



**VIPdesk**<sup>TM</sup>  
CUSTOMER CARE FOR PREMIUM BRANDS

# Home-Based Call Centers: Retail Survival Tool for 2009 and Beyond

Sally Hurley  
President  
VIPdesk

*February 17, 2009*

**VIPdesk**

324 N. Fairfax Street  
Alexandria, VA 22314  
(703) 299.4422

<http://www.vipdesk.com>  
[solutions@vipdesk.com](mailto:solutions@vipdesk.com)

# About Today's Presentation



## We will answer the following questions:

- What retailers are successfully using home-based call centers today?
- What is the benefit of home-based vs. brick-and-mortar customer care to retailers?
- How do home-based call centers increase customer loyalty and customer spend?
- How can home-based customer contact centers increase flexibility in uncertain times?
- How does a transition to a home-based call center impact your financials?
- How has VIPdesk helped improve the performance of its retail clients?

# About Today's Presenter



## **Sally Hurley** **President, VIPdesk**



- Co-founder
- 20+ years experience delivering premium customer service
- Has a passion for the customer experience
- Committed to building a culture that supports work-life balance
- Proud to be a green company- supporting thousands of individuals that work from home across North America
- Current President of Entrepreneurs Organization in D.C.
- [shurley@vipdesk.com](mailto:shurley@vipdesk.com) or 703.837.3518



# VIPdesk™

CUSTOMER CARE FOR PREMIUM BRANDS

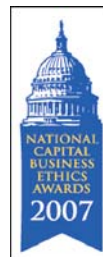
VIPdesk is the pioneer of virtual contact center solutions for national brand leaders, providing premium customer experiences through our home-based Brand Ambassadors™.

**Changing Business. Changing Lives.**

# Leading the Homeshoring Revolution



- Provider of premium outsourced customer care services for national brands
- Pioneer of home-based model
- Support over 40 clients committed to brand reputation, customer retention and growth
- Known for servicing complex, intuitive customer contacts



# VIPdesk's Home-Based Customer Care



## VIPdeskConnect™

*Inbound and  
outbound customer  
service*

- Premium customer care
- Sales: cross-sell/up-sell
- Order processing
- Surveys
- Peak volume management
- Customer profile enrollment
- Email/chat services

## VIPdeskConcierge™

*Customer loyalty &  
personalized  
Concierge Services*

- Dining reservations, entertainment tickets, trip planning, etc.
- Event management
- Travel and tourism – complete travel agency capabilities
- Experiential packages
- Rewards and redemption services
- Special offers and discounts

# Brands Using Home-Based/Virtual Call Centers



**Office  
DEPOT.**



**Intuit**

**eBay**

**U-HAUL**



J.CREW

*Eddie Bauer*  
EST. 1920

**STAPLES**

**jetBlue**  
AIRWAYS

BLUEFLY



**Delta**



1-800-flowers.com



## Benefit of Home-Based Customer Care to Retailers



# Virtual vs. Brick-and-Mortar



	Virtual Call Center	Traditional Call Center
<b>CSRs</b>		
High Retention (85%)	✓	
Improved Quality (15%)	✓	
<b>Virtual Model</b>		
National Labor Pool	✓	
Targeted Recruiting	✓	
Decreased Overhead / Facilities Costs / Expansion	✓	
Improved Continuity / Disaster Recovery	✓	
Peak / Overflow Management	✓	
<b>Customer Impact</b>		
Higher Quality of Interaction	✓	
Increased Customer Satisfaction Levels	✓	

# Reasons to Deploy a Home-Based Call Center



## Compelling Advantages

### Retailer Benefits

- Higher quality
- Unlimited recruiting pool
- Superior cost model
- Higher retention
- Reduced training/recruiting costs
- Seasonality adjustments
- Operational efficiency
- Business continuity
- Cultural understanding
- Carbon reduction

### Agent Benefits

- Flexible scheduling
- Pay for performance
- Elimination of commute
- Enhanced work/life balance
- Reduced expenditures
- Comfort of working from home

# Current Retail Industry Challenges



- Consumer confidence in spending is down
- Unpredictable economic environment
- Seeking to cut costs without sacrificing quality
- Greater need for infrastructure flexibility
- Desire to maintain continuity across channels
- Increased need to retain current customers



# Common Retail Call Center Challenges



- Overhead costs
- Fixed infrastructure
- Scalability
- Operational adaptability
- High turnover/attrition
- Limited disaster recovery
- Limited recruiting pool
- Limited access to highly skilled agents/CSRs



# Opportunities for Retailers



- Leverage a model that allows for flexibility-seasonal and intra-day
- Experienced; highly skilled; loyal agents
- Reduce expenses
- Focus on core strengths, products, core brand
- Align in-store and at-home customer experiences
- Improve metrics - converting more contacts to sales; increased AOS, etc.
- Improve customer satisfaction
- Maintain and grow current customers



# Increasing Customer Loyalty and Customer Spend

# Customer Experience Considerations



- Every contact is critical
  - In-store, phone, email and online chat
- Conversion of contacts to sales
  - Driving performance with each interaction
- Agents that have a passion for your brand
  - Individuals who are already a fan of your brand
- Flexibility with coverage
  - Staffed when customers need you
- Overall satisfaction
  - A key driver for repeat customers
- Increasing loyalty and spend with customers
  - Much easier than marketing to new customers

# Home-Based Customer Care is the Answer



## The People

- Unlimited recruiting pool
- Profile of home-based CSR is educated, experienced, mature
- Opportunity to recruit for specific skills and interests
- Low attrition leads to highly productive, knowledgeable team

## The Flexibility

- Meet spikes, rapid expansion for growth, new call patterns
- Meet SLAs without overstaffing
- Reduce "lost revenue" opportunities from abandoned calls
- Performance-based scheduling

## Dynamic Workforce

- Results and metrics driven – performance based compensation and scheduling
- High level of job satisfaction – translates into positive customer experience







# Financial Impact of Home-Based Customer Care

# Key Questions



- Is your customer service operation a cost center or a profit center?
- What are your highest expenditures?
- How would you like to better align your revenue with your expenses?
- Are your top performers working key shifts/hours?



# Traditional Customer Care Fixed Investments



## Infrastructure costs

- Building/leasing costs
- Utilities and maintenance
- Facilities management
- Furniture/fixtures
- Technology costs
- Telecommunications costs



## Personnel costs

- Recruiting and hiring
- Turnover
- Management
- Training
- Cost of unproductive time



**Now you can impact these costs**

# The Home-Based Solution



## Infrastructure Cost Reductions:

- Eliminate/reduce costly capital expenditures
- Eliminate/reduce costly ongoing expenses including facilities, management, support
- Eliminate/reduce costs of idle infrastructure



## Personnel Cost Reductions:

- Reduced recruiting/hiring costs
- Reduced training costs
- Reduce cost of turnover associated with productivity loss
- Reduce costs of overstaffing required to meet SLAs
- Reduce management costs



# The Home-Based Solution (cont'd)



- Further cost reductions through the automation of business processes
  - Recruiting/on-boarding
  - Training
  - Metrics driven management
  - “Virtualize” culture and communications
- Align business objectives with virtual agents
  - Empowerment of business owners
  - Objective and clear performance criteria
  - Performance-based compensation and scheduling



# VIPdesk Success Stories



# VIPdesk Client Bluefly Awarded 2008 International Service Excellence Award



- In November 2008, Bluefly was awarded the *International Service Excellence Award*
  - Category of Business-to-Consumer Contact Center
  - Awards are given to organizations in all industries worldwide in recognition of their commitment to customer service excellence



- VIPdesk has provided Bluefly's e-mail, phone, and online chat customer support since July 2007. Results include:
  - Increased total service sales by 23% year-over-year
  - Increased sales conversion
  - Reduced cost per contact 18% year-over-year
  - Virtually no attrition
  - Within 3 months:
    - 87% customer satisfaction phone and e-mail
    - 94% customer satisfaction in chat



# Other Client Results



Client 1

Exceeded dollars/order goals through holiday season while ramping agents to double capacity

Reduce AHT by 31% over the first year of operation

Reduced shrinkage by 14% over two months

Handled 200%+ of forecasted volumes during season periods where weather impacted client's internal center

Enabled client to consolidate in-house call centers down to one during the first year, handling 67% of peak traffic in year two



Client 2

Improved email contact completion rate by 41%

Improved service levels by 60%

Reduced AHT for the client by an average of 22 seconds

Improved overall first-contact resolution





# Home-Based Model Summary



## 3 Ways Home-Based Customer Care Provides Flexibility for Retailers

### 1- Facilities- reduce costs

- No need for permanent investments
- Affordable disaster recovery

### 2- People- leverage top talent

- Provide staffing to meet fluctuating volumes
- High quality of agents provide business model adaptability
- Limit ramp up time for expansion
- Leadership/management

### 3- Performance- increase results

- Capture more
- Convert more
- Retain more





## More Information

# More Information on Home-Based Customer Care



- November 2008 *Retail Customer Experience* Magazine article, "Top Five Tools Retailers Need to Survive".
  - <http://www.retailcustomerexperience.com/article.php?id=741&prc=59&page=69>



- VIPdesk and IDC co-authored a whitepaper on the home-based customer care market
  - This whitepaper can be downloaded at [www.vipdesk.com/whitepaper](http://www.vipdesk.com/whitepaper)



- Subscribe to *Virtual Voice* – a monthly newsletter clipping of relevant articles covering the virtual call center space
  - Industry-wide information, not just VIPdesk specific
  - Subscribe via email at: [virtualvoice@vipdesk.com](mailto:virtualvoice@vipdesk.com)





# Questions?

# Questions?



- Submit your questions now using the “Questions” function in the Webinar interface.



- You can also email questions to [press@vipdesk.com](mailto:press@vipdesk.com) or call 703-837-3507 for follow-up after today’s Webinar.





# VIPdesk™

CUSTOMER CARE FOR PREMIUM BRANDS



**Website:** <http://www.vipdesk.com>



**Twitter:** <http://www.twitter.com/vipdesk>



**Facebook:** <http://www.facebook.com/vipdesk>



**LinkedIn:** <http://www.linkedin.com/companies/vipdesk>



**YouTube:** <http://www.youtube.com/user/vipdesk>



**Via RSS:** [http://twitter.com/statuses/user\\_timeline/23095083.rss](http://twitter.com/statuses/user_timeline/23095083.rss)

