



AT A GLANCE

1800

Organisations in
Australia run 3820
contact centres

**\$15
billion**

Annual cost of
call centres

**\$45
billion**

Revenue
earned through
call centres
– 95 per cent from
inbound calls,
5 per cent from
outbound calls

**\$6.1
million**

Average contact
centre budget

61%

Call-centre
expenditure
allocated to
human resources

80%

Volume of calls
handled by
human agents

Source: Callcentres.net
Australian Contact Centre
Industry Benchmarking
Report 2008

train up staff," the manager for membership and ticketing for the AFL, Darren Birch, says.

"Now we can add additional capacity without spending anything on additional infrastructure or training, and the costs are not outrageously high – they are quite reasonable and compete favourably with the cost of an outflow call centre which was often my only alternative."

As is frequently the case, Birch sees customer-contact solutions based on technology as a functional alternative to conventional call centres, and is looking to expand substantially the use of such technologies within the AFL.

"We're looking to make greater use of these technologies, not just because of the cost but also because they provide better outcomes for our members," he says. "There's just no better way to deal with the sudden increase in the volume of calls we get at the end of each season."

The global financial crisis has forced many organisations to consider low-cost alternatives to their current contact-centre practices, the managing director of contact-centre research group callcentres.net, Dr Catriona Wallace, says.

At this stage, however, much of the focus is still on outsourcing rather than investing in artificial intelligence or expanded voice-recognition systems, despite the potential for big savings.

"This time last year, about 12 per cent of companies were considering outsourcing their contact centre, now it's up around 30 per cent. Everyone is looking for opportunities to save money," Wallace says, suggesting that outsourcing within Australia will generally reduce call-centre costs by about 20 per cent, while an overseas call centre will reduce costs by about 40 per cent.

"The big news is hosted voice-recognition solutions, which basically enable companies to convert investment in automated contact-centre solutions – we're seeing this in the big end of town and at the small end," Wallace says. "But at that mid tier, where organisations have made a big investment in their own onsite technology, they are not prepared to make the shift."

Despite the often hysterical headlines, the callcentres.net annual Contact Centre Industry Benchmarking report suggests that only about 17 per cent of Australian organisations use outsourcing in any capacity, and they use it predominantly to respond to after-hours calls or call overflows during periods of peak demand.

Of those that do outsource, 87 per cent do so to services providers within Australia. Only 13 per cent use call centres based overseas, although Wallace suggests that this will rise, given current spending intentions. "Australians like to talk to Australians and they prefer to talk to a speech-recognition engine with an Australian accent," Wallace says. "Our research shows that the Australian public is vehemently opposed to speaking to operators located offshore."

Having spent more than two decades working in and researching the Indian call-

centre industry, a senior lecturer in human resource management at Queensland's Griffith University, Dr Mohan Thite, says the Indian call-centre sector is also facing serious internal challenges.

"Staff turnover in call centres in India is as high as 75 to 100 per cent as staff are often required to work through the night and to take a high volume of calls.

"We are also seeing wage inflation as companies attempt to hold onto staff, but at this stage, the situation is unsustainable."

As artificial-intelligence and voice-recognition technologies begin to eat into the call-centre market, Thite believes that India's business-process outsourcing industry will move up the value chain.

"There is an increasing tendency in the contact-centre environment to use automated and artificial-intelligence systems, and this is overcoming the price disadvantage of setting up a local call centre," Thite says.

"You will still see Indian call centres offering business-process outsourcing in areas like health care, law and finance, where complex advice is required, and graduate skills are needed to provide that information.

"Contact centres are just a fraction of the total business process outsourcing offered by India, because of the high cost of skilled labour in the developed world even if some of the low skilled contact jobs are replaced by artificial intelligence, there will still be demand for more highly skilled labour and there are thousands of graduates ready to offer their services."

While Indian call centres may continue to win work in specialist fields, it's the artificial intelligence systems that stand to benefit the most from cost reduction in call centres, especially in the longer term.

In some particularly delicate health and financial issues, research suggests customers would prefer to speak to a machine.

"Automated systems are well received in any area where there's some sensitivity involved with the communication," Wallace says.

"Speech-recognition technology is actually preferred by people with strong accents, whether they speak English as a second language, or come from rural areas, or have some kind of speech impediment."

Working closely with a number of customer contact technology installations, Neil says the maturity of the current generation of customer contact technology will ultimately determine customer acceptance as much if not more than the cost of delivery.

"What you deploy today in terms of speech-recognition technology is totally different from what we deployed a few years ago," Neil says.

"Everyone hated voice recognition when it first came out, but it's now a really mature technology that people use, often without realising it." **BRW**