



North American Contact Center Industry 2008 – 2009 The Year in Review and a Look Ahead

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Executive Summary

The North American contact center industry experienced a relatively quiet year in 2008, tempered during the second half of the year by increasingly apparent economic deterioration. Although it was not exactly business as usual, the industry as a whole did continue to grow as did many of the important segments within the industry.

Internet Protocol (IP) continued to make inroads into the contact center. A 2008 survey among readers of the National Association of Call Center's (NACC) *In Queue* newsletter revealed that about 41 percent of respondents currently use IP in their contact center. Surprisingly, the greatest interest in IP for the contact center is coming from those centers configured with 75 or fewer agent seats.

Workforce Optimization (WFO) also saw steady growth in 2008. Defined as a suite of products designed to optimize agent performance and including such solutions as workforce management, performance management, quality monitoring and e-learning, WFO has found its way into the contact center mainstream. Although the rate of WFO implementation has slowed since a burst of activity in 2005 – 2006, its demonstrable benefits and proven return on investment (ROI) maintained WFO's attraction as a desirable productivity tool in 2008.

Although unified communications (UC) has been in the contact center industry for the past several years, 2008 saw the understanding of the technology reach critical mass. No longer an experimental solution or a technology in development, UC deployments began in earnest. Although there is still considerable missionary work to be done by vendors of UC solutions, as another 2008 NACC survey revealed, there is momentum in this vertical market segment that should carry it into 2009 and beyond.

2009 will be a challenging year for the North American contact center industry as economic conditions and responses create a ripple effect that will find its way into the contact center. On the positive side, customer service will continue to be a necessary component of any business with aspirations of surviving the current recession.

Beyond economic challenges, the contact center will be challenged by the appearance of Web 2.0 services in the contact center. Web 2.0 will be brought into the contact center by the next generation of workers, commonly known as the Millennial generation. The Millennial generation, about 76 million in number, will eventually replace the Baby Boomers in the workplace and they will bring with them a different set of workplace communications expectations. Contact centers will be forced to change along with the changing workforce or risk being left behind in an increasingly connected world.

The contact center will not escape unscathed the negative impact of the recession of 2009, but it will continue to grow nonetheless. Customer service will remain a critically important component in the battle for customer retention, especially in a recession. For contact center professionals concerned with career security in 2009, the customer service industry will be a relatively good place to be.

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You can also contact the Executive Director, David Butler, at 601.447.8300 or David.Butler@nationalcallcenters.org if you have any questions about becoming a member of the NACC.