2020 Talkdesk Contact Center KPI Benchmarking Report

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Table of Contents

Introduction

In the 2019 Talkdesk Contact Center KPI and Benchmarking report, we started by stating that the contact center space had never been so exciting and yet so complicated. Then 2020 came and with it a set of unprecedented challenges.

The first half of the year brought the coronavirus (COVID-19) outbreak and a major transformation in the way companies do businesses. Government-imposed confinement measures to contain the spread of the virus forced companies to move operations to a work-from-home (WFH) reality overnight and to adapt new methodologies, tools and collaboration habits.

Contact centers were no exception. Many customer-oriented companies experiencing intense contact peaks and call volume volatility scrambled to keep communication channels open.

Having the right KPIs and objectives in place, as well as the tools to track and take immediate action, is paramount for contact centers to guarantee customer experience (CX) excellence and operational efficiency.

The 2020 Talkdesk Contact Center KPI Benchmarking Report examines the importance of setting and measuring key performance indicators and allows you to learn how your industry and company are performing. Read more to discover the prescriptive measures that can make your contact center ready for the challenges that lie ahead.
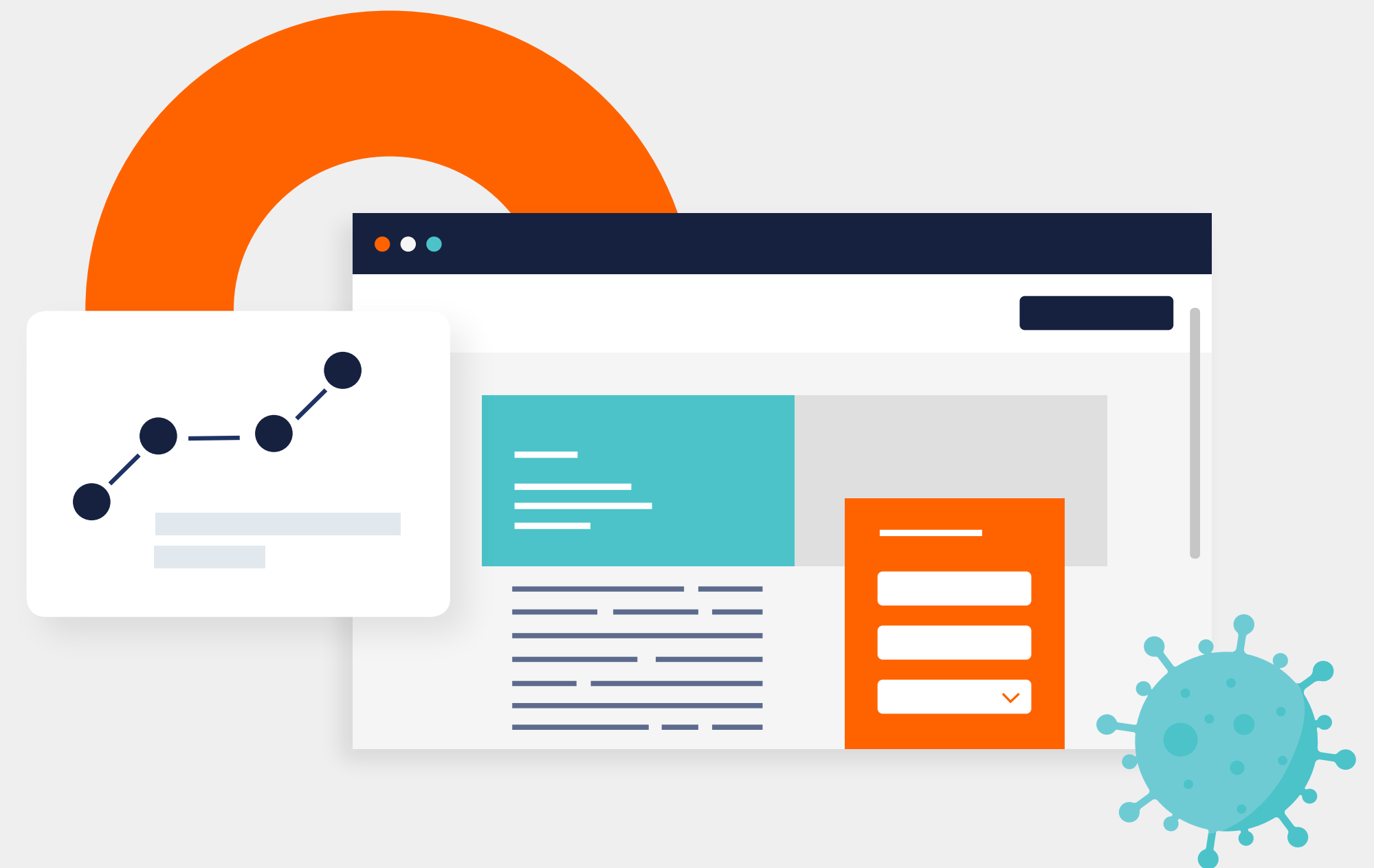
I. The Role and Value of Key Performance Indicators

KPI is a
Measurable value that shows progress towards achieving key business objectives.

More than metrics, KPIs are a fundamental part of strategy and its implementation. For CX leaders, successfully setting KPIs creates the foundation for a results-driven contact center that steers teams and individuals in the right direction.

Here are four reasons why KPIs matter:

1. Keep a bird's-eye view of the contact center operation

KPIs help measure the vital signs of your contact center. As a CX leader, focus on the top objectives to have a clear understanding of where you stand and how to strategize to achieve long-term goals.

2. Continuously measure progress and make adjustments to stay on track

Constantly tracking KPIs will help timely detection of improvement opportunities and data-driven decisions. For example, if calls that require agents

to use a given invoice system are having higher hold time, the system may be too slow, too complex or agents may not have the necessary training to use it efficiently. These are the types of insights that can result from closely monitoring hold time and help managers improve results.

3. Nurture a results-driven culture of learning

Encouraging accountability and positive feedback is crucial. Ensure agents, supervisors and other stakeholders are in sync with the company, department and individual goals, know how to achieve them and measure success.

4. Discover trends

A deeper dive into KPIs and how they behave over time can identify patterns and forecast future events. An increase in the number of clients that call to cancel a service can be related to more contracts expiring

during that period of the year. With contracts expiring, it's only natural that customers search the market for alternatives. Prepare for contract expiration season with the best renewal offers. This way, you can buffer or even eliminate spikes in customer churn.
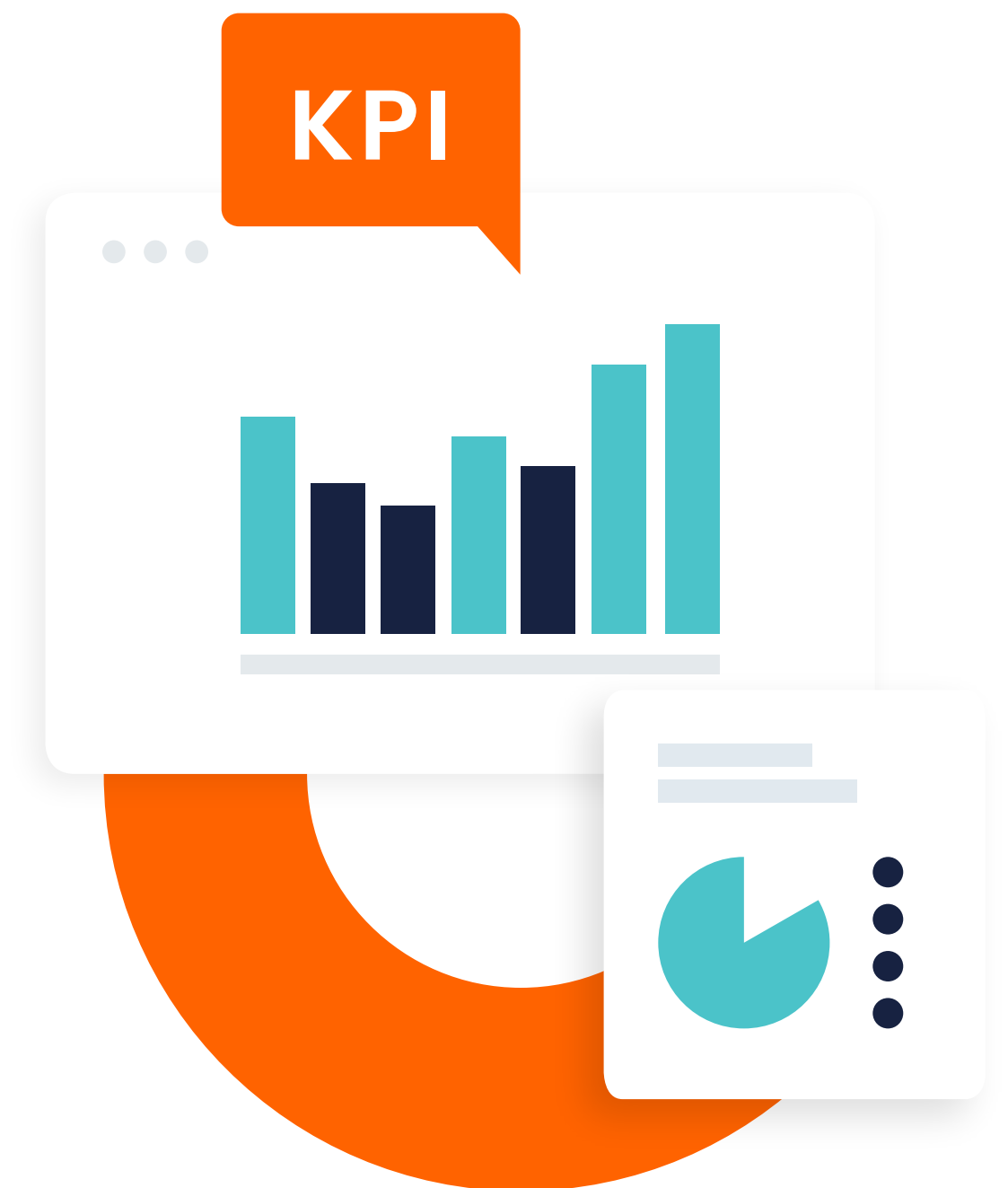
II. 10 Steps to Define Your Contact Center KPIs
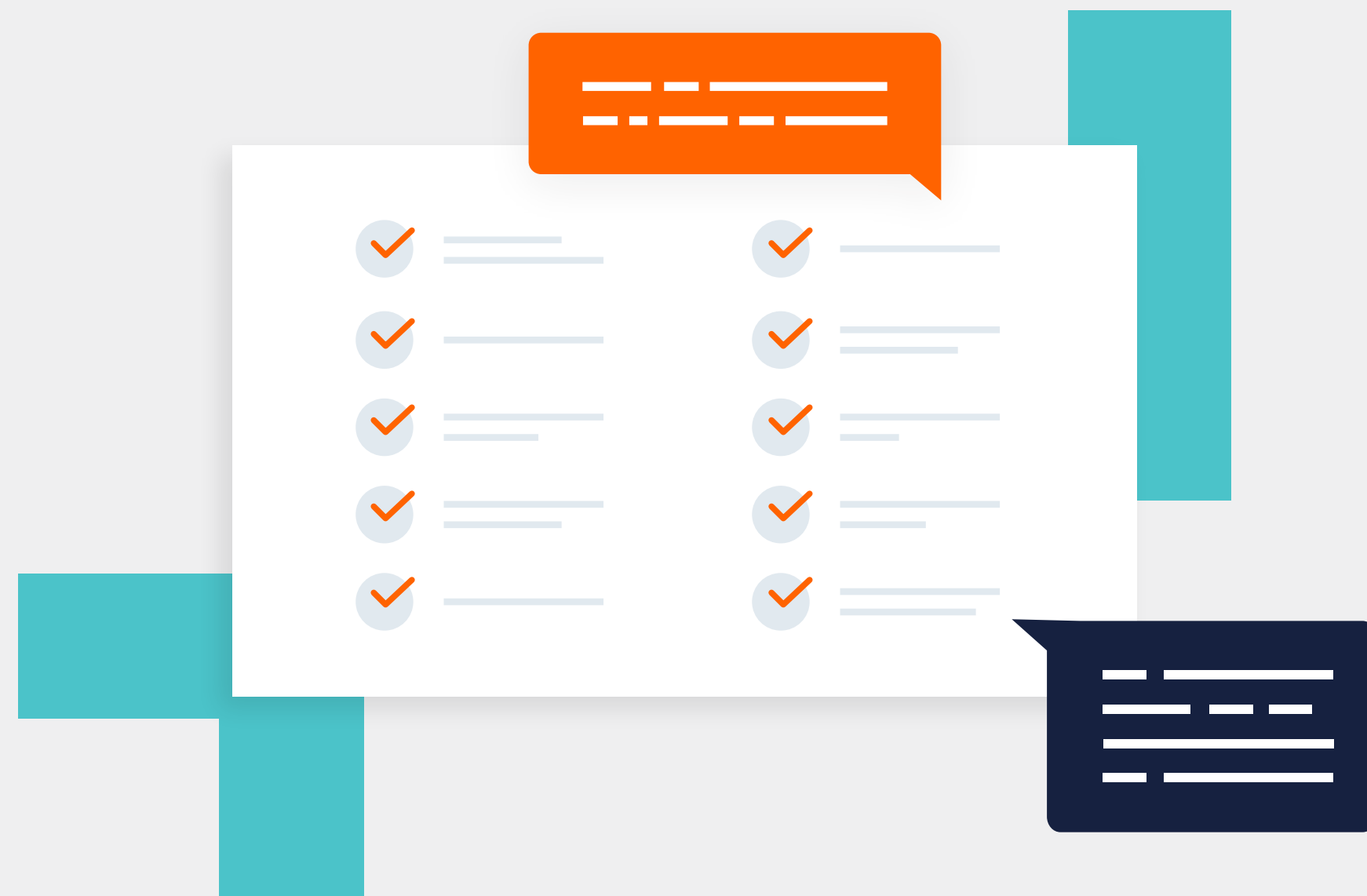
Defining KPIs is a laborious and ongoing process, requiring a comprehensive knowledge of the contact center and its role in the organization. Following a methodic and prescriptive approach will ease the task and determine what is suitable at each point in time.

Here are 10 steps to get ahead in identifying, defining and adjusting contact center KPIs.

1. Align KPIs with the organization's objectives

Choose everyday metrics and objectives to reflect the organization's vision, mission, values and goals. KPIs should help each department and team move towards the overall goals of the company.

2. Define measurable metrics

KPIs need to be qualitatively or quantitatively measurable. If they are not providing a clear picture of how stakeholders are performing, then they become irrelevant and even a source of distraction.

3. Specify how each KPI is calculated

It is common to find different definitions of the same KPI in different organizations as each business conducts operations with its own customers and goals in mind. The rule of thumb is to use the same formula in a transparent and consistent manner within each organization. When benchmarking, it is crucial to confirm if metrics are being calculated the same way before jumping to conclusions.

4. Describe the purpose for each KPI

Every KPI should have a clear purpose. They can be used to trigger supervisor interventions, guide workforce management (WFM) decisions or engage agents to become more effective when answering calls. Make sure that KPIs are serving a purpose that is aligned with company goals.

5. Categorize KPIs

In customer service, grouping KPIs into different categories provides a comprehensive understanding of contact center performance and a clearer vision of which strategies to implement. Viewing KPIs divided into operations, income, cost and service-quality related indicators is essential

to ensure that contact center efforts are aligned with organizational goals.

6. Set attainable goals

Avoid the pitfall of defining goals that are too ambitious. If they are ultimately unachievable, stakeholders will become disengaged and every related KPIs can become innocuous and counterproductive.

7. Ensure the right tools to measure KPIs

A common mistake when selecting KPIs is to create quantifiable measures without the right tools in place to track them. Nonetheless, this should not influence the KPIs to measure. Instead, after defining KPIs, contact center

leaders must implement the right analytics and contact center tools to support their strategy.

8. Build a strategy to reach the KPI

Set well-defined implementation steps to achieve each target and guarantee agents, supervisors and managers are aware and embrace the strategy.

9. Create a contingency plan for each KPI

If a KPI falls off-target, corrective measures should be applied. Preparing a contingency plan will allow for quick and consistent actions.
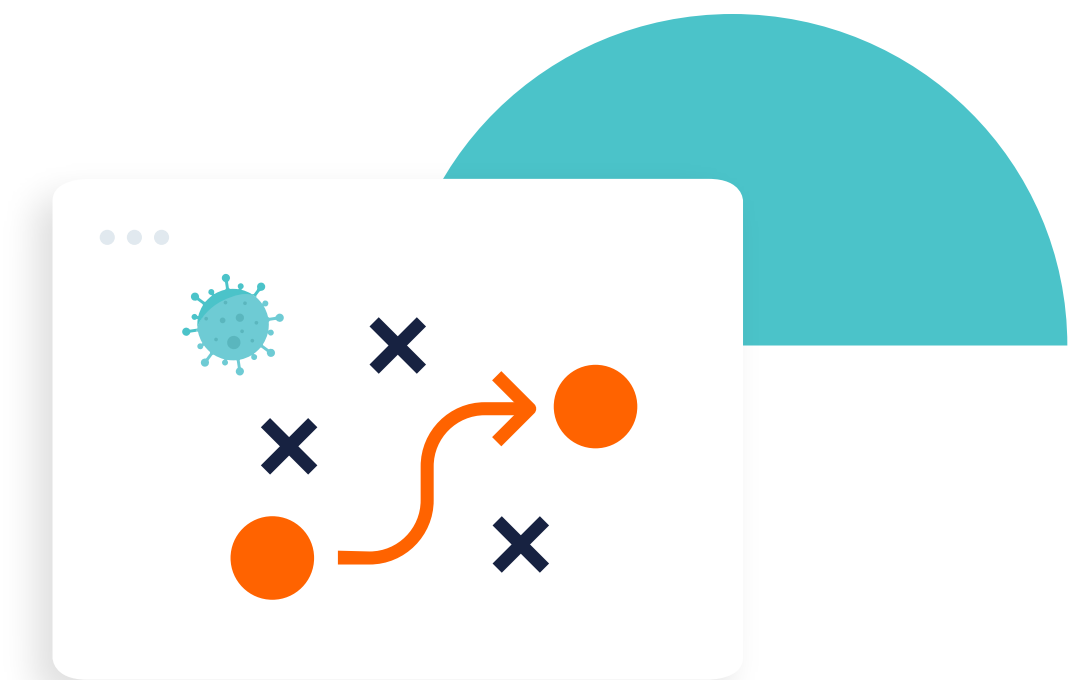
10. Ensure agility to redefine KPIs when needed

Many factors might affect company plans. It can be an external factor, such as the coronavirus outbreak, or an internal factor, like a product malfunction. Be prepared to steer the ship in the right direction, even if there is a sudden shift in goals, strategies and KPIs.

III. Preparing Your Contact Center for Times of Uncertainty

Defining the right objectives and KPIs and aligning them with the organization's goals is very important, but it is just a first step. Contact centers need to ensure that the right tools and systems are in place to track KPIs, prepare for the long-term and take action when necessary. In today's customer service space, whether it is a fully-remote or hybrid workforce setup, contact center solutions must allow work from everywhere while guaranteeing security standards, easy-to-adopt software and cost-efficiency.

Here are some tools that allow contact centers to track, prepare for the future and act to improve KPIs and achieve business goals.

Tools to track

A comprehensive analytics suite is essential to maintain your customer experience KPIs on track. Making the right decision at the right time depends on it. As contact center goals and strategies differ, it is essential that analytics tools enable deep customization so each organization can define and measure the KPIs that matter most.

Real-time analytics

Created to enable on-the-fly decisions. This visualization of contact center performance is crucial, especially when managing a remote workforce. With real-time analytics, supervisors monitor calls, are alerted when issues occur and can coach agents during calls or even reallocate resources, if needed.

Business intelligence (BI)

These analytics tools allow contact centers to crunch the huge amount of data that customer interactions generate and produce powerful insights to support data-driven decisions. With BI tools, data can be analyzed in seconds and surfaced in sharable, customizable reports and dashboards for managers to disseminate across stakeholders. A complete view of how the contact center is performing, and the ability to share that information, enables you to forecast and respond to trends, eliminate inefficiencies and drive positive change through the entire organization.
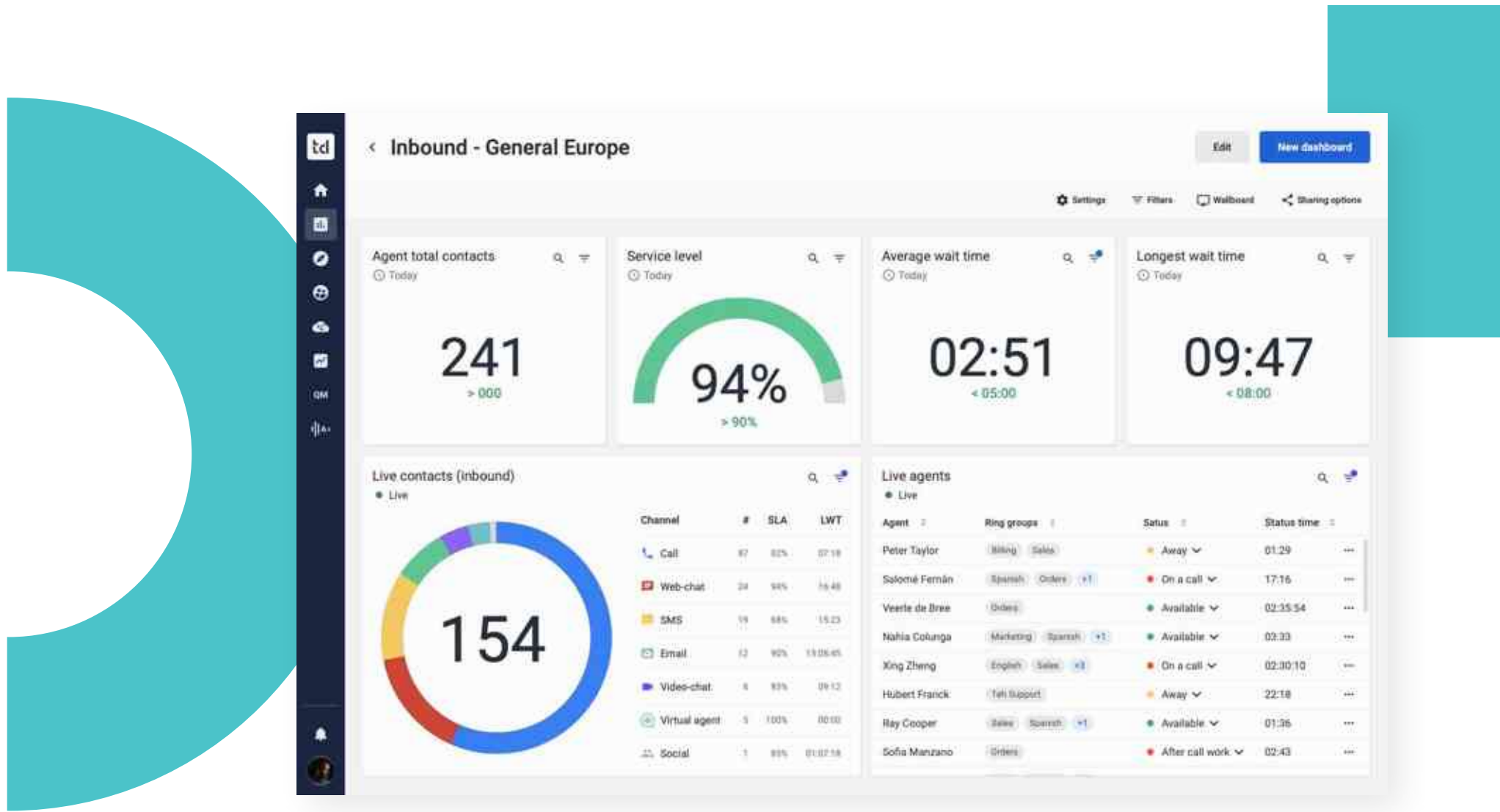
Tools to prepare for the future

The coronavirus outbreak has unveiled a future full of uncertainty, but that doesn't mean there aren't ways to be prepared for it. For contact centers, preparation means ensuring a flexible infrastructure that allows scalability, guarantees call quality and security, enables supervisors, agents and other customer service professionals to work from home without restrictions, and secures a cost-effective operation.
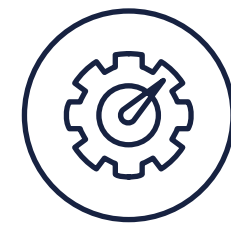
Self-service tools

Applications such as knowledge bases and virtual agents can be beneficial solutions. With more customers favoring tools that help them solve their issues, companies that implement self-service options to help customers help themselves are boosting customer KPIs such as customer satisfaction (CSAT) and Net Promoter Score (NPS). Self-service options improve contact center efficiency metrics by decreasing the number of interactions that would otherwise be answered by live agents. Moreover, self-service tools are easily extendable, equipping contact centers with the scalability they need in times of contact volatility.
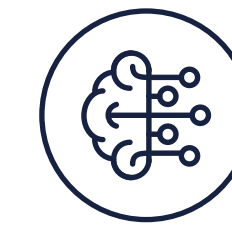
Agent assistance technology

This empowers agents with artificial intelligence (AI)-powered guidance to perform faster and better. Delivering recommendations in every interaction, this technology helps agents get the information they need faster — even if this information is scattered throughout different systems, such as knowledge bases and CRM systems, resulting in improved First Time Resolution (FTR), CSAT and NPS as well as in reduced Hold Time, Talk Time and, ultimately, Average Handle Time (AHT). Additionally, agent assistive technology is a powerful ally to onboard agents faster, reduce ramp-up time and guarantee even junior agents are correctly answering customer questions. This is a particularly interesting benefit when it comes to remote operations, where onboarding can be slower and more complex.
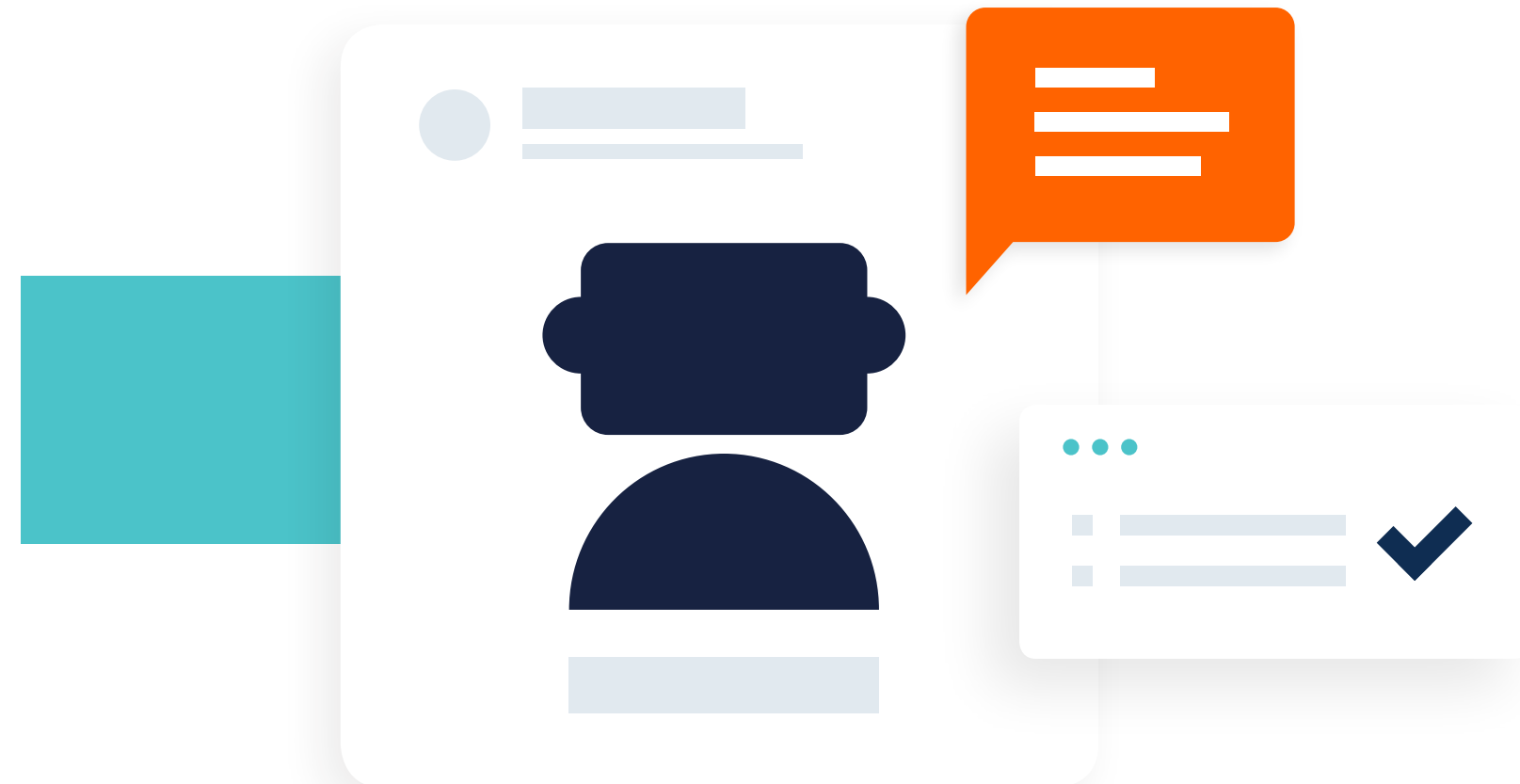
Tools to act
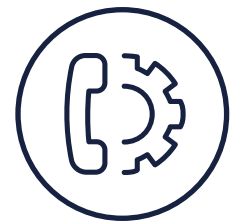
Outbound dialers

Dialers are usually associated with sales, telemarketing and other outbound-specific businesses. Yet, they also provide inbound contact centers the opportunity to proactively contact customers, anticipating their needs and promoting customer loyalty. Proactive customer engagement can reduce the number of times customers contact you during peak periods.

By proactively contacting customers during low-volume contact periods, the contact center is actively controlling customer demand over time.
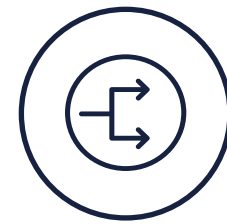
Customer journey design tools

Visual flow designers are essential to create frictionless experiences. These tools allow contact center administrators to easily adapt IVR touch points, end-to-end call flows and fully customize interactions to minimize customer effort, improve CSAT and boost first contact resolution (FCR).

When looking for such a tool, it is important to favor solutions with a strong visual approach and a clicks-not-code logic — that can easily be used by non-technical staff — to allow fast customer journey optimization. When paired with a robust integration suite, these solutions can leverage automation for improved routing decisions.
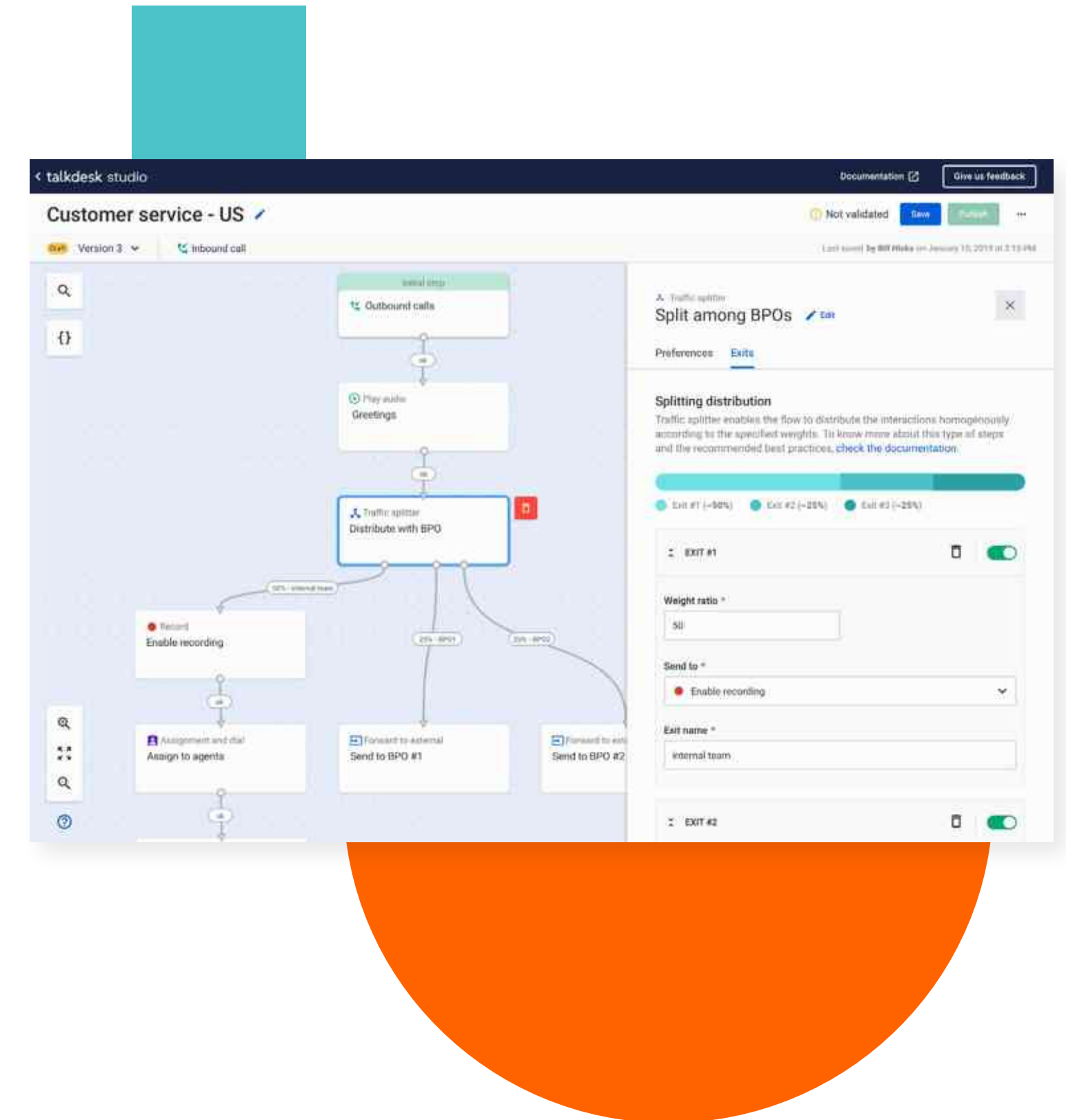
IV. Key Findings and Metrics

The contact center is a place driven by the quest for efficiency and effectiveness. Consequently, data is king. With a wide spectrum of measurable KPIs at their disposal, contact center leaders must maintain focus and track metrics that contribute to achieving their business objectives.

Talkdesk analyzed data from over 1800 customers to surface five of the most relevant metrics to benchmark performance, efficiency and generate insights to achieve better results.

1. Abandonment rate

$$\text{ABANDONMENT RATE} = \frac{\# \text{ ABANDONED CALLS}}{\text{TOTAL } \# \text{ INBOUND CALLS}}$$

Abandonment rate is the percentage of calls terminated between the IVR and the moment an agent answers the call. Interactions where the customer's needs are resolved in the IVR should not be considered.

For instance, if a customer can determine the status of an order or their account balance within the IVR, these interactions should be considered resolved not abandoned. Short abandoned calls, less than 8 seconds for example, should also be excluded as they may skew the abandonment rate.

High abandonment rates could indicate that:
- Routing setup is incorrect or is driving up wait time
- Staffing is inadequate, causing callers to queue for unacceptable amounts of time

Low abandonment rates could indicate:
- Agents answer calls quickly
- Routing is optimized
- The team is properly staffed or even overstaffed

For all Talkdesk customers in 2019, the average abandonment rate was 7.95%.

IVR

13

2. Average speed of answer (ASA)

AVERAGE SPEED OF ANSWER $= \dfrac{\text{TOTAL TIME SPENT RINGING}}{\text{TOTAL \# CALLS}}$

Average speed of answer is the average time agents take to answer inbound calls. This includes time while the agent's phone rings, but excludes the time the caller spent in IVR or queueing.

Average speed of answer provides call center managers with visibility over whether agents have the necessary setup and tools to reach the ideal performance levels. Having a low ASA means customers will take less time to reach agents and therefore find a solution faster. This results in higher customer satisfaction (CSAT), cost savings and higher operational efficiency.

High average speed of answer could indicate:
- Insufficient staff training
- Complex processes or excessive administrative tasks

Low average speed of answer could indicate:
- Adequate staff training
- Adequate processes and administrative tasks
- Appropriate amount of after call work time

The average speed of answer for Talkdesk customers was 7 seconds in 2019.

14
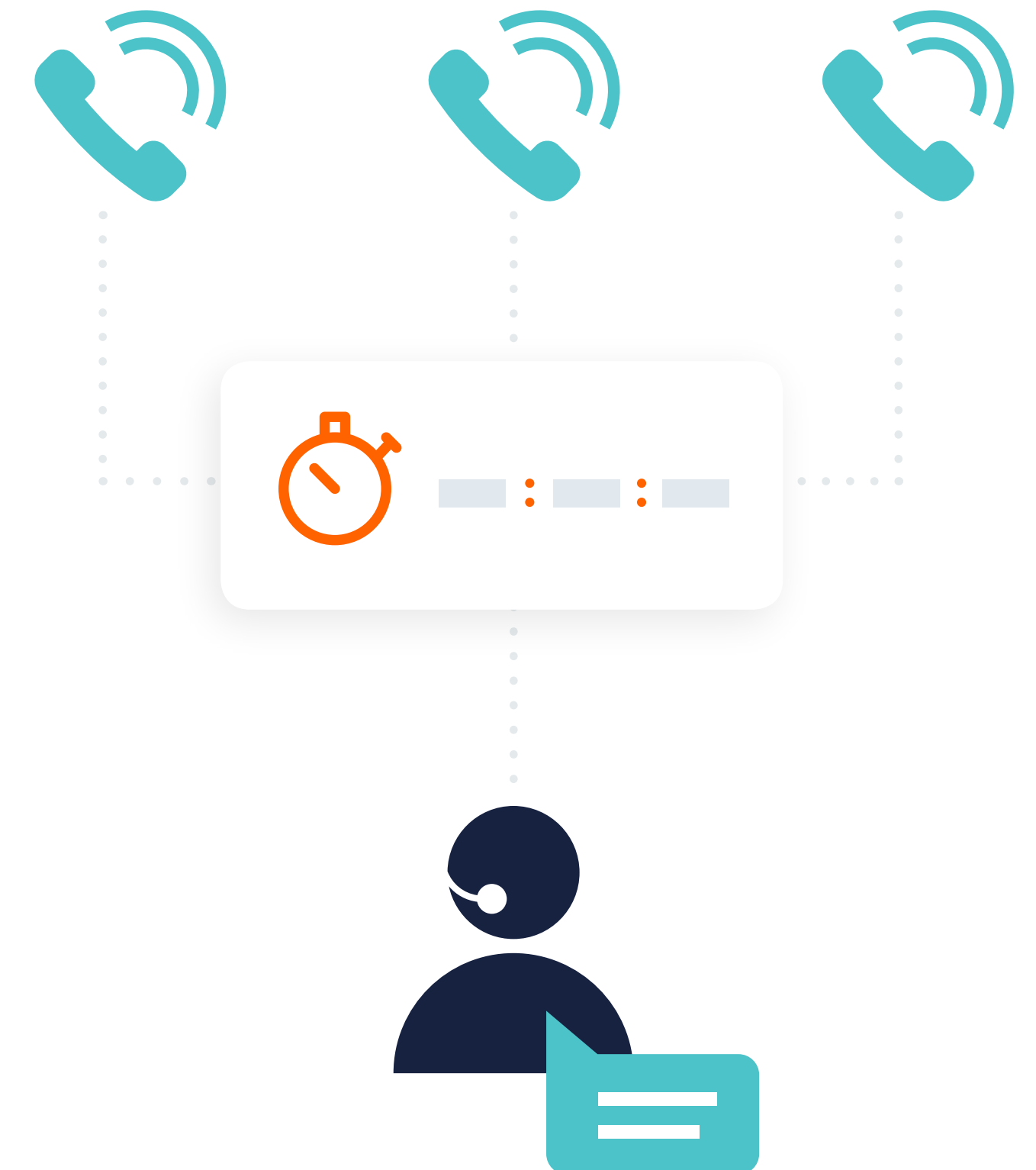
3. Average hold time

$$\text{AVERAGE HOLD TIME} = \frac{\text{TOTAL TIME SPENT ON HOLD}}{\text{TOTAL \# CALLS}}$$

Average hold time measures the time a customer is put on hold during a call with an agent. Leaving customers on hold for lengthy periods increases stress, hurts customer experience and can likely result in an abandoned call. Failing to solve customer issues can have an impact on FCR if the customer calls back, or deeper impacts on CSAT, NPS and customer loyalty, if the customer chooses to never call back. A high average hold time also has a negative impact on average handle time and on overall contact center efficiency.

High average hold time could indicate:
- Unreliable and slow systems
- Scattered systems and information
- Undertrained agents
- Complex processes

Low average hold time could indicate:
- Systems are fast and easy to use
- Systems provide agent with contextualized assistance
- Well organized information
- Effective agent training and coaching
- Processes are simple and efficient

The average hold time for Talkdesk customers was 16 seconds in 2019.
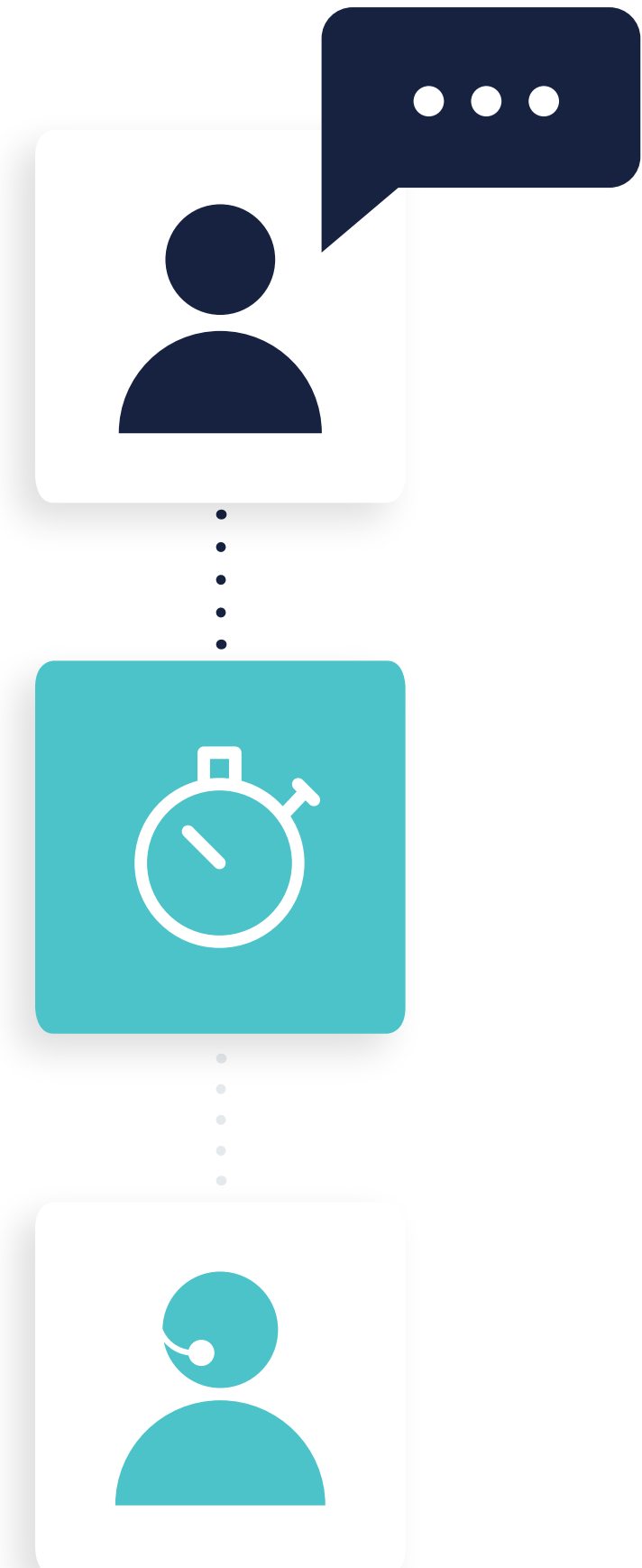
4. Average talk time

$$\text{AVERAGE TALK TIME} = \frac{\text{TOTAL TALK TIME}}{\text{TOTAL NUMBER OF CALLS HANDLED}}$$

Average talk time is the length of time that an agent spends talking to customers. Average talk time is often confused with average handle time (AHT). Although both metrics focus on the time an agent dedicates to a given interaction, average talk time does not encompass the hold time and the time the agent spends on after-call work.

High average talk time could indicate:
- Poor in-call problem definition
- Slow systems and in-call authentication processes
- Scattered information
- Inadequate agent training
- Complex processes

Low average talk time could indicate:
- Adequate systems and processes
- Effective agent training and coaching
- Efficient and well-trained agents

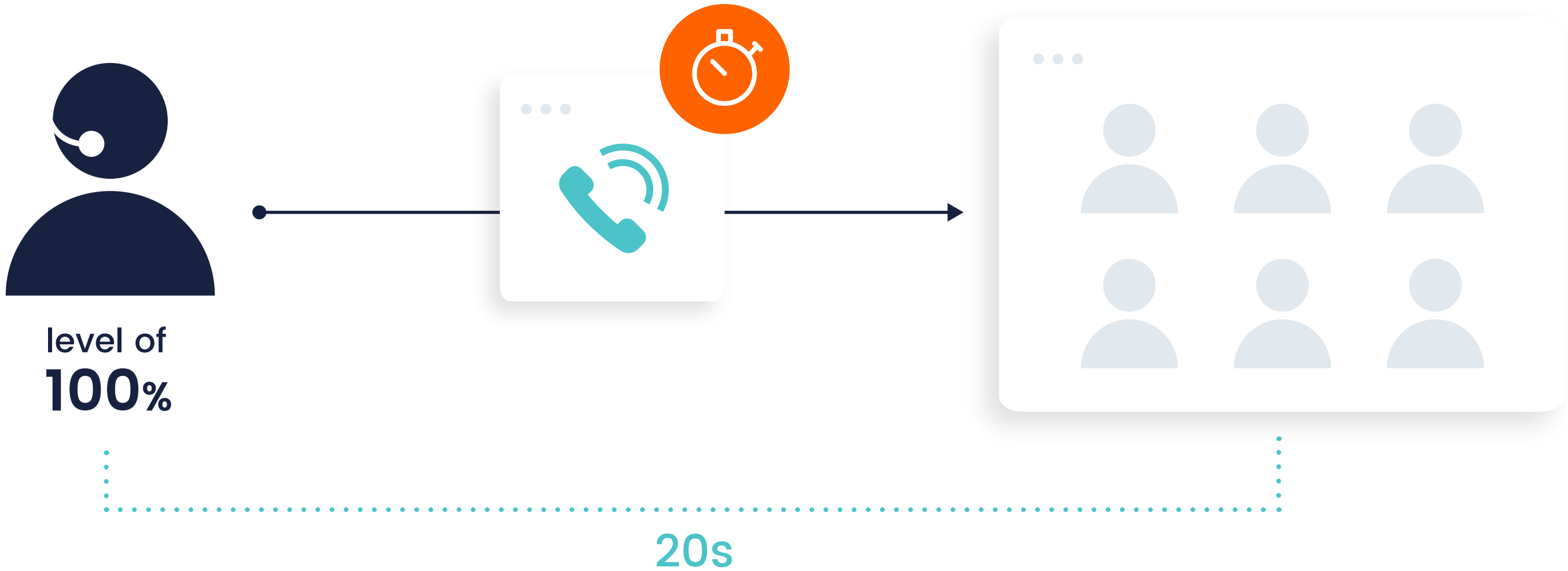The average talk time for Talkdesk customers was 196 seconds in 2019.

5. Service level

$$\text{SERVICE LEVEL} = \frac{\begin{array}{c}\text{CALLS ANSWERED WITHIN THE THRESHOLD}\\ \text{+ CALLS MISSED WITHIN THE THRESHOLD}\end{array}}{\begin{array}{c}\text{TOTAL CALLS ANSWERED}\\ \text{+ TOTAL CALLS MISSED}\end{array}}$$

Service level measures the accessibility of a company to its customers. This KPI is considered by many as the holy grail of contact center performance and customer service quality measurement.

Service level is defined as the percentage of calls answered within a predefined threshold (e.g. 20 seconds). This threshold does not include the duration of post greetings and IVR flows. Service level can be measured for each queue. Calls answered within the defined threshold, meet the service level. As an example, to meet a service level of 100% for a 20 seconds threshold, agents need to answer every call within 20 seconds after arriving in the queue.

level of
100%

20s

For Talkdesk customers, the average service level was 86% in 2019.

Talkdesk Contact Center KPI Benchmark 2019:

ABANDONMENT RATE	7.95%
AVERAGE SPEED OF ANSWER	7s
AVERAGE HOLD TIME	16s
AVERAGE TALK TIME	196s
SERVICE LEVEL	85.70%
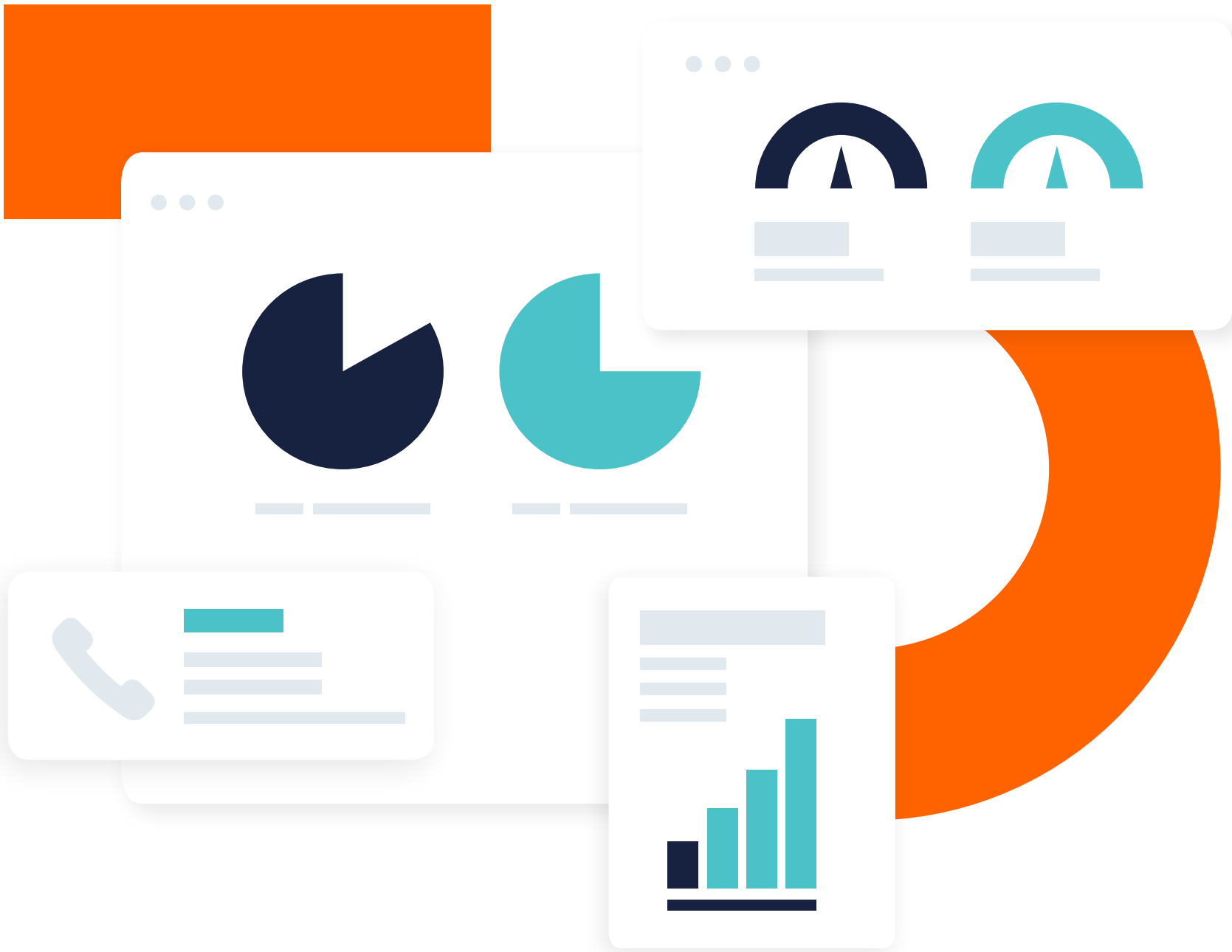
Talkdesk Contact Center KPI Benchmark: 1H 2019 vs 1H 2020

The impact of the new coronavirus was felt across organizations and specially in contact centers in the first half of 2020. Once confinement measures and restrictions were imposed, contact centers became the only communication channel between customers and companies in a period where the demand for customer service spiked.

Although this wave of contacts meant positive business outcomes for some and negative for others, contact peaks resulted in intense pressure for all and with it came contact center KPI volatility.

Now, it is important for contact centers to ensure they have the flexibility and scalability to predict and act faster to the eventual forthcoming business trends and ensure the equilibrium of operations.

	H1 2019	H1 2020
ABANDONMENT RATE	8.53%	8.93%
AVERAGE SPEED OF ANSWER	7s	7s
AVERAGE HOLD TIME	14s	21s
AVERAGE TALK TIME	191s	228s
SERVICE LEVEL	85.70%	84.89%

19

2019 Inbound Contact Center KPIs by Industry

Industry	Average Abandonment Rate (%)	Speed to Answer (seconds)	Hold Time (seconds)	Talk Time (seconds)	Service Level
Retail, Ecommerce & Consumer Goods	7.02%	0:00:07	0:00:18	186	79.46%
Information Technology	10.06%	0:00:07	0:00:17	209	85.29%
Manufacturing	5.99%	0:00:07	0:00:13	182	83.36%
Travel & Hospitality	6.16%	0:00:08	0:00:25	227	84.46%
Healthcare & Life Sciences	5.39%	0:00:09	0:00:07	149	78.63%
Financial Services & Insurance	8.33%	0:00:08	0:00:21	208	81.66%
Consumer Services	5.48%	0:00:08	0:00:13	183	83.69%
Other	5.27%	0:00:04	0:00:16	221	81.99%

Conclusion

Organizations have different structures, strategies and objectives. Benchmarking KPIs is very informative to the overall view of a contact center's performance, **discover trends, avoid pitfalls and uncover improvement opportunities.**

In these unprecedented times, establishing your contact center KPIs and discovering how they rank will greatly inform the decision-making process. Use this valuable business intelligence as the competitive advantage that drives your business to reach its goals.

We hope this year's report has provided perspective and insight on how to leverage your organization's resources and define, track and act on KPIs to prepare your contact center for the future of customer experience.
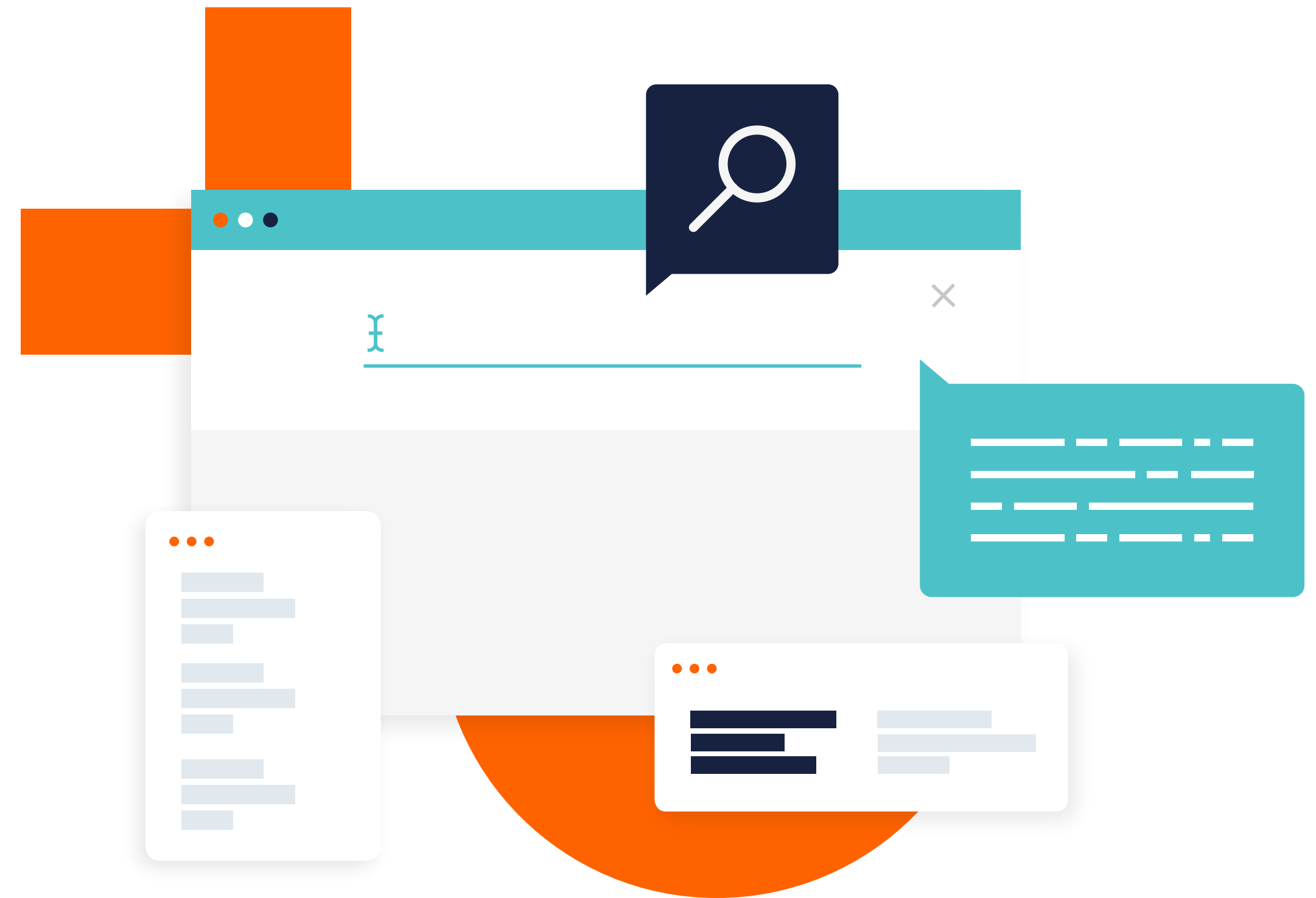
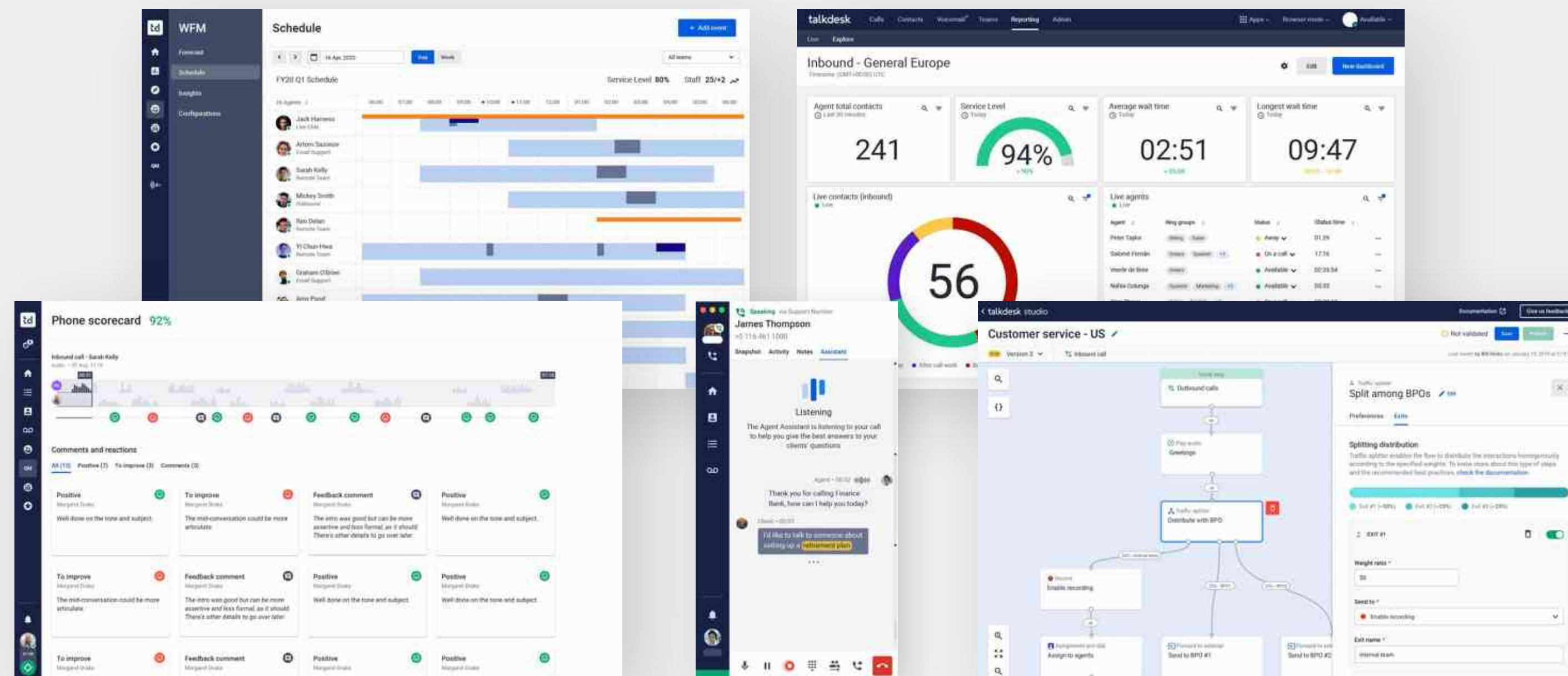# Additional resources

Benchmarking: Identifying the Right KPIs

18 Call Center Metrics You Need To Be Tracking Today

2019 Talkdesk Contact Center KPI Benchmarking Report

Benchmark Tool

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