CALL CENTER OUTSOURCING
THE TOP 10
MISCONCEPTIONS

IA Solutions
by IA Call Center

Contents

Introduction

At one time or another, we've all received calls from telemarketers trying to sell something; and most of us find those calls at least a little annoying (and sometimes even downright infuriating.) Most telemarketers work in a call center setting (at least technically.) And it is for this reason that call centers often have a less than stellar reputation.

Alongside the bad reputation call centers get from annoying telemarketers, there are many other misconceptions or myths about call centers that some claim as fact. Nevertheless, in many (or most) cases, these wild claims or ideas are simply not true.

Even the Merriam-Webster dictionary's definition of a call center is not entirely accurate (or, at the least, overly broad.) According to the dictionary, a call center is "*an office equipped to handle a large volume of telephone calls for an organization (such as a retailer, bank, or marketing firm) especially for taking orders or for providing customer service.*"

While a call center may indeed operate out of a single office, it might also comprise many smaller locations linked via the Internet. Likewise, while many call centers do handle large call volumes, many others offer boutique services that cater to a rather small number of clients and callers.

If even the most trusted dictionary in the world can't get it completely right about call centers, it's easy to see why many others get it wrong as well. Therefore, the purpose of this paper is to dispel many of the most common misconceptions and myths about call centers and present you with the actual facts.

So, if you want to find out the truth about call centers, please continue reading. Unless you're already well-versed in the inner-workings of a call center, the valuable information provided in this paper may just surprise you.

1 – Customers Don't Use the Phone to Call Anymore

According to some "*experts*," these days, customers would rather text or use live chat when contacting customer service departments. Furthermore, these same "*experts*" say that customers no longer like to use the phone. These types of statements are not entirely true.

It may be true that many people don't like receiving annoying calls from call centers filled with telemarketers. However, it's also true that when customers have problems or issues with products or services, the telephone is usually the first contact method most choose.

According to data compiled by CRM giant HubSpot, an Invesp study and survey reveals that only 33% of customers would rather use an alternative method (other than the telephone) to contact a company's customer service department for help or support.

Not only do most customers prefer to still use the phone for customer service, they also want to talk to "real, live" people. In its "CX Trends 2022" report, Zendesk states that 54% of customers say one of their biggest customer-service frustrations is having to deal with chatbots (and the many questions they ask) before being connected to a live agent.

When customers use the phone to call for service or support, these issues are virtually eliminated. Even if the call center uses an IVR (Interactive Voice Response) system, customers need only press a couple of numbers on the dial pad to be connected to the agent best suited to help.

Being able to speak to a live customer service agent also helps to put customers at ease and build trust. Real people can interact with customers in ways that no AI or bot ever could. And while there are many sources that like to claim that AI, chatbots, and other forms of automated customer service are the wave of the future, the simple truth of the matter is that customers still prefer to talk to real people (Forbes: I Just Want To Talk To A Human!)

To say that customers don't use the phone anymore to contact customer service is, at best, misleading. However, if you look closely at the sources of such misleading information about telephone customer service, you'll probably find that they are vendors who provide platforms for other forms of communication (I.e., live chat, social media support, etc.) The ironic thing is, though, that many of the best call centers also offer these alternative communication methods (just in case *some* customers wish to use them.)

Myth # 1 - Customers Don't Use the Phone to Call Anymore – Status: Busted

2 – Only Large Companies Use Call Centers

Another common misconception about call centers is that only large corporations or conglomerates can benefit or profit from their use. Simply put, this could not be further from the truth.

Although it is certainly true that large companies account for the majority of call center usage (due simply to their sheer size and requirements for thousands of agents), there are still tens of thousands of other small to medium-sized businesses (SMBs) in the United States that use call centers as well.

Generally, a business or company is considered "large" if it employs 500 to 1000 people. Medium-sized businesses are those that employ 100 to 500 people. And, any business under 100 employees is considered to be "small." Companies in all these categories can benefit from using a call center.

Now, it's possible that very small businesses with less than 10 employees might not benefit by outsourcing their customer service efforts to a call center. However, if you think about it, even those small businesses have someone assigned to answer the phone and redirect calls as needed. So, in many instances, even a receptionist or small team of employees could be considered an "in-house" call center.

There are many, many reports, surveys, and studies that show there are nearly 40,000 dedicated call centers in the United States and more than 60,000 "contact centers (those that utilize multi-channel communication methods, including traditional phone support.) Additionally, some estimates put the number of private or in-house call centers in the United States at over 100,000.

If your business receives a lot of requests for service or support via the telephone, you may need a call center; it's as simple as that. Now, the choice to use an in-house team to answer your calls or outsource those duties to an outside company is up to each individual business or company. However, there are plenty of valid reasons that large companies choose to outsource their call center needs (I.e., less overhead, reduced costs, increased efficiency, etc.)

If you run a small business that you think will always remain small, then you probably don't need a call center. On the other hand, if you operate a small or medium-sized business that you would like to see grow, then outsourcing your customer service to a professional call center can help you do that.

*Myth # 2 - Only Large Companies Use Call Centers for Customer Service – Status: Busted*

3 - Robots and AI Are Making Call Centers Obsolete

If you ask some in the Customer Experience (CX) industry, artificial intelligence (AI) is destined to take over everything related to customer service. *(FYI, the "CX" industry refers to those in the call center, contact center, or associated fields.)*

While it's certainly true that AI will continue to play a bigger role in customer service operations, it's completely inaccurate to say that live call center agents won't continue to be important to customers who need help or support. In fact, the numbers show that speaking with a live telephone agent is still the support option of choice for most customers who need help.

According to studies and reports from sources, such as FinancesOnline, IBISWorld, Zendesk, Forbes, and many others, over 60% of all customers who need support still prefer to use the phone and speak to a live person. In fact, some of these same studies seem to show that customers are becoming annoyed with AI support offerings because AI bots or chatbots don't always understand questions posed to them (or they ask too many questions themselves before providing any real and useful support.)
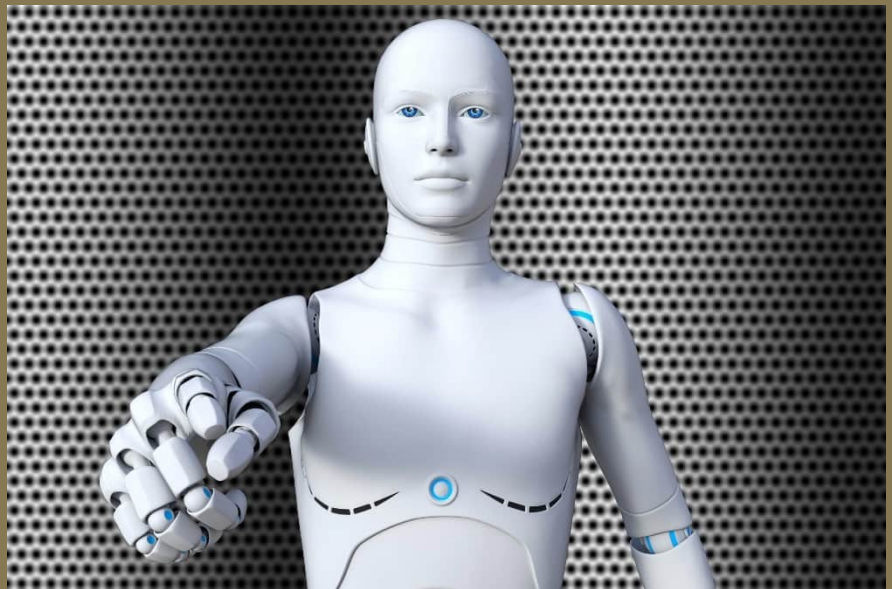
AI is an amazing technology, and someday it may indeed prove extremely useful in helping customers get support or solve problems. However, that time is still probably years away (according to the experts, anyway.) Even if and when, though, AI does truly compete with humans for customer service operations, many people will still probably prefer to speak with live agents. After all, only humans can truly understand or empathize with other humans. And if you know anything at all about great customer service, then you know that empathy is the core element of providing exceptional customer experiences.

So, while AI continues to make great strides in less personal customer service tasks, it still has a long way to go. If a customer simply needs to find out their account balance or check the date of their last payment, AI is well suited to those types of tasks. However, if customers need to complain, ask for support, or make other "more emotional" requests of a customer service department, AI simply cannot provide experiences comparable to those offered by real, live call center agents.

Myth # 3 - Robots and Chatbots Are Making Call Centers Obsolete – Status: Busted

4 – Call Center Agents Don't Care About My Customers

One of the most common (and one of the most disheartening) misconceptions we hear is that call center agents don't really care about the customers of their client companies. We hear things like, "*call center agents just want to end calls as soon as possible*," or "*call center agents don't take the time to understand customer problems or truly listen to their issues.*"

Can we say with absolute authority that these types of things never happen in any call center? Of course not. However, we can say that, by and large, call center agents do indeed care very much about the customers of their clients. Why? Well, it's quite simple, actually; if clients of a call center don't do well, then agents are the first ones to find themselves out of work. And if a call center doesn't provide great service and support to customers, the client company suffers.

When poor service results in a loss of customers for a client, that company will surely look elsewhere for another call center that provides better, and more helpful, services. So, in a nutshell, if an agent doesn't show that he/she cares about customers and their problems, he/she is essentially shooting him/herself in the foot by putting his/her own job at risk.

Do agents sometimes have bad days that result in less-than-perfect customer service? Of course, they do. Still, call center agents do everything possible to provide the best customer service experiences possible. After all, the success (or failure) of a call center depends 100% upon the ability of their agents to make customers happy. So, saying that call center agents don't care about your customers doesn't make much sense, right?

But, for many call center agents, it's about more than just protecting their jobs. Most call center agents genuinely have a desire to make their customer callers as happy as they can.

Many customer service industry surveys and reports show that over 95% of customer service professionals (the agents and supervisors) view customer satisfaction as the absolute most important part of their jobs. So, in short, call center agents, supervisors, and managers are serious about trying to please the customers of their clients. If you read or hear something different, it's simply not true. Are there rare exceptions? Of course, there are. But, as a rule, call center agents do their best to please your customers.

Myth # 4 - Call Center Agents Don't Care About My Customers – Status: Busted

5 - Call Center Agents Can't Handle Customer Complaints

One of the most outlandish misconceptions we hear about call centers is that call center agents can't or don't handle complaints effectively. What makes this claim so incredible? Well, the truth of the matter is that call center agents are, in fact, true experts at handling customer complaints.

Call center agents receive and address customer complaints all the time. And depending on the client business a call center is receiving calls for, an agent may literally receive dozens (or more) complaint calls during a single shift. However, it's not necessarily the volume of complaints agents receive that makes them so adept at handling unhappy customers; it's the training they receive.

The best call centers teach their agents how to handle customer complaints by empathizing with their customer callers and using active listening and communication skills to build trust. Trust and empathy are the pillars of excellent customer service and something call center agents at better centers are trained to establish early in calls from angry or unhappy customers.

Call center agents also learn not to take complaints personally and how to help soothe customers' anger with thoughtful listening and genuine interest in helping them solve their issues or problems. The last thing supervisors and managers at a quality call center want is for customers to hang up, still angry. Therefore, agents will do everything possible to make angry callers happy and retain them as loyal customers for their client companies. In fact, it's probably safe to say that agents in an outsourced call center probably do a much better job at calming angry customers than most in-house call answering teams (which don't have as much training in resolving conflicts or effective listening.)

Of course, this is not to say that in-house customer service teams cannot address or resolve customer complaints effectively. However, unless your support team handles a large volume of complaint calls, outsourced call centers will usually do a much better job of helping keep customers happy and coming back.

Call center agents do indeed know how to handle customer complaints.

Myth # 5 - Call Center Agents Can't Handle Customer Complaints – Status: Busted

6 – Call Centers Are Only for Outbound Sales Calls

We're not really sure where this call center misconception originated, but it's one that seems to be very popular on the Internet these days; it's that call centers are only good for making outbound sales calls. Or, in short, they're only good for telemarketers. And again, like the others above, this one is simply not true.

While many call centers do provide outbound sales services for their client companies, these types of offerings make up a tiny percentage of the whole. In fact, there are more call centers that concentrate on in-bound services than there are those that provide only outbound services. And many call centers offer both in-bound and outbound call services.

While it is impossible to gauge the exact number of call centers that perform inbound or outbound call services, most industry experts agree that most probably offer both types.

Even with those call centers that provide only outbound call services, though, they generally perform other services not related to sales. Some of these include debt collection, insurance claims, market research or surveys, and appointment reminders, just to name a few.

For in-bound services, call centers offer an array of customer-service-related functions. However, it is important to note that even some in-bound call centers handle sales calls. As a matter of fact, in-bound sales calls are a major revenue component for some retail companies and those that specialize in catalog or specialty-parts sales. Additionally, many financial services and insurance companies receive orders or sign up customers via in-bound call centers.

Besides in-bound sales call services, call centers perform many other customer-service functions. Customers often call centers for billing questions, to schedule appointments, to seek tech support, to make payments, and to make general product/service inquiries.

As you can see, saying that call centers are only good for outbound sales or telemarketing services is inaccurate, at best. The truth is, call centers can provide a nearly limitless number of business-related phone services.

Myth # 6 - Call Centers Are Only For Outbound Sales Calls – Status: Busted

7 - Working in a Call Center is Low-Skill, Mindless Work

One of the more disappointing misconceptions regarding the CX industry is that call center work is mindless work that requires very little skill. This statement could not be farther from the truth. Indeed, working as a call center agent requires a lot of skill (and in many different areas.)

First of all, call center agents are *problem solvers* and work through a myriad of customer issues and problems during every shift. Call center agents don't just answer the phone or take messages; they provide solutions.

Sometimes, though, we hear statements that compare working as a call center agent to working in a fast-food restaurant. And while there is certainly nothing wrong (whatsoever) with working in a quick-service restaurant, a call center agent requires considerably more training and skill (as well as a few important personality traits.)

Zendesk has put together a list of skills and traits that a call center agent must have in order to thrive in our industry; some of those include:

- Technical Skill – Call center agents need to be well-versed in computers and modern technology;
- Data Aptitude – Agents must possess at least a basic understanding of data analysis and how to navigate and understand complex databases;
- Excellent Communication Skills – If an agent cannot communicate effectively with customers, nothing else matters;
- Tenacity – Call center agents have to confront and overcome the unexpected. Customers are not always polite, friendly, or cooperative, so agents must be resilient and able to overcome problems;
- Genuine Empathy – When customers call, they all need help with something. Agents must possess the ability to empathize with callers and think on their feet in order to gain customer trust and provide great experiences;
- Problem Solver – Good call center agents are problem solvers. During every call center shift, agents are presented with a variety of customer issues and problems that often require creative solutions. Therefore, call center agents must have excellent critical-thinking skills to help and satisfy customers quickly and efficiently.

The above list contains but a few of the skills and traits a call center agent must have to do his/her job effectively. So, as you can see, the job of a call center agent is anything but mindless or unskilled work.

Myth # 7 - Working In a Call Center is Low-Skill, Mindless Work – Status: Busted

8 - Call Center Agents Aren't Fluent in English

While we don't hear this one as often as we used to, it's still a relatively common complaint or misconception about call centers; and that is call center agents can't speak fluent English. Now, before we delve too deep into this statement, we should begin by stating that this particular misconception is partially true. However, if you will bear with us a bit, you'll discover why this matters very little, it at all. But we'll get to that a little later.

First, the English proficiency of a call center's agents will depend primarily on where those agents are located. Usually (but not always) call center agents based in the United States, Canada, the United Kingdom, and other native-English-speaking countries will speak more fluent English than those in some other countries.

Call centers agents in countries where English is spoken as an alternative primary language, however, also speak fluent English, albeit sometimes with an accent. Nevertheless, the presence of a slight accent does not negate a speaker's fluency or mastery or the language. Just listen to folks from Ireland or Scotland sometime. Not really the easiest accent to understand for those of us from North America. Still, both Ireland and Scotland are indeed native-English-speaking countries.

There are many countries where English is spoken every day, alongside one or two other local dialects or languages. Residents in countries such as the Philippines, Singapore, and South Africa (as well as many others) speak English with a high-degree of fluency (even if they have a local accent.)

Call center managers understand accents can be an issue for some customers, though; so many call centers now offer "accent neutralization" training. This type of training has proved effective in helping otherwise fluent English speakers sound more "American." And while this training is not well suited for agents from some countries, it works amazingly well for others (I.e., Philippines, South Africa, and many South American countries.)

Depending on the market a company needs to reach, English proficiency may not be an issue at all. For instance, if your company services customers from Spanish-speaking communities, agents need to be fluent in Spanish, and not English (obviously.) In fact, the United States now has the second largest native-Spanish speaking population in the world, just behind Mexico. So, if your current answering team or call center doesn't offer bilingual services, maybe it's time to start.

Myth # 8 - Call Center Agents Aren't Fluent in English – Status: Partially True

9 - Call Centers Are Terrible Places to Work

We'll be honest; call center work is not for everyone. Working as an agent in a call center requires dedication, being able to think fast on your feet, and the ability to handle stressful situations (complaining customers can sometimes be a handful.) Still, to say that call centers are terrible places to work is completely misleading.

Obviously, not all call centers are the same, and some definitely provide better work environments than others. However, over the years, professional call centers have learned much in the way of providing better work cultures and environments to better foster employee happiness and satisfaction.

Because of the stress levels associated with the job, call centers have historically suffered high turnover rates that can average over 30%. And some poorly managed call centers often witness attrition rates of more than 80%. In professionally managed call centers, though, turnover rates are much, much lower – about half the industry average to be more precise.

Replacing call center agents lost to attrition is not cheap. In fact, it costs about 20% of a call center agent's annual salary to train a replacement. Therefore, modern call centers take steps to reduce agent turnover as much as possible. And, of course, making the call center a better place to work is the best way to do this.

Modern, professional call centers encourage frequent breaks, provide incentives, and engage in team-building and counseling exercises to help agents manage stress and be more productive.

Many years ago, call center agent salaries were considered to being relatively low. However, in recent years, salaries for skilled, professional agents have risen considerably. These days, the average call agent earns about $36,000 per year, and some agents at specialty call centers earn up to $100,000 or more. According to Investopedia, this puts most call center agents squarely in the middle-class income bracket. While working in a call center probably won't make you rich, most agents earn respectable incomes.

As mentioned, working in a call center is not for everyone. However, if a person has the tenacity and drive to succeed, a career as a call center agent can be both rewarding and satisfying. Additionally, many call centers promote from within their own ranks. So, call center agents that perform well can advance quickly to supervisor or management positions.

Of course, there are some very poorly managed call centers as well that are not good places to work. And it is these types of call centers that give the industry a poor reputation as a whole. This is unfortunate, though, as good call centers can indeed be excellent places to work.

Myth # 9 - Call Centers Are Terrible Places to Work – Status: Misleading

Call Centers Cost Too Much

10 - Call Centers Are Too Expensive

Out of all the misconceptions we hear about call centers, this one is perhaps the most inaccurate. For some reason, many entrepreneurs and business owners think call centers are just too expensive. However, business owners' assumptions about costs related to call centers seem to be misguided or uninformed. With just a little research, it's relatively easy to discover that outsourcing call center services can be much less expensive than employing an in-house answering or customer service team.

Costs associated with hiring a call center vary considerably depending on the type(s) of service(s) your company needs. For instance, pricing models for in-bound and outbound call services are usually structured differently. Estimated call volume and complexity of calls also play roles in determining pricing.

The biggest factor in call center pricing, though, is where the call center or its agents are located. For instance, if your company requires call center services based in the United States (with native US agents), you can expect to pay considerably more than you would for services from centers with agents based abroad (although there are exceptions.)

Pricing in the call center industry can vary a lot, with some companies charging much more/less than others. Nevertheless, according to many organizations that track such things (as well as our own experience and research), average pricing for US based call center agents ranges from $20 to $30 per hour, while European-based center typically charge between $12 - $40 per hour. Australia-based call centers are the most expensive, charging between $35 to $55 per hour. If you're looking to save the most money, call center costs in Africa, Asia, Latin America, and India range from $6 to $20 per hour.

Many call centers offer "per-minute" pricing as well, which usually ranges from about $0.50 to $1.25 per minute of active call activity (but can be much higher depending on call complexity.)

At first glance, these prices might seem expensive. However, if you consider the costs of employing in-house answering agents, outsourced call center costs are a bargain. According to CostHack, the average hourly wage of an in-house call agent is $17 per hour. If you add employment taxes, equipment, software, management, and other miscellaneous costs, that average cost increases to about $33 per hour. Furthermore, those rates don't even include the costs of training an agent to represent your company, which is estimated to be anywhere from $2500 to $10,000 per employee. Finally, if your call center agents require very specialized training or knowledge, then you can count on costs of hiring and training in-house agents to be even more.

If you do your research and choose a good call center partner, outsourcing will almost always be the most cost-efficient option for your customer service needs.

Myth # 10 – Call Centers Are Too Expensive – Status: Busted

Bonus Call Center Myths to Dispel

## Bonus – More Call Center Misconceptions to Know About

So far, we've covered 10 of the most common misconceptions about call centers (well, after all, that is the title of the paper.) Still, there are many more that we could have discussed, and didn't. Before we end this, though, there are two more common call center myths we feel need to be addressed, as not doing so would make this paper – well, inadequate. So, you can consider these next two misconception discussions as bonuses.

In the next two sections, we will cover two call center misconceptions that (while not as commonly voiced as the first ten) are misleading and lead to unnecessary and unjustified concerns and misinformation. So, continue reading to find out how security and technology related call center misconceptions are completely unfounded.

Bonus # 1 – Call Centers Are Not Secure

Bonus # 2 – Call Centers Don't Use Modern Technology

IA Solutions
by IA Call Center
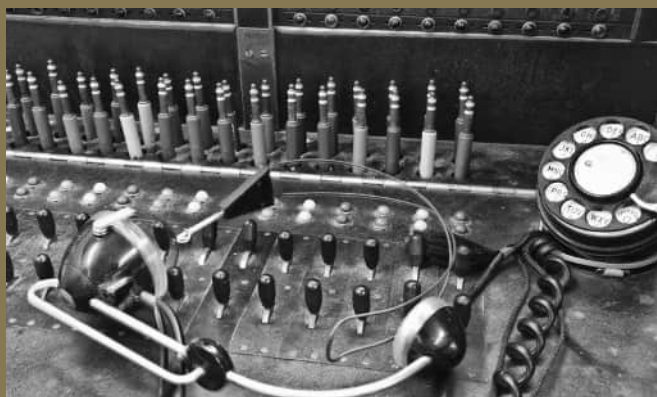
10 + 1: Call Centers Are Not Secure

With data breaches, ransomware attacks, and major security breaches being almost daily occurrences these days, customers are more concerned than ever about the security of their private information and data (as they should be.) And this brings us to our next common misconception about call centers – call centers are not secure places for customer data and information.

Debunking this particular myth or misconception is a bit more difficult than with the others on this list, as data security in call centers varies from nonexistent to ultra-secure. Furthermore, it is impossible to determine the security practices in place at every individual call center. However, it is possible to discern some general security information for the industry from things we do know.

According to a 2022 study by IBM, the average cost of a data breach is $3.92 million, with that number continuing to rise. Because of findings and numbers such as this, more call centers are making greater efforts to improve data security for their customers.

Years ago, many call centers used proprietary software created in-house for the management of calls and customer data, which resulted in some systems being more secure than others. Over the past few years, however, most (if not almost all) call centers have switched to using robust cloud systems to manage their call systems and Customer Relationship Management (CRM) software.

Popular cloud-based call and CRM systems such as Ring Central, Zendesk, Sales Force, and a select few others are renowned for providing outstanding data security and their frequent updates to prevent new types of hacks and breaches. CX industry trends and studies show that virtually all the best call center providers have already made the switch to these more secure types of cloud-based systems.

Of course, good software alone cannot ensure adequate data security within a call center; they must implement and enforce strict security measures and policies as well. However, according to many call center industry periodical and new sites, there are promising signs that most modern call centers are following best practices to improve security, both physically and digitally.

These days, most call centers are serious about customer data security and implement best practices such as data access control, multi-factor authentication, encryption, strong password management, constant threat monitoring, PCI compliance, and advanced attack contingency plans (just to name a few.)

While not all call centers follow best practices for data security, the good ones all do.

Myth 10 + 1 – Call Centers Are Not Secure – Status: Coin Flip - True and False (Depends on the call center)

IA Solutions
by IA Call Center

10 + 2: Call Centers Don't Use Modern Technology

This is one we kind of get a kick out of. When people say that call centers don't use modern technology, it gives the impression that they envision call center agents as being like the famous switchboard operators of the early 1900s. The truth is, though, that call centers use some of the most advanced and newest technologies available.

CALL CENTERS THEN

CALL CENTERS NOW

Not only do modern call centers *NOT* use antiquated phone systems, most do not use physical telephone handsets at all. In modern call centers, every agent is equipped with a powerful computer and a headset. But, the technology does not stop there.

Call center agents also have access to robust call center and database software that enables them to help customers quickly and effectively. In many call centers, this software even enables agents to help and communicate with customers via other channels (I.e., live chat, email, social media, etc.) and not just the telephone. Video chat is also another technology that is finding mainstream use in call centers.

Artificial intelligence (AI) is also becoming increasingly prevalent in call centers. Nowadays, many call centers use AI to engage with customers via chatbots or conversational AI to answer basic customer questions on the phone. And while AI can never be a true replacement for real, live call center agents, the technology is still very useful in some situations. In some larger call centers, AI is even being used to route calls from customers to available agents who are the most suited to help.

Technology is a huge part of what makes call centers so effective at what they do. So, as new technology emerges, you can bet that innovative and forward-thinking call centers will take advantage of it.

So, does it still sound like call centers use old or outdated technology? We didn't think so.

Myth # 10 + 2 – Call Centers Don't Use Modern Technology – Status: Busted

IA Solutions – Busting Call Center Myths for Over 50 Years

At IA Solutions, we have been busting and debunking call center myths for over 50 years, and we've done this by providing our client partners outstanding customer services at affordable prices.

When you join with IA Solutions, you not only get a global call center with phenomenal agents, you also gain a true partner that works just as hard as you to make sure your company continues to grow and succeed. When you do partner with us, we promise to bust every myth and disprove every misconception discussed in this paper.

We partner with businesses, both small and large, and treat every client's customers like they were our own. So, whether you need a call center to take orders, do outbound sales, or address and resolve customer complaints, IA Solutions can be the partner you rely on to provide your customers the service and support they want and deserve.

STEVE SAMUELS, CEO

Our global network of agents is motivated, capable and enthusiastic. This means they provide great customer service to your customers and represent your brand in a way that will make you proud. And our agents accomplish this all while using the most advanced and secure call center technology and systems. Last, but not least, though, we provide our best-in-class call center services at prices that are both fair and affordable. After all, if a call center cuts too deep into your bottom line, using one doesn't make much sense, right?

If you would like to find out how partnering with IA Solutions can help grow your business with exceptional customer service, please click here to request a no-cost, no-obligation consultation. Alternatively, you can reach us toll-free at (888) 631 – 9711 or by email at support@iacallcenter.com.

We look forward to hearing from you.

Steve Samuels, CEO
IA Call Center