Indian call centres: Customer satisfaction and service quality

Companies in diverse business commit a great deal of time and resources on customer satisfaction. Delivering superior service and ensuring higher customer satisfaction have become strategic necessities for companies to survive in competitive business environment. Realizing the negative ramifications caused by dissatisfied customers, companies are increasingly making senior management accountable for ensuring a high degree of customer satisfaction.

Call centres are increasingly playing a crucial role in customer relationship management. Most business organizations see call centres services as a potentially effective way of keeping customers happy and satisfied, and gaining competitive advantage. However, it is widely argued that in reality call centres have failed to realize their actual potential in helping organizations achieve the goals of providing high levels of customer satisfaction.

Several studies provide ample evidence on severe customer dissatisfaction with call centre services. A study conducted by the Citizens Advice Bureau found that 97 per cent customers cringed at the thought of using a call centre number, 90 per cent of them had complaints, and 40 per cent were totally dissatisfied. Customers are less satisfied with call centre services compared with office-based in-person services.

Call centre industry in India

The call centre industry has emerged as one of the fastest growing sectors in India. According to a NASSCOM (2006) study, the IT enabled services – business process outsourcing (BPO) industry earned a revenue of US$5.2 billion in 2005. Call centres are most prominent among BPO firms. Different kinds of back-office work such as handling customer enquiries related to credit card transactions, reconciling accounts, and transcribing medical prescriptions are undertaken by BPO firms.

Indian call centres provide both inbound and outbound services. Generally, in inbound services, calls originate at the customer's end whereas in outbound services call centres initiate contacts with customers for specific purposes. Inbound call services involve handling customer calls for receiving orders, making reservations, resolving customer complaints, and providing after sales service. Outbound services involve direct selling activities, conducting marketing research surveys, and managing public relations.

The Indian call centre industry is highly competitive. Shortage of workforce with required skills and high-employee attrition are common features. Amidst cutthroat competition, offering superior service quality and achieving high levels of customer satisfaction have become strategic necessity for survival and growth of call centre organizations.

Quality management in call centres

Most call centres in India have a separate quality control department for ensuring superior quality performance.

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In the call centre industry, quality control and performance evaluation are frequently done on the basis of several operational measures which are also referred as key performance indicators (KPI).

All operational measures are recorded daily but analysis is generally done weekly or monthly. Performance on operational measures is collected and recorded at individual level or sometimes at team level. The required performance level in terms of these measures is governed by the service level agreement (SLA) between call centres and their clients. It also varies based on the type of service provided, inbound or outbound. Frequently used operational measures are:

- **Average speed of answer (ASA):** the average time taken to answer customer calls.
- **Abandonment rate:** the ratio of number of calls abandoned by the customer prior to answer, to number of calls made to the call centre.
- **Total calls:** the total number of calls made to the call centre.
- **Longest delay:** the maximum time taken either before answering a customer call or call abandoned by a customer.
- **Average talk time:** the total time the customer was connected to a call centre agent.
- **Average work time after-call:** the average time required to finish the work required to be done immediately after an inbound call. This includes keying-in data, filling out forms, and making outbound calls, if required.
- **Average handle time:** the average time taken to handle per customer per agent. In other words, it is the sum of average talk time and average work time after-call.
- **Service level:** the ratio of number of calls answered within the agreed upon time interval and total calls received.
- **Queue time:** the total time the customer is in the telephone line before getting an answer.
- **First-call resolution:** the percentage of customers who have satisfactory problem resolution on the first call.
- **Percentage of calls blocked:** the percentage of customers who receive “number is busy” message and could not even enter in the call queue.
- **Calls per agent:** This is the total number of calls handled per agent in a shift (usually of eight hours).
- **Adherence:** the percentage of call centre agents who are on their seats as scheduled.
- **Agent turnover:** the percentage of agents who quit in a specified period of time.

Besides, using operational measures, call centres have systems for continuous monitoring of customer service agents (CSA). During monitoring, calls are often evaluated on aspects like information provided, quality of information, tone of voice, and enthusiasm of the agent.

**Customer satisfaction and service quality**

Customer satisfaction measurement practices vary significantly in Indian call centres. Many call centres do not have an appropriate system for measuring satisfaction at customer or end-user level. While captive call centres collect satisfaction-related data from customers, this is not done by most third party call centres.

Most commonly, overall satisfaction ratings using a single item scale is collected. Attribute or dimension-wise satisfaction ratings are not available in many call centres. Generally “top box” satisfaction is reported. “Top box” satisfaction indicates the proportion of callers who reported that they were “extremely satisfied” (or whatever the highest score was on the scale) with the quality of the call. Call centres use a five-point (or in some cases seven-point) scale for measuring customer satisfaction. So the proportion of respondents giving five out five (or seven out seven) in a scale will comprise top box satisfaction. Another way of reporting customer satisfaction is through “top two” and “bottom two” figures.
What constitutes service quality of call centres?

For understanding what constitutes service quality offered by call centres, it is important to understand the difference between service encounters occurring in call centres and other conventional service organizations such as restaurants, banks and hospitals. In call centres, service encounters are phone encounters that happen every time a customer interacts with call centres or a company through call centres over telephone.

This is different from face-to-face encounters that occur between employees and customers in non-call centre service firms. During face-to-face encounters tangible factors such as physical appearance and dress of employees and characteristics of place where encounters take place (e.g. air conditioning, ambience) affect service quality perceptions of customers. In telephonic encounters, tangible factors do not contribute to service quality evaluations. Customers play a less active role and verbal cues assume high importance. Because of these inherent characteristics of telephonic encounters, interpersonal skills of call centre agents directly affect service quality. While tangibility plays no or a lesser role, reliability, responsiveness, assurance and empathy affect service quality perceptions.

Although call centres use metrics comprising operational measures in their quality evaluation system, many of these measures can potentially lead to poor service quality perceptions by customers. For instance, standard measures such as average talk time and calls per agent can actually restrict the agent's ability to answer customers' calls effectively. Agents feel frustrated since these measures do not allow them to satisfactorily handle customers' queries. The measures only indicate the efficiency level in call centres and could actually lead to unintended consequences such as lost revenue and annoyed customers.

Superior service

Call centre managers often overly rely on operational measures for evaluating the quality of call centre service. The criteria used by customers for quality assessment are different from the ones used by managers.

This results in a gap between perceptions of managers about service quality offered and perceptions of customers about service quality received. Hence, it is imperative for call centre managers to develop a suitable system for systematic measurement of customers' perceptions of service quality. Emphasis needs to be given to attributes capturing quality of customer-agent interactions. Using an instrument with items of reliability, assurance, empathy, and responsiveness can be a first step to measure service quality.

Managers should also be aware that telephonic interactions with customers are devoid of the richness of face-to-face interactions. During service delivery in call centres, agents play a critical role: their interpersonal skills and motivation determine, to a large extent, excellence in service performance.

Therefore, recruiting employees with the required skill set and adopting suitable human resources practices to keep employees happy and motivated are of paramount importance for superior call centre service.

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