



The Ultimate Guide to Elastic Customer Service

Ensuring Your Contact Center Capacity Always Matches Demand





Contact centers are an integral part of the customer service strategy, but they're not set up for success. Today, customers still wait on hold and companies can't accurately predict the number of agents needed to handle fluctuating customer demand or unanticipated spikes.

While self-service and digital channels have emerged to offer more efficient alternatives to traditional channels, voice is still the primary method that customers use to have their issues resolved. With 55% of consumers preferring to speak to customer service on the phone and increasing adoption of voice assistants, companies can't afford to neglect voice as a strategic channel.

Instead of leaving customers on hold, hiring and training for seasonal fluctuations, and overstaffing, contact centers can overcome these challenges by creating elasticity in their customer service model. With elastic customer service, gone are the days of worrying whether you'll have enough agents to service today's call volume. Your contact center capacity will always match customer demand.



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01 Challenges of Contact Center Workforce Management Models

Workforce management (WFM) has always been a tricky game of forecasting call volume, scheduling agents, and quickly adapting to unexpected surprises. Despite having more sophisticated methods, contact centers still struggle to have the perfect amount of agent capacity to match daily customer demand due to these challenges:

- ◆ Accurately forecasting call volume is difficult
- ◆ Staffing for high demand is expensive and impractical
- ◆ Agent reliability is unpredictable

Accurately forecasting call volume is difficult

Even with the best forecasting models and software, it's impossible to always accurately forecast call volume due to factors beyond your control and events you can't anticipate.

The best example of this is the COVID-19 pandemic. No one could have predicted this event and its impact on contact centers around the world. We saw agents work from home for the first time, higher than normal call volumes, extremely long hold times, and compromised customer service. The pandemic is an extreme example. However, even small unanticipated events, like bad weather or outages, can easily create an overwhelming amount of customer calls for contact centers.

Consumer behavior is also constantly changing, which is a factor that forecasting models and tools don't take into account. Even if your forecast was accurate last year, it may not be this year as consumer behavior has shifted.

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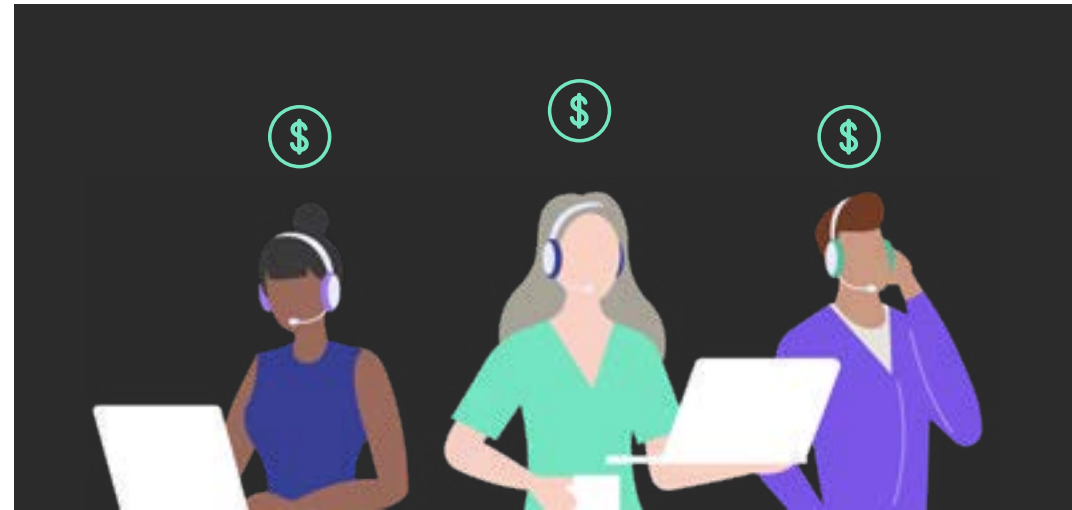


Staffing for high demand is expensive and impractical

When your forecasts are inaccurate, you might need to ask for more budget to hire additional agents. Whether you're hiring more on-site agents or outsourcing, employing more agents is expensive. On-shore full-time agents cost about **80 cents to \$1.50 per minute**, while off-shore BPOs cost 40 to 60 cents per minute. There's also associated costs that you have to account for, including office space, equipment, and benefits.

Depending on when and for how long your business experiences surges in customer demand, it can be impractical to hire more agents. For example, food delivery companies see spikes in orders around lunch and dinner time. You can't ask agents to only work for an hour or two at a time.

For longer periods of increased call volume, you can hire more agents to work for a few days or weeks. However, it's a costly temporary solution, since hiring and training new agents requires a significant amount of time and effort. It also leads to brand inconsistency, as newly hired agents might have to work with your highest priority customers.





Agent reliability is unpredictable

Call centers see an average turnover rate of 30% to 45%. This is due to the nature of call center work. Agents aren't always engaged with their work when they're resolving high-volume and repetitive tasks, which can lead to poor customer experiences. With such high turnover, contact center leaders don't always know if an agent is going to quit or simply decide to not show up the next day.

You also can't predict when agents will get sick or when there are conditions that prevent agents from coming into work, like a snowstorm. Call centers have historically relied on agents coming into an office, which makes agents'

working conditions less flexible. When they do need to work from home, they may not have a fast enough Internet connection, the right equipment, or a quiet working space.

Even when there's a small number of agents out for a day, this creates a major disruption in your operations. The ratio of customers to one agent increases, which puts more pressure on agents to get through calls as quickly as possible. This impacts customers' experience, as they have to wait on hold and may receive lower service quality.

Other industries have been able to adapt their business model to ensure there's always an equilibrium between supply and demand.

On-demand ridesharing companies, like Uber, introduced dynamic pricing to meet riders' needs. During busy times, prices increase to incentivize more drivers to work. For contact centers though, controlling supply and demand isn't so easy. You can't hire agents to only work for a few hours each day when you experience high call volume.

Given how difficult it is to accurately forecast and schedule agents, contact centers end up being overstaffed or understaffed. Neither scenario is ideal. If you overstaff, you'll have underutilized agents waiting for calls. Although this agent capacity isn't used, you still have to pay for it. When you understaff, you'll frustrate customers with long wait times.

The most efficient and tech-forward contact centers are starting to find a solution to unpredictability. Using AI, they're creating a new model of customer service where they can elastically flex their customer service capacity up and down.

02

What Is Elastic Customer Service?

Elastic customer service is the ability to scale customer service up and down based on customer demand, without ballooning costs, training new agents, offshoring, or planning for seasonal fluctuations. **Contact centers achieve elasticity by using AI to create a 1:1 agent-to-customer ratio** and maintain that ratio at all times. Whether you're receiving double or 10 times the amount of your normal contact volume, AI is capable of responding to all customer requests immediately.

Having the ability to quickly expand and contract your capacity creates a more fluid and flexible model where contact centers can meet the needs of customers and the business — no matter what's happening. Your contact center will always be able to service your customers the moment they call, eliminating hold times and improving customer satisfaction.

Autonomous contact centers are the key to adopting an elastic customer service model. They use the power of voice AI to resolve Tier-1 customer service issues without burdening agents with repetitive, high-volume calls or keeping customers on hold. If an issue can't be resolved by AI, customers are seamlessly transferred to a live agent. Customers don't have to repeat themselves because agents are provided with a detailed summary of the call, enabling them to pick up right where the AI left off.



03 Advantages of Elastic Customer Service

Companies who adopt elastic customer service have a few advantages over those that are solely scaling customer service with human resources. They're able to easily and quickly adapt to changes, making them more flexible and resilient. They're also more operationally and cost efficient, while still maintaining high customer satisfaction.



FLEXIBLE



COST EFFICIENT



HAPPY CUSTOMERS



Contact center capacity becomes elastic

Meet demand 100% of the time, without compromising on quality

Elastic capacity enables contact centers to meet customer demand 100% of the time, without compromising on the quality of customers' experience. When you have a 1:1 agent-to-customer ratio, customers never have to wait on hold. Their call is immediately picked up.

There have been multiple studies on wait times and customer expectations, and the findings are clear. Customers are willing to wait just a few minutes or not at all. Nearly two-thirds of surveyed consumers said they're willing to wait two minutes or less before they hang up.

Over 13% said no hold time is acceptable. By eliminating hold times, you'll give customers the on-demand service they want and reduce the likelihood of customers going elsewhere.

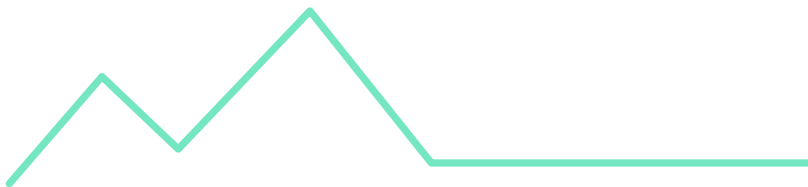
Customers' experience can suffer when agents are rushing to work through long call queues as quickly as possible or when you outsource calls. By having AI resolve high-volume, transactional, and repetitive calls, you can ensure a consistent experience and take pressure off of agents. Agents are freed up to focus on issues that require creative problem-solving, empathy, or domain expertise.

2/3 of customers will wait 2 minutes | 13% won't wait at all

Spikes in call volume are flattened

Repetitive calls are usually the types of calls you'll receive when experiencing a call spike. Airlines are a perfect example of this. When flights are canceled due to weather, airlines experience an influx of customers asking to rebook their flight.

Having elastic capacity flattens these spikes, since AI acts as the first line of defense in taking all incoming calls. While some calls may require a live agent, elastic capacity drastically reduces the amount of calls that human agents need to take. This helps prevent agents from being overwhelmed.



Increase your speed and flexibility of ramping capacity up or down

You'll rarely ever get a heads up that allows you to plan and adjust your capacity. When contact centers are reacting to fluctuations in days or weeks, it can negatively impact customers' perception of your brand. With elastic customer service, your capacity adjusts in minutes because you're no longer increasing or decreasing the number of human agents. AI can quickly ramp up in response to higher call volumes and scale back down just as quickly when volume goes down.

This speed and flexibility enables companies to grow their customer service faster. Since agents are only handling a fraction of all call volume, you can rapidly acquire new customers and ensure they're supported.

Postmates reduced order delays caused by spikes in demand

Postmates, an on-demand delivery company, used a large offshore call center to call restaurants and place millions of food orders each year on behalf of customers. Delivering the right goods on time to customers is extremely important to the company's success. However, orders were often delayed due to unpredictable agent availability and spikes in demand. Managing an offshore call center also increased their costs.

To solve this problem, Postmates adopted an elastic customer service model. Postmates implemented voice AI to make these outbound food order calls. Even during lunch and dinner rush hours, AI makes the calls as customer orders come in. With no call delays and the ability to elastically scale call capacity, Postmates saw faster delivery times.

They also reduced their customer service costs by 50%.

As Postmates continues to expand their business, they no longer need to invest in additional call centers. They can elastically scale customer service and easily handle spikes in demand.



Cost becomes elastic

Forecasting and scheduling requires contact centers to commit to a certain amount of agent capacity and pay for that amount. This is a fixed-cost model that locks you into paying for whatever you've anticipated. If you've underestimated, you'll also need to ask for more budget, which you may not get.

When contact centers can elastically scale their capacity with demand, costs become elastic too. You'll only pay for the capacity you use, which is the amount of time the AI is on the phone with customers.

Lower costs

Contact centers that adopt elastic customer service have lower costs. Aside from only paying for the capacity you use, **you don't pay for wait times and calls are 30% to 50% shorter.**

Scaling with AI is a lot cheaper than scaling with humans. Even compared to a highly optimized BPO, AI is about 50% cheaper.



How different industries can benefit from elastic customer service

Elastic customer service can be useful to companies in all industries. Here's a few examples of how different industries can benefit from introducing elasticity into their operations.



Retail and e-commerce - Automatically process high volumes of orders and returns during holidays.



Insurance - Efficiently process claims and provide status updates when there's a widespread disaster or unemployment.



Consumer services - Easily manage spikes in demand and support customers and employees without delay.



Travel and hospitality - Rebook or refund customers when bad weather creates flight delays and cancellations.



Telecommunications - Protect agents from being overwhelmed when there's an outage.

04 How to Bring Elastic Customer Service to Your Contact Center

Implementing an autonomous contact center enables you to shift to an elastic customer service model. This change can seem daunting, but it doesn't have to be. Here are three steps that help you start small, realize the benefits of elastic customer service quickly, and then roll out an autonomous contact center on a wider scale.



Step 1 _____ **Identify one use-case for automation**

The easiest way to implement an autonomous contact center is to start with one use-case. Identify a call driver that can be resolved by AI. Ideal use-cases are high-volume, repetitive, and task-oriented issues.

Step 2 _____ **Determine the integrations needed**

In order to provide customers with a personalized experience and resolve issues, you'll need to integrate your autonomous contact center with other systems. Autonomous contact centers often need to plug into your contact center software so calls can be transferred to a live agent. They also usually need to integrate with your CRM so customers can be authenticated and customer information can be updated.

Step 3 _____ **Ensure any relevant data is up-to-date**

Data is a critical input for autonomous contact centers. They use data to match an account to a caller or look up an order status. To be effective, autonomous contact centers need to have access to up-to-date data. Otherwise, implementing an autonomous contact center won't provide you or your customers with the results you want.

After you've worked with the vendor to complete those three steps and design the AI's conversation flow, you'll be ready to go live. The autonomous contact center will start taking calls for the use-case you identified, and that's when you'll see how elastic customer service works in action. By automating one use-case and showing success with it, you'll pave the way to add more use-cases. As you increase the number and types of calls that are answered by the autonomous contact center, you'll realize even more value in the form of increased cost savings and higher customer satisfaction.



Replicant is the world's first autonomous contact center that brings always-on, elastic capacity to every customer experience with voice AI. Replicant Voice resolves Tier-1 support issues over the phone, using natural and human-like contextual voice AI. It eliminates hold times, manages unpredictable call volumes, and gives agents more time to resolve emotionally-sensitive and complex issues. Replicant Voice has been deployed by Fortune 500 companies to resolve over 3,000,000 calls a month and reduce contact center costs by 50%.



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