

THE ROLE OF ALLOCATION AND ORGANIZATION OF CUSTOMER SERVICE DIVISIONS AS AN ELEMENT OF MARKET COMPETITIVENESS OF TELECOMMUNICATION OPERATORS

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Abstract: *This paper deals with the impact of customer service divisions allocation and organization to the services and telecommunication operators positioning at competitive market conditions. The estimation in this paper is based on an analysis of users movement level in correlation with concrete allocation and customer service division organization as a market player strategy to respond to different customer demands and expectations so as to make the market position of operators stronger and more competitive.*

Keywords: *Allocation, organization, services, customer, market.*

1. INTRODUCTION

For many organizations, contact center management system and CRM (customer relationship management) represents the first line of contact with customers. As such, they provide a unique opportunity to increase customer satisfaction level and develop long-term relationships between customers and the operator in order to meet the rising user expectations. For this purpose, organizations must develop a unified view of the user that is often harder than it looks like.

Contact center is a unit of organization focused on raising the quality of services and customer satisfaction level. The employees in contact center as a first line of service providing are representatives of the company. Two very important parameters – retention and churn are in direct correlation with the quality of their work.

Philip Kotler points out that each organization needs to control and improve the level of customer satisfaction. There are several reasons why it is more difficult to acquire new customer than to keep the existing one:

- The price of acquiring a new customer is five to ten times higher than the price of keeping the existing one,
- The average annual churn in companies ranges from 10% to 30% .
- Churn reducing in level of 5% reflects to profit increasing in level between 25% to 85% according to the specific type of industry.
- The rate of profit per customer is in proportion to the time of his retention.

Contact center is a central place of implementation of external communication and business strategy of the company. The fact is that majority of customers rather call the contact center

then get to the shop. The correlation between a shop and a contact center is such that all that can be done in the shop can be realized by calling the contact center. Allocated shops cover a significant part of the territory, but contact center provides services through the whole territory irrespective of a user location. Previously, contact centers were organized as allocated units on a geographical basis serving customers on a particular location. Development of technology brought new possibilities for completely different work organization of contact centers. The main advantage of a new model organization is reflected in the implementation of a principle in which free agent is available for a user regardless of the allocation of both subjects – contact center and a customer. The further estimation will be done through a case study including Telekom Serbia contact center.

2. RESEARCH METHODS

The sample size in this study case are 240 call center agents in 8 allocated call centers. In order to review the entire process of communication between contact center agent and the users, the following methods have been used:

2.1 The method of content analysis

The method of content analysis involves analysis of documents, internal documents and relevant reports related to the communication with users. Present subjects are related to statistical reports of quantitative and qualitative parameters of operator's contact center work on a monthly and quarterly basis, and these are:

- Quantitative criterion for call duration – if the call duration exceeds 11 % of the adopted value indicator then the effect is below expectations. If the call duration doesn't exceed 10% of the adopted value indicator the effect is within the expected limits. The percentage of average call duration which is below 99% of the adopted value indicator shows the effect which is above expectations.
- Quantitative criterion for the average number of the answered calls – if the percentage of the answered calls is less than 89% of the adopted value indicator then the effect is below the expectations. The percentage between 90% and 110% related to the value indicator shows the effect at the level of expectations and all that exceeds 111% is above the expectations.
- Qualitative criterion for evaluating the flow of conversation – refers to the art of interviewing and professionalism in communication, and they are measured by the call response speed as well as by the successful implementation of user requirements.

2.2 The comparative method

The comparative method involves comparing the specific parameters of contact center in the situation before and after the introduction of a new technology i.e. new contact center organization of work in an observed period of three months before and three months after the introduction of changes.

2.3 The method of case study

The method of case study deals with the research of communication between Telekom Serbia contact center and customers.

2.4 Statistical method

Statistical method involves data processing and their presentation in tables and graphs.

3. HIPOTHESIS

In accordance with the defined object exploration was appointed hypothetical framework which consists of the main hypotheses and individual that will be partially or fully confirmed.

3.1 Main hypothesis:

As the organization of contact center is on a higher level the need for allocated shops is lesser.

3.2 Specific hypotheses:

- As the possibility to perform calls overflow to the first available agent, regardless of physical location, is bigger, the user satisfaction level is higher.
- As the user satisfaction with services provided is higher, the users will be more willing to accept new services.
- As the time of resolving the customer complaint is shorter, the level of user satisfaction is higher.
- As the user satisfaction is on a higher level, the market position of operator is stronger.

4. THE OBSERVED PARAMETERS

In order to perceive the level and type of the impact of new implementation of work organization on the quality of service, in analysis have been used measurable parameters which identify the quality of the services provided. The used parameters are as follows:

4.1 Percentage of answered calls

Percentage of answered calls represents the number of answered calls in relation to total number of calls to the contact center. The results shown in Figure 1. indicate that the percentage of answered calls is 36% higher in observed period after implementation of unified contact center than in observed period when contact center was allocated.

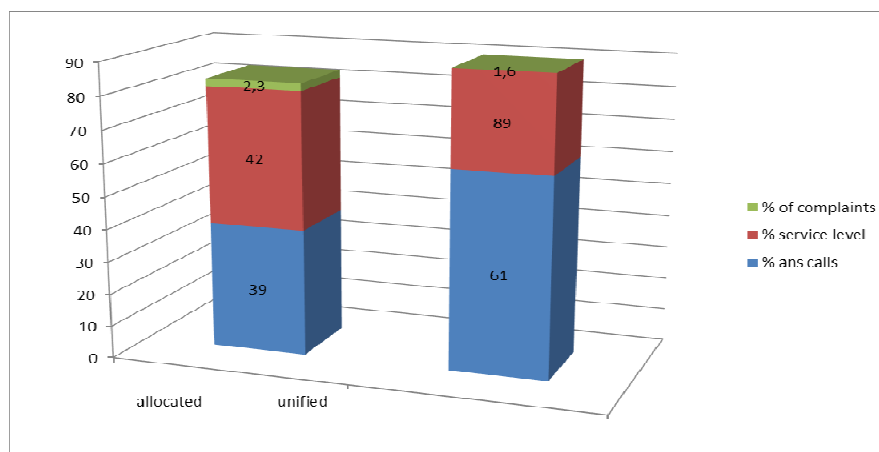


Figure 1. Parameters before and after unified call centers

4.2 Service level

Service level is the percentage of answered calls within 20 seconds. The results of this analyzed parameter are shown in Figure 1. It can be seen that the service level is 53% higher in the

observed period after the implementation of a unified contact center than in the observed period when contact center was allocated.

4.3 Waiting time

Waiting time represents the time that a user spends waiting for the first available agent to answer the call. The results in Figure 2. indicate that the waiting time is 50% shorter in the observed period after the implementation of unified contact center than in observed period when contact center was allocated.

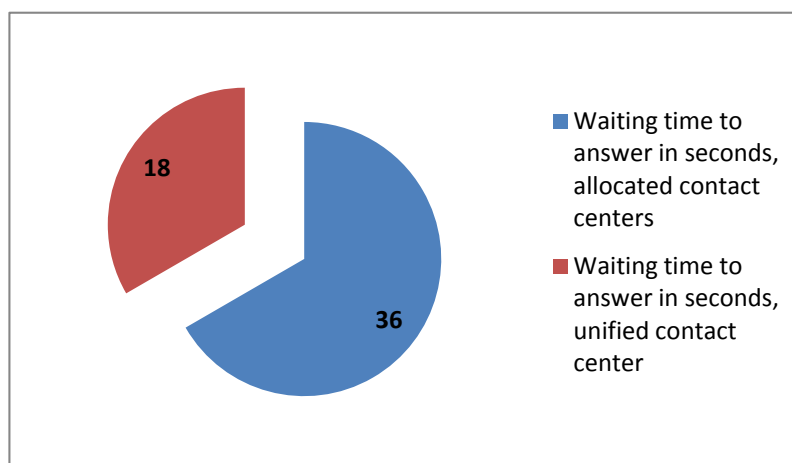


Figure 2. Waiting time

4.4 Percentage of complaints on the quality of services

It represents the number of complaints on the quality of services in relation to the total number of the answered calls. The results of analysed parameters are shown in Figure 1. The percentage of users' complaints is 0,7% smaller in the observed period after the implementation of unified contact center than in the observed period when contact center was allocated.

4.5 Complaints resolving time

Complaints resolving time is the time needed for resolving of complaints. The results of this parameter are shown in Table 1 where it can be seen that the needed time for resolving of complaints is 22% shorter in the observed period after the implementation of unified contact center than in the observed period when contact center was allocated.

4.6 Talk time

Talk time is duration of conversation between an agent and a user. The results of analysis of this parameter indicate that this parameter remained the same in both models of contact center organization.

4.7 Percentage of retention

Percentage of retention in the observed period represents the percentage of users who continued to use the service after the application for suspension of it in relation to the total number of users who have applied.

4.8 Percentage of churn

Percentage of churn is correlation between the number of users who canceled service and the total number of users who have applied for suspension of service.

5. RESEARCH RESULTS

Research results are shown in the Table 1.

Table 1. Parameters and results

Parameters	allocated	unified
The percentage of answered calls	39%	61%
Service level	42%	89%
Waiting time to answer in seconds	36	18
Percentage of complaints	2,3%	1,6%
Time resolution of complaints in days	3,2	2,5
Duration of the conversation, in seconds	245	236
Percentage of retention during 3 months	35%	56%
The percentage of customers who canceled service	65%	44%

Having in mind that first individual hypothesis relates to the correlation between the speed of the response call and customer satisfaction, the values shown in the table which refer to the parameters of the services provided supports the set hypothesis.

Second individual hypothesis set in this research relates to the level of customer satisfaction with the services provided and his willingness to accept new services. Having in mind the results of the parameters from the table which relate to customer retention and customers who cancelled the services, it is evident that the aforementioned hypothesis is largely confirmed. It is expected that the retained customers will be potential users of new services.

Third set hypothesis that relates to the correlation between the time of complaints resolving and a level of customer satisfaction is totally confirmed by the results given which can be seen in the value of parameters of complaints resolving and in the value related to retention and churn.

Forth set hypothesis that represents correlation between a level of customer satisfaction and operator's market position is confirmed through all parameters which relate to the quality of services provided as well as through the values of parameters related to churn and retention. As the parameters of the quality of services provided are better, the churn is lesser, and the retention of the customers is bigger which directly reflects to the operator's market position.

Having in mind that all individual hypothesis are confirmed, thus the main hypothesis is confirmed and it is evident from the information in the Table 1.

All of the parameters above speak in favour of unified contact center. The results of analysis represent that the percentage of retention is higher and that the percentage of churn is lesser in concept of unified contact center. Those are very important indicators of operator's market position and competitiveness.

6. CONCLUSION

There is no doubt that there is a strong correlation between the quality of staff communication and service users and a level of user satisfaction with services provided. For this reason its

permanent improvement is necessary primarily through the selection of appropriate organizational models.

The aim of this paper was to indicate the importance of selecting an appropriate model of contact center organization for implementation of external communication and business strategy of the company.

Comparing the results of analyzed parameters during the time of allocated contact center with observed work period of unified contact center the conclusion is that the implementation of new model of organization gives much better results. The direct effect of new model organization reflects in the fact that the users who are far from shops have the opportunity to realize their needs in the same time period and at the same level of quality as the users located near the shop.

The second important effect is reflected in the efficiency of trouble ticketing and consequently in their resolving. The observed case study leads to the conclusion that in case of efficient organization of unified contact center there is no need for allocation of units on geographical basis. Appropriate organization of contact center including ongoing staff training and market trends monitoring are of great importance for retention of existing and acquisition of new users as well as for preserving and increasing of user basis as the real market power of operator which determines his market position.

In addition to considering of concrete case, the objective of this study was to identify and publish additional scientific understanding about interdependence of business communication and satisfaction of a user with the services provided through description of all phenomena and processes related to the process of communication between an organization and service users, classification of concepts, phenomena and processes related to the process of communication, as well as through description of mutual influences, connections and relationships in the process of communication between an organization and service user.

Having in mind that in this paper the research is oriented to the overview of parameters which maintain the impact of communication on the achievement of business policy, the impact of communication on customer satisfaction and finally the impact of a user satisfaction on the company image, present research may have even wider social contribution because it could serve as a basis for further research and application in other organizations that want to improve business communication and operations of their organizations, and thereby strengthen its market position.

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