

UNIVERSITY OF KWAZULU-NATAL

CUSTOMER SATISFACTION OF CALL CENTRE SERVICE DELIVERY IN SOUTH AFRICA

by

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MASTER OF BUSINESS ADMINISTRATION

2009

## DECLARATION

I, Sonil Ramchander Bodri declare that

- (i) The research reported in this dissertation, except where otherwise indicated, is my original work.
- (ii) This dissertation has not been submitted for any degree or examination at any other university.
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Signed:

## Acknowledgements

I wish to express my sincere appreciation and gratitude to the following individuals, without whose assistance, this study would not have been possible:

- My Guru, without whom this dissertation would not be possible. This study was written by faith and would have not come to a completion without His divine grace.
- My supervisor, Professor Anesh Maniraj Singh, for affording me the opportunity to be supervised by himself. Your mentorship, guidance and support has enabled me to see the completion of this dissertation.
- My respondents, who have given this dissertation validity and meaning.
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- My MBA colleagues who have supported and encouraged me throughout this semester.
- My Wife, who has been an instrumental figure in supporting me through words of confidence, encouragement and assisting with communicating with the University throughout my years at Business School. Thank you for the patience and sacrifice given to this episode of my life.
- My Daughter who has been the most patient, understanding and sweet little baby one could ever have whilst embarking on a journey such as this.

## **Abstract**

The call centre is often the first human interaction a customer has with a company and many customers form their perception of a company based on their experience with that call centre. The call centre industry is growing rapidly and South Africa is fast becoming a desired destination for outsourced call centres. The main aim of this study was to determine the level to which people are satisfied with call centre service delivery in South Africa and the reasons causing customer dissatisfaction.

A non probability sample of 106 consumers was drawn from the city of Durban with respondents being over the age of 21 years. The sample was composed of 61% females and 39% males. Of the sample, 55% were between the age group of 21-30 years, 25% were between the age group of 31-40 years, 12% between the age group of 41-50 years and 8% between the age group of 41-50 years. Data was collected using a self administered questionnaire as this proved to be most effective for this study. Respondents from all companies and parts of Durban were recruited as participant for the study. The SPSS software package was used to capture and analyse the data. Frequency bar graphs and cross tabulation frequency results were used to present the data.

Statistical results showed that there was a positive association between service quality and customer satisfaction. Descriptive frequency analysis highlighted issues that are causing most dissatisfaction to people using the call centre. Results indicated that users of the call centres found customer service levels to be acceptable which was in contrast to international findings where results indicated that consumers were less than 30% happy with call centre service delivery.

Results showed that consumers increasingly wish to communicate with companies using newer technologies, and value having access to multiple channels. It was found that web chat followed by SMS and email was a preferred medium of communicating with the call centre. The findings of the study indicated that long waiting times on the phone, calls being dropped, lack of accountability, irrelevant voice menus and repetition were the main reasons for their causes of customer dissatisfaction.

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## APPENDIX 1



Dear Respondent,

### **MBA Research Project**

**Researcher:** Sonil Bodri (083 7788008)

**Supervisor:** Professor Anesh Singh (031 260 7564)

**Research Office:** Ms P Ximba 031-2603587

I, Sonil Bodri **am** an MBA student at the Graduate School of Business, of the University of Kwazulu Natal. You are invited to participate in a research project entitled **Customer Satisfaction of Call Centre Service Delivery in South Africa**. The aim of this study is to investigate whether users from the city of Durban are satisfied with the level of service they are receiving from call centres.

Through your participation I hope to understand your experience when calling a Call Centre. The results of the survey are intended to contribute to **improving service levels of South African Call Centres**.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this survey. Confidentiality and anonymity of records identifying you as a participant will be maintained by the **Graduate School of Business, UKZN**.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The survey should take you about 10 minutes to complete. I hope you will take the time to complete this survey.

Sincerely

Investigator's signature \_\_\_\_\_

Date \_\_\_\_\_

**APPENDIX 2**

**CONSENT FORM**



**MBA Research Project**  
**Researcher:** Sonil Bodri (083 7788008)  
**Supervisor:** Anesh Singh (031 260 7564)  
**Research Office:** Ms P Ximba 031-2603587

**CONSENT**

I, \_\_\_\_\_ hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT

DATE

.....

.....

## APPENDIX 3

### Questionnaire: Customer Satisfaction of Call Centre Service Delivery in South Africa - May 2009

#### MBA STUDENT-DISSERTATION RESEARCH STUDY

INSTRUCTIONS TO PARTICIPANTS
------------------------------

Please tick the relevant blocks for each of the questions/statements

**1. Gender:**

Male \_\_\_ Female \_\_\_

**2. Age Group:**

21-30 \_\_\_

31-40 \_\_\_

41-50 \_\_\_

51-60 \_\_\_

61 > \_\_\_

**3. Race Group:**

Black \_\_\_

Coloured \_\_\_

Indian \_\_\_

White \_\_\_

**4. Do you ever call a call centre?**

1	2	3	4	5
Very Often	Usually	Seldom	Rarely	Never

**5. How would you rate your experience?**

1	2	3	4	5
Excellent	Good	Acceptable	Poor	Weak

**6. What type of call centre do you call most often:**

<b>Banking</b>	___
<b>Telecom / Cellular</b>	___
<b>Retail</b>	___
<b>Insurance</b>	___
<b>Airlines</b>	___
<b>Entertainment</b>	___
<b>Travel</b>	___
<b>Other</b>	___

**7. I believe that call centres lack personal service.**

1	2	3	4
Strongly Agree	Agree	Disagree	Strongly Disagree

**8. I often have to wait a long time when calling a call centre.**

1	2	3	4	5
Very Often	Usually	Seldom	Rarely	Never

**9. My calls are often dropped when placed on hold during a query.**

1	2	3	4	5
Very Often	Usually	Seldom	Rarely	Never

**10. Call centre agents are not competent. They lack knowledge on their products, systems and procedures.**

1	2	3	4	5
Very Often	Usually	Seldom	Rarely	Never

**11. Call centre agents lack accountability. They fail to live up to their promises of calling back.**

1	2	3	4	5
Very Often	Usually	Seldom	Rarely	Never

**12. Call centre agents are rude and arrogant.**

1	2	3	4	5
Very Often	Usually	Seldom	Rarely	Never

**13. I feel that call centre agents need to be more patient and empathetic during a query or complaint.**

1	2	3	4
Strongly Agree	Agree	Disagree	Strongly Disagree

**14. I often get transferred from one department to the next when calling a call centre.**

1	2	3	4
Strongly Agree	Agree	Disagree	Strongly Disagree

**15. My complaints are seldom resolved.**

1	2	3	4	5
Very Often	Usually	Seldom	Rarely	Never

**16. I am often placed on hold by call centre agents due to their systems being slow.**

1	2	3	4
Strongly Agree	Agree	Disagree	Strongly Disagree

**17. I often have difficulty in understanding or communicating with call centre agents.**

1	2	3	4	5
Very Often	Usually	Seldom	Rarely	Never

**18. I often have to repeat myself with a call centre agent.**

1	2	3	4	5
Very Often	Usually	Seldom	Rarely	Never

**19. I am often placed on hold by call centre agents whilst they are wrapping up a previous call.**

1	2	3	4	5
Very Often	Usually	Seldom	Rarely	Never

**20. I believe that there are too many irrelevant voice prompts before leading me to the one I require.**

1	2	3	4
Strongly Agree	Agree	Disagree	Strongly Disagree

**21. I seldom get to speak to a supervisor or manager when faced with a query that can not get resolved by a call centre agent.**

1	2	3	4
Strongly Agree	Agree	Disagree	Strongly Disagree

**22. I would be willing to spend more with a company that improves its overall customer experience.**

1	2	3	4
Strongly Agree	Agree	Disagree	Strongly Disagree

**23. As a result of poor customer service with call centres, I have:**

- a) Shouted at the agent \_\_\_
- b) Hung up on the call \_\_\_
- c) Developed a headache or felt sick \_\_\_
- d) Have felt my chest tighten \_\_\_
- e) Other \_\_\_

**24. I will recommend a company to my friends and family if it provides outstanding customer service.**

1	2	3	4
Strongly Agree	Agree	Disagree	Strongly Disagree

**25. I would be more positive about call centres if I received a courtesy call just for thanking me for my business received.**

1	2	3	4
Strongly Agree	Agree	Disagree	Strongly Disagree

**26. I would rather communicate with a call centre by:**

- a) Email \_\_\_
- b) Web Chat \_\_\_
- c) SMS \_\_\_
- d) Phone \_\_\_

**27. In general, how would you rate call centre service delivery in South Africa?**

1  
Excellent

2  
Good

3  
Acceptable

4  
Poor

5  
Weak

Thank you for your time.

## APPENDIX 4



RESEARCH OFFICE (GOVAN MBEKI CENTRE)  
WESTVILLE CAMPUS  
TELEPHONE NO.: 031 – 2603587  
EMAIL : [ximbap@ukzn.ac.za](mailto:ximbap@ukzn.ac.za)

---

22 JUNE 2009

MR. SR BODRI (207510570)  
GRADUATE SCHOOL OF BUSINESS

Dear Mr. Bodri

**ETHICAL CLEARANCE APPROVAL NUMBER: HSS/0276/09M**

I wish to confirm that ethical clearance has been granted for the following project:

**“Customer satisfaction of Call Centre Service Delivery in South Africa”**

**PLEASE NOTE: Research data should be securely stored in the school/department for a period of 5 years**

Yours faithfully

  
.....  
MS. PHUMELELE XIMBA  
ADMINISTRATOR  
HUMANITIES & SOCIAL SCIENCES ETHICS COMMITTEE

cc. Supervisor (Prof. AM Singh)  
cc. Mrs. C Haddon

Founding Campuses:  Edgewood  Howard College  Medical School  Pietermaritzburg  Westville

# CHAPTER ONE

## Introduction

---

### 1.1 Introduction

Call centres have inherently become the customer's first point of contact before or after a transaction and therefore responsible for creating and constructing either negative or positive perceptions towards the quality of service offered by the organisation as a whole. Customer expectations are increasingly growing and call centres need to satisfy these expectations in order to ensure a thriving industry. Delighting customers will become an increasingly difficult task in the predicted future for all industry sectors. Petousis (2007) stated "Changing technology and generation factors imply changes in customer expectations".

Companies need to take action to address their customer service concerns, and can include improving processes, improving staff loyalty and training, and improved monitoring and control. This study investigated the root causes of customer satisfaction and dissatisfaction of call centres in South Africa.

The sample was drawn from the city of Durban and results have provided recommendations for call centres to improve its customer service channels. Included in this research are comparisons of results to international benchmarks ensuring reliability of information. This chapter will further explain the intentions behind this research, the description of the objectives that was researched and the limitations of the study.

### 1.2 Motivation for the Study

According to the survey carried out by ASK Afrika (2007), it was revealed that call centres failed to personalise their service resulting in the customers having to go back to the store where the transaction took place.

Businesses are now outsourcing their customer service function and rely on call centres to sustain their brand value. This indicates that businesses place their faith in these call centres to uplift their services and enhance their brands. The question circulating around these issues relates to whether call centre service delivery enhances or deteriorates a company's image. The Genesys Global Survey (2007) conducted in four parts of the world (US, Europe, Asia Pacific, Japan) revealed that less than sixty percent of customers were happy with the service they receive from call centres.

According to Odgers (2008), the very nature of customer service has changed dramatically over the last decade. Today's customers expect more than traditional customer service. They want a company and its employees to exceed their expectations which mean that they require exceptional customer service. Therefore in order to provide exceptional service, call centres need to firstly understand the perceptions of users call centre experience and secondly, the issues that are causing them most dissatisfaction.

By researching this area of customer satisfaction, call centres will directly benefit as they will have up front information relating to issues of weakness in their business and will thus be in a position to rectify and improve operational procedures. This will add credibility to their business and strengthen their position in respect of securing new business contracts and increasing their profits.

The employees of the call centres will benefit as a result of call centres reassessing their worth and empowering them to carry out their duties more efficiently. The users of call centres will benefit from having improved systems saving them time, money and frustration. Lastly the company that outsources its service to call centres will benefit in many ways. Firstly its brand will be strengthened, more happy customers will result in repeat business and increased market share and more market share will lead to increased profits.

### **1.3 Focus of the Study**

The essence of this study lies with the concepts of service quality, customer satisfaction and call centres. Each of these concepts is interlinked and has an add on effect to the next.

#### **1.3.1 Service Quality**

Service quality is one of the key drivers in business sustainability. The objective is to move towards customer satisfaction which leads to customer loyalty and retention. The main focus in the service quality dimension is to determine the exact requirements of the customer (Willingham: 2005). Customer profiling is thus necessary when assessing customer needs. Biographical data affects purchasing decisions and perceptions about service quality. Willingham (2005) stated, "To avoid cultural collisions with customers, a customer service representative needs to be aware of how culture plays a role in the service encounter".

Therefore the questionnaire designed for this survey takes into account these prerequisites and was designed to obtain data necessary to make logical conclusions about service quality from the consumer's perspective.

#### **1.3.2 Customer Satisfaction**

Organisations are increasingly interested in retaining existing customers while targeting non-customers. Measuring customer satisfaction provides an indication of how successful the organisation is at providing products and services to the market place in improving their service levels and uplifting the South African standard of customer service.

### **1.4 Problem Statement**

A large scale survey was conducted on the call centre industry by the Universities of Witwatersrand, Western Cape and the University of California in June 2007. The report covered the aspects of management strategies and employment practices in

the global call centre industry, covering almost 2 500 call centre sites in 17 countries. The South African Call Centre industry was amongst the 17 countries surveyed.

One of the aspects researched in the study was the type of customer interaction with the call centre that made up the largest volume of call centre business. The results indicated that predominantly customer service type of business queries made up for majority of the interaction between the customer and the call centre. However the content of these customer service queries were unknown i.e. to what extent customers were happy or unhappy with their interaction with the call centres and whether their queries were being resolved or not. Therefore this research has investigated the extent to which customers are satisfied or not as well as determining the main reasons for unhappy users of call centres amongst people living in the city of Durban, Kwa-Zulu Natal

## **1.5 Research Questions**

The research aims to determine the following:

### **1.5.1 Perceptions of Service Quality from a Sample of Users from Durban**

In order to improve customer satisfaction of call centres, it would be imperative to understand customer's perceptions of the quality of service they received.

### **1.5.2 To Determine What are the Root Causes of Customer Satisfaction and Dissatisfaction of Call Centre Service Quality in South Africa**

In order for service levels to improve, call centres would need to know what the main causes of customer dissatisfaction are. Results from here will have a direct impact on call centre operational changes. At the same time factors causing satisfaction will also be examined to improve even further.

### **1.5.3 To Compare Demographics to Determine Whether Gender, Age and Race Groups Has Any Influence on Call Centre Service Delivery.**

Tests will be carried to determine whether demographics do indeed have any impact in the way in which service is delivered. All three cases will be correlated to check for similarities and differences.

### **1.5.4 To Determine Which Call Centre Sector Caused the Most Dissatisfaction**

Call centres are broad and diverse and operate in almost all industries. An evaluation of the call centre sector that is most disliked needs to be conducted. Results will ensure recommendations are made to the correct sector.

### **1.5.5 To Make Recommendations to Call Centres**

The information gathered from this survey has meaningful and practical information. Recommendations will therefore be given to call centres from this survey so that service levels are improved.

## **1.6 Objectives**

The Objectives of this Study are to:

- a) Determine customer's level of satisfaction with call centre service delivery.
- b) Determine what factors provide consumers with satisfaction.
- c) Determine what factors cause consumers dissatisfaction.
- d) Identify which call centre sectors, customers are most dissatisfied with.
- e) Compare demographics to determine whether there are similarities and differences among race groups, age groups and gender with regards to satisfaction with call centre service delivery.
- f) Provide recommendations to call centres to improve service levels.

The research questions were answered by administering a purpose constructed research questionnaire. The research questionnaire was self administered and made up of twenty seven questions. Closed ended questions were used to gather data from the sample. The sample was drawn from the Durban population and was emailed and hand delivered to the respondents.

The data obtained from the questionnaire was analysed using various statistical approaches. Information in the form of graphs, numbers and statements was used to make logical conclusions

## **1.7 Limitations of the Study**

The limitation of this study will be discussed with regard to the following:

### **1.7.1 Population and Sample**

Cooper and Schindler (2001) stated, " By selecting some of the elements in a population, we may draw conclusions about the entire population". The population of a study consists of the total collection of elements about which the researcher makes some inferences. In this study, the population was the city of Durban. Call centres are operated nationally in South Africa and therefore in order to get an unbiased response, this study will have to be replicated and conducted in other provinces of the country.

In terms of the sample, this study was restricted to people who makes use of call centres. The survey was therefore not open to all consumers resulting in time delays. Generally it was found that female respondents were more willing to participate than male. This then resulted in majority of the respondents being female which doesn't balance the gender response.

### **1.7.2 Identifying and Targeting Respondents**

Research designs can be classified by the approach used to gather primary data. There are two approaches to do this namely the observation and communication approach (Cooper and Schindler, 2001). This study made use of the communication

approach as it would yield a large amount of data that cannot be collected through observation.

The targeting was based on randomly selecting people which was at shopping malls and work offices.

There was difficulty in communicating with certain respondents as many did not know what a call centre was until explained. The questionnaire had to be explained in simpler language. This therefore caused doubt in the mind of the respondents resulting in delays in returning the questionnaire.

### **1.7.3 The Size and Scope of the Topic**

Call centres can be categorised in three categories such as in-house call centres, outsourced call centres and business process outsourcing (Gans: 2003). Each of these types of call centres are found across all industry sectors. This study was based on call centres in general and not to a specific type. Therefore results obtained from respondents represent a broad view of all call centres thus limiting the information credibility.

### **1.7.4 Accuracy of Results**

Call centres is a new concept for many people, therefore a few questions remained unanswered by certain respondents. This also suggests that these respondents weren't sure what call centres were about and the possibility of them answering the remainder questions incorrectly does exist. This limits the validity and reliability of results.

### **1.7.5 Access to Academic Literature**

Various websites and electronic libraries were consulted in an effort to gain a review of published literature in the areas of call centres, customer satisfaction and service quality. Most of the literature contained in the customer satisfaction and service quality articles were not pertinent to call centres. Academic literature on the various types of call centres was not available thereby resulting in use of other material.

## **1.8 Summary**

The call centre industry is becoming more and more competitive and as a result customer's expectations are increasing and this means businesses need to shape their infrastructure and operational procedures in order to meet these needs. In order for service quality to improve, call centres need to know what issues are causing distress to the customer. This chapter therefore provided an overview of the reasoning behind this study. It explained the motivation and focus areas of the study.

The research objectives are listed to better explain the direction of this study. An understanding of the limiting factors that caused barriers to the study was then looked at.

The literature review that follows provides definitions of the concepts of the study, the theory behind these concepts and general understanding of the essence of this call centres, service quality, and customer satisfaction.

## **CHAPTER TWO**

### **Literature Review**

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#### **2.1 Introduction**

The call centre is often the first (and sometimes the only) human interaction a customer has with a company, and therefore it is at this stage that the brand of a company is positioned in the mind of the customer. While most call centres have typically been managed as a resource that responds to customers requests for service, a significant opportunity exists for contact centres to be more pro-active in building engaging relationships with their customers (Genesys Global Survey 2007)

Service quality is a key business driver in ensuring customer satisfaction. When firms build a reputation for providing quality service and make this a key priority, they encourage not only short term increases in net operating income and revenue growth but future returns as well. Providing quality service is a business mindset and conditioning all areas of the business and its staff is an ongoing project, which is integral to the successful existence of the business (Rapert & Wren: 1998).

This chapter attempts to investigate the customer service process in terms of satisfaction, service quality and value. This chapter also analyses call centres and closely looks at statistics of call centres locally and abroad and the evolution of the call centre industry.

#### **2.2 Call Centres**

A call centre is a centralised office used for the purpose of receiving and transmitting a large volume of requests by telephone. A call centre is operated by a company to administer incoming product support or information inquiries from consumers. Outgoing calls for telemarketing, clientele, product services, and debt collection are also made. In addition to a call centre, collective handling of letters,

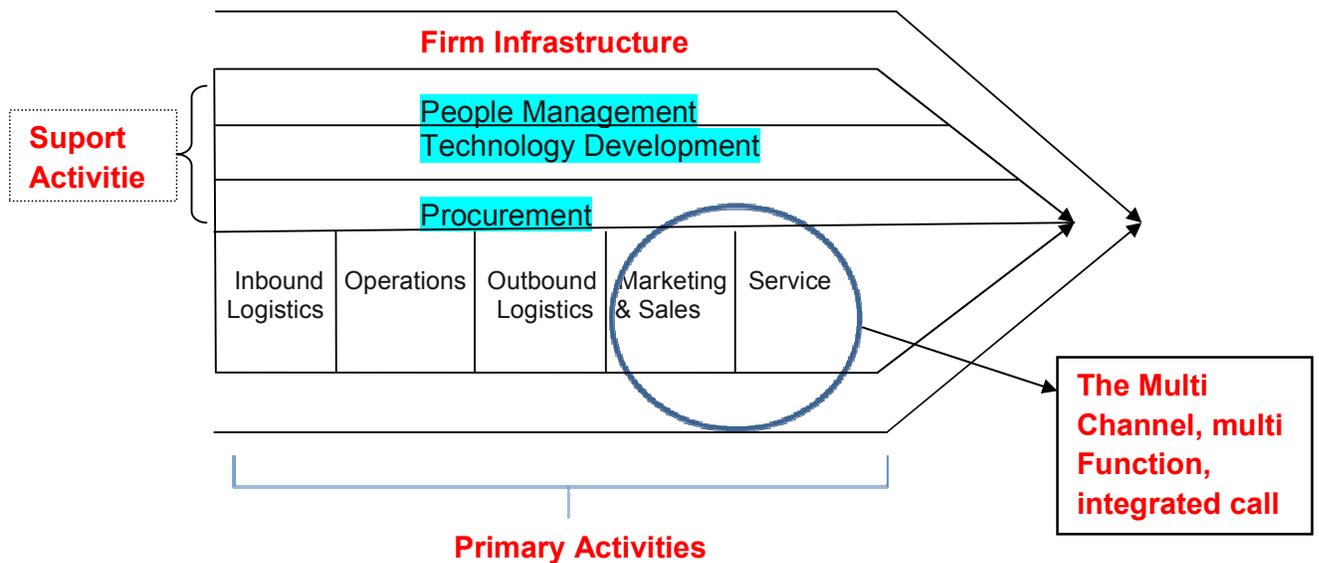
faxes, live chat, and e-mails at one location is known as a contact centre. Most major businesses use call centres to interact with their customers (Call Centres...2009).

A more recent trend has been the emergence of contact centres, which in addition to telephone contact, allow for email, fax etc. Call centres may be designed for inbound and/ or outbound calls. Inbound call centres are those call centres that receive calls from outside callers that call the centre to seek certain assistance. Outbound call centres contact people who are already customers or are potential customers to market or sell a product or service. Over 80% of the call centres, by some estimates are inbound call centres (Gans: 2003).

### **2.2.1 History of Call Centres**

The first call centres in South Africa began to appear in the 1970s, though it was only in the late 1990s that the combination of improved computer technology and reduced telecommunications costs contributed to a rapid growth in call centres. More recently, call centres have been widely pushed by an informal coalition of stakeholders with overlapping interests, ranging from trade unions, through provincial development agencies, to national government (Benner, Lewis & Omar 2007). The oldest call centre was established in 1976, but there was a burst in call centre creation in the early 1990s, and another major growth right around 1999. The average age of call centres is just under 9 years (Benner, Lewis & Omar: 2007).

For instance the 2002 ICT sector summit produced an endorsement by business, labour and government of call centres as an investment focus for “labour absorbing activities” (Nedlac 2002). According to Nedlac (2002), provincial bodies have been established to promote the establishment of call centres, often specifically targeting international outsourcing activities. These include Calling the Cape, Contact in Gauteng and KZNonSource, amongst others, now under the national umbrella of Business Process enabling South Africa. In 2002, government launched a multi-million rand business process outsourcing support programme.



**Figure. 2.1 The Generic Value Chain**

Adapted from Searle, A. 2007. *South African Contact Centre Benchmarking Report*. Dimension Data Insight 2007, South Africa.

According to Searle (2002), an organisation with a cost leadership strategy is most likely to utilise the direct call centre channel as a means to reduce its marketing and sales costs as evidenced in figure 2.1. An organisation with a differentiated strategy might choose to utilise its direct call centre channel as a means to provide its customers with a superior service to its competitors by offering them a greater choice of channel, 24hours a day, 7days a week, 365 days a year access and a consistent and excellent experience.

Today's (2009) reality is that few call centres have the luxury of such a simplistic and easily defined role in the value chain. Many of today's call centres operate marketing, sales and service desks that perform many and varied activities for internal business units who serve different customer segments with different value propositions.

## **2.2.2 Different Types of Call Centres**

Call centres can be divided into three categories. Companies must therefore decide which option would be best suited for their operations. Call centres are divided into an in house call centre, an outsourced call centre and an internationally based call centre called Business Process Outsourcing.

### **2.2.2.1 In House vs. Outsourced Call Centres**

One of the most important distinctions in types of call centres is between those that are run 'in-house' versus those that are run as 'out-sourced' call centres.

In-house call centre is a call centre developed by the company itself. This operation is managed internally together with the other business functional units. It makes use of its own infrastructure and own personnel.

Out-sourced call centres are run by firms that specialise in providing these customer relationship and interface services for other external clients. This call centre would be responsible for providing the infrastructure and personnel to its client. A legal contract would be developed between the two and the outsourced call centre would take over that function of its client's. A total of 19% of call centres in South Africa are outsourced compared with 17% in the United States, but is below the global average of 33% and well below the 80% of outsourced call centres reported in India (Holman, Batt & Holtgrewe: 2007).

### **2.2.2.2 Business Process Outsourcing (BPO)**

Business process outsourcing (BPO) is a form of outsourcing that involves the contracting of the operations and responsibilities of a specific business function (or processes) to a third-party service provider (Business process outsourcing ... 2009).

BPO involves agents in one country that typically have lower labour costs, serving customers in the U.S. or Europe. Thus, international observers often see India as the prototypical country for call centre industries in the developing world. The South African call centre industry, by contrast to this stereotype, developed more similarly

to most countries of the world, emerging first to serve a domestic market. It is only in the last few years that the number of call centres serving primarily an international market has begun to increase (Benner, Lewis & Omar: 2007).

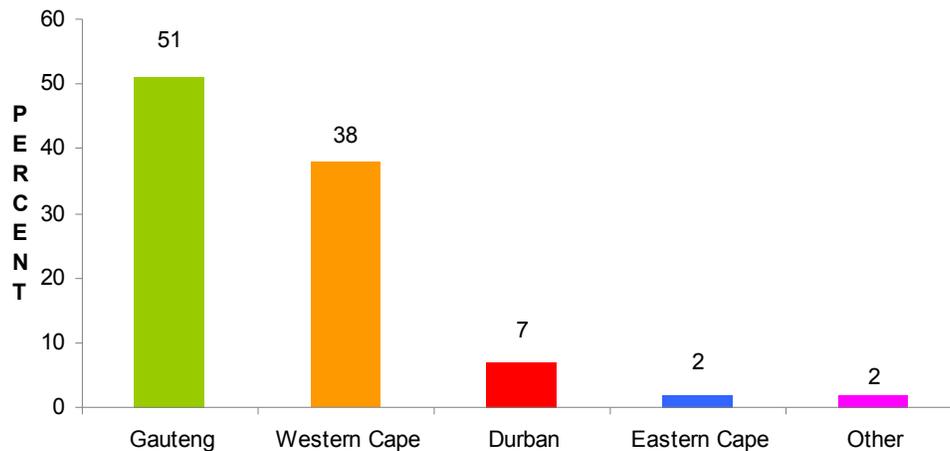
The call centre industry, and the broader business process outsourcing industry of which it is a central part, currently has a high level of visibility in South Africa. Business process outsourcing is one of only two sectors highlighted for specific sector support in the governments' Accelerated and Shared Growth Initiative for South Africa (ASGISA). In line with ASGISA, in December 2006, the South African government announced the approval of a programme of substantial government assistance and support for BPO, which included marketing, easing entry into South Africa for new BPO initiatives, expanded skills development and substantial investment incentives that can amount to R12 000 per agent (Benner et al: 2007).

### **2.2.3 Call Centres in South Africa**

South Africa's call centre industry is dominated by centres serving a domestic market (91%) and primarily in-bound customer service calls, rather than outbound sales calls. Of the call centres in South Africa, 51% were located in Gauteng province and another 38% in the Western Cape. Eighty one percent were operated as in-house call centres, and the average size is 77 call centre agents. Call centres have operated across many different industries, with telecommunication, insurance, banking and financial services industries being the most prominent (Benner et al: 2007).

#### **2.2.3.1 Geographic Split Between Call Centres in South Africa**

Call centre activity in South Africa is largely located in the major economic hubs of the country, with the country's economic heartland of Gauteng and Cape Town being the major force of activity. In the South African Call Centre Survey (2007), a total of nearly 51% of firms were located in Gauteng province. The Western Cape was the second largest site, with 38% of firms, and another 8% were in Durban (Benner, Lewis & Omar 2007).



**Figure. 2.2 Primary Market Served by South African Call Centres**

Adapted from Benner, C., Lewis, C. & Omar, R. 2007. *Call Centre Practices and Performance*. University of California Davis, Witwatersrand & Pretoria.

According to Benner, Lewis & Omar (2007), most call centres in South Africa are based in Gauteng and Western Cape as evidenced in figure 2.2. A small percentage is based in Durban and Eastern Cape. The smaller call centres tend to be smaller firms with in-house call centres, serving clients in their immediate area.

#### **2.2.4 South African Call Centres vs. International Call Centres**

In many ways the South African call centre industry is broadly inline with patterns across most of the rest of the world. These patterns are in terms of size, the mix of in-house and outsourced firms, ratio of inbound/outbound calls, and broadly similar patterns of work organisation and job design (Benner, Lewis & Omar: 2007). Within these broad similarities between South Africa and the rest of the globe, it is important to highlight two factors that are important. First is that the vast majority of call centres in South Africa serve a domestic, not an international market (Benner et al 2007). Secondly, most call centres employ only a few dozen workers, with a median international size of 49 employees and a median size in South Africa of only 24.

These characteristics are important because much of the South African government policy towards promoting the call centre industry is based, either implicitly or explicitly, on trying to replicate India's success in attracting large, internationally oriented call centres (Benner et al: 2007).

According to Benner et al (2007), there are a number of important differences in South Africa's call centre industry as well viz:

- **Education Levels:** In South Africa, the typical call centre agent has only a matriculation certificate and only 2% typically hire agents with a University degree. Only Brazil has a lower percentage of firms typically hiring agents with a University degree. Across the world, on average, 22% of call centres rely primarily on a university-educated workforce, and in India, over 70% of centres reported that they primarily rely on college graduates.
- **Sub-Contractors compared to In-House:** In nearly all other countries of the world, subcontractors use more temporary employees, provide less training, take a shorter time for new hires to become fully competent, are more likely to offer jobs with lower discretion, have higher turnover rates and pay substantially less.

In South Africa, sub-contractors employ fewer temporary employees who have lower attrition and turnover rates, are generally no more likely to provide jobs with little discretion pay only marginally less and provide only somewhat less training. However in most countries, sub-contracting firms are substantially larger on average than in-house firms and in most countries two to three times the average size. In South Africa, sub-contractors average only 40 employees, while in-house firms average 99 employees.

### **2.2.5 The Global View**

Call centres have developed broadly around the world. An important feature of call centers is the relative ease with which work flows can be routed to different

geographic locations, organizations, or employees within the same organization. This has allowed companies to shift service delivery from local interactions to more remote ones (Holman et al: 2007).

**Promise and controversy:** The growth of call centres has been controversial. On the one hand, consumers may gain from new or lower cost services, while governments in advanced and industrializing countries view call centers as a source of jobs and economic development. On the other hand, consumers often object to poor service quality, and managers complain of the difficulties and dilemmas of providing high quality service at low cost, while dealing with excessive turnover. Critics, including trade unions, also have complained that call centers are large service factories that only provide poor quality jobs with high levels of routine and low wages and job security. Thus, many different constituencies share an interest in the development of call centers and how they can be managed successfully in the global economy (Holman et al: 2007).

**Convergence and similarity:** Common to all call centres is the use of advanced information technologies to handle customer enquiries remotely in operations that encompass high levels of engineering efficiency. There is also a perception that call centers operate in a uniform way across countries as a call centre in the UK looks like one in South Africa, the Netherlands, or Brazil – which suggests that call centers in different countries are converging on a standard set of management and employment practices (Holman et al: 2007).

Over the past decade, call centres have expanded phenomenally in virtually every country around the world as evidenced in table 2.1

	<b>Number of Call Centres</b>	<b>Total Employment</b>
<b>Coordinated Economies</b>		
Austria	96	8049
Denmark	118	7162
France	210	15440
Germany	153	21600
Israel	80	3792
Netherlands	118	8437
Spain	68	13712
Sweden	139	7060
<b>Subtotal</b>	<b>982</b>	<b>85251</b>
<b>Liberal Market Economies</b>		
Canada	387	71041
Ireland	43	3453
UK	167	26187
US	464	94938
<b>Subtotal</b>	<b>1061</b>	<b>195619</b>
<b>Recently Industrialized Economies</b>		
Brazil	114	122,590
India	60	34146
Poland	75	9375
S. Africa	64	5599
S. Korea	121	22361
<b>Subtotal</b>	<b>434</b>	<b>194,071</b>
<b>Total</b>	<b>2477</b>	<b>474,942</b>

**Table 2.1 Call Centres and Employment**

Adapted From Social Research Council. 2007. *The Global Call Centre Report*. International Research Foundation, United Kingdom.

According to Holman et al (2007), call centre's have experienced phenomenal growth in virtually every country around the world. Due to advancement in technology, businesses have found that using a call centre was more cost effective to carry out its functions and thus call centre growth has expanded in countries world wide which has effectively increased employment in that country as evidenced in table 2.1 above.

### **2.2.6 Convergent National Trends**

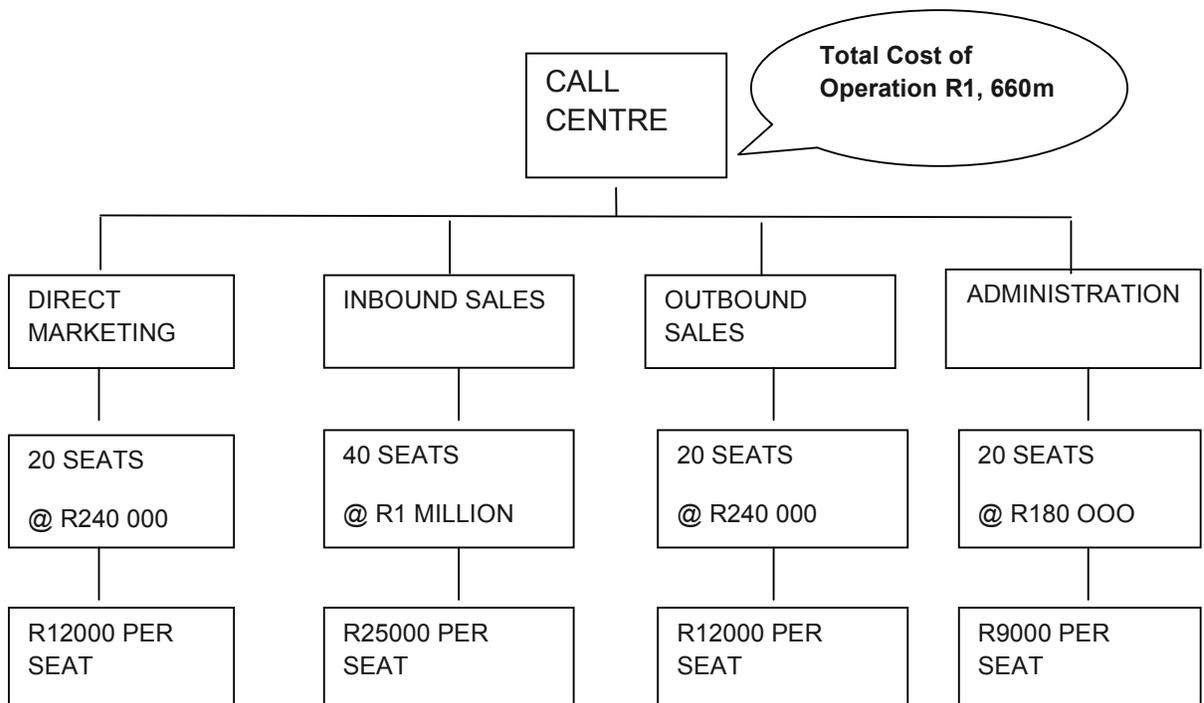
The global call centre study shows that there are many similarities across countries, suggesting that the call centre sector has developed in broadly similar ways across advanced and recently industrialized countries with regard to markets, services, and some organizational characteristics. One indicator of the similarities in countries around the world is the typical age of call centres. A call center in this study is typically 8 years old (in 2007), ranging from a high of 14 years in the US to a low of 6 years in India and 7 years in Poland and South Korea (Holman et al: 2007).

Another common feature of call centers across countries is that the market leaders in each case have been the telecommunications and financial services industries. Telecommunications firms were early adopters of call centers for long distance operators and telephone directory assistance (Holman et al: 2007).

### **2.2.7 Call Centre Investment**

Call centres are complex configurations of people, business processes and IT and Telephony systems that can be operated from one or many physical locations and can consist of owned, shared or outsourced infrastructures.

According to Searle et al (2003), call centres requires a large investment therefore the journey from cost to profit is an expensive one as evidenced in figure 2.3, however potentially very rewarding, as the call centre is a complex environment which if not properly structured, configured and fully integrated into the main stream of the business will fail to bear the expected fruits. Making such a journey requires effort, time, money and commitment.



**Figure.2.3 Total cost of ownership decomposed to functional / desk level**

Adapted from Searle, A., Van, S. & Routen. R. 2003. *Call Centres: Addressing Changing Needs*. South Africa: Paladin Consulting. p9.

Figure 2.3 illustrates the point that the total cost of ownership can be decomposed to the level of the different call centre desk groupings e.g. marketing, sales, service and administration. In this scenario, the total investment needed for this call centre amounts to approximately R1, 660 million.

Each call centre needs to be assessed on the basis of the internal and external environment in which the particular call centre operates. Pricing models and prices are determined on the basis of the strategic role of that call centre. The investment in a call centre will decide its operational and strategic capability which ultimately impacts on the service it is able to deliver.

The physical infrastructure configurations that are available today enable a call centre to own and host it's own IT and Telephony platforms and systems or to elect to outsource this ownership and hosting service to internal business units within the organisation or to external service providers (Searle, Van & Routen: 2003).

Examples of typical call centre operating expenses are indicated in table 2.1.

Facilities charges	rental, insurance, light, electricity
IT and Telephony charges	purchases, repairs, consumables, depreciation
Call charges	telephone calls, emails, sms
People charges	recruitment, salaries, fringe benefits, overtime, maternity leave, training
Overhead charges	finance and admin
Other	communication, travel and entertainment, marketing and advertising

**Table 2.2 Operational Expenses**

Adapted from Searle, A., Van, S. & Routen. R. 2003. *Call Centres: Addressing Changing Needs*. South Africa: Paladin Consulting. p9.

According to Searle 2003, the infrastructure required to operate a call centre gives rise to a large operational expenditure. The expenses vary from fixed costs to variable costs of which IT and telephony costs are the most concern for call centre owners. Thus it is imperative for businesses to assess the feasibility of either developing an in house call centre or outsourcing its functional units.

**2.3 Call Centre Service Quality**

Parasuraman, Zeithaml and Berry (2006), define service quality as “the degree and direction of discrepancy between customers’ service perceptions and expectations”. Thus if the perception is higher than expectation, then the service is said to be of high quality. Likewise, when expectation is higher than perception, the service is said to be of low quality.

Thus the components of service quality defined by Parasuraman et al (2006) are as follows:

- Assurance - Knowledge and courtesy of employees and their ability to inspire trust and confidence.
- Empathy - Caring, individualized attention the firm provides its customers.
- Reliability - Ability to perform the promised service dependably and accurately.
- Response - Willingness to help customers and provide prompt service.
- Tangibles - Appearance of physical facilities, equipment, personnel, and communication materials.

Service quality is "the consumer's overall impression of the relative inferiority/superiority of the organisation and its services" (Bitner & Hubbert 1994, p. 77). The basis of service quality theory lies in the product quality and customer satisfaction literature. The role of quality is complex and not only does quality affect perceptions of value and satisfaction; it also influences behavioural intentions directly.

Service quality is a user's judgement about the service itself. The quality of a service is high when the customer says it is and this is not always when the service conforms to technical criteria. Call centres often experience large fluctuations in demand over relatively short periods of time. This also places great emphasis upon capacity management practices within call centre operations. A theme which is clear in the definitions of service quality is thus expectations in determining judgements about quality (White: 2004).

### **2.3.1 Measuring Service Quality**

There are two perspectives of quality measurement: internal and external. According to internal perspectives, it is defined as zero defects; doing it right the first, time or conformance to requirements.

The external perspective understands this aspect in terms of customer perception, customer expectation, customer satisfaction, customer attitude and customer delight. External perspective is becoming important in the light of increasing consumer awareness, changing consumer tastes and growing consumer expectations (Services Research: 2004).

Measuring service quality can help companies increase service quality, innovation and most important, customer retention. By implementing measurement standards, call centre agents pay more attention to performance standards that are measured because they then know what to expect. Customer focused measurements are needed because they explain reasons for lost sales, retention problems, time consuming and costly complaints and cost redundancies (Odgers: 2008).

### **2.3.2 Service Quality in the United Kingdom**

Outstanding service remains the top reason consumers will recommend a company but consumers are even more likely to tell others about poor treatment following a negative customer experience.

As the credit crunch deepens, the third annual Customer Experience Impact Report (2008) found that consumers are becoming increasingly intolerant of poor customer service. For the third year in a row, there is a growing trend for consumers to stop doing business with a company following a negative customer experience. This year, 81% of consumers will remove their business following a poor experience versus 76% in 2007 and 65% in 2006. However, despite a challenging UK economy, the survey also found one in two consumers (50%) are willing to always or often pay more for a better customer experience.

According to Nuance Communications (2008), its research in London revealed that 60% of respondents were less than 'satisfied' with their interactions with customer service departments. The top two complaints were that agents were difficult to understand due to language barriers (28%) and that it took too long to speak to a live

agent (25%). Almost half of respondents would prefer using a speech automated system to struggling with an agent they couldn't understand (46%).

The research further revealed that consumers preferred speech recognition to touchtone systems with 45% of consumers less than satisfied with touchtone systems. Despite the perceived dislike of speech recognition applications, 84% of respondents were willing to try a new speech automated system provided they were notified in advance of its availability.

According to Harris Interactive (2008), data was gathered from more than 200 UK consumers over 18 years of age who had contacted customer service by phone for 12 months. The study explored consumer attitudes towards customer service to determine what customer interaction channels and what type of phone automation consumers preferred. Customer service quality had a major impact on brand perception. The majority (82%) believed that quality of customer service was influential, very influential or extremely influential on their perception of a company. Nearly two thirds (62%) of consumers who had bad call centre experiences stopped doing business with the organisation, 69% had shared their experience with friends and family, and 56% would be likely to switch to another company following a bad experience.

This research clearly demonstrates the frustration UK consumers have with call centre service.

### **2.3.3 Factors Impacting on Call Centre Service Quality**

According to Odgers (2008), service is a critical business function. It is driven primarily by the mindset, perspective and abilities of the people who perform the activities. Odgers (2008) further elaborates that call centres can provide people with better tools, improved systems, enhanced delivery methods but good people get good results, better people get better results and superior people get superior results. In the final analysis these are the things that determine long term business success or failure.

### **2.3.3.1 Call Centre Agents**

The intrinsic motivation of an employee depends on the nature of the work, the fit between an employee's view of interesting and challenging work and what is provided and also on how relationships with other workers are structured to make their work easier to accomplish (Frenkel: 2003). Although the call centre job involves a lot of routine work there is also work that can be intrinsically satisfying with opportunities to pursue challenges and express creativity (Bain & Taylor 2000).

A call centre agent is likely to be motivated by the level of compensation and the nature of benefits and external rewards based on performance. Moreover it is not the magnitude of the compensation/reward that matters, but by the belief that the rewards are good (Ojha & Pandey: 2005).

Patience, tolerance, the ability to listen and the ability to be flexible are all desirable qualities in a call centre agent, particularly as s/he has to be able to extract all the necessary information for action, while carrying on a courteous conversation (Callaghan & Thompson: 2002).

During service transactions, employees are expected to display emotions that comply with certain norms or standards of the organisation designed to create a desired state of mind in the customer (Ojha et al: 2005). An employee is expected to appear happy and glad to serve the customer, an aspect that most service providers including call centre agents find very stressful among other emotionally demanding and stressful aspects of their work (Deery, Iverson & Walsh: 2002).

### **2.3.3.2 Work Performance**

People have always been important to the success of any industry, but they are even more critical in the service sector (Thomson 2001). This is particularly true in the call centre industry as call centre agents (CCA) are front line employees in direct contact with the customer.

The salary and compensation related costs of the CSA contributes to about 70% of the cost of running a call centre (Friedman: 2000). Therefore call centre performance is critical for the company to maintain customer satisfaction and high operational efficiency.

Employees in a call centre are connected to information technology that automatically allocates work, facilitates its completion and monitors employee performance. Work is conducted in relative isolation from colleagues but under constant gaze of management who are responsible for structuring and interpreting the electronic information.

According to Frenkel (2003), work in the call centre can be defined as being deskilled and monotonous, relieved only by the increasing employment of part time workers or it can be viewed as a job that is rich in interactions and communications for people who would otherwise be less gainfully employed (Ojha et al: 2005). These two differing points of view are due to different persons reacting to seemingly similar work environments.

### **2.3.3.3 Service Delivery Innovation**

Companies need to find new ways to deliver their services, which must surpass client expectations. Through successful innovation a firm can protect its largest revenue generators, making possible its investment in the “next big thing” in terms of high-margin service offerings (Schneider & White 2004). In doing so, a firm must address the converging challenges of client sophistication, globalization, competition, technology innovation, and modularization – while still taking advantage of the market opportunities as they arise. To succeed at this balancing act, professional services firms must bring together resources in new ways, creatively package high-value products and services, and co create solutions with their clients. According to du Toit 2009, one of the areas which he believed needs attention, is the payment of entry level employees. He believes that South Africa would improve the quality of delivery and reduce attrition rates if there was more innovative thinking on rewarding people in line with similar jobs in other fields.

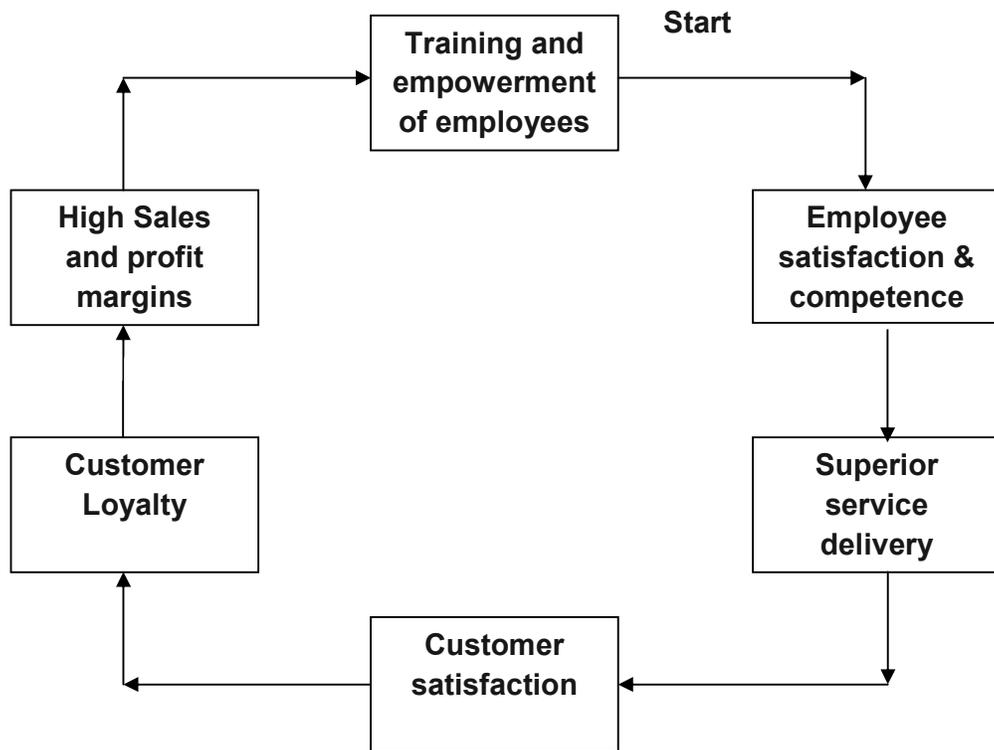
Another important area of development in South African contact centres and BPO that is probably lagging behind many experienced BPO centres, is flexible staffing. Staffing companies including CallForce Direct look at ways in which one can offer solutions which enhance efficiency whilst lowering staffing costs. This means working with clients who resource their contact centres or back offices efficiently for peak periods when volumes require additional resources without increasing permanent staff numbers (du Toit: 2009).

## **2.4 Customer Satisfaction**

According to Athanassopoulos (2000), customer satisfaction is regarded as "being highly associated with value and is based, conceptually, on the amalgamation of service quality attributes with such attributes as price".

Satisfaction is generally agreed to be a post purchase and post use evaluation (Hunt 1977). Hunt (1977) describes satisfaction as "an evaluation of an emotion". Kotler (2000) describes satisfaction as "a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectation". The above suggests that satisfaction reflects the degree to which a customer believes that the possession and / or use of a service evokes positive feelings (Rust & Oliver 1994).

According to Odgers (2008), the only way to survive in the marketplace is by building a wide base of loyal customers and this is a chain reaction which begins from investing in employees and delivering superior service as evidenced in figure 2.4.



**Figure 2.4 Management Philosophy**

Benefits of superior customer service. 2007. [ONLINE]. Available WWW: [www.mcg.com](http://www.mcg.com) (Accessed 11 May 2009).

According to Acqua Consulting (2007), management philosophy has shown an increasing realisation of the importance of customer focus, customer satisfaction and loyalty in any business. Management philosophy thus begins with employees investing in their staff by empowering them to deliver superior service. Superior service has a follow on effect on customer satisfaction.

Customers tend to stay with organizations that enable them to experience positive, meaningful and personally important feelings. The customer becomes 'king' and loyalty is earned. Loyal customers lead to repeat business and repeat business leads to increased sales and profits (Odgers: 2008).

### **2.4.1 Link Between Service Quality and Customer Satisfaction**

What happens on the inside of an organization has been shown to relate to the quality of service, customers report receiving. Delivering quality service has a direct impact on customer satisfaction and loyalty which ultimately determines profit levels. In other words when customers receive quality service they will be satisfied with the organization providing the service. Their satisfaction with the organisation will in turn lead them to be loyal customers to the organisation, repeatedly purchasing the service. Repeat business of loyal customers translates into higher profits (Schneider & White: 2004).

From an empirical viewpoint, several studies provide support for the link between service quality and behaviours that are indicative of customer satisfaction and loyalty. For example Boulding, Kalra, Staelin and Zeithaml (1993) found a positive relationship between customers' perceptions of overall service quality and their intentions to exhibit loyalty and making recommendations to others (Schneider & White: 2004).

Hence poor Service quality that is delivered by call centres in South Africa and the UK as mentioned above will have a direct impact on customer satisfaction and loyalty.

#### **2.4.1.1 Customer Retention**

As customers begin to experience a better service their expectations rise. Furthermore the service experienced is transferable in the mind of the customer. The customer makes conscious and unconscious comparisons between different service experiences, irrespective of industry sectors. A company's ability to attract and retain new customers therefore is a function not only of its product or product offering but also the way it services its existing customers and the reputation it creates within and across marketplaces (Cook: 2005).

The following statistics highlighted by Ogilvy & Mather (2002) indicate just how crucial retaining customers can be:

- Reducing customer defections can boost profits by 25-28 per cent
- The price of acquiring new customers can be five times greater than the cost of keeping current ones
- Can be up to seven times more than to prospective customers

Most organisations lose significantly more than 30 per cent of their customers before, or at the time of a repurchase decision, mainly through poor service. Thus, if a company can develop repeat and multiple business relationships with existing customers, it is more able to maximise both its sales overheads and resources (Cook: 2005).

#### **2.4.1.2 Earning Customer Loyalty**

Customer centricity has become the new, challenging, competitive battlefield. The only way to survive in the marketplace is by building a wide base of loyal customers and the only way to do that is by tailoring the customers experience to their wants and needs as much as possible (Cook: 2005). According to Odgers (2007), customers tend to stay with organisations that enable them to experience positive, meaningful and personally important feelings even if an organisation cannot always provide everything customers want or cannot solve all their problems.

Most people shift from one supplier to another because of dissatisfaction with service, not price or product offerings. The service provider's responsibility is to manage the emotions in customer service exchanges. Sixty eight percent of customers who go elsewhere do so because of a perception of indifference. Indifference means that customers believe that their loyalty is wasted on a company that doesn't care whether they remain customers. Earning customer loyalty is critical because today's economy has increased capacity to produce products and

information therefore an excess in the marketplace is inherent as more and more companies compete for the same customers (Odgers: 2008).

#### **2.4.2 Customer Service and Expectations**

According to Shroer (2003), the right of customers to expect some level of service based on an express or implied promise is quite different from wishful thinking. Customer expectations are beliefs about service deliveries that are used as standards against which performance is judged (Zeithaml & Bitner 2000). According to Zeithaml & Bitner (2000), customers hold several different types of expectations about service.

There is a level of service that a customer hopes to receive i.e. that level which a customer believes a service 'can' and 'should' be at and this is referred to as desired service. Service expectations are formed by uncontrollable factors, from a customer's experience with other companies and their advertising to a customer's psychological state at the time of service delivery.

#### **2.4.3 The Causes of Customer Frustration with Call Centres**

According to Genesys Global Call Centre Report (2007) the major sources of customer frustration include:

- Long hold times - 67 percent of consumers were frustrated by long hold times and 88 percent preferred to receive a call-back in 10 minutes than to be on hold for that long.
- Poor automation - 57 percent of consumers were frustrated by interactive voice responses with too many or incorrect options and 76 percent of consumers feel that companies are pushing them to use self-service systems instead of talking to live people.
- Customer Repetition - 52 percent of consumers were frustrated by having to repeat information they had already provided.

In competitive business environments, successful companies will be those that address the main sources of consumer frustration with call centres, use new channels wisely to enhance customer service while minimising operational costs, and seize every opportunity to engage customers by making their call centre experience a powerful one (Genesys Global Call Centre Report: 2007).

#### **2.4.4 Customer Satisfaction in the United States**

According to CFI Group (2007), customer satisfaction was the direct result of the performance of the contact centre. The inaugural Call Center Satisfaction Index (2006) revealed that the two issues with the most impact on customer satisfaction with the call centres are first call resolution and off shoring. The key element that is driving customer satisfaction and therefore customer loyalty and the likelihood to recommend is issue resolution. The study found that across all industries that were measured, nearly one fifth of all callers hung up with their issue unresolved. Of those customers who did have their issue unresolved, 68 percent were at risk of defection (Campbell: 2007).

The study also indicated that customers who believe the contact centre is located outside the US rate their satisfaction with the call centre experience 26 points lower on the index's 100-point scale and are almost twice as likely to defect compared to those who assume the call centre is in the United States. Teodoru (2007) stated "Offshoring has a negative impact on satisfaction because offshore customer service reps are less adept at solving customer problems. Customer service reps located outside of the United States were rated lower on communication skills. When communication skills are poor, customers' issues remain unsolved in the majority of cases".

Customer issues see resolution only 45 percent of the time when handled by reps with poor communication skills. In the instance where a rep can speak clearly, 88 percent of issues were resolved. According to Teodoru (2007), many companies treat call centres as cost centres rather than seeing them as an opportunity to solidify the customer relationship, resulting in increased loyalty and retention.

## **2.4.5 Customer Satisfaction in the United Kingdom**

For the third consecutive year in 2003, consumers voted 'waiting on hold' as the most frustrating aspect when contacting a company for assistance. When engaging with a company, British consumers also want quick access to a live agent. More than half (53%) found 'automated menus that don't provide an option to speak to a live agent', and 'being unable to reach a human being' (49%) frustrating. When interacting with a company online 36% of consumers want the option of a live web chat with an agent (Genesys: 2003).

Brown (2008) stated "Against the current economic backdrop, more than ever before businesses need to understand the significance of delivering good customer experiences. Emphasis has to be placed on retaining existing customers by fostering loyalty through satisfying interactions. The risk of not doing so exposes businesses to heightened customer attrition and will make it tougher to acquire new customers."

### **2.4.5.1 Impact of Negative Customer Experiences**

According to the Genesys Global Call Centre Report (2007), consumers were fighting back against poor treatment in a number of ways, many of which could directly influence a company's bottom line. These include:

- Lost business: 81% will stop doing business with a company because of a negative customer experience, 69% decide NEVER to use that company again
- Viral detractors: 74% of consumers tell others about their poor treatment, 20% have posted negative feedback online or to a blog.
- Operational burden: 61% have complained to the company at fault while 37% return products.

Poor customer experiences can also bring forth the following emotional outbursts from consumers (Genesys Global Call Centre Report: 2007).

- 32% of consumers have sworn
- 25% have shouted

- 9% have developed a headache or felt sick
- 8% have cried
- 6% have felt their chest tighten

Unhappy customers are not good for any company. It takes only one unsatisfied person to shatter a perfectly good day at work for everyone and steer many more prospective customers away from you. Therefore understanding and recognizing customer emotions as well as handling their complaints fairly can help bring the conflict to a satisfactory resolution for both sides (Odgers: 2008).

#### **2.4.5.2 Benefits of positive customer experiences**

The survey also found that consumers are willing to reward companies for the provision of good customer experiences (Genesys Global Call Centre Report: 2007).

- Customer acquisition: 53% of consumers will recommend a company to someone else because it provides outstanding service
- Repeat business: 52% of consumers would feel encouraged to spend more with a company if it were to improve its overall customer experience
- Sustained business: even in an economic downturn, 50% of consumers will always/often pay more for a better customer experience

#### **2.4.6 Improving Customer Satisfaction**

In order to provide excellent customer care, an organisation needs to exceed customer expectations. An important factor in providing a good service is therefore to always keep to promises and not to guarantee things which cannot be delivered. To provide excellent service, an organisation needs to under promise and over deliver (Cook: 2005).

The number one element of “great” customer service is the speed and accuracy of the response, with 37% wanting a fast service, followed by 30% wanting knowledgeable staff. Consumers were less concerned about speaking to a human

being, with only 6% citing the ability to speak to a live agent as an element of great service (Call Centres Research...2009). Forty six percent of respondents would prefer using an automated system to struggling with an agent they can't understand. Eighty percent would be at least somewhat willing to try a new automated system if they were notified in advance of its availability (Call Centres Research...2009).

Despite the widespread use of call centres, 49% of respondents or around 23.6 million adults agree they miss the individual service that going to a branch or office offers. The majority of consumers - almost 70%, do not appreciate incoming sales calls. Fifteen percent of adults were actually willing to listen to incoming calls offering services on behalf of various institutions (Call Centres Research...2009).

As per the literature contained in paragraph 2.2.3, South Africa's call centre industry is dominated by centres serving a domestic market (91%) and primarily in-bound customer service calls, rather than outbound sales calls. This therefore implies that South Africa needs to focus on ways to improve its customer satisfaction so as to remain competitive in the call centre industry.

## **2.5 Regional Trends**

According to du Toit (2009), South Africa's business process outsourcing and off shoring (BPO&O) sector has achieved quality standards including consistent service delivery excellence particularly in view of South Africa's international marketing efforts. Du Toit (2009) stated "While we have excellent contact centres in many regions, not all achieve the required quality standards which are currently being developed through work with the South African Bureau Standards".

Reflecting on some key components of service delivery in the South African BPO&O industry, Du Toit (2009) felt that there was a growing need for more mature, competent and skilled team leaders and operations managers. Identifying, recruiting and selecting those people who will drive superb delivery was one of the focus areas for companies such as CallForce Direct. However, he explained that there was a

short supply of trained and experienced candidates for South Africa's growth targets to ensure operational efficiencies allowing South Africa to compete globally.

Another matter closely observed for success in contact centre development in South Africa was the emerging "Public Private Partnerships" (PPPs). Whilst this appeared to be going well in some provinces, a more universal approach across South Africa was needed to fast track the development of the BPO&O industry. KwaZulu - Natal, the Eastern Cape and Western Cape seem to have achieved noticeable support from local government (Du Toit: 2009).

### **2.5.1 Impact of Skills Shortage on Service Delivery in South Africa**

One of the key reasons for business pessimism in South Africa is the lack of skills availability. Companies such as Australia and Canada are hunting for key skills that South Africa is in short supply. Key technical and managerial and professional skills are in short supply and this therefore results in projects missing their deadlines leading to pessimistic business relationships. An HSRC study conducted in 2007 warned that the supply of skills has flattened out and in some key instances, even fell from levels in the late 1990's. Mthombothi (2008) stated, "South Africa is undoubtedly one of the big losers in the global race for skills. Its best artisans, technicians, doctors and engineers are picked up with glee by companies all over the world".

Brehm (2009) stated, "South African privately held businesses believe that the availability of a skilled workforce is still the biggest constraint to business growth." According to Thornton (2009), forty one percent (41%) of South African privately held businesses believed that the availability of a skilled workforce is still the biggest constraint to business growth (48% in 2008).

An increase in skilled workforce will lead to more satisfied and fulfilled staff that feel more valued and even begin to have fun in their contact centre environment. They are likely to experience more professional and consistent coaching, guidance and development and hence are more likely to stay in their positions. This usually leads to an improved culture of customer service (Du Toit: 2009).

## **2.6 Summary**

This chapter focused on four specific areas viz: Call Centres, Service Delivery, Customer Satisfaction and Regional Trends. The different types of call centres was first looked at, and focus was placed on how the call centre industry was expanding worldwide. Next, the similarities and differences between call centres in South Africa and internationally was analysed to understand where South African call centres were positioned with the rest of the world. Convergent trends between call centres locally and abroad was then analysed. Lastly the components associated with call centre investment were examined. The dimensions of service quality was then examined. Service quality standards in the United Kingdom were then explained and various factors affecting service quality viz. call centre agents, work performance and service delivery innovation was looked at.

The theory behind customer satisfaction was then explained. The link between service quality and customer satisfaction was then examined which showed how customer retention, customer loyalty customer expectations and customer frustrations were all interlinked. An understanding of customer satisfaction in the United States and the United Kingdom was then focused on. The impact of negative and positive customer experiences was then looked at.

In the last dimension of this chapter, a look at regional trends in South Africa led the chapter to focus on the impact that skills shortage was having on service quality. The next chapter discusses Research Methodology and Data Collection Strategies.

# **CHAPTER THREE**

## **Research Methodology**

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### **3.1 Introduction**

Business research relates to aspects of the field that have a social science orientation. The methods of management and business research are closely tied. Methods are linked to the ways in which social scientists envision the connection between different viewpoints about the nature of social reality and how it should be examined (Bryman & Bell: 2007).

This chapter addresses the objectives of the study, research design i.e. type of study, data collection methods, instrument design, respondent selection and data analysis i.e. how the data was processed.

### **3.2 Aim of the Study**

The call centre industry is becoming more and more competitive as companies are increasingly outsourcing their services to call centres which have a pre built infrastructure to accommodate their needs. Studies in the UK have shown that the customer experience with call centres has a big impact on customer loyalty. They have also indicated that the majority of customers are experiencing frustrations when using call centres.

The aim of this study is to investigate and understand the perceptions of users of call centres from Durban, Kwa-Zulu Natal.

#### **3.2.1 Objectives**

The objectives of this study are to:

1. Determine customer's level of satisfaction with call centre service delivery.
2. Determine what factors provide customers with satisfaction.
3. Determine what factors cause customers dissatisfaction.
4. Identify which call centre sectors, customers are most dissatisfied with.
5. Compare demographics to determine whether there are similarities and differences among race groups, age groups and gender with regards to satisfaction with call centre service delivery.
6. Provide recommendations to call centres to improve service levels.

### **3.3. Data Collection Strategies**

Data Collection is an important aspect of any type of research study. Inaccurate data collection can impact the results of a study and ultimately lead to invalid results.

Typical quantitative data gathering strategies include:

- questionnaires
- interviews
- focus group interviews
- observation
- case-studies
- diaries
- critical incidents

Quantitative data collection methods rely on random sampling and structured data collection instruments. They produce results that are easy to summarise and compare (Data Collection Methods...2007).

For this study, the self administered questionnaire was used to collect data. Questionnaires have advantages over other types of surveys in that they are cheap,

do not require as much effort from the questioner as verbal or telephone surveys, and have standardised answers that make it simple to compile data.

### **3.3.1 Advantages of the Self Administered Questionnaire**

The following is a list of advantages that warrant the use of the self administered questionnaire.

#### **a) Cheaper to administer**

Interviewing can be expensive. It will be cheaper for this research survey to be emailed and hand delivered than conducting telephone interviews (Leedy & Ormrod: 2001)

#### **b) Quicker to administer**

Self – completion questionnaires can be sent out by post, email, fax or hand deliveries. A thousand questionnaires can be sent out by post in one batch but with a team of interviewers it would take a long time to conduct personal interviews with a sample of this size (Bryman & Bell: 2007).

#### **c) No interviewer variability**

Self completion questionnaires do not suffer from the problem of interviewers asking questions in a different order or in different ways (Brent: 2003)

#### **d) Convenience for respondents**

Self completion questionnaires are more convenient for respondents because they can complete a questionnaire when they want and at the speed they want to go (Bryman & Bell: 2007).

#### **e) Accuracy of Responses**

People are more truthful while responding to the questionnaires regarding controversial issues in particular due to the fact that their responses are anonymous (Leedy et al: 2001).

### **3.3.2 Definition of Sampling**

According to Cooper and Schindler (2001), a sample is a part of the target population carefully selected to represent that population. The basic idea of sampling is that by selecting some of the elements in a population, conclusions may be drawn about the entire population.

### **3.3.3 Sampling Approach and Technique**

There are two types of sampling techniques that can be used, namely probability and non probability sampling. For the purpose of this study a non probability judgmental sample was drawn. The study was entirely dependant on consumers voluntarily agreeing to fill in the questionnaire and the response rate would have been difficult to obtain with probability sampling.

According to Cooper and Schindler (2001), judgmental sampling occurs when 'a researcher selects sample members who conform to some criterion'. Respondents for this sample were selected after they confirmed they were older than 21 years of age and that they previously called into a call centre.

## **3.4 Research Design and Methods**

Research design provides a framework for the collection and analysis of data. A choice of research design reflects decisions about the priority being given to a range of dimensions of the research process (Bryman & Bell: 2007).

### **3.4.1 Quantitative Research**

Quantitative research emphasises the measurement and analysis of common relationships between variables (Denzin & Lincoln: 1998). Quantitative research attempts precise measurement of something. Quantitative methodologies usually measure consumer behaviour, knowledge, opinions or attitudes (Cooper & Schindler, 2006). Quantitative research deals with numbers using statistical models to explain the data (Bauer & Gaskell: 2000).

A quantitative research method was used because it provides a more statistical and graphical understanding of the data collected therefore better explaining Customer Satisfaction of Call Centre Service Delivery in Durban. Secondly quantitative research enables easier analysis of the data collected from the questionnaire as opposed to qualitative research. A quantitative study was therefore selected as the appropriate research method for this study.

#### **3.4.1.1 Construction of the Instrument**

The questionnaire contained two parts:

- Part 1: Contained general demographic particulars of the respondents such as age, gender and ethnic identity.
- Part 2: focused on the major aspects of the respondents experience with a call centre.

The questionnaire was designed to be specific and capture information that was relevant to the objectives of the study. A total of 27 questions were carefully constructed. Closed ended questions were used. This is best suited to a study that attempts to gather data based on respondents perceptions. A four and five point Likert scale was used to rate questions. A four point scale was used in order to obtain a defined answer from the respondents and to understand the respondents exact feelings without allowing any neutral ground. On the contrary, a five point scale was used when a question was open ended and didn't necessarily apply to every user of a call centre. A five point scale gives the respondents neutral ground to answer neither positive nor negative therefore adding a balance to the answers. Respondents were requested to rate their level of agreement / disagreement with each statement on a scale ranging from strongly disagree (1) to strongly agree (4).

#### **3.4.1.2 Recruitment of Study Participants**

The population of a study consists of the total collection of elements about which the researcher makes some inferences. The target population for this study were users of call centres in Durban, KwaZulu - Natal who were over the age of 21 years. The sample consisted of consumers from all demographics. It also included skilled and

semi skilled people, professionals and unemployed individuals. Thus the sample is representative of people from different backgrounds which gave a neutral view on the status of call centre service delivery in South Africa.

### **3.4.2 Pretesting and Validation**

The final step toward improving survey results is pretesting the assessment of questions and instruments before the start of a study. The reason for pretesting is to:

- a) Discover ways to increase participant interest
  - b) Increasing the likelihood that participants will remain engaged to the completion of the survey
  - c) Discovering question content, wording and sequencing problems
  - d) Exploring ways to improve the overall quality of survey data
- (Cooper and Schindler: 2006).

The questionnaire was administered to colleagues to review and check for vocabulary, confusion and ambiguity so that the research instrument could be refined to be understood.

### **3.4.3 Administration of the Questionnaire**

Data was collected by means of a self-administered questionnaire. With this approach, the researcher sent out the questionnaires by hand delivery, email and fax. Two hundred questionnaires were administered but 106 questionnaires were returned and processed. Responses were then mailed back and the balance were hand collected by the researcher. Some of the reasons for the non responses were due to respondents either having time limitations or regarded the questionnaire as 'junk mail'.

## **3.5 Analysis of the Data**

Analysis of data involves reducing accumulated data to a manageable size, developing summaries, looking for patterns and applying statistical techniques (Cooper and Schindler: 2006).

A summary of descriptive and inferential statistics and exploratory data analysis was used to analyse the data. The computer programme Statistical Package for the Social Sciences (SPSS) is among the most widely used programs for statistical analysis in social science. It is used by market researchers, health researchers, survey companies, government, education researchers and others (SPSS...2009). SPSS software was therefore selected as the statistics tool to analyse the data for this study. Various statistical methods were used.

Descriptive frequency statistics was drawn and used to analyse the data. Bar graphs containing frequency percentages from highest to lowest values were formulated. Standard deviation, mean scores, minimum and maximum percentages were calculated and used for the analysis of data.

Cross tabulated frequencies were used to make conclusions about two interrelated questions. This technique was used to measure the strength of the relationship between the biographical variables and customer satisfaction.

From the above data, clear conclusions can be drawn for customer satisfaction of call centre service delivery in South Africa and recommendations to improve service levels.

### **3.5.1 Descriptive Statistics**

The objective of descriptive statistics analysis is to develop sufficient knowledge to describe a body of data. This is accomplished by understanding the data levels for the measurements which were chosen, their distributions, and characteristics of location, spread, and shape. The discovery of miscoded values, missing data, and other problems in the dataset is enhanced with descriptive statistics (Cooper, & Schindler, 2001). In the case of descriptive statistics, the frequencies will be calculated to ascertain the extent of customer satisfaction with call centre service delivery.

### **3.5.2 Frequency Distribution**

A frequency distribution is a table, which summarises ratio-scaled data into intervals (classes) each with corresponding frequencies. The class frequencies reflect the

number of occurrences of data values that fall within the class limits (Cooper & Schindler: 2001).

### **3.5.3 Visual Representation of the Data**

Bar graphs and statistical tables were used to visually describe results of this survey. Visualising the results places thoughts into perspective thus allowing conclusions to be made.

## **3.6 Summary**

Chapter three discussed the research methodology and design that was used as a framework for this research.

Firstly the data collection strategy was analysed and selected. The choices selected here was vitally important as the results were based on this premise. In addition to selecting the data collection strategy, a look at the advantages of using a self administered questionnaire confirmed the selected data collection strategy.

Research design and methods was then analysed. The choice for the selected research method was explained and an analysis of the construction of the instrument was then conducted.

Recruitment of the participants and methods of administering the questionnaire then followed. Finally the data analysis was examined and various techniques that were selected for this study was discussed.

The presentation of the results will follow in the next chapter.

# CHAPTER FOUR

## Presentation of Results

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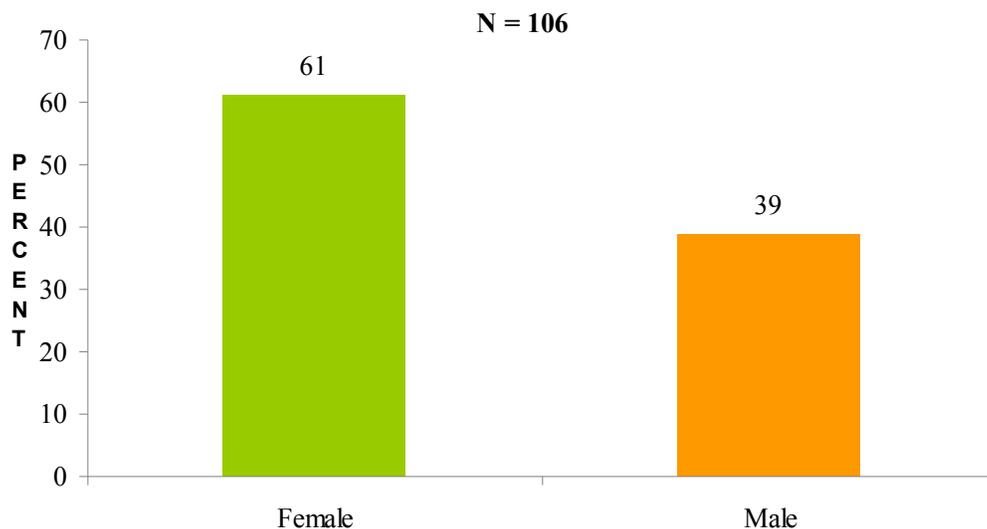
### 4.1 Introduction

This chapter provides a presentation of the data. The analysis provides a breakdown of the demographics of the respondents including aspects such as age, gender, race etc. in order to describe the sample data.

### 4.2 Frequency Analysis

The following frequency results yielded information regarding the composition of the sample and some of the demographics of the respondents.

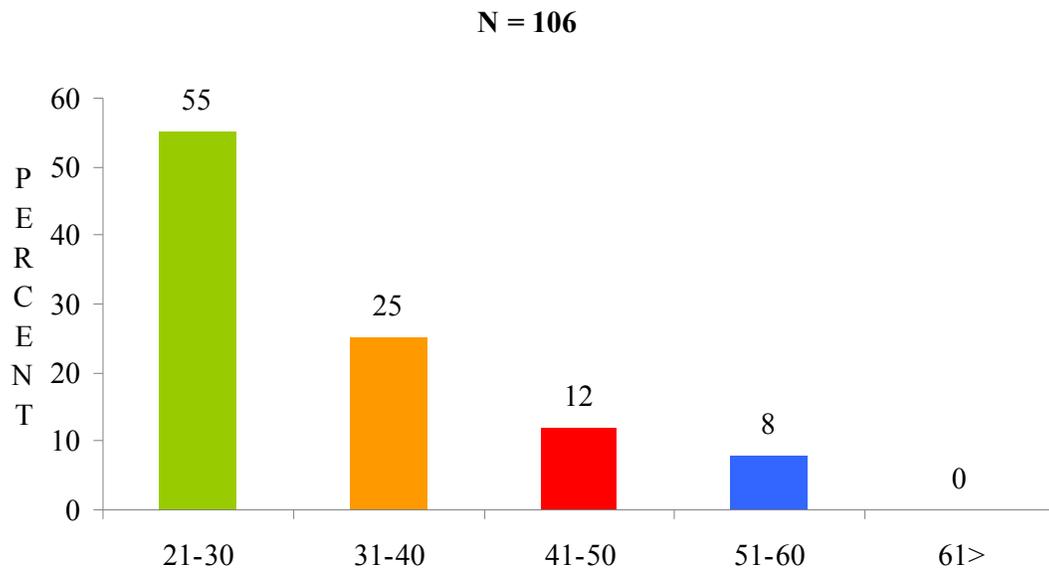
#### 4.2.1 Gender



**Figure 4.1 Genders of Respondents**

Sixty one percent of the respondents were female and thirty nine percent were male.

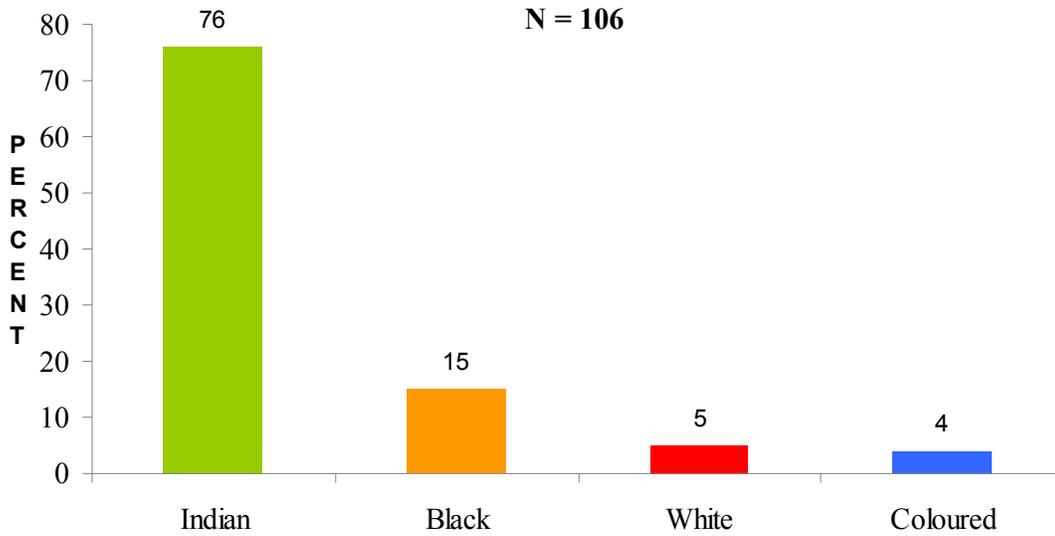
## 4.2.2 Age



**Figure 4.2 Respondent's Age**

Figure 4.2 indicates that fifty five percent of the respondents were aged between 21-30 years. Twenty five percent fell in the 31-40 years age group, twelve percent were in the 41-50 years age group, eight percent in the 51-60 years age group and none were greater than 60 years of age.

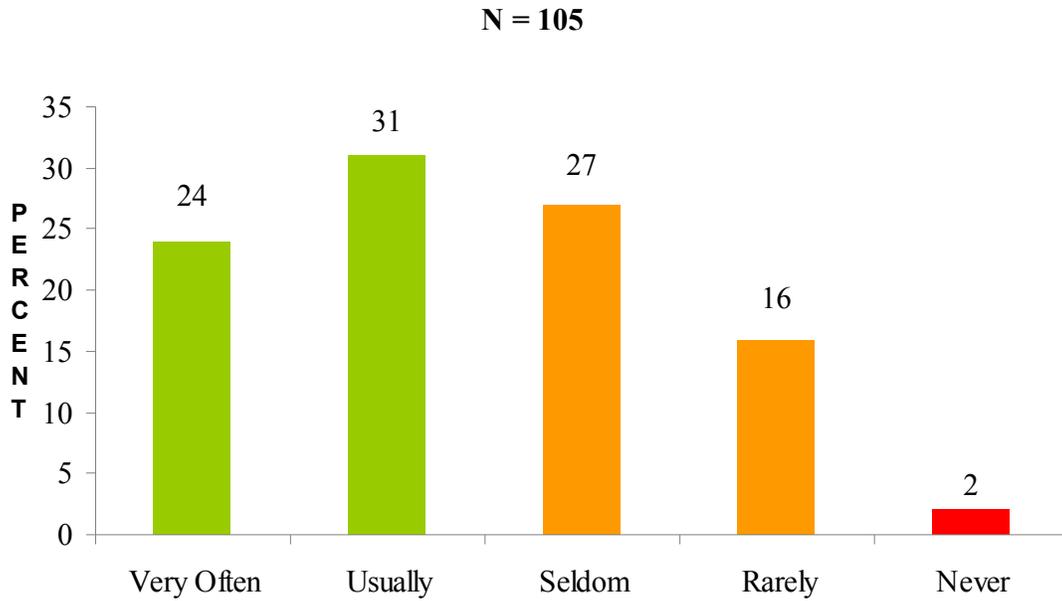
### 4.2.3 Race



**Figure 4.3 Respondent's Race Group**

It was found that in the race category, majority of the respondents i.e. seventy six percent were of Indian descent. The rest of the sample was made up of fifteen percent Black, five percent White and four percent were Coloured.

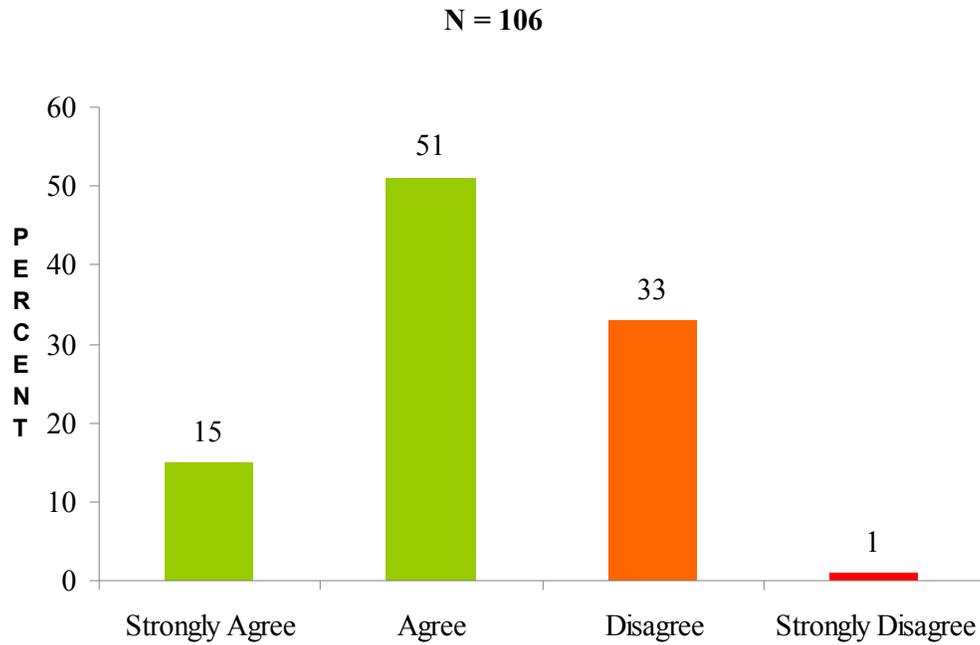
#### 4.2.4 Call Centre Usage



**Figure 4.4 Frequency of Use of a Call Centre**

Figure 4.4 indicates the frequency to which South Africans make use of a call centre. Thirty one percent usually called into a call centre, twenty seven percent seldom called in while twenty four percent often called in, sixteen percent rarely called in and two percent never called into a call centre.

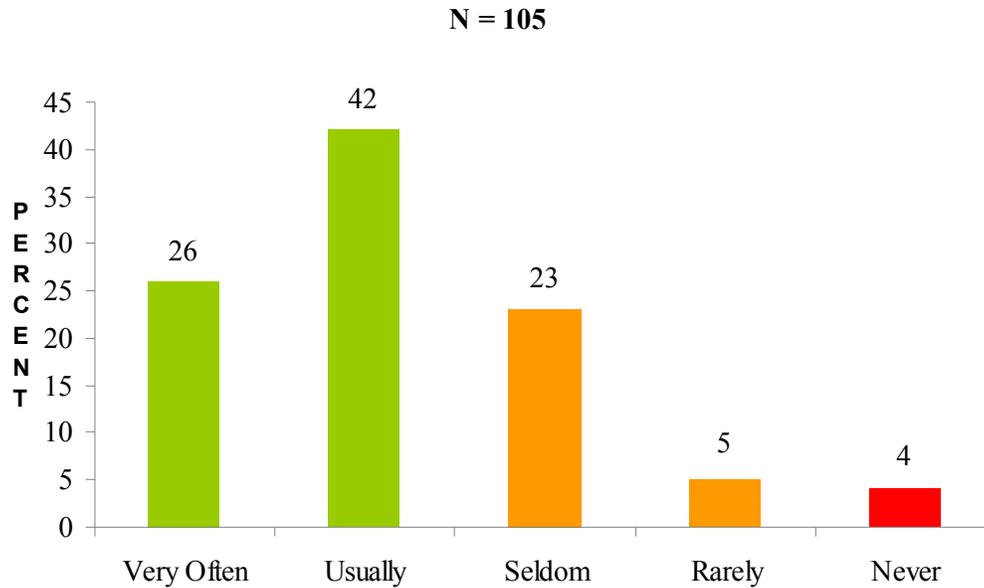
#### 4.2.5 Lack of Personalised Service



**Figure 4.5 Lack of Personalised Service**

Figure 4.5 indicates the extent to which respondents felt that call centres lacked the personal service. Sixty six percent of the respondents were in agreement with the lack of personal service call centres offer whilst thirty four percent disagreed.

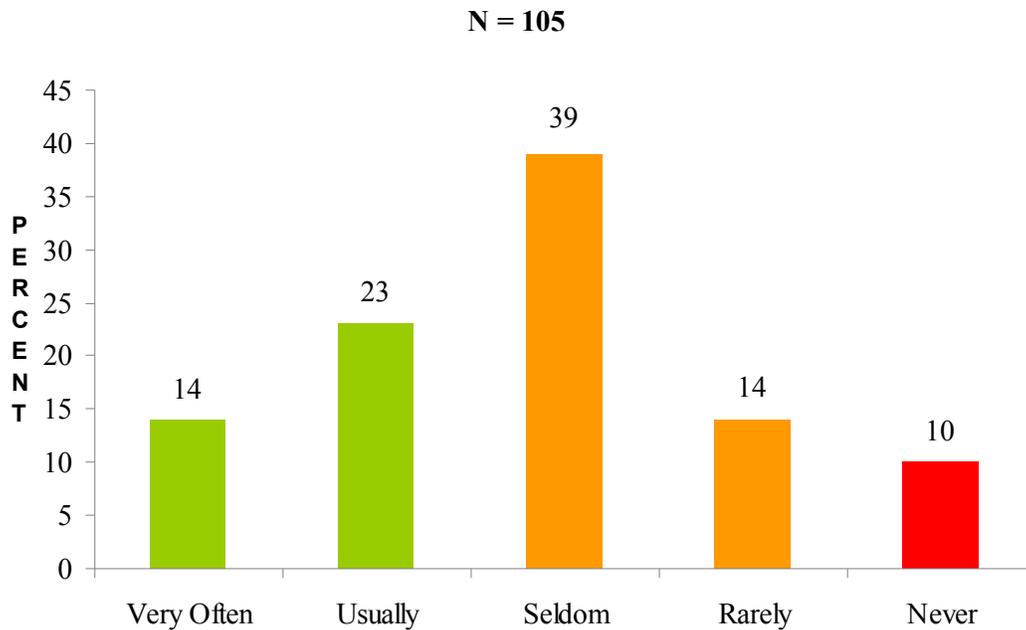
## 4.2.6 Call Waiting Times



**Figure 4.6 Long Waiting Times**

Figure 4.6 indicates the extent to which respondents have to wait when calling a call centre. Forty two percent of respondents usually experience long waiting times whilst twenty six percent very often experience long waiting times. Four percent never experience long waiting times.

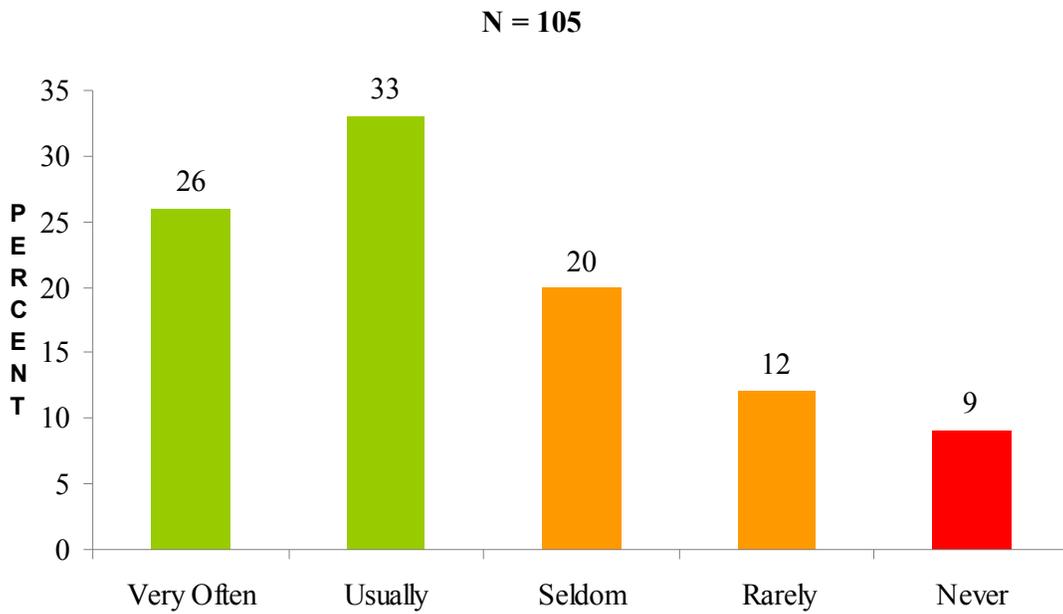
#### 4.2.7 Dropped Calls Whilst on Hold



**Figure 4.7 Dropped Calls**

Thirty seven percent of respondents experienced problems of dropped calls whilst they were on hold. Fifty three percent of respondents don't really have a problem with dropped calls whilst ten percent never experience this problem.

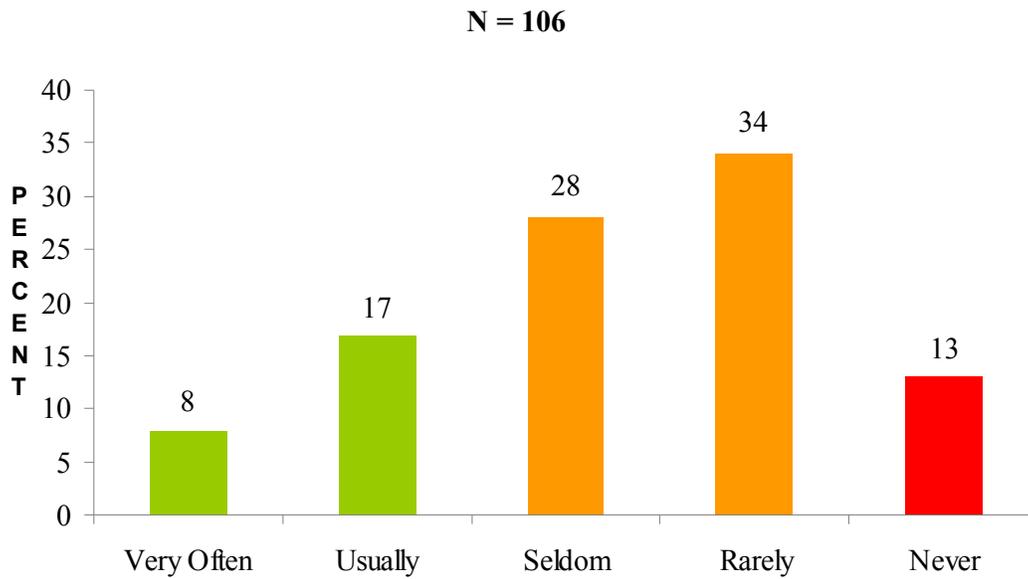
#### 4.2.8 Employee Accountability



**Figure 4.8 Lack of Accountability**

Fifty nine percent of respondents felt that call centre agents were not accountable for their actions in their jobs whilst thirty three percent didn't really think that was the case.

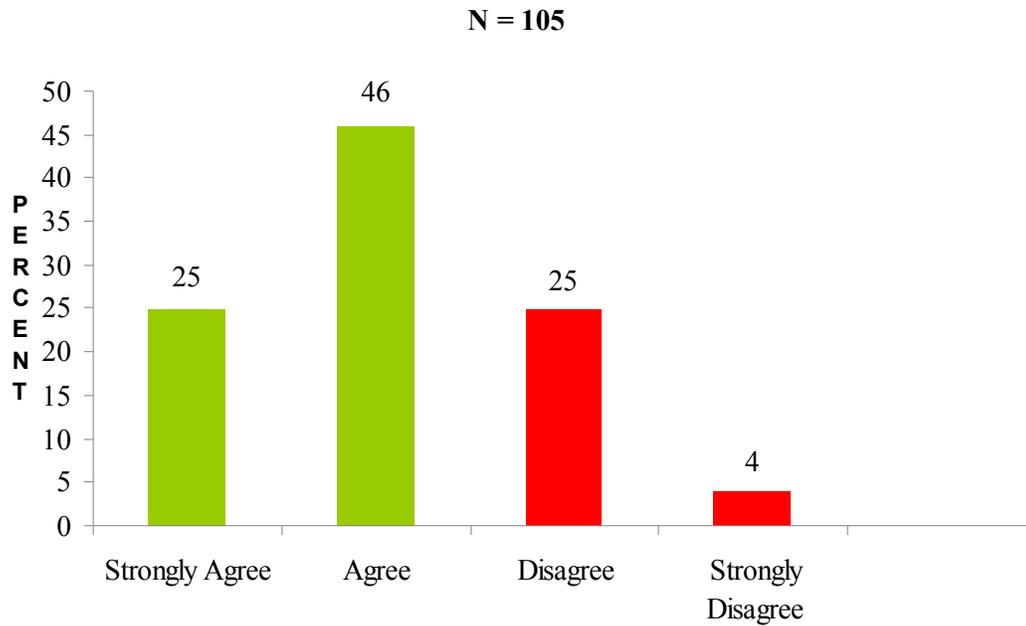
#### 4.2.9 Employee Personality



**Figure 4.9 Rude Agents**

Fifty three percent of respondents had experiences with rude call centre agents whilst forty seven percent didn't really go through this experience.

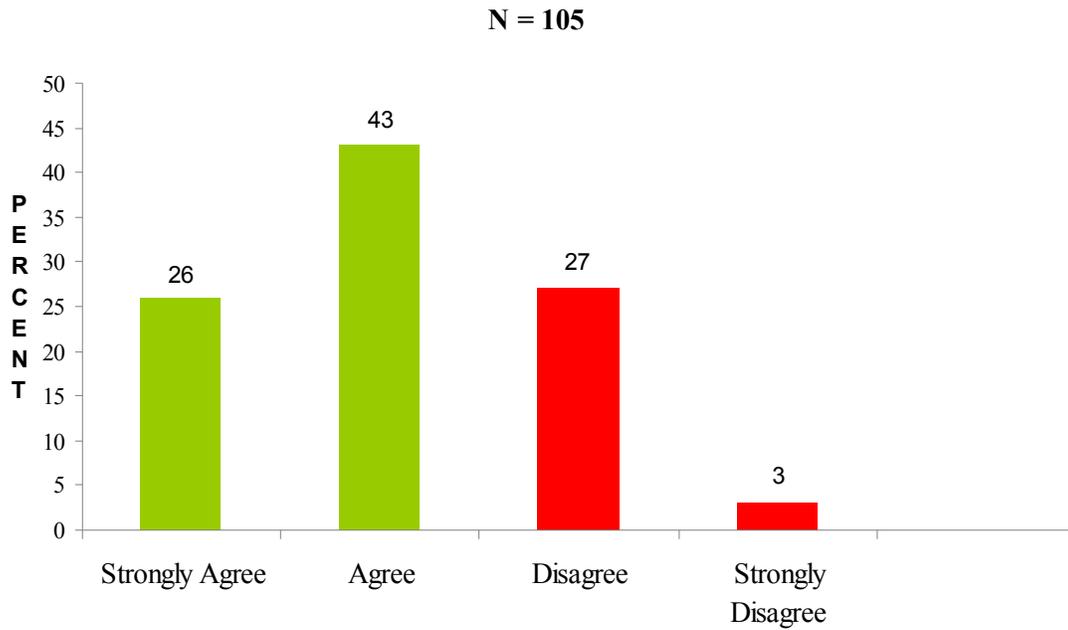
#### 4.2.10 Employee Attitude Towards Customers



**Figure 4.10 Agent Empathy**

Forty six percent of respondents felt that call centre agents needed to be more patient and empathetic during a query or complaint whilst twenty five percent strongly agreed with this. Twenty five percent disagreed with this and a minor four percent strongly disagreed.

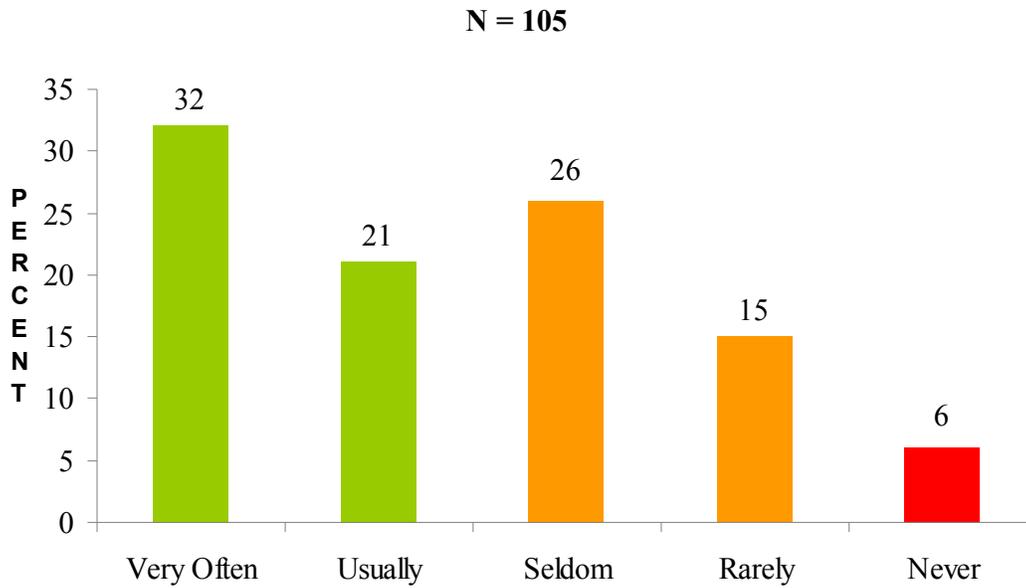
#### 4.2.11 Call Bouncing



**Figure 4.11 Transfer of Calls**

Two thirds of the respondents experienced problems of being transferred from one department to the next when calling a call centre. Twenty seven percent of respondents disagreed whilst a minor three percent strongly disagreed.

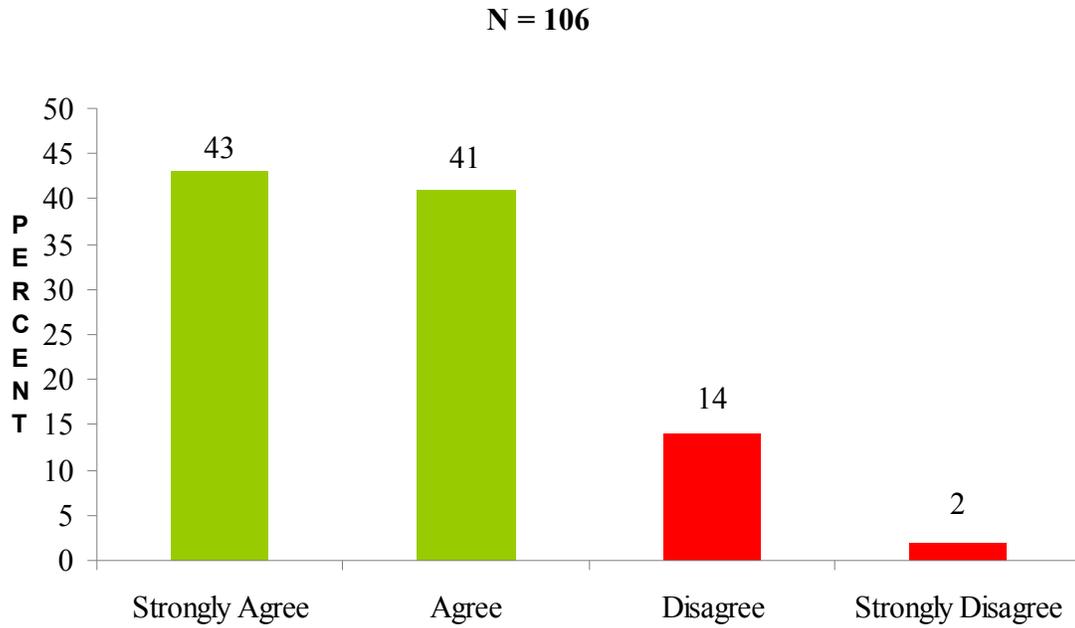
#### 4.2.12 Repetition of Information



**Figure 4.12 Repeating Information**

Fifty three percent of respondents experienced problems of having to repeat themselves with a call centre agent whilst six percent never experienced such problems.

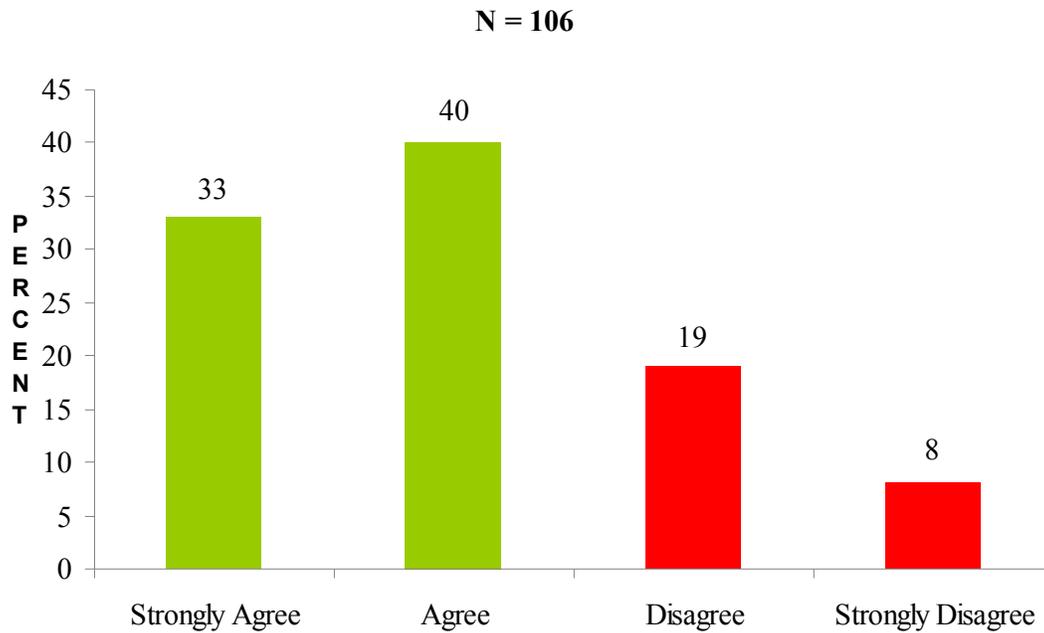
#### 4.2.13 Poor Use of Technology



**Figure 4.13 Irrelevant Voice Menus**

A majority eighty four percent of respondents felt that there were too many irrelevant voice prompts when calling a call centre whilst fourteen percent disagreed with this and a minor two percent strongly disagreeing.

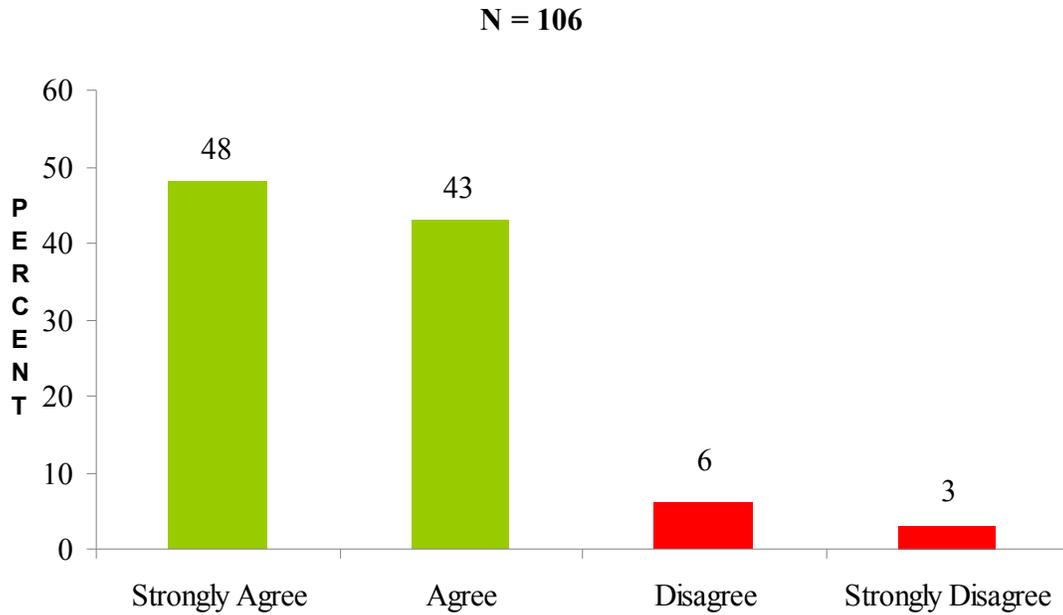
#### 4.2.14 Communication with Higher Management



**Figure 4.14 Access to Supervisor / Higher Management**

Almost three quarters of respondents were unable to speak with a supervisor or higher manager when faced with a query that could not have been resolved by an agent. Twenty seven percent of respondents felt otherwise.

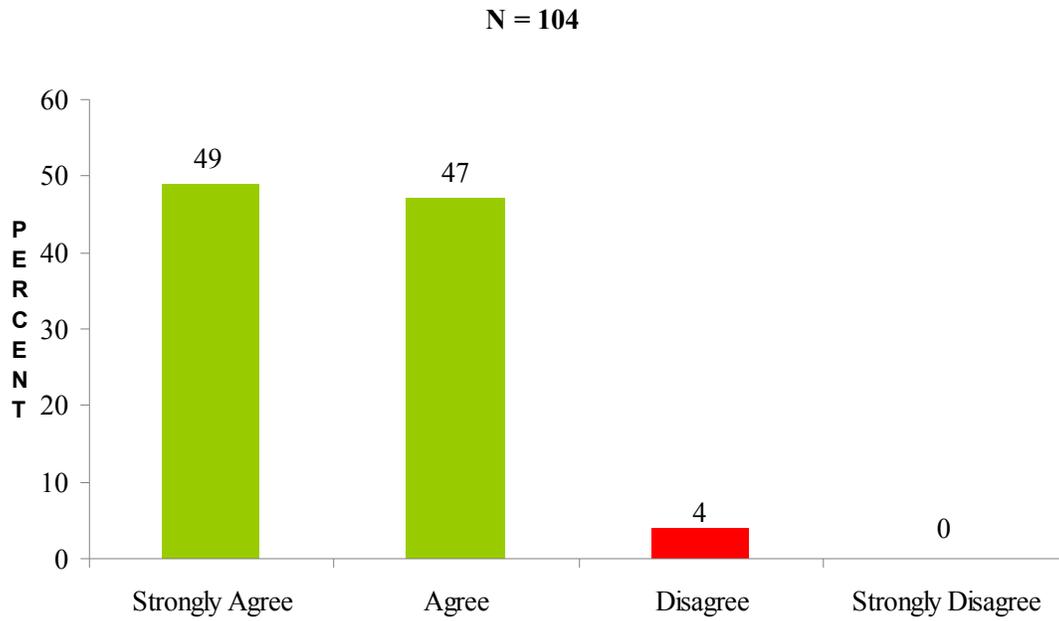
#### 4.2.15 Impact of Improved Customer Service



**Figure 4.15 Customer Loyalty**

A majority of ninety one percent of respondents indicated that good customer service had the biggest impact on their loyalty whilst six percent were in disagreement and three percent in strong disagreement

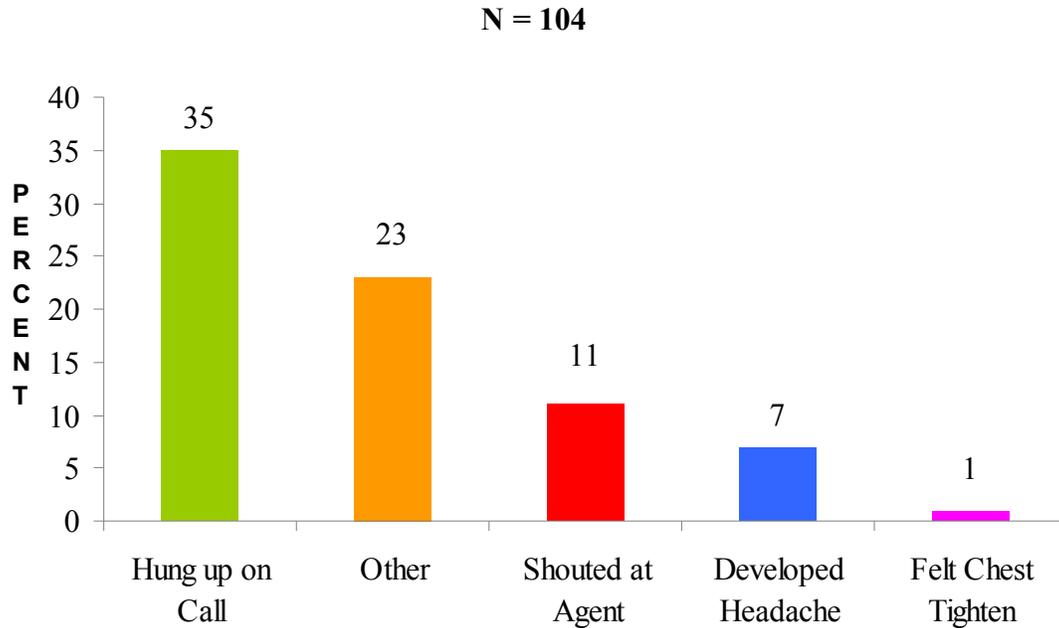
#### 4.2.16 Pro Active Outbound Communication



**Figure 4.16 Courtesy Calls**

A majority of ninety six respondents would have a more positive opinion about call centres if they received a courtesy call thanking them for their business.

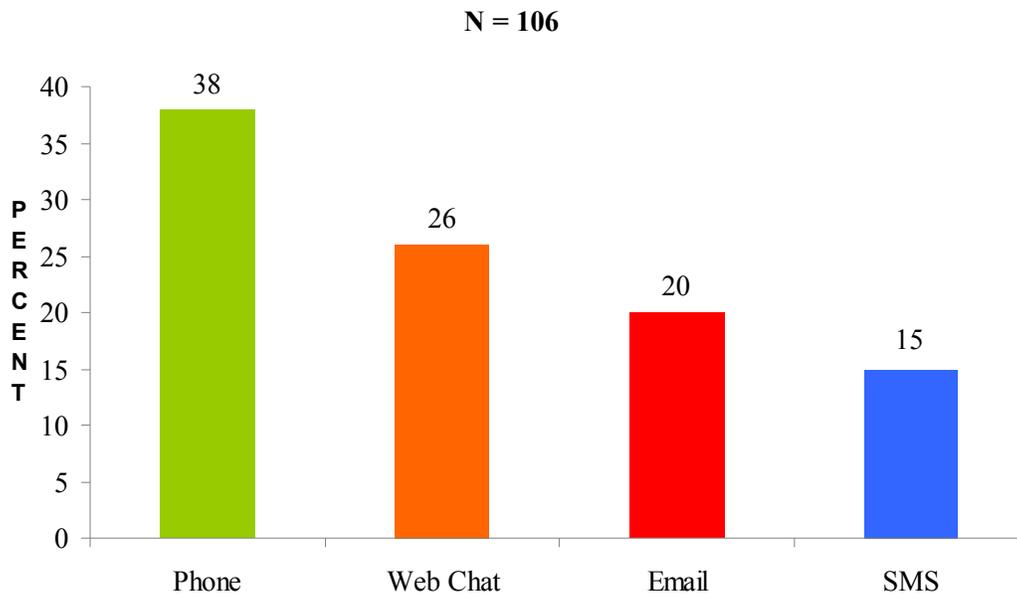
#### 4.2.17 Customer Reaction to Poor Customer Service



**Figure 4.17 Customer Reactions to Poor Customer Service**

As can be evidenced in figure 4.18, majority of the respondents have reacted by Hanging up on their call during times of poor customer service. Eleven percent of respondents have shouted at the agent, whilst seven percent have developed a headache. One percent had felt their chest tighten and twenty three percent felt other emotions.

#### 4.2.18 Preferred Means of Communication



**Figure 4.18 Preferred Medium of Communication**

As can be evidenced in figure 4.19 above, twenty six percent of respondents would rather be communicating with a call centre through web chat.

Twenty percent of respondents would rather communicate through email and fifteen percent chose SMS communication as a preferred means of communicating with call centres. Thirty eight percent of respondents have still chosen telephone as their preferred mode of communication.

### 4.3 Results for Objectives

The following information yields statistical information which relates to the questions of the objectives.

**4.3.1 Objective One:** To determine customer's level of satisfaction with call centre service delivery.

Factor	Excellent	Good	Acceptable	Poor	Weak
Satisfaction of Service Delivery	7%	29%	40%	18%	6%

**Table 4.1: Frequency Results for Objective One**

According to table 4.1, majority of the respondents (forty percent) have indicated that they found the service levels of South African call centres to be of an acceptable level. This could be due to the fact that the call centre concept in Durban is relatively new to many people.

Thirty six percent of respondents did not experience any problems with service delivery and either found it to be good or excellent. Twenty four percent of respondents found service delivery to be an issue with eighteen percent indicating poor experiences and six percent finding service to be weak.

**4.3.2 Objective Two:** To determine what factors of service provide customers with satisfaction.

Factor	Strongly Agree	Agree	Disagree	Strongly Disagree
Improved customer service	48%	43%	6%	3%
Empathetic Agents	25%	46%	25%	4%
Courtesy Call	49%	47%	4%	0%

**Table 4.2 Frequency Results for Objective Two**

According to table 4.2, ninety one percent of respondents agreed that improved customer service would lead to them being more satisfied with call centres. Nine percent of the respondents disagreed to improved customer service having an impact on their perception of call centres.

Seventy one percent of the respondents indicated that their requirement to be satisfied with call centre service delivery was for call centre agents to be more empathetic and patient during a conversation. Twenty nine percent of the respondents were in disagreement about empathetic agents being a requirement for their satisfaction.

Ninety six percent of the respondents indicated that they are more likely to be positive about call centres in South Africa, if they merely received a courtesy call, thanking them for their business received. Four percent of the respondents disagreed with courtesy calls having an impact on their satisfaction with call centres.

**4.3.3 Objective Three:** To determine what factors cause customer dissatisfaction.

<b>Factor</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>Lack of Personal Service</b>	15%	50%	33%	2%
<b>Bouncing Calls</b>	26%	43%	27%	3%
<b>Irrelevant Voice Menu's</b>	43%	41%	14%	2%
<b>Access to Supervisor</b>	33%	40%	19%	8%

**Table 4.3: Frequency Results for Objective Three**

According to table 4.3, sixty five percent of respondents were in agreement with call centres lacking a personalised service. The remaining thirty five percent felt otherwise about call centres lacking a personalized service.

Sixty nine percent of respondents were in agreement that their calls were often transferred from one department to the next which highlighted their dissatisfaction. The remaining thirty percent of respondents were not affected by call transfers within a call centre.

Eighty four percent of respondents were in agreement of call centres having too many incorrect voice options on their automated answering machines. This clearly indicates that this is an undesired feature and call centres would need to revise their voice answering systems. A minimal sixteen percent of respondents did not find the automated answering machines to be an issue that affected their use when calling a call centre.

Seventy seven percent of respondents were in agreement that they were unable to speak to a supervisor to resolve queries when call centre agents were unable to. Twenty seven percent of respondents were not affected by this issue.

The following table lists additional factors which caused customer dissatisfaction and is relative to objective three.

<b>Factor</b>	<b>Very Often</b>	<b>Usually</b>	<b>Seldom</b>	<b>Rarely</b>	<b>Never</b>
<b>Long Waiting Times</b>	26%	42%	23%	5%	4%
<b>Dropped Calls</b>	14%	23%	39%	14%	10%
<b>Lack of Accountability</b>	26%	33%	20%	12%	9%
<b>Repetition</b>	32%	21%	26%	15%	6%

**Table 4.4: Additional Frequency Results for Objective Three**

Sixty eight percent of respondents were affected by having to wait long times before their call was taken by a call centre agent. Twenty eight percent of respondents were partially affected by long call waiting times whilst four percent were never affected.

Thirty seven percent of respondents were affected by their calls being dropped whilst holding on for a call centre agent. Fifty three percent of respondents were partially affected by dropped calls whilst ten percent were never affected.

Fifty nine percent of respondents felt that call centre agents lacked accountability for their actions. Thirty two percent of respondents were partially affected by unenthusiastic agents whilst nine percent were never affected.

Fifty three percent of respondents were affected by having to repeat themselves with a call centre agent causing much frustration. Forty one percent were partially affected with this communication barrier whilst six percent were never affected.

**4.3.4 Objective Four:** To identify which call centre sectors, customers were most dissatisfied with.

		SERVICE SATISFACTION					
		Excellent	Good	Acceptable	Poor	Weak	Total
SECTOR	Airlines	0%	20%	30%	40%	10%	100%
	Insurance	6%	18%	28%	24%	24%	100%
	Travel	0%	27%	27%	36%	10%	100%
	Retail	0%	40%	20%	27%	13%	100%
	Entertainment	13%	0%	50%	37%	0%	100%
	Banking	5%	18%	50%	25%	2%	100%
	Other	8%	15%	62%	15%	0%	100%
	Telecom	7%	36%	32%	21%	4%	100%

**Table 4.5 Cross Tabulation Between Sector and Service Satisfaction**

Table 4.5 reflects the cross tabulation between call centre sectors and the respondents rating of call centre service delivery in South Africa.

According to table 4.4, it can be seen that the sector which respondents are most dissatisfied with, is the Airlines sector. Fifty percent of the respondents rated this as the poorest and weakest sector. Thirty percent of respondents found this sector to be acceptable whilst twenty percent were happy with this sector.

Forty eight percent of respondents rated the insurance sector as the second least satisfying sector with twenty nine percent finding it acceptable and twenty five percent having no problem with this sector.

The third most disliked sector was that of the travel industry with forty six percent rating it poor and weak, twenty seven percent finding it acceptable and twenty seven percent being content with it.

The retail sector shows that an equal amount of respondents liked and disliked this sector i.e. forty percent rated it poor and weak whilst forty percent rated it good.

The entertainment and banking sector were the only two sectors whereby majority of the respondents found it to be of an acceptable level.

The telecommunications sector was most liked by the respondents with forty three percent of people having positive experiences and twenty five percent having poor experiences.

**4.3.5 Objective Five:** To compare demographics to determine whether there are similarities and differences amongst race groups with regards to satisfaction with call centre service delivery.

		Service Delivery in South Africa					
		Excellent	Good	Acceptable	Poor	Weak	Total
RACE	African	7%	27%	46%	7%	13%	100%
	Colored	50%	0%	25%	25%	0%	100%
	Indian	4%	33%	40%	19%	4%	100%
	White	20%	0%	20%	40%	20%	100%

**Table 4.6 Cross Tabulation Between Race and Service Satisfaction**

According to Table 4.6, eighty percent of the African respondents were happy and satisfied with call centre service delivery. Twenty percent of the African race group were unhappy and dissatisfied with the service delivery levels from call centres.

Seventy five percent of the Colored respondents were happy and satisfied with call centre service delivery whilst twenty five percent were unhappy and dissatisfied with the service delivery levels from call centres.

Seventy seven percent of the Indian respondents were happy and satisfied with call centre service delivery whilst twenty three percent were unhappy and dissatisfied with the service delivery levels from call centres.

Only forty percent of the White respondents were happy and satisfied with call centre service delivery whilst twenty three percent were unhappy and dissatisfied with the service delivery levels from call centres.

Based on this difference of perceptions of service delivery amongst the White race group, a further test was done to identify whether language barriers had any effect on this difference. Table 4.7 presents the results for a cross tabulation between race group and repetition of information.

		Repetition of Information					Total
		Very Often	Usually	Seldom	Rarely	Never	
RACE	African	37%	6%	19%	19%	19%	100%
	Colored	25%	25%	0%	50%	0%	100%
	Indian	30%	24%	28%	14%	4%	100%
	White	32%	21%	26%	15%	6%	100%

**Table 4.7 Cross Tabulation Between Race and Service Satisfaction**

According to Table 4.7, forty three percent of African respondents had to repeat information when speaking to a call centre agent. Thirty eight percent of respondents weren't really affected by this problem whilst nineteen percent were never affected.

Amongst the Colored respondents, fifty percent of respondents had to repeat information when speaking to a call centre agent and fifty percent rarely experienced this problem.

Fifty four percent of Indian respondents had to repeat information when speaking to a call centre agent whilst forty two percent of respondents were partially affected by this problem and four percent were never affected.

Amongst the White respondents fifty three percent had to repeat information when speaking to a call centre agent. Forty one percent weren't really affected by this problem whilst six percent were never affected.

### 4.3.6 Objective Six

To compare age groups to determine whether there are similarities and differences amongst age groups with regards to satisfaction with call centre service delivery.

		Service Delivery in South Africa					
		Excellent	Good	Acceptable	Poor	Weak	Total
AGE	21 - 30	9%	31%	44%	14%	2%	100%
	31 - 40	4%	32%	32%	28%	4%	100%
	41 - 50	0%	25%	50%	8%	17%	100%
	51 - 60	11%	11%	22%	33%	23%	100%

**Table 4.8 Cross Tabulation Between Age and Service Satisfaction**

According to Table 4.8, eighty one percent of the respondents from the 21 – 30 years category were happy with call centre service delivery whilst sixteen percent were unsatisfied with service levels received from the call centres.

Sixty eight percent of the respondents from the 31 – 40 years category were happy with call centre service delivery whilst thirty two percent were unsatisfied with service levels received from the call centres.

Seventy five percent of the respondents from the 41 – 50 years category were happy with call centre service delivery whilst twenty five percent were unsatisfied with service levels received from the call centres.

Only forty four percent of the respondents from the 51 – 60 years category were happy with call centre service delivery whilst fifty six percent were unsatisfied with service levels received from the call centres.

Based on this difference of perceptions of service delivery amongst the 51 – 60 year age group, a further test was done to identify whether the automated voice machines

used in call centres had any effect on this difference. Table 4.9 presents the results for a cross tabulation between age group and irrelevant voice menu's.

		Irrelevant Voice Prompts				
		Strongly Agree	Agree	Disagree	Strongly Disagree	Total
AGE	21 – 30	44%	40%	16%	0%	100%
	31 – 40	27%	50%	19%	4%	100%
	41 – 50	53%	39%	0%	8%	100%
	51 – 60	43%	41%	14%	2%	100%

**Table 4.9 Cross Tabulation Between Age and Irrelevant Voice Menu's**

According to Table 4.9, eighty four percent of respondents in the 21 -30 year age category agreed that there were too many irrelevant voice options on the automated voice machines whilst sixteen percent disagreed.

Seventy seven percent of the respondents in the 31 – 40 year age category agreed that there were too many irrelevant voice options on the automated voice machines. whilst twenty three percent disagreed.

Ninety two percent of the respondents in the 41 – 50 year age category agreed that there were too many irrelevant voice options on the automated voice machines whilst eight percent disagreed.

Eighty four percent of the respondents in the 51 – 60 year age category agreed that there were too many irrelevant voice options on the automated voice machines, whilst sixteen percent disagreed.

### 4.3.7 Objective Seven

To compare gender groups to determine whether there are similarities and differences amongst gender groups with regards to satisfaction with call centre service delivery.

		Service Delivery in South Africa					
		Excellent	Good	Acceptable	Poor	Weak	Total
GENDER	Male	12%	20%	43%	20%	5%	100%
	Female	3%	35%	38%	18%	6%	100%

**Table 4.10 Cross Tabulation Between Gender and Service Delivery**

According to Table 4.10, seventy five percent of the male respondents were overall happy with call centre service delivery whilst twenty five percent were dissatisfied with service levels of call centres.

Seventy six percent of the female respondents were overall happy with call centre service delivery whilst twenty four percent were dissatisfied with service levels of call centres.

### 4.5 Summary

This chapter presented the data that was obtained from the results. The results were presented in two different formats i.e. through graphical representation and tables. Each question was presented showing the percentages which were obtained from analysing the responses. The graphs made it visually possible to understand the responses and trends.

The responses from the questionnaire were coded in Microsoft excel format and applied to the SPSS application. Objectives one, two and three were analysed using the frequency descriptive analysis and objectives four to seven was analysed using

the cross tabulation frequency analysis. Cells were highlighted showing the direction of the most favourable response. All results were presented using percentage values.

Some of the salient findings were that customers on an overall basis were generally satisfied with the service delivery received from call centres. The airline sector proved to be the most dissatisfying sector for respondents and the telecommunication sector was the most satisfying sector. Respondents preferred to communicate with call centres through other means than the telephone such as email, web chat and SMS.

The next chapter will discuss the findings that were presented in this chapter with an intention of answering the research questions set out at the beginning of this research.

## **CHAPTER FIVE**

### **Discussion of Findings**

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#### **5.1 Introduction**

This chapter focuses on the findings of the data that was presented in the previous chapter. It draws similarities and states differences in the findings of this study in comparison to previous studies conducted by various researchers and scholars. This chapter has been structured to answer each objective.

#### **5.2 Objective 1: To Determine Customer's Level of Satisfaction with Call Centre Service Delivery.**

According to Table 4.1, seventy six percent of the respondents were happy with the service they received from call centres. However forty percent of this percentage found service to be acceptable indicating that they were satisfied but there was still place for improvements. A possible reason for an average rating is the fact that the call centre industry in South Africa is still a relatively new concept and respondents are not sure of the standards received in comparison to international standards. According to Benner, Lewis & Omar (2007), it was only in the late 1990's that call centres in South Africa became popular as a cost saving mechanism for many businesses, expanding in the outsourced market.

The results from this research differ from that conducted in London by Nuance Communications (2008). The research in London revealed that 60% of respondents were less than satisfied with their interactions with customer service departments whilst the results from the sample in this research reflected approximately 30% of respondents were less than satisfied with customer service delivery. This could be due to the fact that the Call Centre industry in London has been in existence for a much longer period than in South Africa.

According to the Customer Experience Impact Report (2008) conducted in the United Kingdom, consumers are becoming increasingly intolerant of poor customer care.

For the third year in a row in the United Kingdom, there was a growing trend for consumers to stop doing business with a company following a negative customer experience. The survey also found one in two consumers (50%) are willing to often pay more for a better customer experience.

### **5.3 Objective 2: To Determine What Factors Provide Customers With Satisfaction**

The Customer Experience Impact Report (2008) has shown that consumer's who are satisfied, maintain their loyalty and aid a company's growth through word of mouth advertising.

#### **5.3.1 Rude Agents**

According to figure 4.9, results revealed that fifty five percent of respondents had spoken to an agent that was rude over the phone. Results from the Global Genesys survey (2007), revealed that fifty five percent of respondents also experienced this problem. These results indicate that the global average is approximately the same as that in South Africa, indicating that this is a global problem with call centres which needs to be improved.

Service quality and customer satisfaction within an organization is a combination of all the elements within the organisation that provide superior quality to its customers. Call centre managers therefore need to review quality and control measures either through technology or performance measurement and ensure that the right staff is in the right job delivering quality service.

#### **5.3.2 Empathetic Agents**

According to Table 4.2, majority (seventy one percent) of the respondents require agents to be patient and understanding when dealing with them over the telephone. This implies that customers feel intimidated by agents. This could be due to numerous reasons such as agents having time limits on a call or having targets to

achieve thus trying to complete a call quicker than it should. This suggests that customers want a sense of courtesy from agents and also would like to receive a personalised service, the same as which they would receive if they were to go personally to a store or company.

Call centre's therefore need to review targets set for agents and ensure that queries are dealt with effectively. South Africa's Business Process Outsourcing industry is fast growing and one of the key features of marketing the country's ability to compete on an International level is to ensure that agents are skilled with telephone mannerism.

This is backed up by Odgers (2006) who said, 'Customer service representatives who are skilled listeners communicate more effectively and make better decisions. Customer focused listening is based on looking for the underlying feelings in each message. Empathy is seeking to understand the other person's position without getting emotionally involved yourself.'

### **5.3.3 Customer Loyalty**

According to Table 4.2, results revealed that ninety one percent of agreed that customer service had the biggest impact on their loyalty. This high percentage therefore suggests that South African users of call centres value customer service as a key component to their purchasing decisions and that price is not the only factor when making the decision to buy.

This is in contrast to previous research carried out in Asia, Europe and the United States (Global Genesys Survey 2007), whereby thirty eight percent of respondents indicated that customer service had the biggest impact on their loyalty to a company. The difference here suggests that South African users of Call Centres place more emphasis on the sole aspect of customer service whilst respondents from the global survey are more concerned about their overall call centre experience such as technology, people and internal processes.

### **5.3.4 Courtesy Call**

The findings presented in Table 4.2 revealed that ninety four percent of the respondents would have been more positive about Call Centre's, had they received a courtesy call, thanking them for their business. These results were backed up by results from the Global Genesys Survey (2007) which revealed that eighty seven percent of consumers would have a positive opinion after receiving a call just to thank them for their business or asking them how satisfied they were.

The similarities here suggests that consumers in general look forward to feeling valued as a customer and appreciate calls from a call centre rather than having to make calls to a call centre. Thus it can be proven that improved service delivery will lead to improved customer satisfaction and stronger customer relationships.

This once again stems from exceptional customer service. The happier a customer remains, the more loyal he remains. According to Odgers (2007), 'If a customer gets more than they expected, the end result is exceptional customer service. Customers tend to stay with organizations that enable them to experience positive, meaningful and personally important feelings'.

## **5.4 Objective 3: To Determine What Factors Cause Consumers Dissatisfaction**

'Attracting replacement customers is an expensive process, because research indicates that it costs five times as much to generate a new customer as it does to keep an existing one', (Cook 2005). Thus it is imperative for Call Centres to ensure that everything is being done to enable a satisfying experience.

### **5.4.1 Lack of Personal Service**

According to Table 4.3, sixty five percent of respondents agreed that call centres didn't offer a personal service. This is mainly directed at call centres which have automated voice machines, assisting customers with queries. The reasons for this could be vast such as voice options incorrectly programmed or customers unable to get what they required from the computer programmed system. This suggests that

call centres need to revise their technology which is used to interface between customers.

One of the functions of a call centre, is to provide a more convenient service to the customer. In order to ensure this, call centres need to provide the customer with a process that is easy and efficient. Reviewing their technology, internal operations and personnel communicating with the customer is crucial.

These results are backed up by Mintel Research (2000) where half of adults missed the personal touch. Forty nine percent of respondents from the Mintel survey agreed that they missed the individual service that going to a branch or office offers.

#### **5.4.2 Long Waiting Times**

The test results for long waiting times revealed that customers were unhappy about the amount of time they had to spend waiting before their calls were answered. According to Table 4.4, sixty eight percent of respondents were frustrated with long waiting times. A Call centre provides service to a broad range of customers including businesses. Long waiting times for businesses impacted on their productivity and therefore could not allow for this problem. Call centres need to segment the market into various categories and through the use of technology, strategically prioritise customers.

These results are backed up by results from the Global Genesys Survey (2007), which revealed that the same number of respondents (sixty seven percent) was also frustrated with long waiting times. The exact similarity in findings indicates that this is a common problem with call centre's globally and thus call centres should focus on continuous improvements.

#### **5.4.3 Dropped Calls**

According to Table 4.4, the results for the number of calls that were being dropped during or whilst holding on for an agent is approximately thirty seven percent. Whilst this figure may not seem very high, a problem does exist. Dropped calls are costly,

time consuming and frustrating to the customer. However a large fifty three percent of respondents were not severely affected by this problem implying that the problem is not as bad as it could be.

In a time where business competition is strong, customers now have the option of demanding what they require and as a result dissatisfaction, will lead to customer loss. According to Odgers (2006), 'Customer perceptions are created during and after a transaction. It is based on how actual service measures up to his or her expectations. If the customer gets anything less than they expected, they perceive a performance gap and in that gap lies disappointment'.

#### **5.4.4 Lack of Accountability**

The results from Table 4.4, revealed that more than fifty percent of respondents agreed that call centre agents lacked accountability and failed to live up to their promises of returning their call. Lack of accountability could be as a result of various factors such as lack of training, under staffed call centres, poor systems, unrealistic targets or unenthusiastic employees.

Agents that lack training are not confident enough to call back their customers or take ownership. Understaffed call centres, often leads to over committed agents who are then unable to resolve a query from beginning to end. Poor systems, wouldn't allow multiple agents to work on a particular customers query, resulting in a customer having to repeat information which ultimately leads to dissatisfaction. Briggs (2005) said, 'As the scope of contact centres grows, the complexity of interactions that agents handle increases, which means they need more training'.

Call centre agents are faced with strict targets in terms of answering and making a set number of calls in a day and as a result of not being able to multitask, queries are left unresolved. Therefore team leaders and managers should ensure that there is a balance between call centre agents achieving their target and proving quality service. Lastly, there is always the possibility of employees who lose their enthusiasm and should be performance managed to ensure maximum productivity. Call centres would therefore need to investigate these options in order to make improvements.

#### **5.4.5 Bouncing Calls**

Results from Table 4.3 indicated that more than sixty percent of respondent's calls got transferred from one department to the next when calling into a call centre. The reason for this occurrence could be twofold. It could be that call centre's telecommunication and IT systems needs to be upgraded to higher standards or it could be that call centre agents need to be updated on how to make efficient use of internal operations.

Once again this is a frustration for the customer leading to dissatisfaction and eventually loss of business for the company concerned. According to Odgers (2006), first impressions are critical and a customer often rates the quality of the service at this stage. Hence it is crucial for call centre's to create a positive first impression ensuring sustainable development. 'When calls must be transferred, it must be kept simple, positive and transferred with care' (Odgers 2006).

#### **5.4.6 Repetition**

The results in Table 4.4 for repetition revealed that just over fifty percent of the respondents had to repeat themselves when speaking to a call centre agent. The problem here could be either a technological disadvantage, in which case system upgrades may be needed or language barriers could be a cause for concern. In the latter case, call centre managers would need to assess the problem on its entirety and recruit staff in a manner which will get the right person for the right job. According to the Genesys Global Study (2007), 52% of the respondents were frustrated having to repeat themselves. Once again the Genesys Global Survey supports findings from this research. This therefore suggests that this issue does not solely relate to communication barriers however other factors such as systems and use of technology need to be improved. These results, once again indicates that certain issues of customer dissatisfaction is a global issue and hence South Africa is not far behind from the leading Call Centre hubs around the world.

#### **5.4.7 Irrelevant Voice Menus**

According to Table 4.3, results for irrelevant voice menus revealed that more than eighty percent of respondents felt that they believed that there were too many irrelevant voice prompts before leading them to the correct option. This is a considerably high percentage and should be a serious cause for concern for many call centres. This suggests that South African call centre's need to research their customer's needs correctly and effectively programme voice menus for customer user friendliness.

According to the Genesys Global Survey (2007), fifty seven percent of respondents felt that there were too many irrelevant voice prompts before getting the correct option. This figure is considerably smaller than that observed from South African respondents.

Odgers (2007) stated, 'Customers want to feel that their telephone calls are important to a company. What drives customers to frustration about some phone systems is not the fact that they are automated, but that they think no one is paying attention to their needs'.

#### **5.4.8 Access to Supervisor**

The results from Table 4.3 for access to a supervisor revealed that seventy four percent of respondents were unable to get assistance from a supervisor when this was required. This suggests that a large number of respondents required the assistance of someone from a higher position. This implies that call centre agents need to be trained on products and services regularly and appraisals should be in place to eliminate poor productivity. On the other hand, call centre's need to empower team leaders to be able to handle calls from customers with certain queries that need extra assistance.

Customers who are unable to get reassurance from supervisors and managers will ultimately feel not valued and this often results in unhappy customers leading to business loss.

#### **5.5 Objective 4: To Identify Which Call Centre Sectors, Customers Are Most Dissatisfied With.**

According to the results from Table 4.5, the descriptive frequencies indicated that the Airline industry was the sector that customers were most dissatisfied with, followed by insurance, travel and retail. Respondents had found entertainment, banking and telecom to be of an acceptable level placing these sectors higher up on the list. The sector that was most liked was that of Telecommunication indicating that companies such as MTN, Vodacom, Cell C and Telkom had provided service that was customers were satisfied with. The sector that received the best rating was the entertainment sector.

The results for the airline sector came as a surprise as more and more customers are now booking online thus relieving the pressure on call centres. Furthermore, airline call centres have been long in operation and should ideally be equipped to offer exceptional service. The rating for the insurance sector came as no surprise as this is a relatively new concept for insurance companies who makes use of in-house and outsourced call centres to market their services This objective was designed to understand exactly which sector needed most attention so that problems causing dissatisfaction can be appropriately addressed.

#### **5.6 Objective 5: To Compare Demographics to Determine Whether there are Similarities and Differences Among Race Groups with Regards to Satisfaction with Call Centre Service Delivery.**

Figure 4.3 revealed that almost three quarters (seventy six percent) of the sample represented the Indian race group, followed by the black race (fifteen percent) whilst the Coloured (four percent) and White race (five percent) groups were the least in the sample.

According to Table 4.6, the majority of the Black South Africans and Indian respondents had found call centre service delivery to be acceptable whilst the Coloured respondents felt it was excellent. However the majority of the White respondents felt service delivery was poor. The common trend here is that the Black

South Africans, Coloured and Indian respondents were content with the level of service received from call centres whilst the White respondents were not satisfied.

A further test was carried out to assess whether language barrier had been a result of the difference in perception from the White respondents. According to Table 4.7, fifty three percent of the White respondents had a problem communicating with call centre agents. The fact that only fifty percent of the respondents experienced this problem implied that language barrier could be part of the reason for the difference in perceptions of call centre service delivery however there could be various other contributing factors.

### **5.7 Objective 6: To Compare Age Groups to Determine Whether there are Similarities and Differences Amongst Age Groups with regards to Satisfaction with Call Centre Service Delivery.**

Figure 4.2 revealed that just over fifty percent of respondent in the sample were aged between 21-30 years and quarter of the sample were aged between 31-40 years with a mere eight percent representing the 51-60 years age group.

According to Table 4.8, it can be seen that majority of the respondents from the 21-50 age group category were satisfied with service delivery received. This can be due to the fact that these respondents are more familiar with the new call centre technology and are able to identify with the changes in service provision.

However it was found that the 51-60 year age group were most dissatisfied with the service received from call centres. This could be indicative of the fact that call centres are a relatively new concept. Customers from the older age category were probably more familiar with traditional methods such as interacting directly with the company rather than making use of automated voice machines. To confirm this, a further cross tabulation test was carried out between age groups and irrelevant voice options on automated voice machines.

According to Table 4.9, eighty four percent of the respondents from the 51 – 60 year age group agreed to experiencing problems with the options on the automated voice machines. This therefore suggests that respondents who belonged to the 51 – 60

age group, are in actual fact uncomfortable with the automated voice services offered by call centres thereby causing dissatisfaction with call centre service delivery.

### **5.8 Objective 7: To Compare Gender Groups to Determine Whether there are Similarities and Differences Amongst Gender Groups with regards to Satisfaction with Call Centre Service Delivery.**

Figure 4.1 revealed that majority (sixty one percent) of the respondents in the sample were female. According to Table 4.10, it can be seen that females were marginally happier than the male respondents. However in totality, there weren't any distinct differences in the comparison between gender and service quality. This implies that call centres were not bias in the way in which they have approached the male and female respondents. This is positive for call centres in South Africa ensuring that call centres remain free from bias of any kind.

### **5.9 Objective 8: To Provide Recommendations to Call Centres to Improve Service Levels.**

The information gathered from the findings presented in Chapter four as well as the discussion in this Chapter, lends itself towards making valuable recommendations to call centres to improve and enhance the way in which they deliver service to their customers. These recommendations are discussed in chapter six.

### **5.10 Customer Reactions to Poor Customer Service**

Figure 4.17 revealed that customers have reacted in various ways to display their anger and frustration at poor customer service. Results indicate that thirty five percent of the respondents have resorted to hanging up on their call as a result of not being able to get what they required. Eleven percent of respondents have resorted to shouting at the agent, whilst seven percent developed a headache.

One percent of respondents felt their chest tighten and twenty three percent have experienced other symptoms of frustration. All of these reactions are a representation of poor customer service which could relate to a personnel problem or operations problem.

According to the Global Genesys Survey (2007), twenty five percent of respondents have shouted, nine percent have developed a headache or felt sick, six percent have felt their chest tighten and two percent have cried.

In both these findings, 'shouting at the agent' was an emotion expressed by majority of the respondents. This suggests that customers get highly irate over the phone thus venting their anger at the agent. The cause of this anger could have been one of many or even a combination such as those factors.

Call centres need to further investigate this area of frustration by listening in on previous and current calls and improve on issues that can be dealt with, be it at employee level or operational. The implication here is that poor service from call centres leads to customer frustration which eventually leads to loss of business thus tarnishing the image of the company.

### **5.11 Preferred Means of Communication**

As a result of poor service and the frustration of long waiting times, consumers increasingly want to communicate with companies using newer technologies, and having access to multiple channels. According to Figure 4.2.18, majority of the respondents (sixty one percent) preferred not to communicate via the telephone. Twenty four percent wanted to communicate through email instead of talking over the phone, twenty one percent would like the option of using web chat to communicate with call centres, fifteen percent through SMS and one percent through other means.

According to the Genesys Global Survey (2007), a large percentage of global call centre users still prefer using the telephone as a means of communication as

opposed to thirty eight of those in South Africa. This therefore implies that customers globally are not as frustrated with call centre agents as users in South Africa.

Eighty six percent of global call centre users prefer using email to communicate with call centres as opposed to twenty percent of users in South Africa. This indicates that South Africans are slowly integrating other communication channels to interact with call centres. This could also suggest that fewer people in South Africa have internet access with an email account. Finally this could also be due to the fact that Call centre communication is relatively new with South Africans and over time, this will change.

## **5.12 Summary**

Overall, it was found that respondents have found customer satisfaction of call centre service delivery in South Africa to be of an acceptable level however call centres need to still carefully examine factors causing dissatisfaction.

The findings revealed that improved service delivery led to customer loyalty which ultimately leads to better business profits. The main focus of this study was to test customer satisfaction of call centre service delivery in South Africa.

The chapter examined factors that caused customer satisfaction and dissatisfaction and were compared against the Global Genesys Report. Facts from the Customer Experience Impact report was also analysed to look for similarities and differences.

Findings showed that there were more factors that caused dissatisfaction than that which caused satisfaction. Generally it was found that South African call centre issues that were faced by customers were also faced by users from abroad.

Thus it was noted that South Africa was not behind international standards however has much to do in order to improve service levels which have appeared to be mainly operational issues rather than people issues.

Results for the call centre sector that caused most dissatisfaction were examined and a summary comparing analyzing potential reasons was formulated. Tests were

carried out and results were analysed to examine whether age, gender or race had any correlation with call centre service delivery.

The next chapter discusses the implications of these findings and recommendations that will impact on the relevant stakeholders.

# CHAPTER SIX

## Recommendations and Conclusions

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### 6.1 Introduction

Service quality had been identified as a critical issue for ensuring customer satisfaction when using call centres. The literature contained in this study highlighted issues of service quality in call centres in the United Kingdom and around the world. It showed that customer satisfaction is dependent upon service quality.

Business Process Outsourcing (BPO) is a growing industry in South Africa and in order for South Africa to attract international attention, service quality has to be in line with international standards.

Understanding South Africa's level of quality and customer satisfaction is vital information for most call centres. Satisfied customers often lead to loyal clients thus ensuring sustainable profits.

The findings from this study will provide new and existing call centres with services that can be improved on, so as to uplift service delivery and customer satisfaction.

### 6.2 Outcome of this Study

The objectives set out in this research were aimed at understanding customer perceptions. Service quality will always be an area of focus which will need improvement due to growing demands and expectations from the customer however findings from this study will help call centres understand the reasons why customers think they way they do i.e. analysing factors causing happiness and stress will allow for better decision making. Having accessibility to this information will cut costs ensuring that time and money are utilized in areas of most need. Thus the findings from this research have been converted into valuable information which will assist call centres in improving their service levels.

## **6.3 Recommendations and Implications**

Recommendations and implications are listed below to explain what needs to be done to improve overall customer satisfaction and who will stand to benefit from this study.

### **6.3.1 Recommendations from this Study**

The following call centre concerns caused the greatest amount of dissatisfaction for the respondents and therefore improving the following will enhance service levels in South African Call Centres.

#### **a) Long Call Waiting Times**

Call centres need to enhance technology and other operations facilities which impact on call waiting times.

#### **b) Dropped Calls**

Call centres need to train staff and improve call handling facilities to reduce the amount of calls that are dropped when a user calls into a call centre.

#### **c) Lack of Accountability**

Call centre agents need to be trained and measured against query resolution and customer satisfaction. Improved internal information technology systems will ensure customer's problems are resolved efficiently.

#### **d) Bouncing Calls**

Call centres need to ensure agents are fully trained on telephone systems and internal processes are learnt to avoid the issue of calls being transferred from one department to the next endlessly.

**e) Irrelevant Voice Prompts**

Call centre telecommunication systems need to be revised to ensure that the correct voice prompts are at the forefront of their business. This will reduce customer frustration and improve loyalty.

**f) Supervisor Resolution**

Proper escalation paths need to be implemented so that customers are able to speak to supervisors or team leaders when issues of major concern arise amongst customers. Implementation of these practices and policies would improve supervisory support, increase job competencies, increase job opportunities and improve career satisfaction, which would in turn improve customer service orientation among employees.

**g) Call Centre Sector**

Call centres who serve as service providers for the airline industry need to improve on all the concerns from points a) – f) listed above, as it was found that respondents were most dissatisfied with the airline sector.

**h) Understanding Customer Emotions**

Figure 4.18 clearly indicates that customers have expressed various emotions at call centre agents during times of poor service delivery. Call centres need to view these emotions so that they can avoid such customer frustrations.

**i) Preferred Means of Communication**

Figure 4.19 indicates that customers prefer communicating with call centres through other means than the telephone. Call centres therefore need to view these preferences and develop a communication system that suits all stakeholders.

### **6.3.2 Implications of this Study**

The following is a list of benefits that can be obtained from the research questions of this study for the stakeholders concerned.

#### **a) Perceptions of Service Quality**

Findings here will provide call centres with first hand information about the perceptions of users of call centres from the city of Durban. This will give call centres a sense of reassurance in terms of customer feedback. On the other hand users will benefit from knowing that their views have been taken into account for improvements.

#### **b) Main Factors Related to Customer Satisfaction**

Findings here are vitally important to call centres for decision making purposes in call centres. Call centres will need to take note of these findings and decide which concerns applies to their business so that sustainable systems can be implemented. This will prevent call centres from exhausting time and funds in areas that don't need attention. Majority of the findings are in line with international concerns which will reassure South African call centres of their standards of quality in this growing sector.

#### **c) Factors Related to Customer Dissatisfaction**

Findings here will allow call centres to review these causes of dissatisfaction and determine which issues directly apply to their business. The consumer stands to benefit by addressing these concerns and thus ensuring call centres aim for a more rigid and full proof system.

#### **d) Most Disliked Call Centre Sector**

Findings here will allow call centres to understand where they are positioned in the mind of the customer in comparison to other call centre sectors. This rating will act as a goal for call centres to improve their position to becoming the call centre sector with the least unhappy customers.

#### **e) Similarities and/or Differences Amongst Demographics**

Demographic data is important for decision makers in the sales and marketing division. Call centres will benefit from this information by allowing it to strategically plan for the needs of its customers by taking into consideration demographic information. Sales agents will also be empowered with information which will allow them to profile customers before approaching the consumer market.

#### **f) Providing Recommendations**

One of the key objectives of this research was to feedback as well as provides recommendations to call centres. The recommendations are practical and apply directly to all call centres. It is made up of operational, personnel and technological recommendations and will definitely assist call centres in reviewing their business strategy and policy and procedures.

These recommendations are meant to benefit three key stakeholders which are call centres itself, employees of call centres and the customer. This will assist call centres by ensuring it implements sustainable systems which will improve service quality; hence this will lead to returning customers leading to increased profits. Employees will benefit from call centres now being able to empower them in the area which training is most needed. Finally the customer benefits from the recommendations made, leading to improved service levels user friendly systems.

## 6.4 Recommendations for Future Studies

Future studies should take into account the following:

- Call centres operate nationally. The current study looked at a sample from the city of Durban. A broader and larger sample must be drawn so that the sample is representative of the entire country. Therefore this study needs to be conducted in other provinces to get an unbiased opinion of call centres in South Africa.
- The majority of the sample was made up of female respondents. Research is needed with a more balanced gender sample so that associations between the two can be more distinct.
- A sample of a more balanced mix of race groups would highlight different purchasing patterns.
- This study did not identify whether the respondents were employed or not as well as the industry in which they were employed. An understanding of this will enable call centres to highlight perceptions of people from differing industry's and can examine thinking patterns between the employed and unemployed.
- A large number of respondents from the sample had indicated the 'Other' option as their choice for call centre sector which they used. This needs to be explored further hence future studies need to list the various other sectors of the call centre industry in the questionnaire.
- This study focused on service quality of call centres in general. It did not research the exact type of call centre i.e. in-house, outsourced or business process outsourcing. An understanding of the exact type of call centre with which problems are encountered is important so that dissatisfaction is not generalised across all call centres. This will then ensure that recommendations are specific and are made to the relevant call centres.
- This study did not examine correlations between age and returning customer, gender and returning customer and race and returning customer. Future

studies need to explore this area of importance which will indicate associations between these two variable and will thus assist in modifying systems.

- Call centres exist globally. This survey used two other surveys as a benchmark for comparison. Future studies need to compare results to other surveys carried out globally so that it can have a true measure of its standard of quality.

## **6.5 Summary**

The aim of this research was to understand to what extent people from Durban are satisfied with call centre service delivery. The sub objective was to identify and explore reasons for customer dissatisfaction with call centres. The results from this survey are an indication of the respondent's feelings and can now be used as a means of understanding their frustration.

The results obtained were compared to previous international research studies which showed similar comparisons to most results thus reaffirming that issues of dissatisfaction is a world wide phenomenon. The study of customer satisfaction for call centre service delivery is therefore vital for technological and operational advances in this fast growing sector. The data collected directly answered the questions for the objectives and therefore call centres will be able to take practical guidance from the findings in order to build sustainable systems.