers (left) was more than that of contractions, i.e. removing jobs from existing call centers (right) during the 4th quarter 2011 within the United States as illustrated in Figure 2 below. The number of expansions was 65 while the number of contractions was 3.

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 19,539 while the number of jobs lost during the same period was 4600, a ratio of 1 job gained for .24 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 4th quarter of 2011. There are some distinct winners and losers when examined at the individual state level. As indicated by Table 1 below, Texas, Florida and Georgia performed well this quarter with a net positive 5 or more call centers opening or expanding in each state. Kansas, Massachusetts, and Oklahoma on the other hand, were the states that had the lowest net performance with a loss or contraction of 1 call center. The remaining states had mixed growth or break even.

Table 1

State	Open/Expansion	Close/Contraction	Net
Alabama	2	0	2
Arizona	4	1	3
Arkansas	3	0	3
California	3	0	3
Colorado	3	0	3
Connecticut	1	0	1
Florida	7	0	7
Georgia	7	0	7
Idaho	2	0	2
Indiana	2	0	2
Kansas	0	1	-1
Kentucky	1	0	1
Louisiana	2	2	0
Maine	4	0	4
Massachusetts	1	2	-1
Michigan	1	0	1
Minnesota	1	0	1
Montana	1	0	1
Nebraska	1	0	1
Nevada	4	0	4
New Mexico	2	0	2
New York	4	0	4
North Carolina	3	2	1
North Dakota	1	0	1
Ohio	3	0	3
Oklahoma	0	1	-1
Oregon	3	1	2
Pennsylvania	1	0	1
South Dakota	2	1	1
Tennessee	5	1	4
Texas	8	3	5
Utah	2	0	2
Virginia	4	2	2
Washington	1	0	1
West Virginia	2	0	2
Wisconsin	1	0	1
Wyoming	1	0	1

Call center jobs gained and lost were mixed within the states as indicated by Table 2. The highest net gainer of jobs was Florida with 2825 jobs. Georgia had a net positive job gains at 1800 with Texas and West Virginia also in the positive category with gain over 1000. The state with the highest net loss of call center jobs was North Carolina with a loss of 1147 jobs followed by Massachusetts and Virginia with losses over 100 each. The remaining states experienced various losses and gains.

Table 2

State	Jobs Gained	Jobs Lost	Net
Alabama	370	0	370
Arizona	772	0	772
Arkansas	750	0	750
California	150	0	150
Colorado	675	0	675
Connecticut	25	0	25
Florida	2585	0	2585
Georgia	1800	0	1800
Idaho	600	0	600
Indiana	110	0	110
Kansas	0	150	-150
Kentucky	200	0	200
Louisiana	550	665	-115
Maine	470	0	470
Massachusetts	80	465	-385
Michigan	14	0	14
Minnesota	150	0	150
Montana	75	0	75
Nebraska	250	0	250
Nevada	710	0	710
New Mexico	550	0	550
New York	450	0	450
			-
North Carolina	398	1545	1147
North Dakota	200	0	200
Ohio	350	0	350
Oklahoma	0	25	-25
Oregon	680	300	380
Pennsylvania	75	0	75
South Dakota	450	0	450

Tennessee	1165	275	890
Texas	1715	575	1140
Utah	791	0	791
Virginia	399	600	-201
Washington	250	0	250
West Virginia	1030	0	1030
Wisconsin	200	0	200
Wyoming	500	0	500

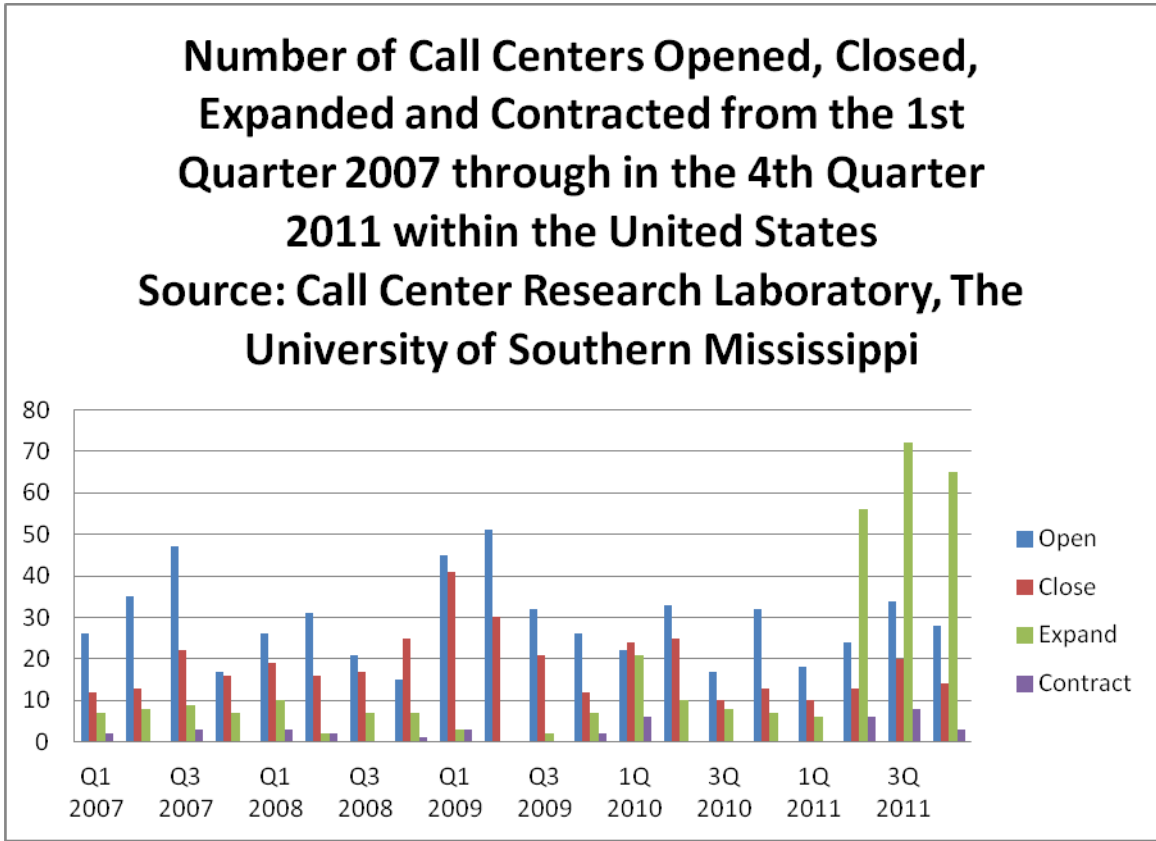
The NACC tracks the call center industry at a macro level as well as at the sector level. Not all sectors fared equally in this quarter as indicated by Table 3. Many sectors had net growth over 1000 jobs. The single largest gain was in Third Party Outsourcing with a large gain of 6550 gained. The sector with the largest job loss was Directory Services/Job Placement. The remaining vertical sectors had a mix of gains all over 200 jobs each.

Table 3

Industry Classification Number	Open/Expansion	Close/Contraction	Net Jobs
Financial Services/Banking/Insurance	10	1	557
Telemarketing/Collections	9	3	1958
Third Party Outsourcing	39	5	6550
Telecommunications	7	3	1295
Government	3	0	150
Customer Service	5	2	635
Fulfillment/Distribution/Reservations	10	2	2509
IT Services/Data Bank	2	0	350
Directory Services/Job Placement	0	1	-150
Other	7	0	885
Medical Services	1	0	200

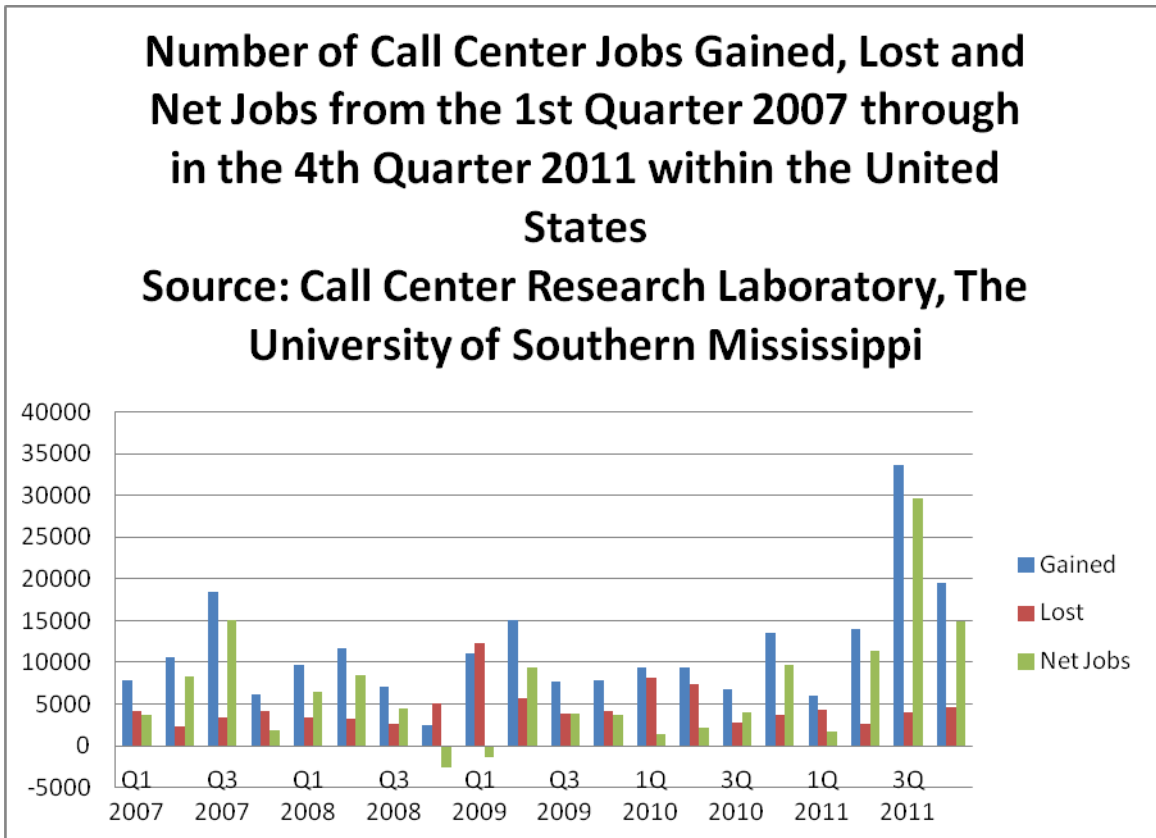
Looking back four plus years to the 1st quarter of 2007 in Figure 4, the number of call center openings within the United States by quarter was positive through all of 2007 and all of 2008 until the 4th quarter of 2008. Starting in the 1st quarter of 2009 and continuing through the fourth quarter of 2009, there was positive net gain in openings. This quarter, the numbers are once again on the positive side with solid growth in the number of contact center expansions.

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 stayed strong.

Figure 5



Analysis

The call center industry is showing positive signs of continued growth. Industry growth is not evenly distributed across geographies however. Some states are performing better than others. Florida led the group this quarter with a gain in call center jobs followed by Georgia, Texas and West Virginia. A fewer number of states had job losses including Massachusetts, North Carolina and Virginia this quarter.

Reverting to an earlier trend, Third Party Outsourcing led growth of jobs this quarter. Also indicative of a return to normalcy is the strong positive employment gain in all but one of the vertical sectors, Directory Services/Job Placement.

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