Chapter 3

Alternative Call Center Operational Indicators to Customer Satisfaction

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ABSTRACT

The purpose of this chapter is to purport a set of alternative call center operational performance indicators, in order to enhance the relationship between call center performance and customer satisfaction. In order to do that, a methodological approach based on surveys, as well as stepwise multiple linear regressions, is developed from 6,616 cases collected during three months from the telecommunication industry. The general conclusion is that a set of alternative call center indicators covering three dimensions, namely the call center ability to resolve a problem, the call center responsiveness, and the prior customer satisfaction with the call center, together with traditional indicators, present a statistically significant relationship with customer satisfaction. The insights from this study can help managers to improve the customer satisfaction with call center, as well as to better sub-contract outsourcing call center operators.

INTRODUCTION

Despite the relevance of the call center industry, there is a lacuna in academic literature in correlating the relationship between operational performance indicators used by call centers and customer satisfaction.

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In the United States, two studies conducted by Feinberg et al. in 2000 and 2002 attempted to pinpoint operational indicators which determine customer satisfaction. The results encountered were, however, divergent. In the first study in 2000, two indicators appeared to have some connection with the customer satisfaction level (Feinberg et al., 2000). In the second study, in
2002, with the focus of research directed at the call centers that served the financial market, no performance indicator showed any correlation to customer satisfaction (Feinberg et al., 2002).

Thus, this chapter aims to contribute to the technical literature, seeking to answer the following research question: What set of call center operational performance indicators have any bearing on customer satisfaction? This question is relevant as there is no consensus on this point in the academic world.

An attempt is also made to find empirical evidence to help company managers who either operate or hire the services of call center operations to develop strategies that improve customer satisfaction, thereby enhancing the competitiveness of these organizations, both in the domestic and international markets.

With this in mind, three operations of one of the leading companies in the Brazilian call center outsourcing market were analyzed. For reasons of confidentiality, this study will safeguard the identity of all the companies involved in the research.

**BACKGROUND**

**Operational Performance Indicators**

According to Black (1998), the efficiency of call centers is a critical aspect for the image of the organization. However, in the academic literature on call centers, there is no consensus on which operational performance indicators are related to customer satisfaction. Therefore, following the research stream adopted by Feinberg et al. (2000, 2002), a number of indicators considered fundamental to the achievement of excellence in operating a call center, according to the vision of Anton (2000), Cleveland and Mayben (1997), Evensen et al. (1999), Grimm (2001), Rosati (2001), Sparrow (1991) and Tom et al. (1997) will be adopted.

Thirteen indicators selected from the reference sources mentioned above, with their respective meanings, are listed below:

- **Service Level x Seconds (SL):** Attempts to measure the total number of calls handled within x seconds; usually 20 or 30 seconds. It is calculated by dividing the total number of calls answered within x seconds by the total number of calls.

- **Percentage of Call Block (PCB):** Attempts to measure the availability of the call center. It is calculated by dividing the total number of calls with busy tone by the total number of calls made.

- **Percentage of First-Call Resolution (FCR):** Attempts to measure the internal efficiency. It is calculated by dividing the total number of calls that are resolved on first contact by the total number of calls made.

- **Abandonment Rate (AbR):** Attempts to measure the availability of the call center. It is calculated by dividing the total number of calls that were hanged up – or disconnected by the caller before being answered – by the total number of calls made.

- **Adherence (AD):** Attempts to measure the efficiency of the call center. It is calculated by dividing the total number of agents who were at the service post as scheduled by the total number of agents.

- **Time before Abandoning (TBA):** Attempts to measure the availability of the call center. It is calculated by dividing the total – in seconds – of calls that were abandoned before being attended, by the total of these calls.

- **Talk Time (TT):** This is calculated by dividing the total – in seconds – of all calls that were answered by the total of all these calls.
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