CONTACTBABEL

The Inner Circle Guide to South African Contact Centres

Research Partner

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Our Cape Town teams specialise in complex interactions in regulated sectors where **quality**, **empathy**, **compliance** and **customer outcomes** aren't negotiable.
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Vulnerable customers
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And everything in between.
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We are **Sigma Connected**. We are **different**
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“The 2026 Inner Circle Guide to South African Contact Centres”

Published November 2025

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Sigma Connected: UK expertise, South African excellence

Sigma Connected is a UK-based business process outsourcing provider specialising in customer service solutions that balance efficiency with empathy. With operations in Cape Town, South Africa, we deliver enterprise-grade customer experience for UK businesses seeking quality, cost-effectiveness, and cultural alignment.

Our services

We provide end-to-end customer service solutions across voice, digital and back-office channels, with particular strength in complex queries in regulated sectors. Our services include complaints management, fraud and financial crime support, collections and recoveries, customer acquisition and retention, vulnerable customer support, and day-to-day customer care requiring expert handling.

What makes us different

We believe outsourcing should mean partnership, not compromise. Our teams operate as genuine extensions of our clients' businesses, combining deep sector expertise with smart technology. We use AI and automation as enablers, never replacements. This human-centric hybrid approach delivers measurable results while protecting brand reputation and customer relationships.

We specialise in the difficult and complex conversations. From fraud investigations to vulnerable customer support, our teams combine technical knowledge with interpersonal skills honed across Financial Services, Energy & Utilities, and Insurance sectors. We handle interactions where regulatory compliance (FCA, OFGEM etc.), empathy and resolution quality aren't optional. We don't deploy standard operating models because we've yet to encounter a standard client.

We invest in long-term careers, not transient workforces. Our Cape Town operation has one of the lowest attrition rates in the Western Cape, with upper quartile pay and comprehensive employee training and wellbeing programmes. Our people stay, their knowledge stays, and that stability translates directly into better customer outcomes.

Our Impact Sourcing programme demonstrates our commitment to creating meaningful employment and social value, because doing good business and doing business well aren't mutually exclusive.

We are Sigma Connected. We are different.

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EXECUTIVE SUMMARY

Market Overview

The consensus view across industry experts is that South Africa's contact centre industry has grown into a **300,000 agent position market across around 2,000 operations**.

Around **300 of these operations are outsourced / BPO** and the remaining **1,700 are in-house / captive**.

It is estimated that there are **100,000 agent positions in the outsourced / BPO sector**, and **200,000 within in-house / captive operations** giving **average contact centre sizes of 333 for BPO and 118 in for in-house.**

73% of outsourced activity serves international clients, confirming South Africa's global competitiveness.

65% of operations expanded in 2025, and **73% expect growth in 2026**, compared with flat or declining headcounts in the UK and US.

Customer Experience & Technology

Customer satisfaction (CSAT) is the **primary CX investment driver**, followed by new technologies and cost reduction.

South African firms invest more heavily in **training (vs. consultants)**, and 82% rate their **CX technology as good/excellent** – well above the UK (35%) or US (26%).

Digital channels now account for **35% of inbound interactions** (UK/US: 29%), with rapid growth in **web chat and WhatsApp messaging**. Self-service adoption is fairly strong (57% use FAQs and chatbots).

AI adoption (66%) is higher than reported in the UK or US, focusing on chatbots, knowledge-base automation and agent assistance. AI is viewed as a performance enhancer, not a job reducer (only 6% cite headcount reduction as a critical goal).

Cloud penetration is **93%**, higher than US & UK. Reported benefits include **cheaper ownership (67%)**, **improved functionality (76%)**, and **easier system changes (83%)**.

Operational Excellence

South Africa leads key operational metrics:

- **Speed to answer:** 27 seconds (UK 116s, US 99s)
- **Call abandonment:** 4.2% (UK 5.9%, US 8.9%)
- **First contact resolution:** 86% (UK 81%, US 76%)
- **Cost per inbound call:** R61 / £2.68 / $3.54 (~40% of UK cost)

High talk-time efficiency and minimal idle time suggest strong productivity.

Workforce & HR

Attrition is moderate at **25%** (UK 21%, US 30%), with low early churn (75% lose <10% in first 90 days).

Absence (10.2%) is generally higher than in mature markets.

Remote work remains limited—**33% hybrid/home** versus 71% in the UK and 62% in the US, although gentle expansion is expected.

Salary benchmarks:

- **New agents:** R122k p.a. (≈20% of UK/US)
- **Experienced agents:** R147k p.a. (≈20-25%)
- **Team leaders:** R228k (≈25%)
- **Managers:** R489k (≈35–40%)

These cost differentials underpin South Africa's **offshoring cost advantage**.

Social Impact & People Strategy

65% of operations have formal impact sourcing policies; **44% of agents** are impact workers. This model enhances retention and aligns with B-BBEE and ESG priorities.

Empathy, initiative, and problem-solving rank as the most valued agent traits, confirming the industry's people-centric strength.

Strategic Outlook

South Africa's contact centre sector is **younger but more technologically agile** than those in the UK or US, where legacy systems and processes hold back some operations.

It combines **advanced cloud and AI adoption, rapid digital growth, low operating costs and social inclusion**, positioning it as a competitive BPO destination and efficient domestic service provider.

As the industry matures, and a greater pool of experienced labour – management as well as agents – develops, we can expect to see a greater level of sophistication emerge. High levels of first-contact resolution and short call times suggest that self-service has not yet reached its full potential, although the widely-seen high levels of technological investment strongly support the view that South Africa is not content to be seen as a low-cost location.

INTRODUCTION & METHODOLOGY

"*The 2026 Inner Circle Guide to South African Contact Centres*" is a major annual report studying the CX strategy, performance, operations and technology aspects of South African organisations.

A detailed structured questionnaire was answered by 106 senior CX and customer contact professionals between August and October 2025. Analysis of the results was carried out in November 2025.

Survey respondents were split between in-house / captive contact centres serving a single company (64 respondents) and outsourced / BPO operations serving multiple companies, whether within South Africa, internationally, or both (42 respondents). In order to maintain accuracy and credibility, analysis of data was restricted to inhouse vs outsourced. We hope in future years to be able to explore specific vertical markets in more depth.

Size bands:

- Sub-50 seats: 25%
- 51-200 seats: 27%
- Over 200 seats: 48%

Province:

- Eastern Cape: 3%
- Free State: 2%
- Gauteng: 46%
- KwaZulu-Natal: 8%
- Limpopo: 2%
- Northern Cape: 3%
- Western Cape: 36%

Vertical Market:

- BPO / Outsourcing: 40%
- Finance: 12%
- Insurance: 6%
- Public Sector: 5%
- Retail & Distribution: 7%
- Services: 10%
- Technology, Media & Telecoms: 8%
- Other: 13%

74% of contact centre activity was reported to be inbound (26% outbound). 70% of contact centre activity was reported to be service-related (30% sales-related).

For the outsourced / BPO sector, 73% of activity was reported to be on behalf of international clients, with 27% serving the domestic South African market.

ContactBabel would like to acknowledge the immense help, support and goodwill from numerous industry experts and stakeholders that has allowed us to produce this research.

MARKET SIZING AND GROWTH

Based on information published elsewhere from industry associations, experts and analysts, along with this survey, we would estimate that the South African contact centre industry consists of around 2,000 operations with over 10 seats (1,300 in-house/captive and 700 outsourced/BPO), and 225,000 agent positions (90k in-house/captive and 135k outsourced/BPO).

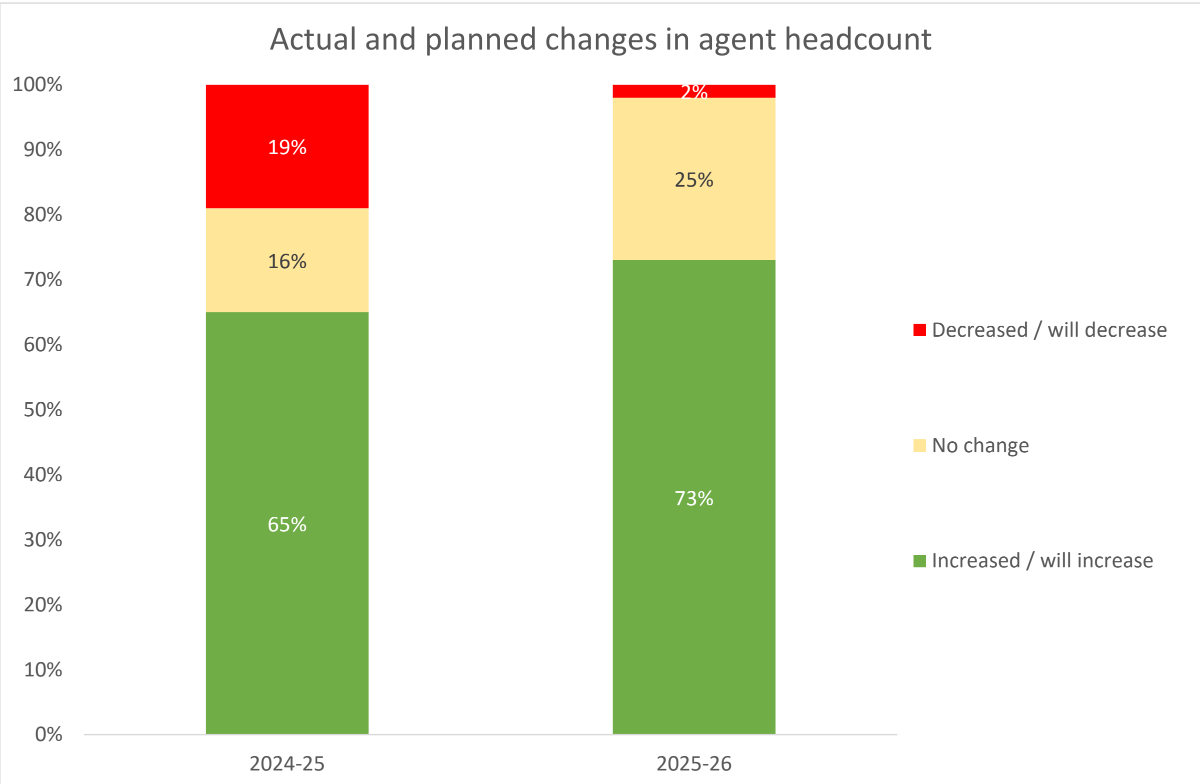
Survey respondents were asked about their contact centre's size 12 months ago, now, and what they expect in 12 months' time.

65% of respondents reported a growth in agent headcount over the past year, with 73% of contact centres expecting growth in 2026.

While 19% of respondents had experienced a decline in agent headcount, only 2% expected the same to happen in 2026.

The average change in headcount over the past 12 months was an increase of 32%, with a further increase of 68% expected next year. It is important to note that in our experience of surveying UK and US contact centres for many years, that expected increased in headcount are rarely met, and that this figure should be treated with caution. However, there is no doubt that the industry as a whole is very optimistic about its future.

Figure 1: Actual and planned changes in agent headcount



As a comparison, around 40% of US and UK contact centres survey respondents reported growth last year, with 30-40% reporting a decline. The overall headcount of these industries is declining very slowly.

CX STRATEGY

Survey respondents were asked about the importance of various drivers for their CX strategies, and asked to rank them in order of importance.

Along with the UK and US, South African survey respondents placed the "customer satisfaction score" as being the most important CX driver.

South Africa and UK businesses mirror each other very closely in terms of CX drivers, with the top three drives in both countries being the same: CSAT, new technologies and reducing service costs.

However, South Africa – perhaps as the BPO sector is so much more important – places sales growth as being more important than in the more service-focused UK.

US survey respondents place more emphasis than South Africa on agent attrition (see later in the report for reasons why this is), and are also strongly focused on seeing sales growth as a major reason for investing in CX.

Figure 2: Importance of drivers for CX / contact centre strategy (SA, UK and US) - ranked

CX factor	South Africa	UK	US
Customer satisfaction score	1st	1st	1st
New technologies	2nd	2nd	4th
Reducing service costs	3rd	3rd	6th
Sales/growth levels	4th	8th	3rd
Agent attrition	5th	4th	2nd
Greater personalisation	6th	5th	5th
Regulatory issues	7th	6th	7th
Changing channel preferences	8th	7th	8th
Our competitors	9th	9th	9th
Changing customer age profile	10th	10th	10th

On the whole, South African survey respondents were positive about factors holding back their contact centres' potential.

Interestingly – which we would expect to find in a younger industry – only 28% of respondents felt that existing irreplaceable technology was holding them back, compared to 57% of UK contact centres and 65% of US operations.

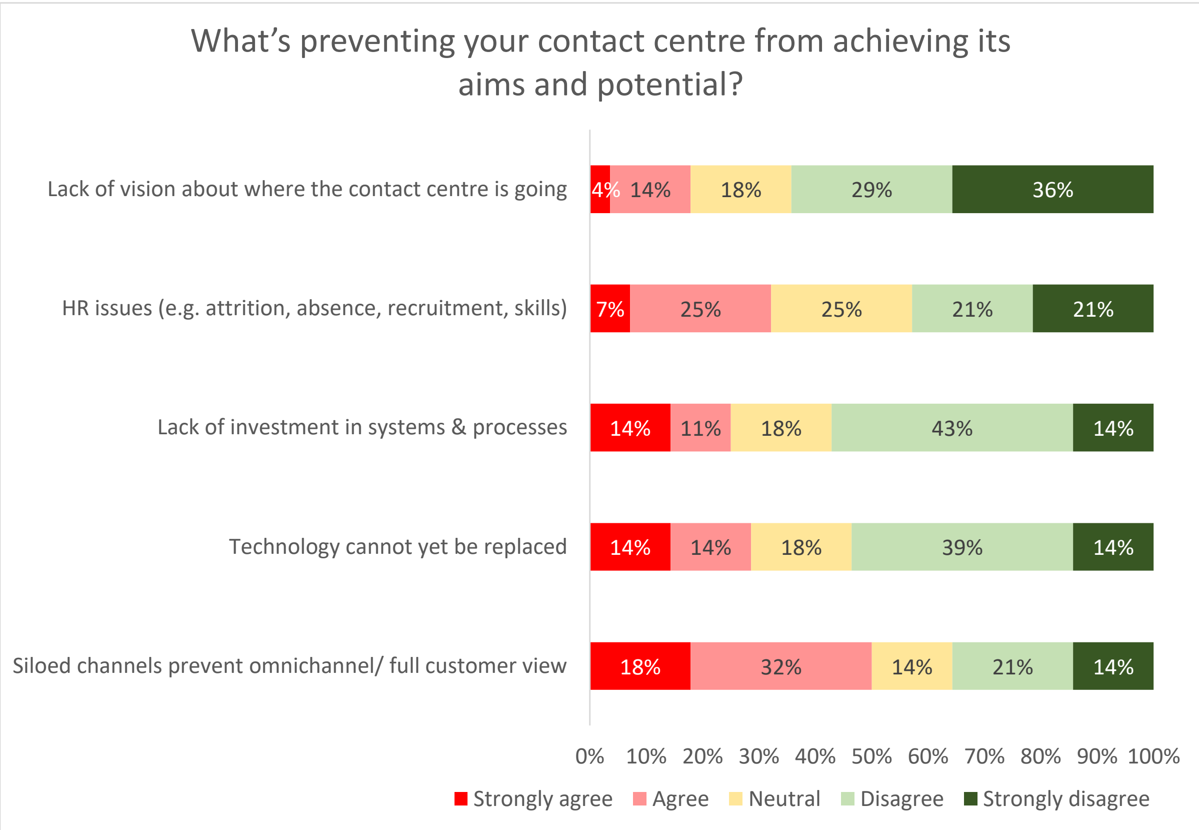
However, half of South African contact centre respondents did feel to some extent that siloed channels were holding back a full omnichannel view of the customer.

For an industry which generally does not have to meet the challenges of managing legacy systems or frequently adding new channels (in mature industries, most of these were added and integrated in a piecemeal fashion), this is of some concern.

The re-engineering of underlying infrastructure and business processes in order to provide a true omnichannel experience for customers is perhaps the greatest challenge that the South African industry faces in terms of reaching its potential for operational efficiency.

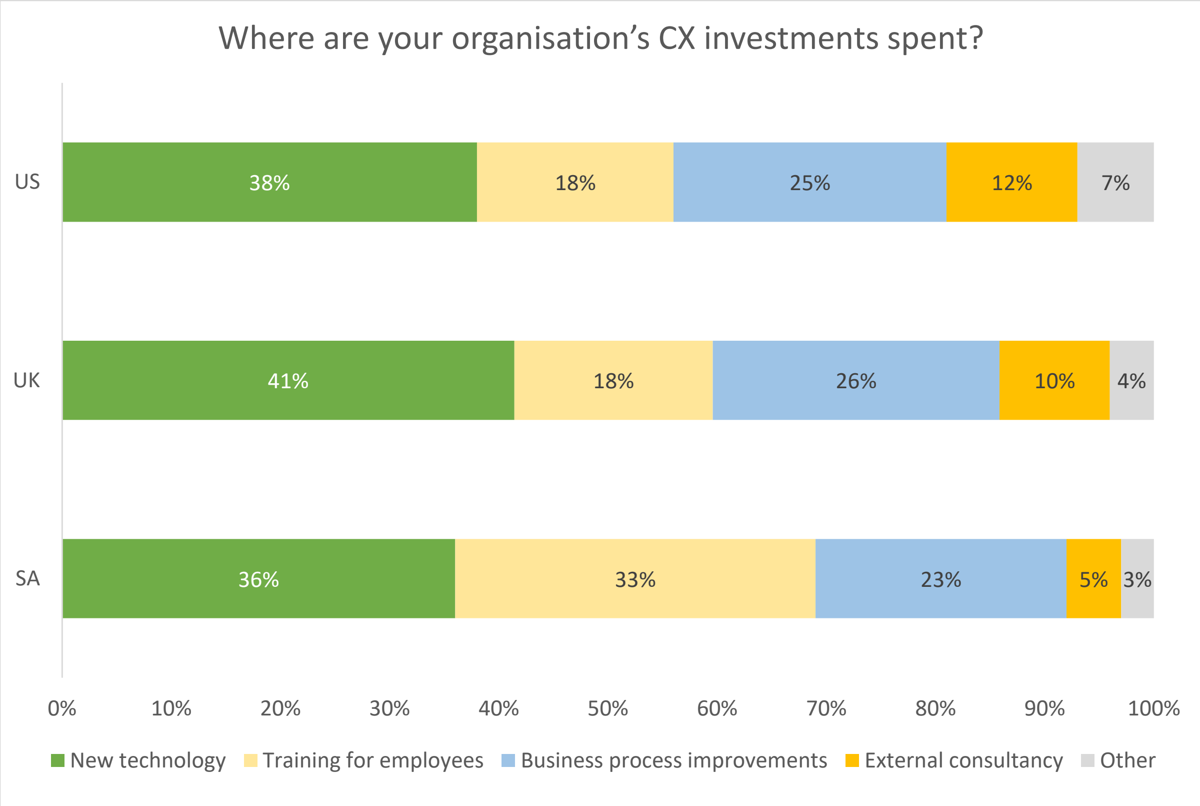
However, there are a lot of positives, particularly that the majority of contact centres believe that their organisations have the vision to change processes and elements which are holding the contact centre back from fulfilling its strategy.

Figure 3: What's preventing your contact centre from achieving its aims and potential?



Survey respondents were asked to describe the allocation of their investments in customer experience improvements, considering new technology, training of employees, business process improvements and fees paid to external consultants.

Figure 4: Where are your organisation's CX investments spent?



South African contact centres are more likely to spend a larger proportion of their CX investments on training their workforce.

This may be that as a younger and rapidly growing industry, South Africa does not yet have the same depth of CX experience as do more mature industries. The UK and US are no longer growing in terms of agent headcount, so demand for agents is lower.

It is also noticeable that South Africa spends a lower proportion of CX budgets on external consultants, possibly for a similar reason as above, as the pool of external expertise in the US and UK has developed over some decades.

Although South African survey respondents report that only 36% of CX investments are spent on technology, it would be incorrect to assume that this means SA operations lag behind more mature contact centre industries in terms of technology deployment: in fact, the data shows quite the opposite.

Organisations were asked to rank by importance eight factors that could be said to impact upon customer experience.

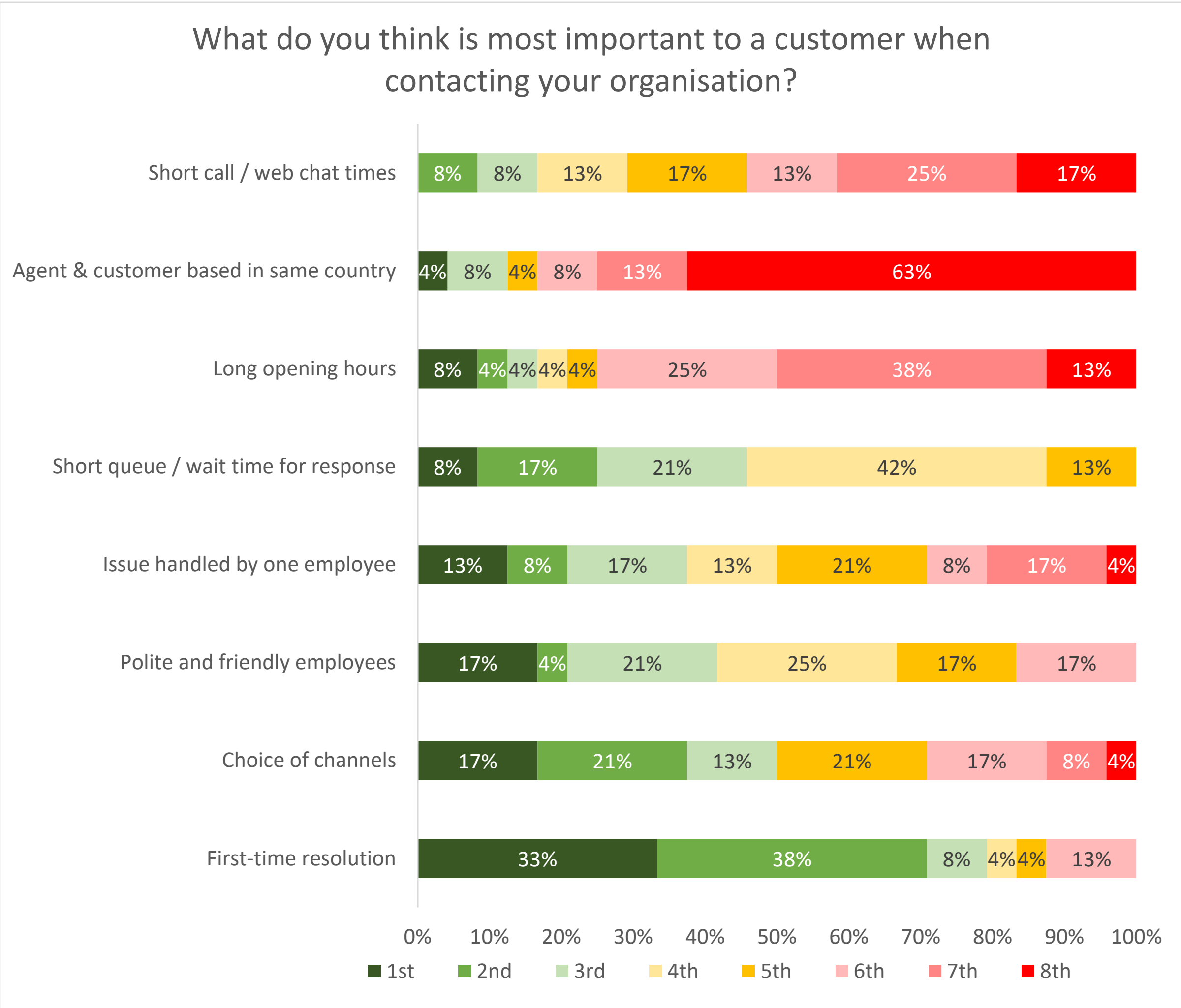
As with many past US and UK ContactBabel surveys, first-time resolution is clearly seen as being the most important factor impacting upon customer experience, with 79% of respondents ranking it amongst the top three.

A short queue time or wait time for a response was also seen as being important, being ranked in the top three by 46% of respondents, with polite and friendly employees being ranked in the top three by 42% of organisations surveyed.

Interestingly, having a choice of channels was placed in the top three by 51% of South African respondents, which is much higher than UK respondents (35%) or US (25%).

It may be that South African contact centres see themselves and their customers as more 'digital-first' than more mature contact centre industries, so place a greater importance on this.

Figure 5: What do you think is most important to a customer when contacting your organisation?



Survey respondents were asked how well their organisation currently supported their customer experience programmes.

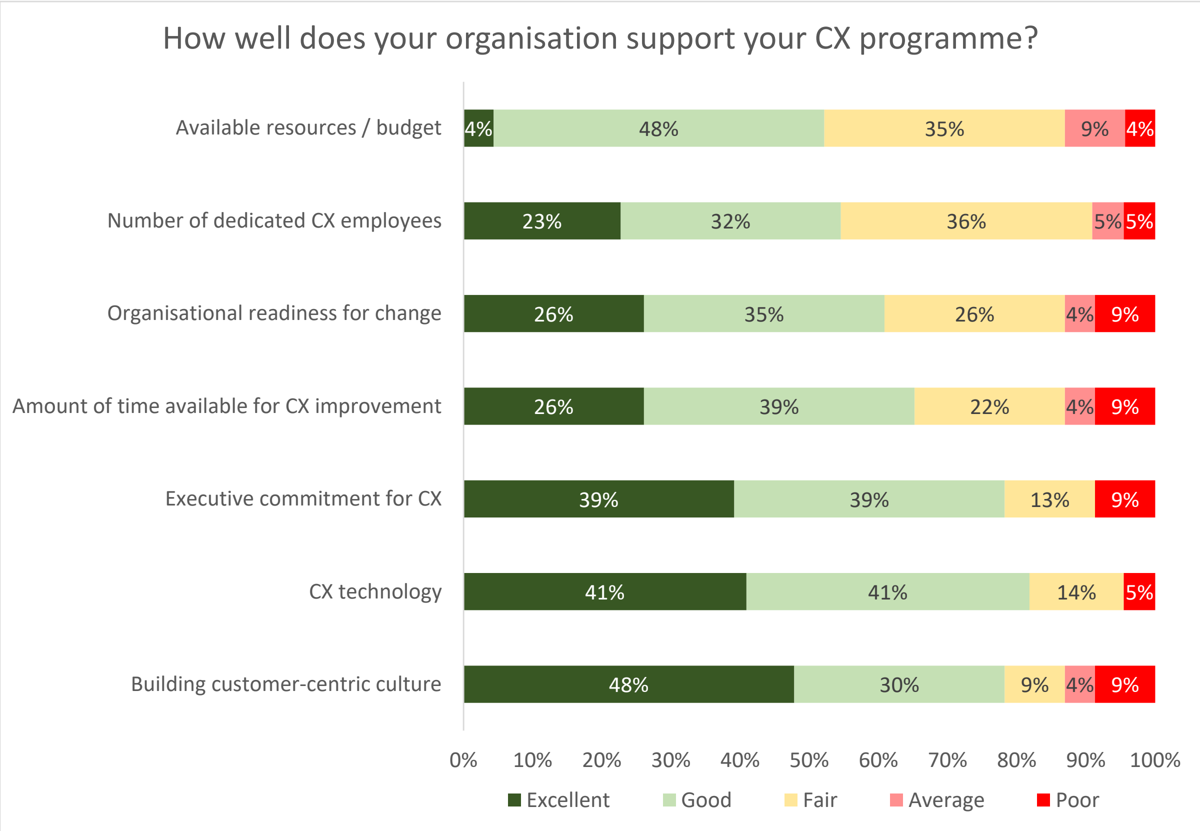
In the main, the results were positive, with 48% of organisations stating that their customer-centric culture was 'Excellent', with CX technology and the executive commitment towards CX also singled out particularly positively.

This is very different from the US and UK, where CX technology is often cited as a major inhibitor to CX success: only 26% of US and 35% of UK survey respondents report that their CX technology is either good or excellent, compared to 82% of South African respondents.

This is more evidence that South Africa, as a younger contact centre industry, is being held back by existing sub-optimal technology investments to a far smaller extent than more mature industries.

The most negative response from South African contact centres is also often found in other countries' surveys: that of not having enough resources or budget to carry out CX improvements, although the vehemence of South African respondents is far less than in the UK or US.

Figure 6: How well does your organisation support your CX programme?



Survey respondents were asked to pick a single customer experience metric upon which their board or senior management team most judged the success or otherwise of the customer experience programme.

There was a wide mix of responses from South African respondents, with NPS and customer satisfaction score accounting for half of responses (the same as in the US, and similar to the UK).

Of note is the fact that first-contact resolution rate was identified as being the key CX metric for senior management by only 4% of respondents, despite both the customer and business survey results over many years showing clearly that first-contact resolution was one of the two most important factors in influencing customer experience, the other being speed to answer.

South African respondents were also much more likely to view customer retention rate as a key CX metric, which makes sense: a happy customer is more likely to be a loyal customer and advocate.

South African contact centres were also far less likely to see cost per interaction as being a good judge of an organisation's CX programme.

Figure 7: Upon which single metric does your board / senior management most judge the success of your CX programme? (SA, UK and US)

CX metric	South Africa	UK	US
Net Promoter Score (NPS)	25%	28%	25%
Customer satisfaction score	25%	18%	25%
Customer retention rate	17%	5%	8%
Overall revenue / sales	13%	17%	23%
Cost per service interaction	4%	14%	13%
Customer Effort Score	4%	3%	1%
First contact resolution rate	4%	3%	2%
Quality score	4%	2%	1%
Other	*4%*	*10%*	*2%*

As customer experience benchmarks change from company to company – there is no generally accepted customer satisfaction rating or quality score that allows direct comparison between organisations – only NPS easily allows head-to-head comparison across companies, although we have normalised CSAT and quality scores to be a percentage.

There is little major difference across any of the three countries below, with NPS, CSAT and quality scores very similar for all.

Figure 8: What are your most recent actual and target CX scores? (SA, UK and US)

CX metric	South Africa	UK	US
Net Promoter Score (NPS) - actual	+55	+58	+62
Net Promoter Score (NPS) - target	+63	+60	+62
Quality score - actual	93%	89%	87%
Quality score - target	90%	88%	87%
CSAT score – actual	86%	83%	86%
CSAT score - target	85%	84%	87%
NB: data may be normalised to a percentage to allow for direct comparisons			

Looking at the inbound channel mix, South African respondents report a slightly lower proportion of live phone calls than UK and US, with 35% of interactions being digital, compared to 29% for the UK and US.

Figure 9: Proportion of inbound interactions by channel (SA, UK and US)

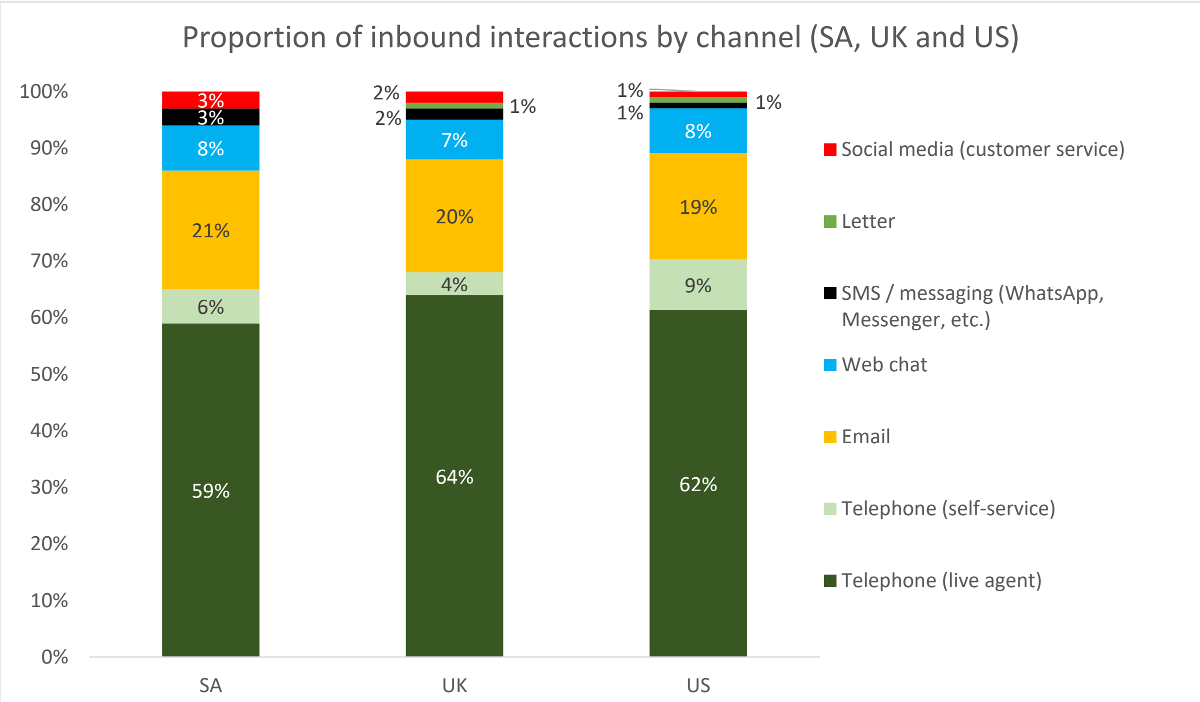
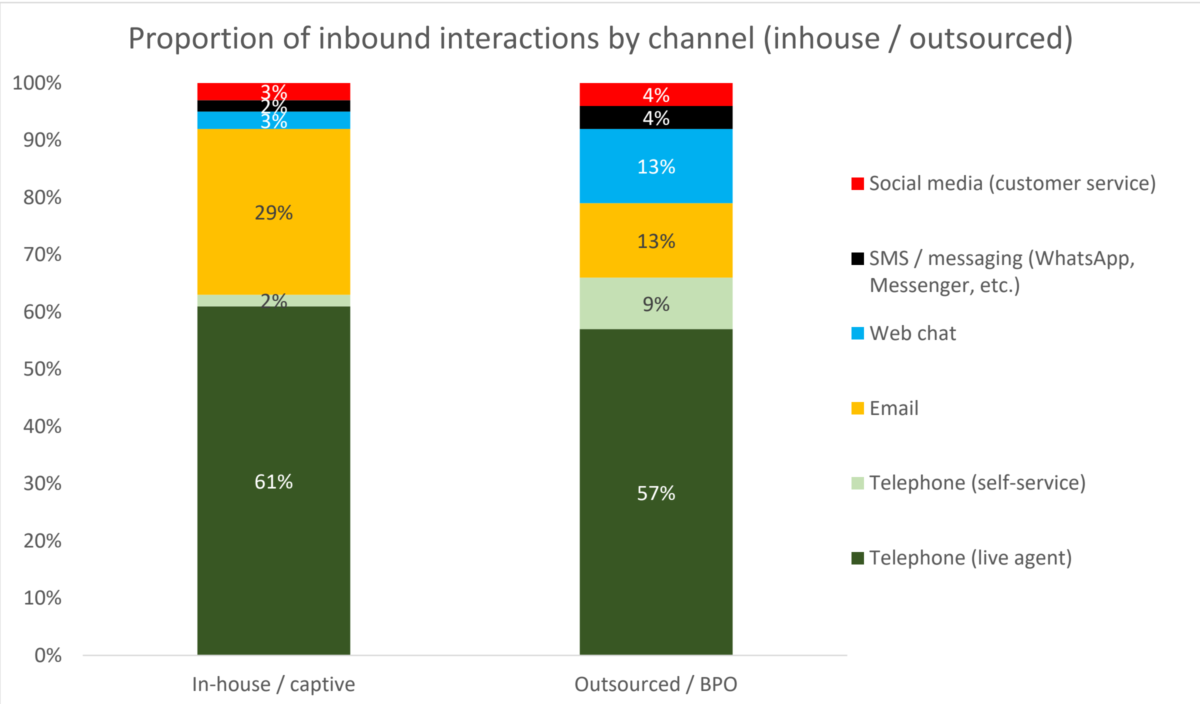


Figure 10: Proportion of inbound interactions by channel (inhouse / outsourced)



Looking at outsourced / BPO vs in-house / captive contact centres in, BPOs report handling more web chat, and in-house more email, but South Africa as a whole – like the UK and US – is currently primarily voice-based.

The question was asked to survey respondents about they expected each inbound channel change in the next 12 months.

Contact centres were very positive about SMS/messaging and web chat, with the majority expecting significant increases.

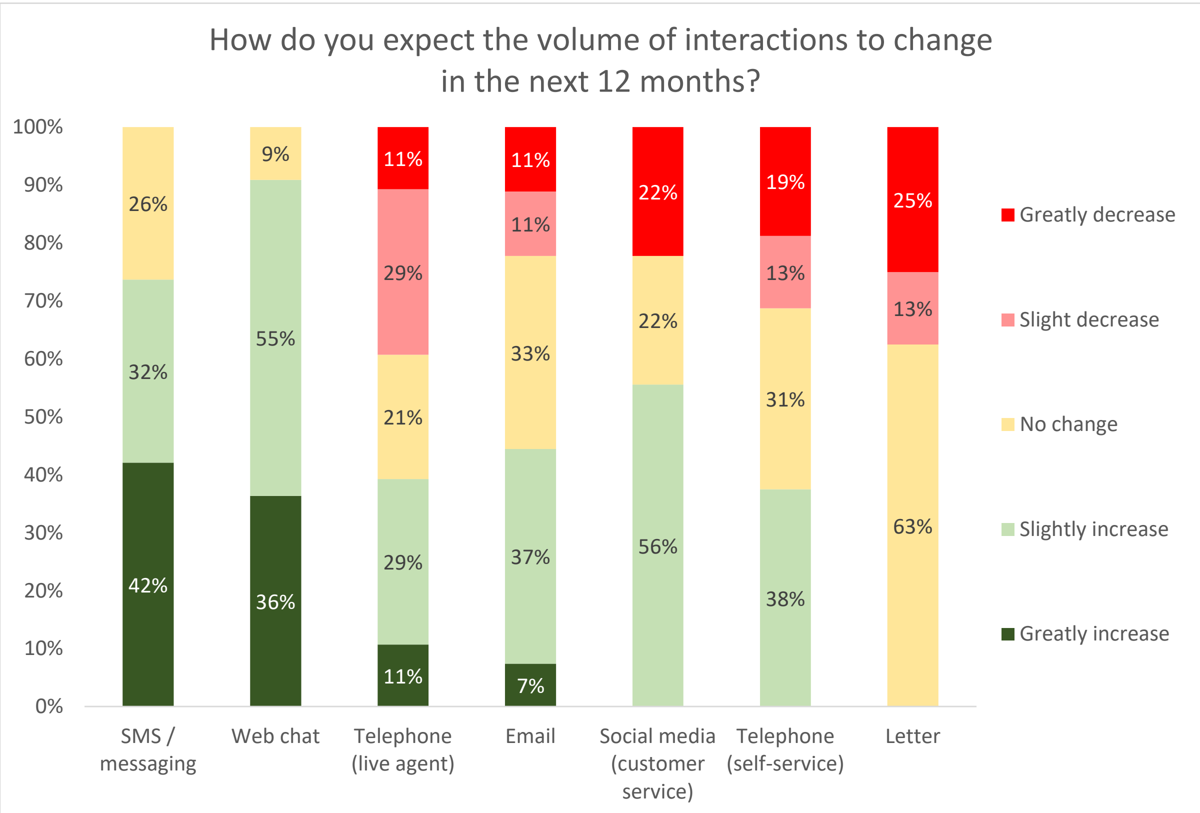
Live telephony was split evenly, with 40% of respondents expecting growth and the same proportion expecting a decline. Email and social media were expected to grow, but not to the same extent as other digital channels.

There was a real mix of responses for telephony self-service, which with its twin benefits of customer convenience and low cost, along with new approaches such as AI-enabled interactive voice assistants, could encourage further use of self-service.

South African respondents were more upbeat about the live voice channel compared to the UK and US, where the clear majority of survey respondents expect a decline.

This chart's real message is that channels aren't being replaced, but rather augmented, and businesses have to accept that they need to develop an omnichannel approach, as that's what their customers are expecting. This means that the pressure to unify the view of the customer across channels is a challenge that isn't going to go away.

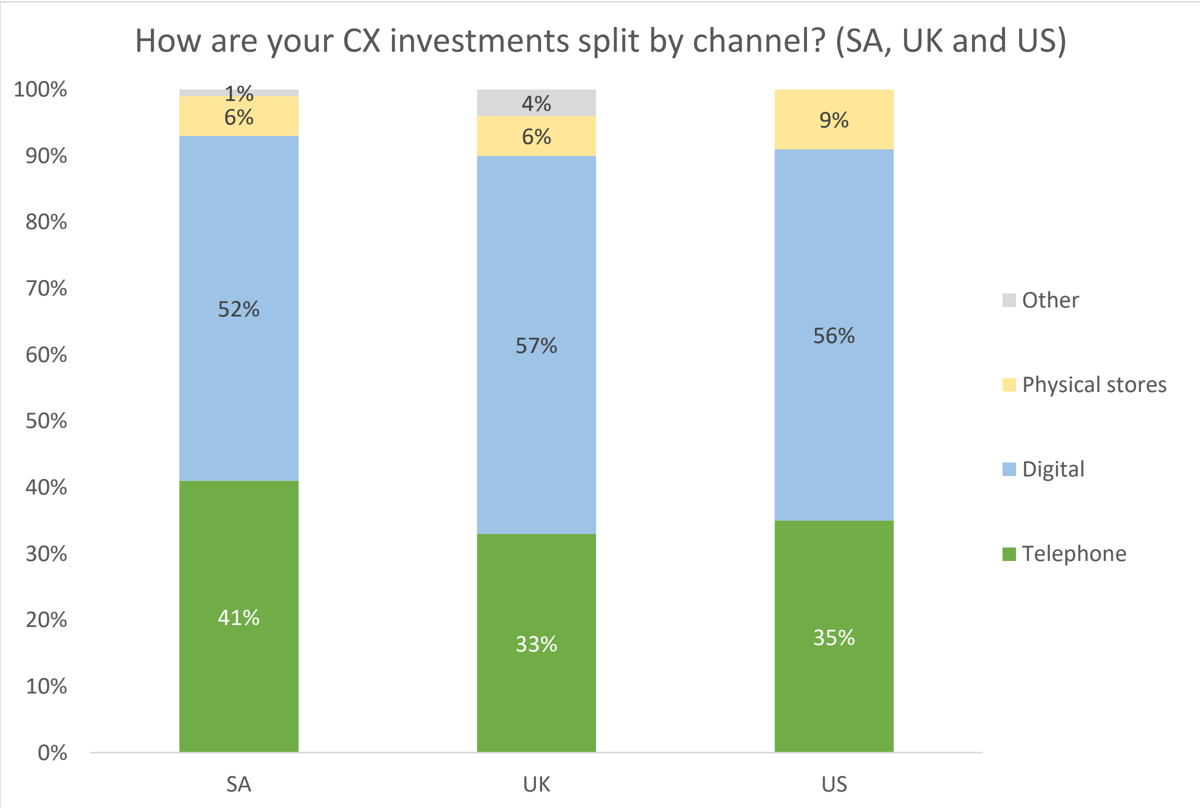
Figure 11: How do you expect the volume of interactions to change in the next 12 months?



Turning to how customer experience investment is spent by channel, it is easy to see that in all countries, digital channels such as email, web chat, website and social media receive far more attention and investment than the traditional telephony channel.

This is despite digital accounting for 30-35% of inbound interactions (excluding web self-service), compared to around 65-70% coming through telephony (whether live or self-service).

Figure 12: How are your CX investments split by channel? (SA, UK and US)



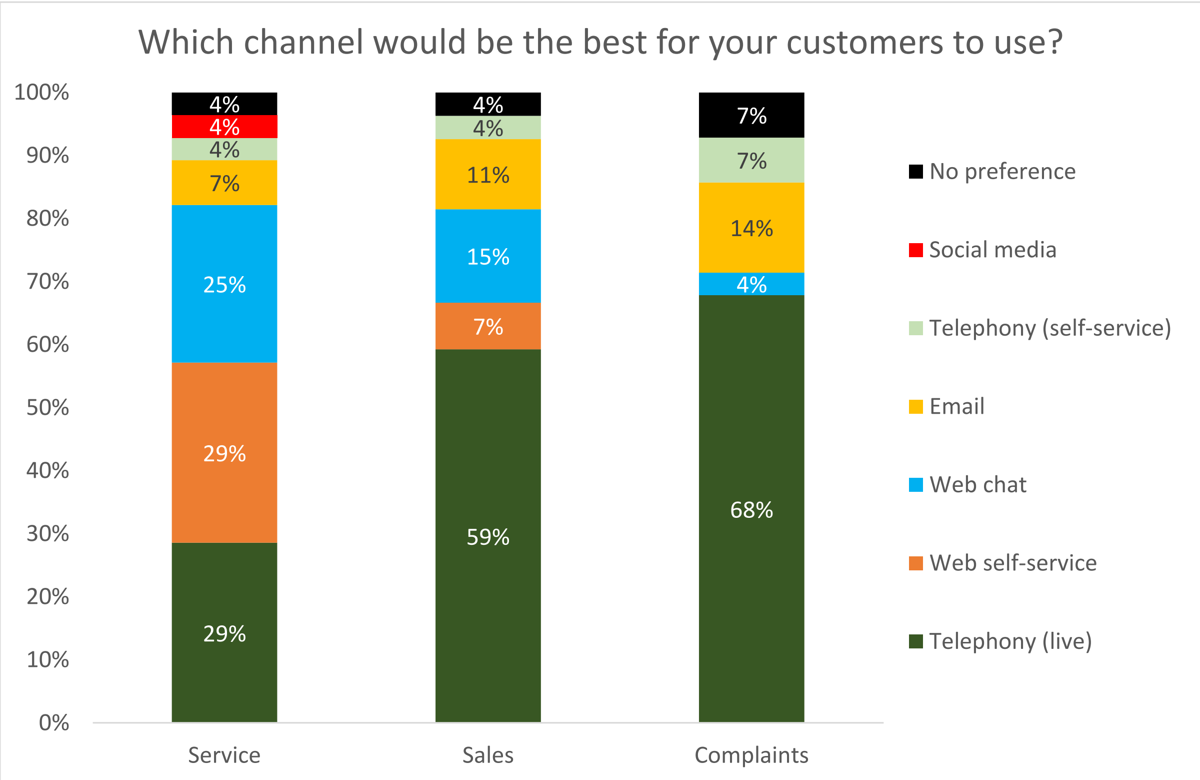
Survey respondents were asked to assess which channel they would recommend customers to use if they had a complaint, a sales query or a service query.

Live telephony is the most frequently recommended specific channel for sales and complaint handling.

A substantial minority of businesses recommend customers to solve their own service issues online, and web chat is seen by 25% of respondents as the best way to raise a service issue. In fact, South African respondents are much more likely than UK or US contact centres to see web chat as a feasible channel for sales, service or complaints.

Very few survey respondents recommended social media to be the best way to get anything resolved, although email looks to have its place in a small proportion of operations, particularly around complaint handling.

Figure 13: Which channel would be the best for your customers to use?



In the UK and US, respondents agree that live telephony is the best channel for complaint handling, and that there is no single best channel for service issues.

Many customers visit a website first; if they cannot find what they're looking for immediately they will try self-service (including chatbots); if the self-service experience does not give them what they want immediately and accurately, they will either call the business or go elsewhere.

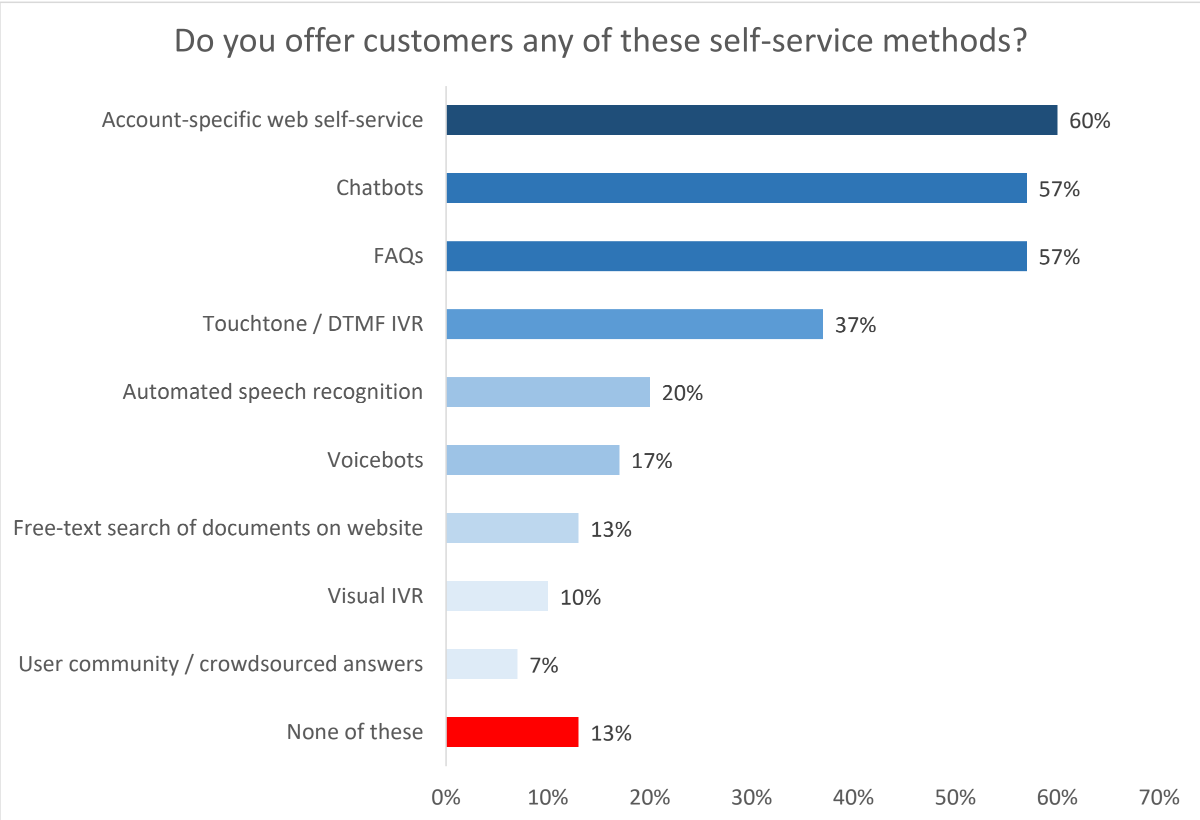
In cases where the customer is tied into an existing business, this will result (merely) in a higher cost of service and decreased customer satisfaction. In cases where the web visitor is only a potential customer, a failure in the self-service process on a website will mean the almost-certain loss of a sale. In all cases, providing effective web self-service options – with a clear path to escalation to a live agent, along with any contextual customer specific information – is in the best interests of the business.

The most prevalent form of web self-service is that of providing customers with account-specific self-service, allowing them to access order information, change personal details, etc. to deflect unnecessary calls.

FAQs (frequently-asked questions) are used by 57% of respondents. Free text search of the document library is much less well supported, at 13%. Access to crowdsourced information is only 7%.

Chatbots are employed by 57% of respondents, but it is important to note that many if not most of these will not be AI-enabled, but rather rules-based bots.

Figure 14: Do you offer customers any of these self-service methods?

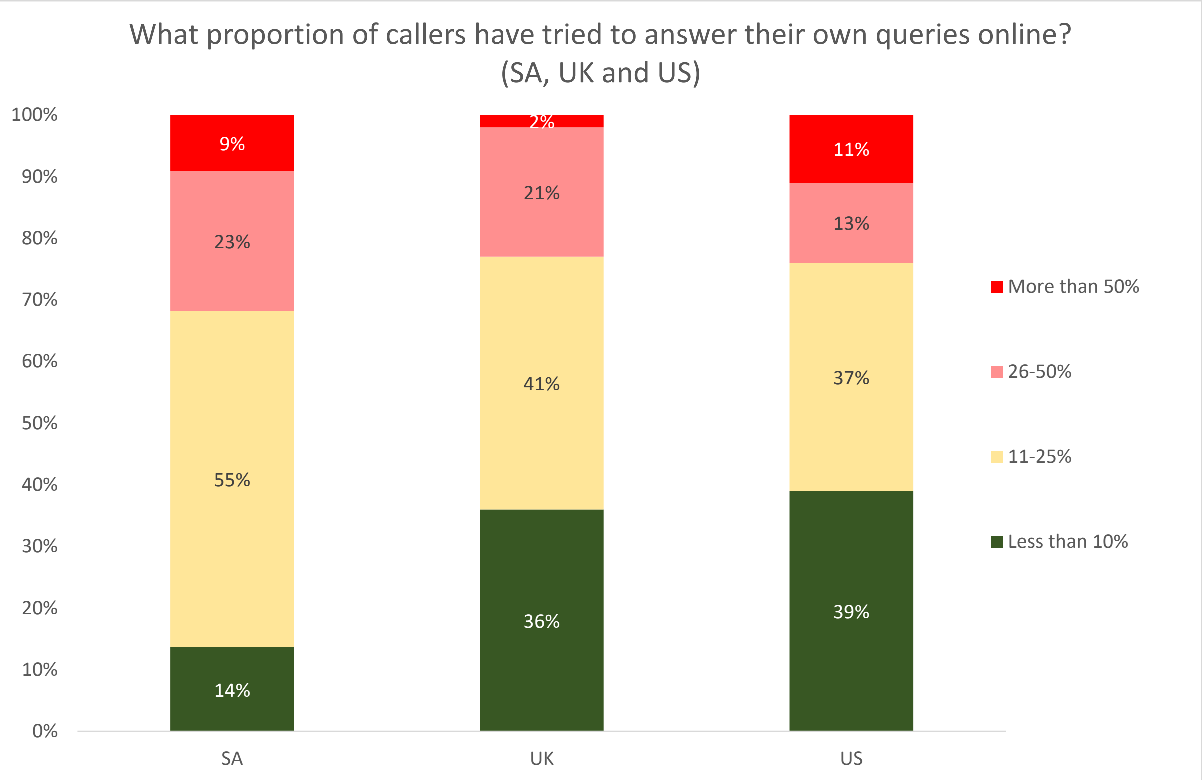


Only 14% of South African survey respondents state that fewer than 10% of their customers have tried to resolve issues online before calling the contact centre.

32% state that more than 1 in 4 of their inbound calls come from people who have failed to complete their objective on the website first, and who may approach the call in a state of frustration.

We would estimate around 25% of calls to South African contact centres are from customers who have tried to answer their own questions through web self-service before calling the contact centre, compared to 18% for the UK and 21% for the US.

Figure 15: What proportion of callers have tried to answer their own queries online? (SA, UK and US)



In past research, we have consistently seen that the two most important reasons for moving from web self-service to live telephony is that the escalation involved a complex issue requiring a live agent to complete successfully, and that customers want the reassurance that a live agent brings to a conversation.

Interestingly around half of historical survey respondents stated that they received calls about issues that could in theory be resolved online, but that customers were unable or unwilling to do so.

As such, businesses may consider that time spent educating customers in how to use self-service would pay benefits in the long term.

Email was the first of the non-voice multimedia channels to be used, and is still by far the most well-used, having been mainstream for well over a decade.

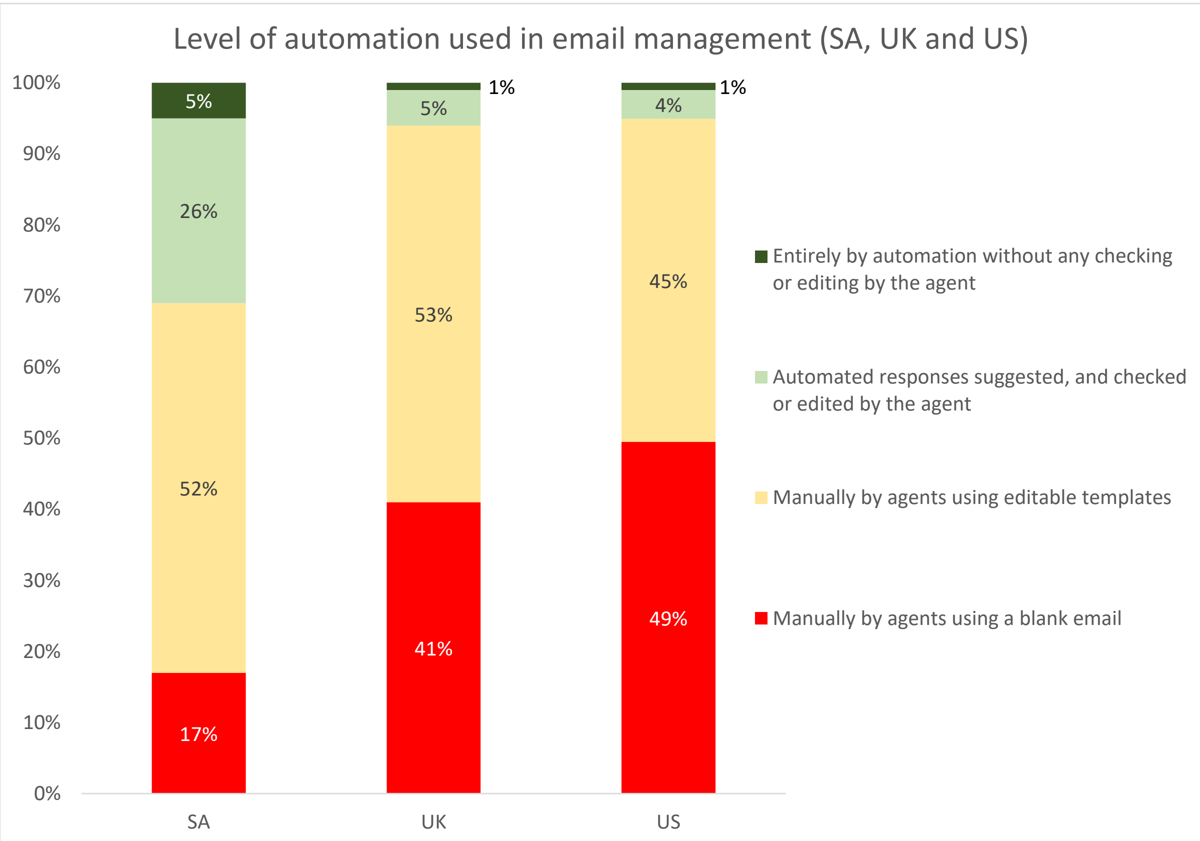
As an inbound channel, it has inherent weaknesses: an inability to carry out customer authentication and to carry out a real-time 2-way conversation being amongst them, as well as the lengthy wait to get a response. However, it does have the advantage over virtually every channel that as an asynchronous channel, there is no queue time at all – the customer writes the email and presses 'Send' immediately – a 'fire and forget' interaction.

The most popular method of answering inbound emails is to use agents rather than automation. 52% of emails are answered by agents who start with templatised, editable responses and change them accordingly, thus not having to compose every email from scratch, but also being able to draw from a common pool of knowledge. Starting with a blank email and letting agents complete it themselves is not only likely to take longer, but also leads to an increased risk of poor grammar, spelling and punctuation, as well as a less consistent response.

Amongst South African respondents, 31% of emails have automated responses, (these statistics do not include simple automated acknowledgements), and of those, over 80% are checked by agents before sending.

UK and US contact centres have far lower rates of email automation, suggesting that the solutions being used to handle email are in the main older and less capable than the newer technology being used by South African survey respondents.

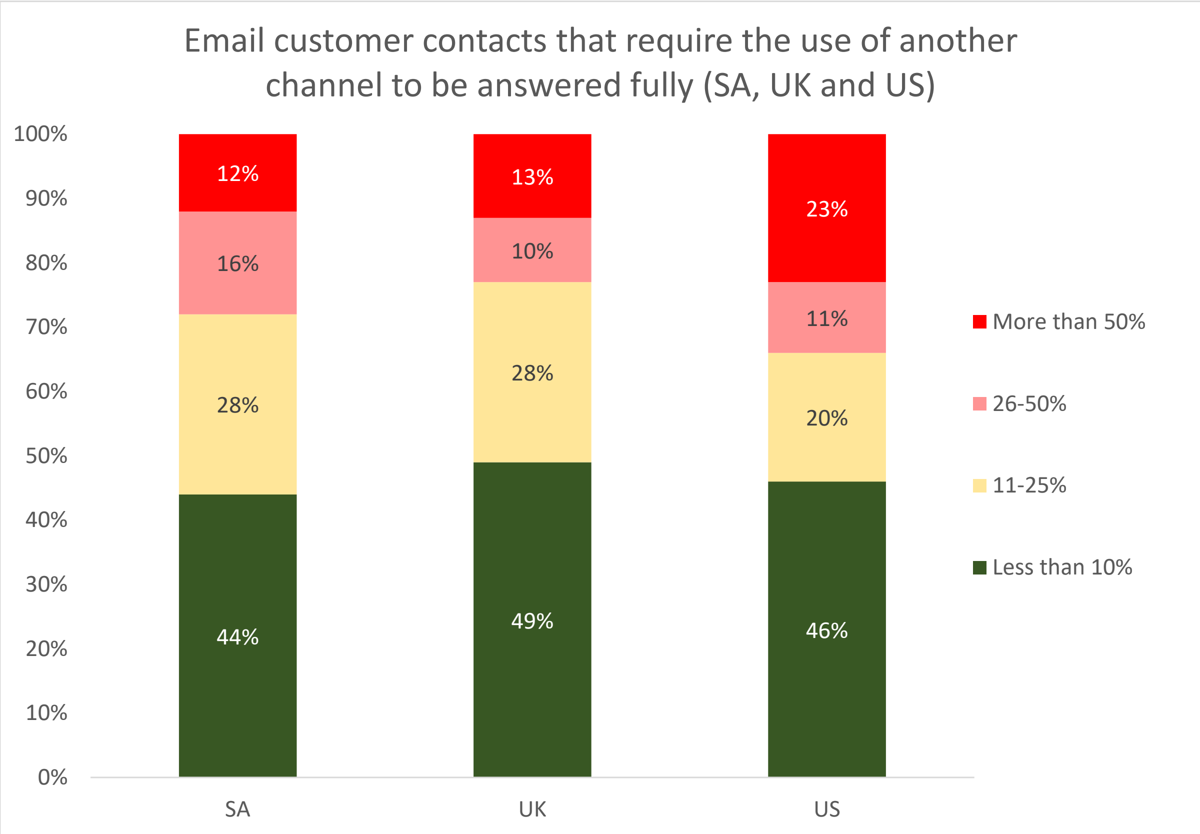
Figure 16: Level of automation used in email management (SA, UK and US)



Despite this, the proportion of emails requiring another channel to be answered fully is fairly similar across the three countries studied.

The data allow us to estimate that around 21% of emails received by South Africa contact centres will require a different channel – often telephony – compared to 20% for the UK and 25% for the US.

Figure 17: Email customer contacts that require the use of another channel to be answered fully (SA, UK and US)



AI in the customer contact world is perhaps currently best known for chatbots. AI tools such as natural language processing (NLP), machine learning and analytics run automated tasks and simulate conversation with the customers.

Chatbots – as the name suggests – are found in the web chat channel, but the functionality can be used in any other digital channel, such as social media, email and especially voice self-service in the form of voicebots.

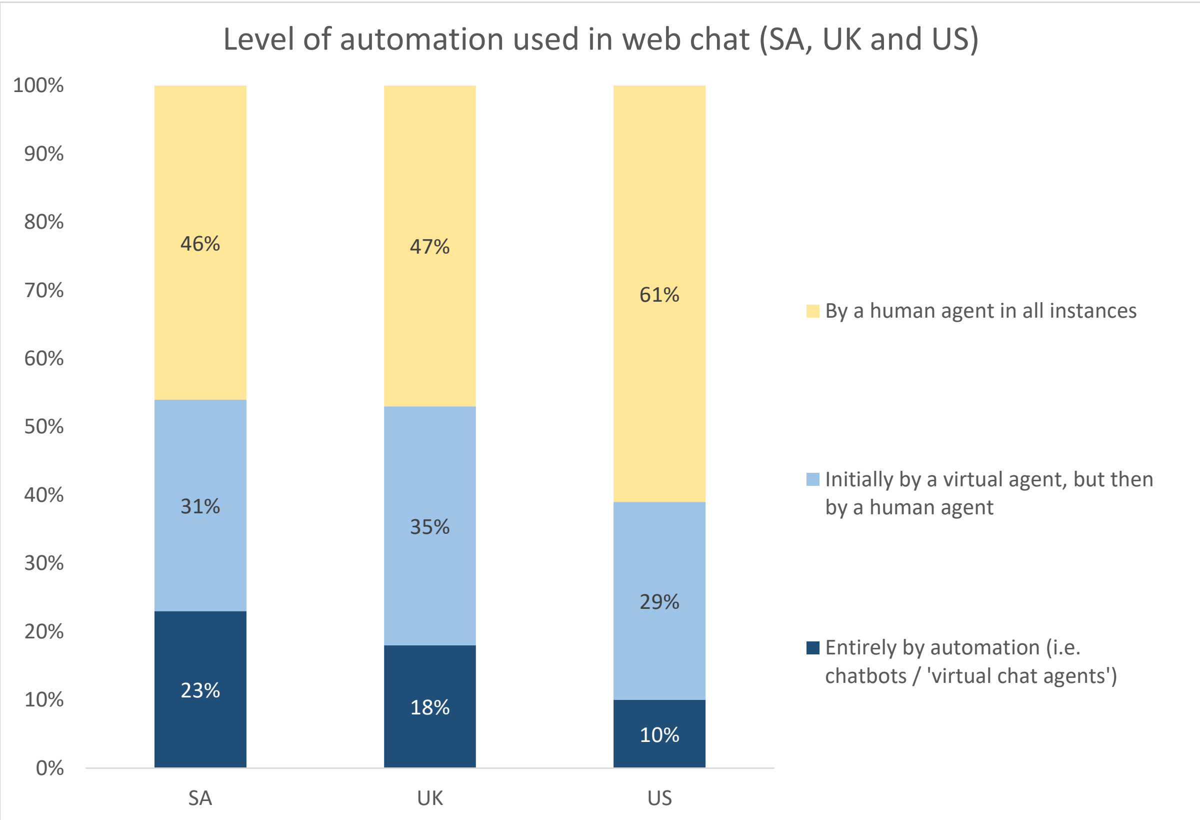
However, chatbots do not always use conversational or generative AI, and rule-based basic chat applications can be used in circumstances where there are a significant proportion of interactions about similar issues, where the chatbot can be tasked to answer these and pass more complex issues to a human agent.

As with email, South African survey respondents report a higher level of automation being used than either the UK or US, with 23% of chats reported to be handled without recourse to a human agent, and a further 31% being passed to a live agent after initial triage.

It should be noted that in the UK and US – industries where we have been tracking these data since 2015 – the past two years have seen little increase in the level of automation. It may well be that most of the chatbots being used are static rules-based applications, and can only move onto the next level if AI-enabled generative AI applications are used.

It will be interesting to see in future years if this pattern also applies to South African contact centres.

Figure 18: Level of automation used in web chat (SA, UK and US)

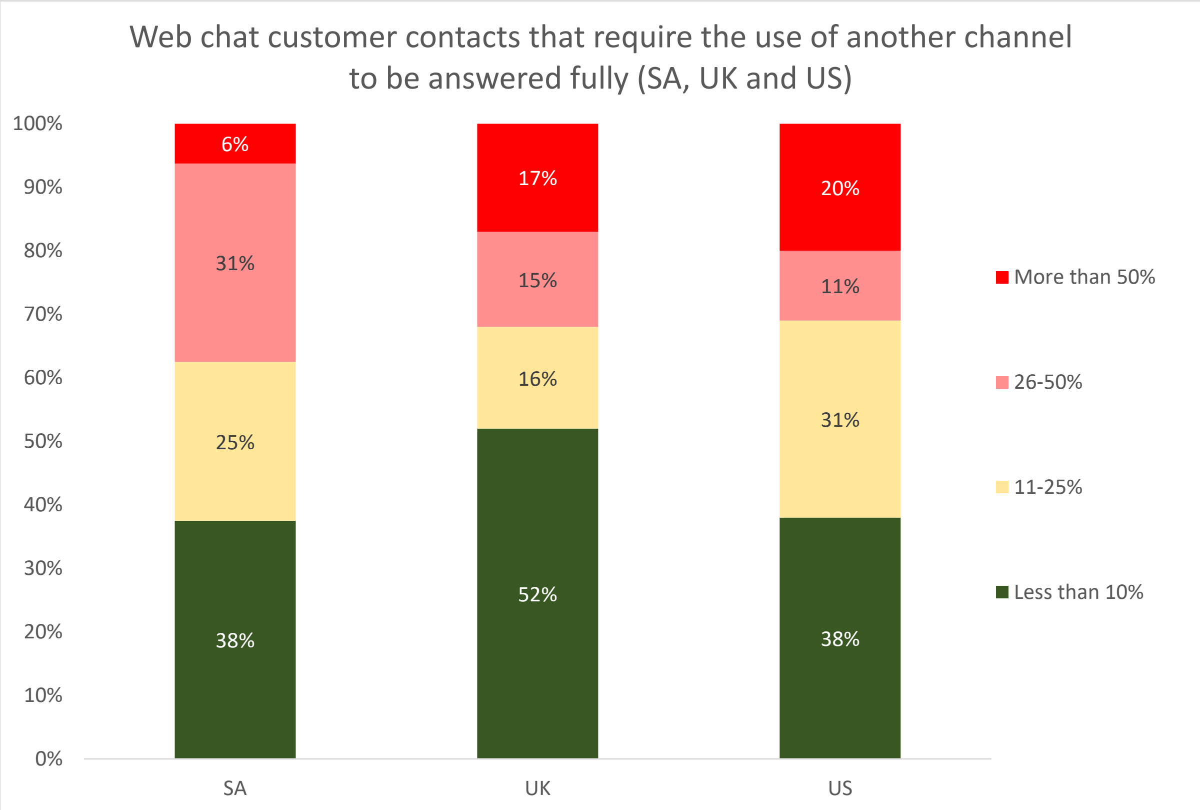


Only 38% of South African survey respondents state that fewer than 1 in 10 web chats then require an additional channel to handle them.

The data suggest that on average, 22% of web chats in South African and UK contact centres then require another channel, with this figure being 25% in the US.

Clearly, although web chat is a popular and high-profile channel, it is not yet in a state where it is entirely self-contained, and is still driving volume into the live voice channel.

Figure 19: Web chat customer contacts that require the use of another channel to be answered fully (SA, UK and US)

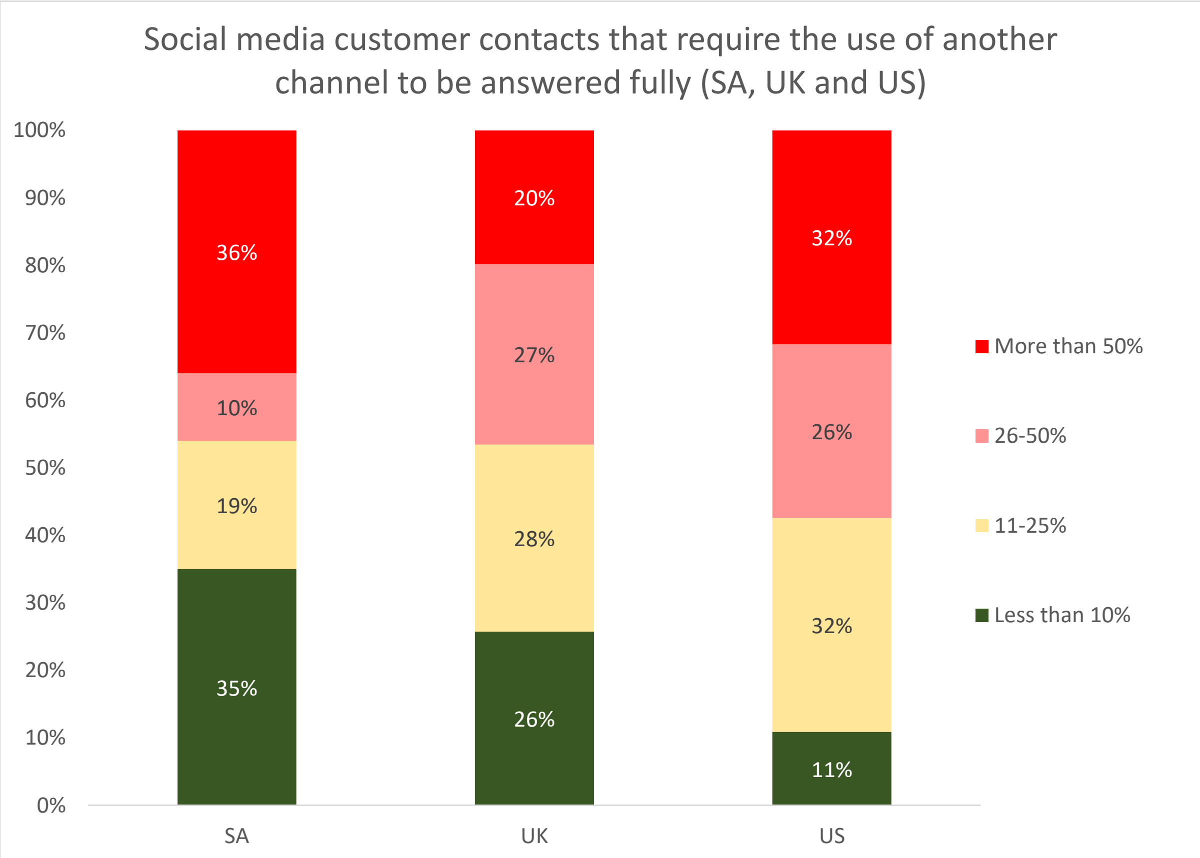


The rise of social media as a customer service channel has often been de facto, in that customers have actively sought out the company's Facebook page or Twitter/X account to communicate with it, even if the company originally had a social media presence only to disseminate information.

Despite the relatively low levels of customer interactions via social media, the high-profile nature of this channel and the possible magnifying effects of negative comments means that social media is viewed as being far more important than baseline interaction statistics would suggest.

As a channel, social media is the least successful digital channel at containing customers within it: 32% of social media customer contacts require an additional channel in South Africa, compared to 29% in the UK and 37% in the US.

Figure 20: Social media customer contacts that require the use of another channel to be answered fully (SA, UK and US)



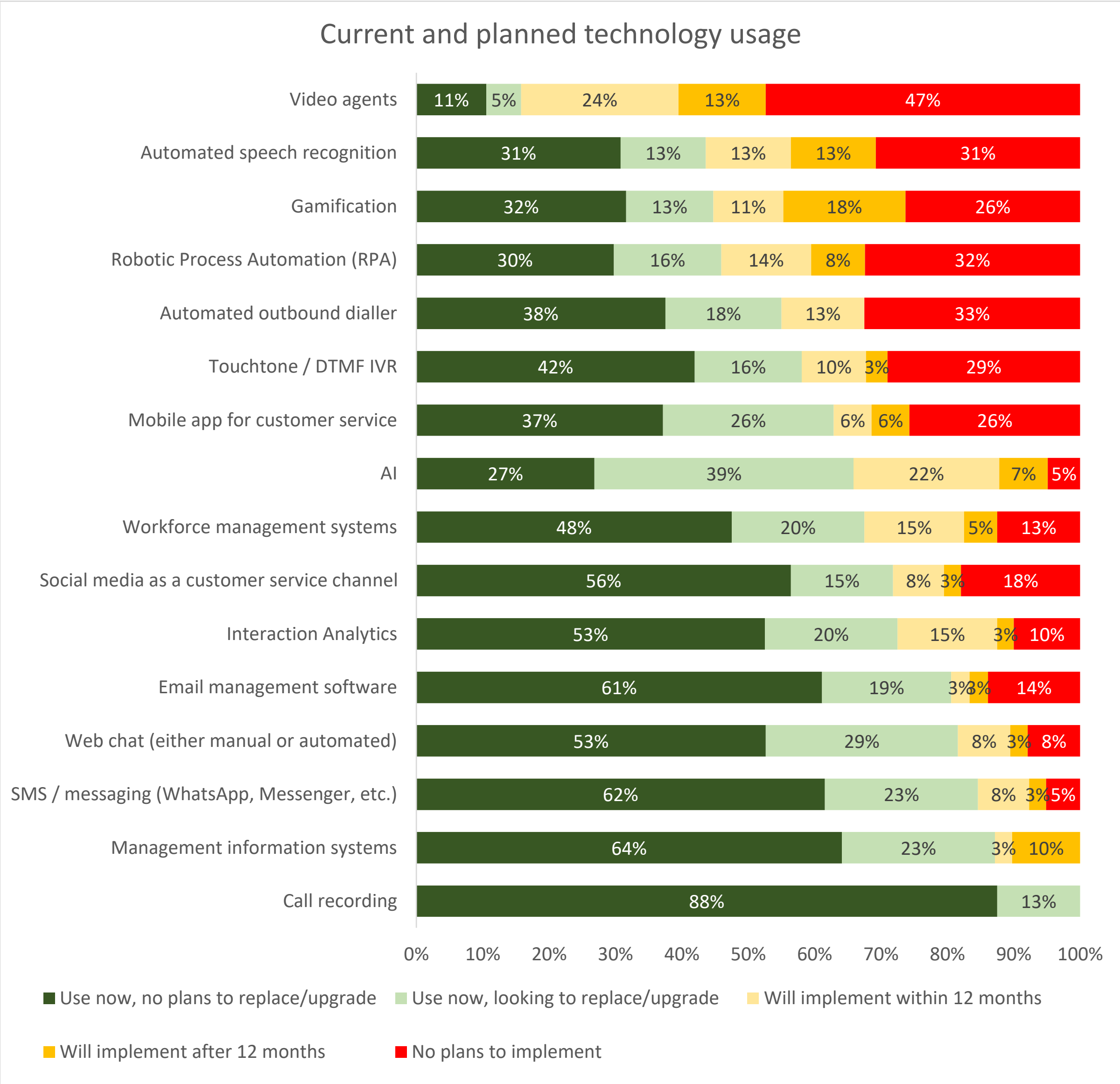
TECHNOLOGY USAGE AND INVESTMENTS

The following chart shows South African survey respondents' current and future use of specific contact centre solutions.

AI, mobile apps and web chat are the most likely to be upgraded, with AI, video agents and workforce management systems attracting the most new investment interest in the short-term.

Overall, the current use of technology is considerable – this may be a result of being a relatively young industry where functionality (often cloud-based) is easily and relatively cheaply available – but it should be noted that this chart does not show the level of sophistication and complexity of each solution: for example, the use of AI is not simply "yes/no".

Figure 21: Current and planned technology usage

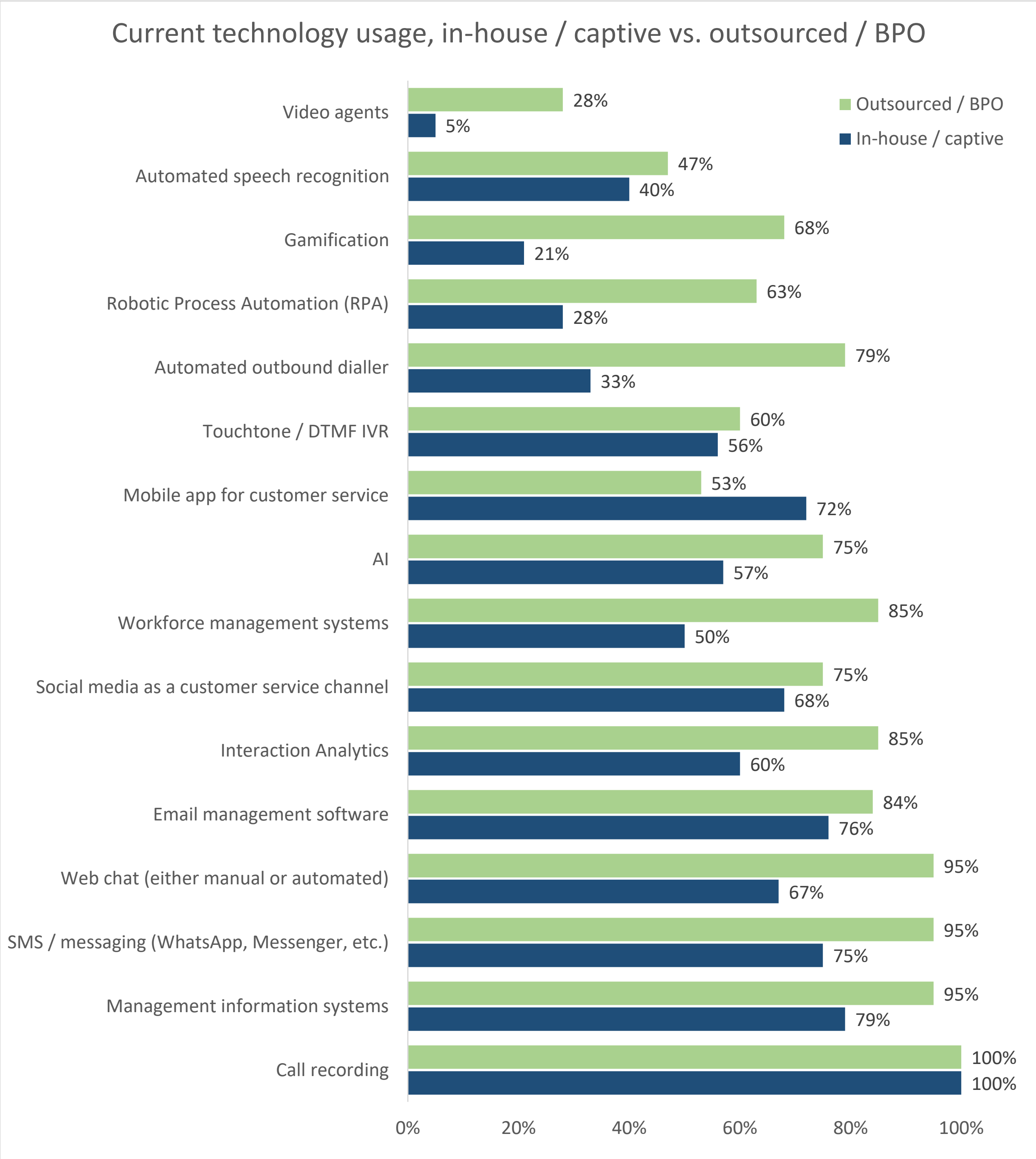


Looking at the pattern of technology use between in-house/captive contact centres and outsourced/BPO operations, a few differences emerge.

The BPO sector is more likely to be using video agents, automated outbound diallers and workforce management systems: the first two may be due to the nature of their clients' work, and the latter as BPOs tend to be much larger in size than in-house operations.

BPOs are also more likely to report using gamification, which tends to be used more often in larger operations.

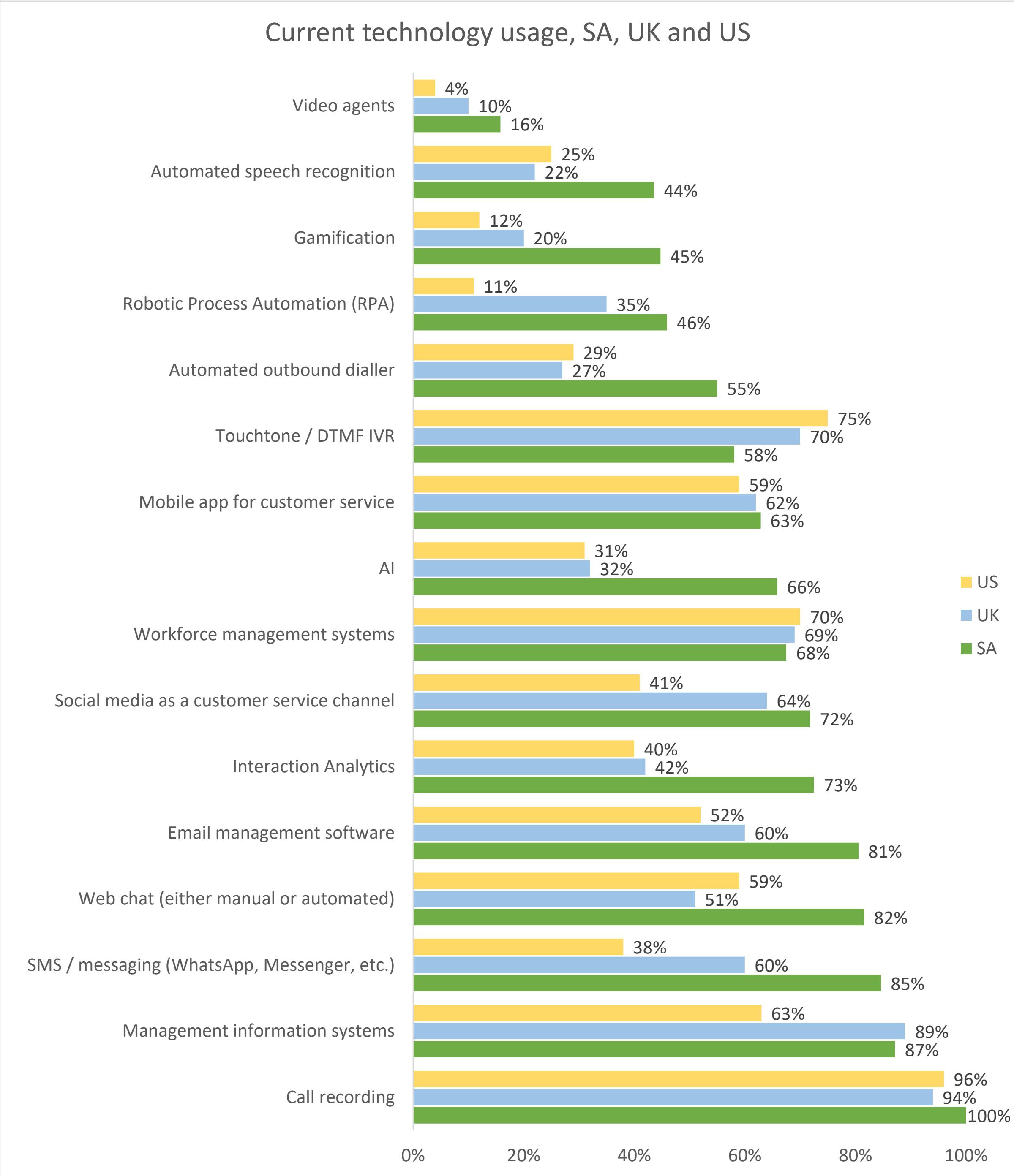
Figure 22: Current technology usage, inhouse / captive vs. outsourced / BPO



The reported use of technology in general amongst South African contact centres is higher than in the UK or US. As stated earlier, this may well be because the industry is younger and has more access to cloud-based functionality as there are fewer legacy systems and processes that could hold back implementation.

South African contact centres report considerably higher use of speech recognition (DTMF IVR may have been bypassed altogether by some operations), AI (although this is not a simple binary option), interaction analytics, messaging (SA is a great user of WhatsApp, and has a very young population), as well as supporting digital channels.

Figure 23: Current technology usage (SA, UK and US)



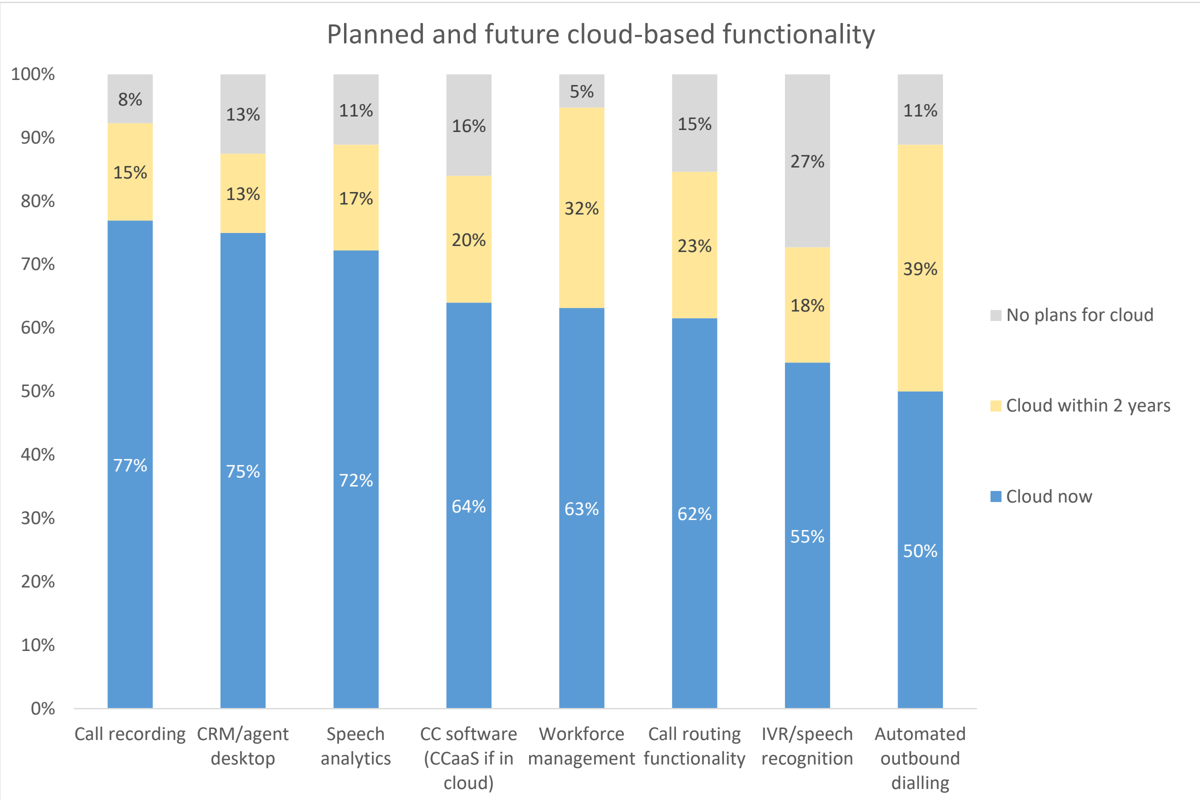
CLOUD

As indicated earlier, South Africa is a young contact centre industry, shown by the fact that 93% of South African survey respondents report having at least one cloud-based contact centre application, compared to 84% in the UK and 82% in the US.

Respondents were asked about the contact centre functionality that they had within the cloud, and what their plans were for the next two years. The chart below shows **only** those respondents that actually use this technology, regardless of which deployment option they use.

Call recording and CRM/agent desktop are the most likely to be cloud-based now, with automated outbound dialling and workforce management most likely to see a move to cloud within two years.

Figure 24: Planned and future cloud-based functionality



The following chart, which looks at the top three reasons to move to cloud, shows that there is no single dominant reason as much depends on the nature of the business and contact centre environment.

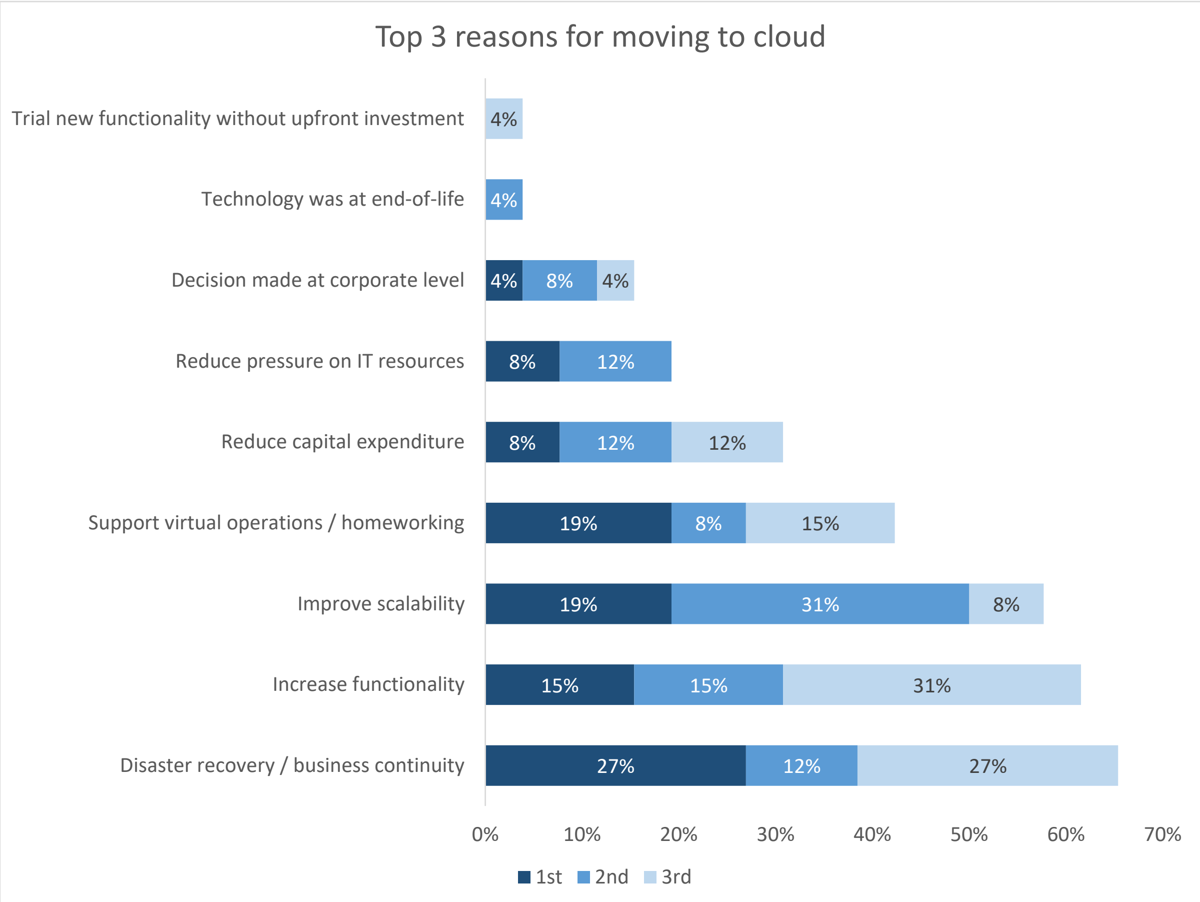
It is worth noting that disaster recovery and business continuity has the greatest number of no.1 votes, and supporting remote working is placed as being most important by 19% of survey respondents, supporting the view that remote and hybrid working practices are here to stay.

The ability to reduce capital expenditure was historically seen by respondents in other countries as the most important primary reason to move to the cloud but this has declined in importance over the years and is a secondary reason for most South African contact centres.

Increasing functionality is placed as a top 3 reason by over half of respondents, with improved scalability also seen as key.

A major difference from the US and UK is that technology being at end-of-life is a far less important reason to move to cloud, further evidence that South African contact centres face different challenges to more mature markets.

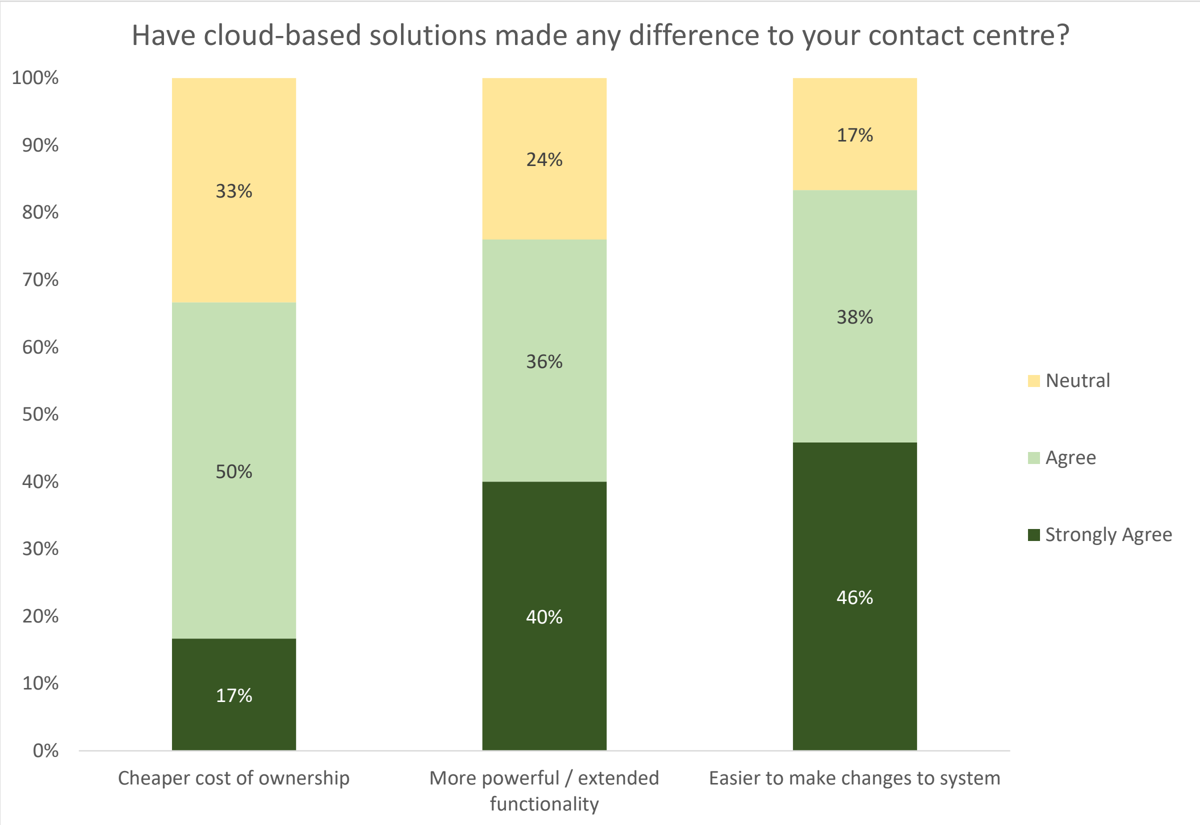
Figure 25: Top 3 reasons for moving to cloud



Those contact centre respondents who have actually implemented a cloud-based solution have generally found that it has delivered significant advantages:

- 67% of South African survey respondents stated that cloud-based solutions had given a cheaper overall cost of ownership of their contact centre technology.
- 76% experienced more powerful extended functionality in a cloud-based environment.
- 83% of respondents stated that cloud made it easier to make changes to the system.

Figure 26: Have cloud-based solutions made any difference to your contact centre?



This pattern is somewhat stronger than in the UK and US, although these industries are still very positive about the effects of cloud:

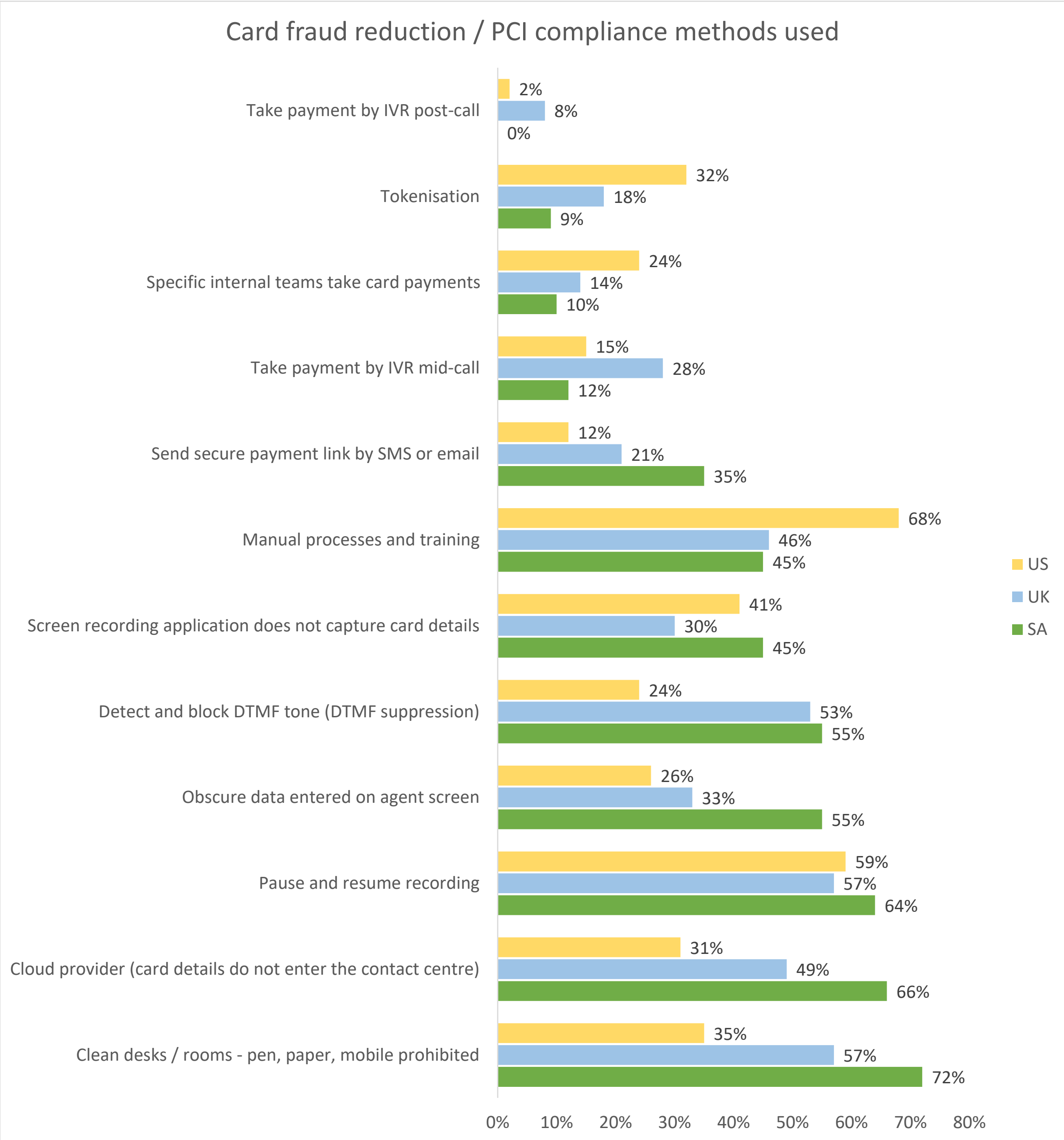
- UK: 51% state that cloud is cheaper but 7% disagree. 73% state that it gives more powerful functionality, 5% disagree. 71% state it is easier to make changes, 8% disagree
- US: 51% state that cloud is cheaper but 17% disagree. 76% state that it gives more powerful functionality, 2% disagree. 68% state it is easier to make changes, 7% disagree.

PCI COMPLIANCE

40% of South African contact centre respondents accept card payments, with only 13% of inhouse / captive contact centre respondents' operations reporting that they accept payment cards over the phone, compared to 67% of the outsourced / BPO operations. This compares to 68% of UK contact centres (with 88% of their outsourcers doing so), and 52% of US survey respondents (75% of outsourcers).

Pause-and-resume recording, cloud-based payment and clean desks are the most frequently used PCI compliance methods, although the small sample size should be noted.

Figure 27: Card fraud reduction / PCI compliance methods used (only operations accepting card payments), (SA, UK and US)

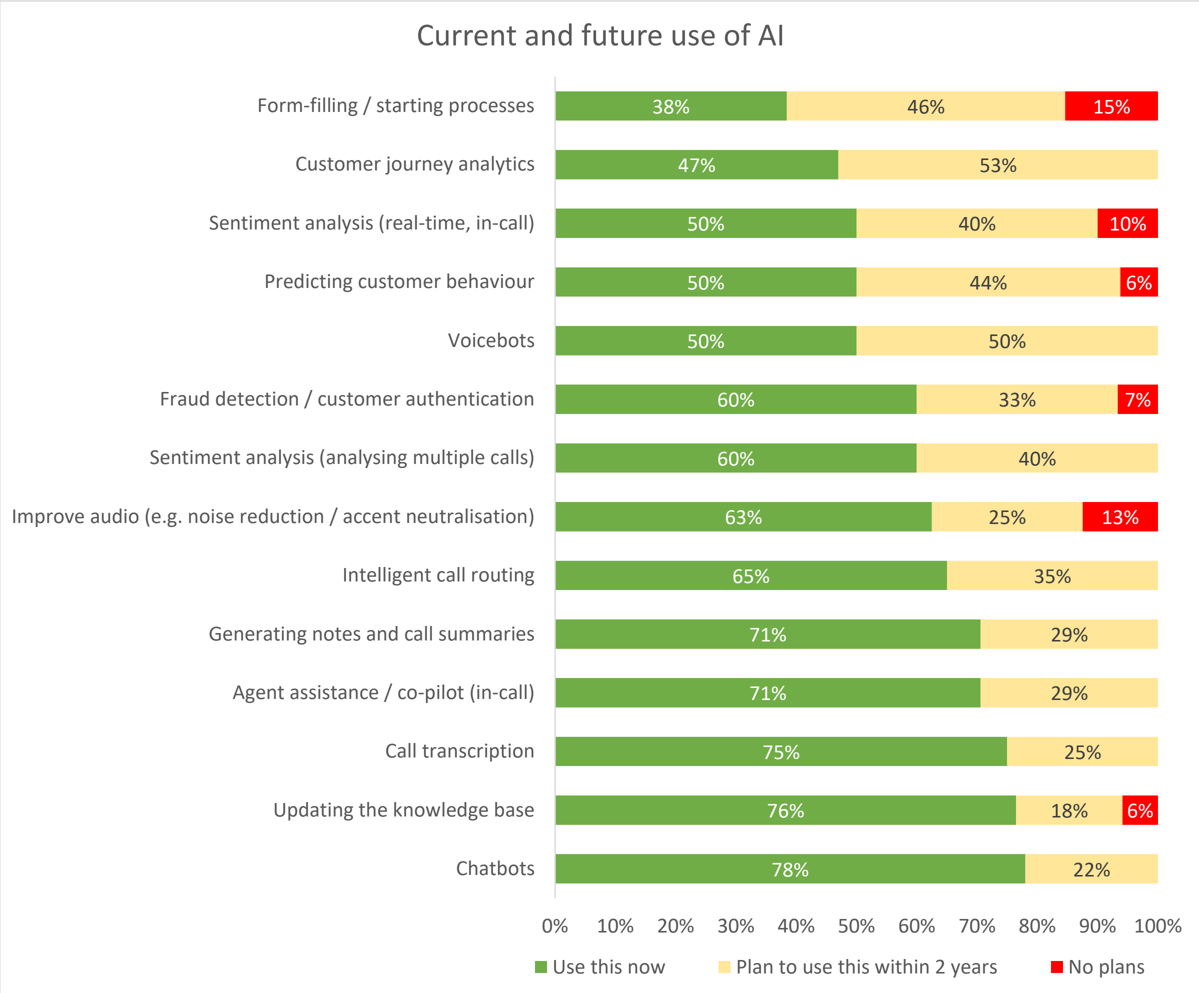


AI INVESTMENT, PLANS AND STRATEGIES

Survey respondents were asked which AI applications they are currently using with their contact centres, and what their plans were for future implementations. Note that only those survey respondents that reported they were using AI (66% of respondents) were asked this question.

Contact centres reported the greatest use of AI in chatbots (many of which may actually be rules-based rather than AI-enabled), updating the knowledge base, call transcription (which is a core use case), agent assistance and automatic note / summary generation.

Figure 28: Current and future use of AI (only those survey respondents currently using AI)



For comparison, in the UK, chatbots, transcription and auto-summaries were highest. Customer behaviour prediction, voicebots and in-call sentiment analysis were the least used.

In the US, the picture was similar, with transcription, chatbots, auto-summaries and routing being most used, with agent assistance and prediction of customer behaviour the least. Both UK and US survey respondents showed great interest in agent assistance.

Survey respondents were asked about the benefits they wanted to see from AI.

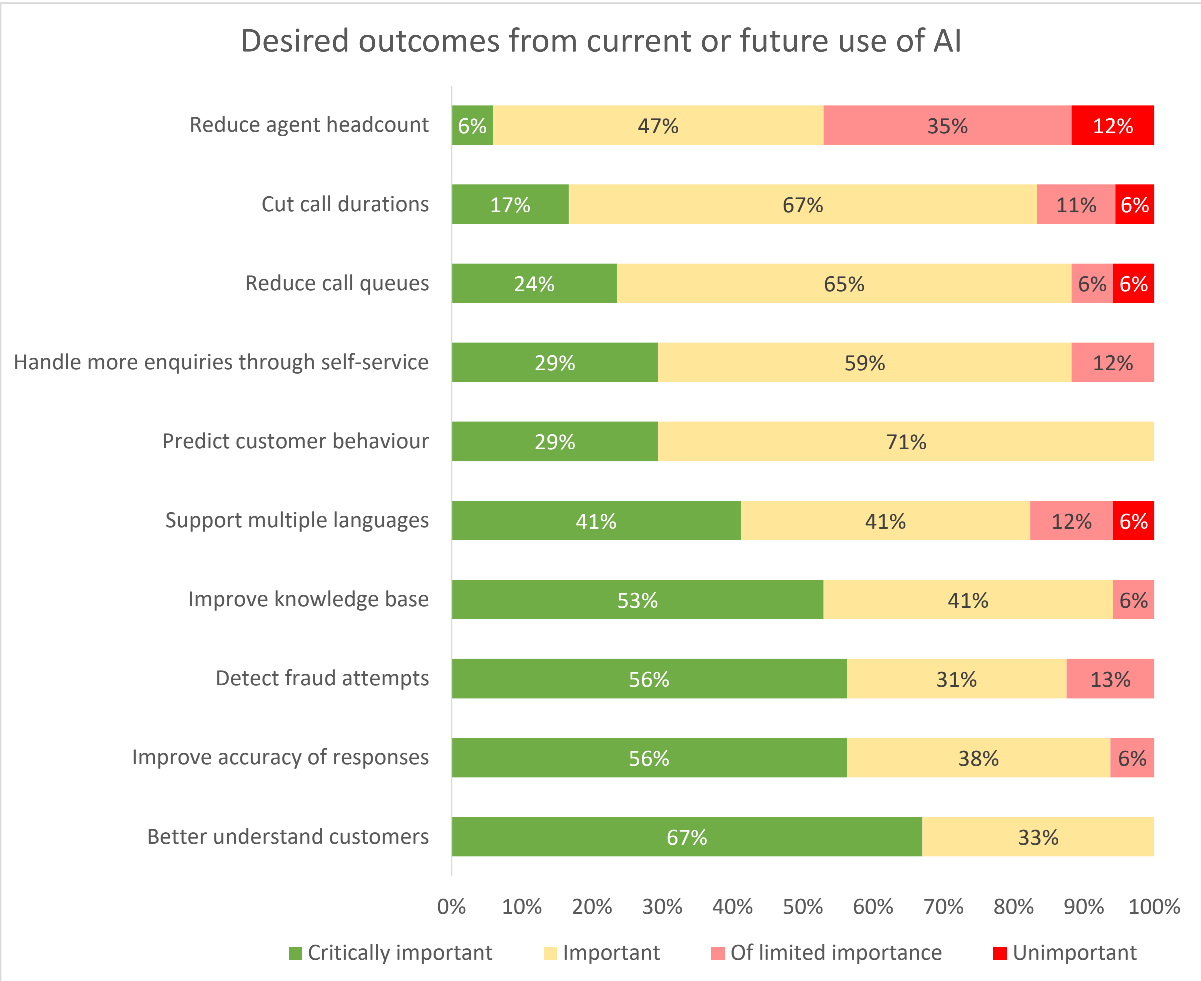
Interestingly, 6% said that reducing agent headcount was of critical importance to them and 47% said that it was of either limited, or no importance.

AI was seen as a key way to improve the understanding of customers, despite this currently being one of the least popular uses of AI.

The improved provision of information – quicker and more accurate – across all channels is also a key driver of AI implementation.

Improving telephony operational performance through reduced call lengths and queue times is seen as less **critically** important, despite the powerful effect this can have on customer experience, although it should be noted that 88% thought it important to some extent.

Figure 29: Desired outcomes from current or future use of AI (only those survey respondents currently using AI)



In the UK and US, AI is looked upon to be vital as a means to increase the sophistication, accuracy and effectiveness of self-service, as well as understanding customers better.

In neither country was the desire to reduce headcount or support multiple languages particularly high.

Survey respondents who were currently using AI were asked about the outcomes and results that they had seen as a result.

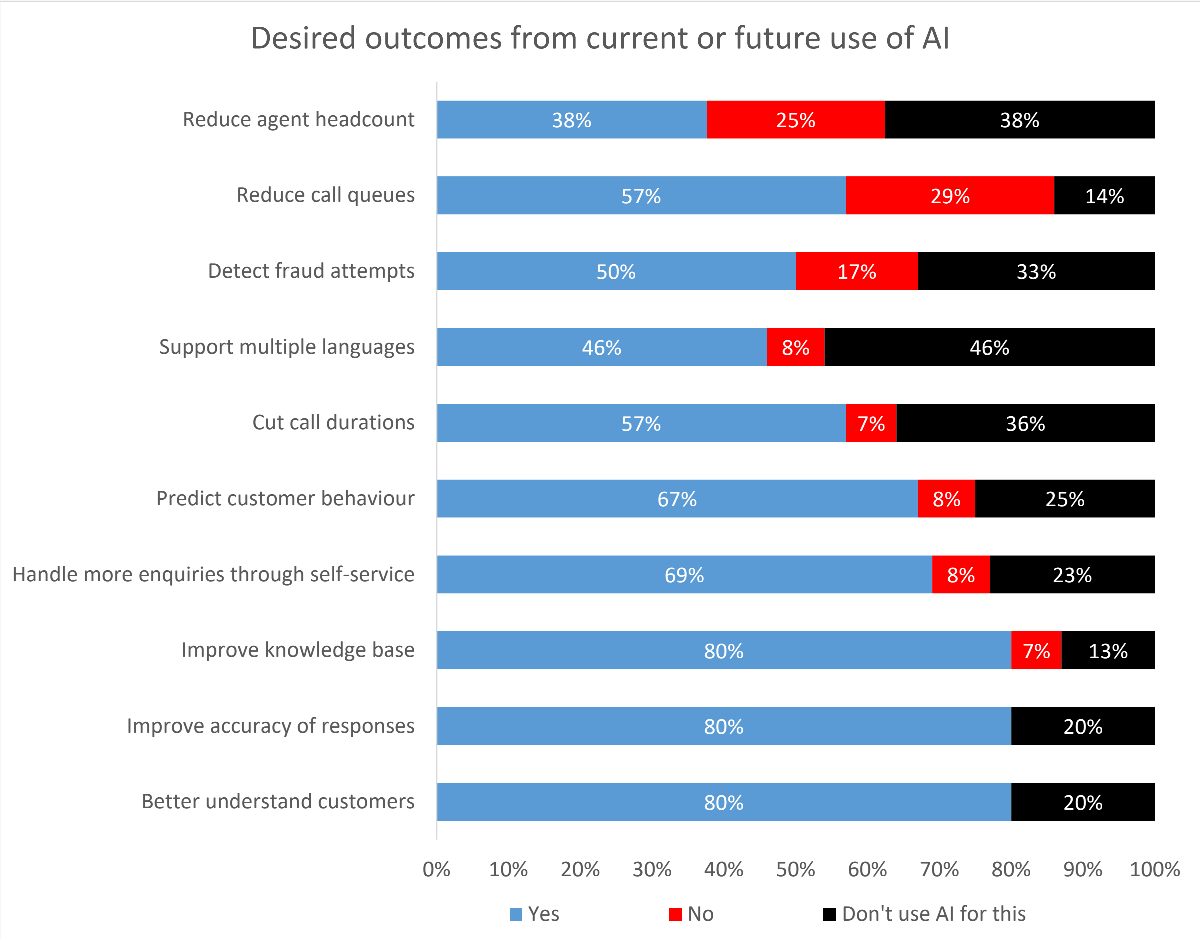
As the use of AI in the contact centre is in its relative infancy, readers should be aware that the small sample size needs to be treated with caution.

There was a widespread positive response from those using AI to improve the knowledge base, improve the accuracy of responses and better understand customers.

There was much less use of AI to reduce headcount, detect fraud attempts or support multiple languages, and these were less successful than more popular use cases.

It is noticeable that using AI to reduce call queues has also met with limited success, despite it being a popular use case.

Figure 30: Actual outcomes from current use of AI (only those survey respondents currently using AI)



SPEED TO ANSWER

Average speed to answer (ASA) is another of those traditional statistics which has always been measured, and there is a strong case for keeping it at the forefront of how contact centres measure their success.

Speed to answer has been shown many times to play a vital part in improving the customer experience – along with first-contact resolution, it is the most important factor driving CX in the contact centre – and also feeds into other performance measures such as call abandonment rate.

South African contact centres report a mean speed to answer of 27 seconds, which is considerably quicker than either the UK or US (although up until the start of the pandemic, the historical norm for these mature industries was around 30 seconds).

Figure 31: What is your average speed to answer? (seconds), (SA, UK and US)

	South Africa	UK	US
Mean	27 (18 inhouse, 37 BPO)	116	99
Median	13 (12 inhouse, 15 BPO)	47	68

CALL ABANDONMENT RATE

The call abandonment rate links directly to customer satisfaction, cost, average speed to answer and revenue, and is widely seen as one of the most important and complete key performance indicators that a contact centre has at its disposal.

As abandonment rate is usually positively correlated with speed to answer, it is of no surprise to see that South African survey respondents report lower abandonment rates than either the US or UK.

Figure 32: What is your average call abandonment rate? (SA, UK and US)

	South Africa	UK	US
Mean	4.2% (4.4% inhouse, 4.0% BPO)	5.9%	8.9%
Median	3.0% (3.0% inhouse, 3.0% BPO)	5.0%	5.0%

FIRST-CONTACT RESOLUTION RATE

The ability to understand a query and deal with it in a reasonable timeframe at the first time of asking is seen as the key to customer satisfaction, in that it reduces the overall number of calls while providing the customer with a good experience which will impact on the company's overall performance.

It also has a positive effect on the agent's morale (and thus, staff attrition rates), and increases the chances of a successful cross-sell and upsell being made. Little wonder that this metric is growing in importance, although first-call resolution can be very problematic to quantify accurately (risking this metric being ignored), especially as it is not simply a matter of producing a monthly report from ACD statistics.

First-contact resolution (FCR) rates are not simple to understand, but have to be viewed in context. An improving business may well see its FCR rate actually decline after it implements process improvements, which is counter-intuitive, but if the business had been handling live calls that were more suited to self-service or avoidable through better marketing communications, getting rid of these 'easy' calls entirely will make the FCR rate decline.

If many calls are about the same issue, and are answered quickly and accurately, it improves FCR rates, but of course piles up cost and impacts negatively upon other performance metrics, such as queue length and call abandonment rate.

As such, this very valuable metric should not be viewed in isolation, and is perhaps best used as an internal metric which tracks any alteration in performance due to process changes. It is also vitally important to track the overall number of reopened issues rather than just the percentage of calls reopened to get the complete picture.

While South African contact centres have a slightly higher FCR than UK or US operations, it may be that they deal with a greater proportion of simpler calls, rather that they are necessarily more effective at answering queries.

Figure 33: What is your average first-contact resolution rate? (SA, UK and US)

	South Africa	UK	US
Mean	86% (88% inhouse, 83% BPO)	81%	76%
Median	88% (90% inhouse, 85% BPO)	82%	80%

CALL DURATION

Average inbound call length is a metric which most contact centres measure, as it is directly related to cost (and is also easy to quantify). Enlightened operations now regard this metric in isolation with wariness, as a call which is cut short too quickly can often mean a worse experience for the customer (with lower revenues over time), lower first-call resolution rates (which increase costs in the long-term) and fewer cross-selling or upselling attempts being made.

Low call duration can also mask a lack of agent capability, as knowledgeable and confident agents may go out of their way to deliver the best service possible, which leads to longer call times, as well as having the confidence and ability to address multiple issues within a single call. The use of call recording, monitoring and speech analytics, as well as close supervision by team leaders can assess whether this is the case.

Helpdesks and sales contact centres now pay much less regard to managing call lengths (especially in premium rate environments), but most operations will still be aware of it, especially it is obvious that a high-quality agent will spend less time on certain types of call than a low-quality agent.

However, contact centres should remain aware that excessive call lengths impact negatively on queue times, which is certainly a key factor affecting customer experience.

Average service calls in South Africa tend to be shorter than in the UK or US: it may be that SA operations are handling these more efficiently (the use of technology tends to be higher), or that the average call is simpler, a conclusion which may be lent weight to be considering that the FCR of South African survey respondents was higher.

Figure 34: What is your average service call duration? (SA, UK and US)

	South Africa	UK	US
Mean	335 (308 inhouse, 369 BPO)	416	423
Median	310 (300 inhouse, 360 BPO)	400	427

Average sales calls from South Africa survey respondents are a little longer than in the UK and US, although there is not a great deal of difference.

Figure 35: What is your average sales call duration? (SA, UK and US)

	South Africa	UK	US
Mean	543 (421 inhouse, 624 BPO)	503	513
Median	500 (468 inhouse, 600 BPO)	425	474

AGENT ACTIVITY

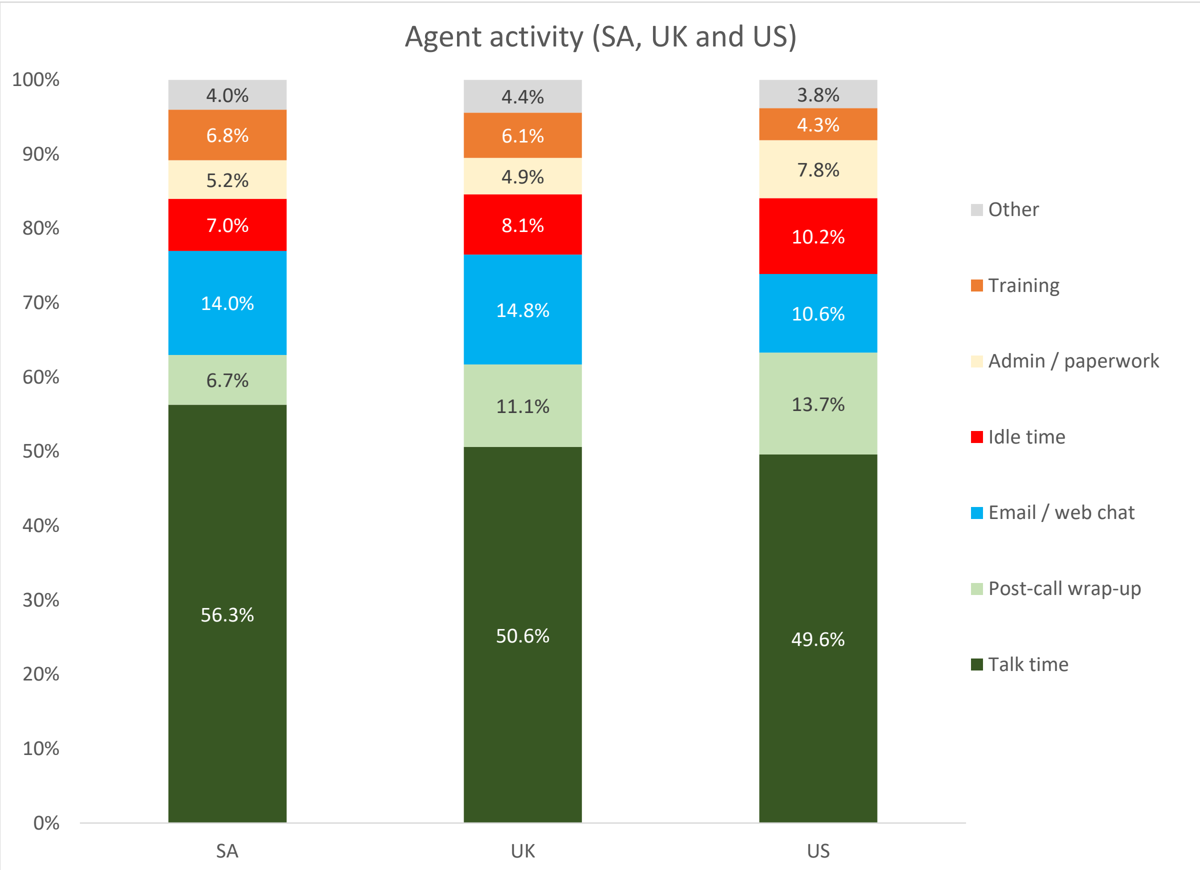
Agent activity per hour is a key structural metric aimed at helping contact centre management understand how the agent's time is being spent. It is segmented into seven parts:

- Talk time: amount of time actually spent on the inbound call
- Post-call wrap-up: after-call data input and actions driven specifically by that call
- Email / web chat: text-based communication with customers
- Training: whether desk-based or lecture-type
- Administration / paperwork: general administration and keyboard- or paper-driven work which may be for internal purposes only (e.g. timesheets) or for external work as well (e.g. sending faxes).
- Idle time: time spent not taking calls or doing other work, usually waiting for the next call
- Other: anything not covered by the previous activities.

Talk time in South African contact centres is higher than in the UK or US, with post-call work lower. One explanation is that South Africa is handling simpler calls which require less post-call work on average.

Idle time in South Africa is very low, suggesting highly efficient operations, with digital work being roughly similar to that seen in the UK.

Figure 36: Agent activity (SA, UK and US)



COST PER CALL

Cost per call is a very difficult metric to work out for a business, and even more difficult to benchmark in any meaningful way, as calls can vary massively in cost even within the same contact centre, and there is no universal agreement over which elements of cost to include within this metric. As such, cost per call should be treated with caution.

However, it is interesting to see the cost differentials across countries, with the mean cost of an inbound call in South Africa being 43% of the UK and 49% of the US.

Median differentials are even higher: a South African call costs 35% of a UK call and 31% of a US call.

Figure 37: What is your average cost of an inbound call? (SA, UK and US)

	South Africa	UK	US
Mean	R61 / £2.68 / $3.54	R142 / £6.25 / $8.24	R123 / £5.43 / $7.16
Median	R40 / £1.76 / $2.32	R114 / £5.00 / $6.59	R129 / £5.69 / $7.50
Exchange rate used: R1 = GBP£0.044 = USD$0.058			

AGENT ATTRITION

Throughout the studies that ContactBabel has carried out over the years, whether in the US or Europe, staff attrition has consistently been quoted as one of the major worries of contact centre management.

Along with staff absences, high levels of unexpected attrition can cripple a contact centre's ability to provide even an acceptable level of service, raising costs and creating a negative customer experience, as well as placing massive stress on those agents who remain at work.

For many years, attrition has been one of the greatest challenges facing the industry, and one which has rarely been addressed with much in the way of a truly radical approach.

This report defines "attrition rate" as the total number of agents leaving the contact centre in a 12-month period, divided by the average number of occupants during the same 12-month period, expressed as a percentage. This includes both voluntary and involuntary attrition.

South African survey respondents report a mean average of 25% annual agent attrition, which is weighted more towards the BPO sector (31%).

This compares favourably with the US, although is somewhat higher than the UK's figure of 21%.

1st quartile (best performance) is only 8% - some SA operations are justifiably proud of their staff retention schemes. The 3rd quartile of 36% is high, but still lower than in the US.

Figure 38: What is your average annual agent attrition rate? (SA, UK and US)

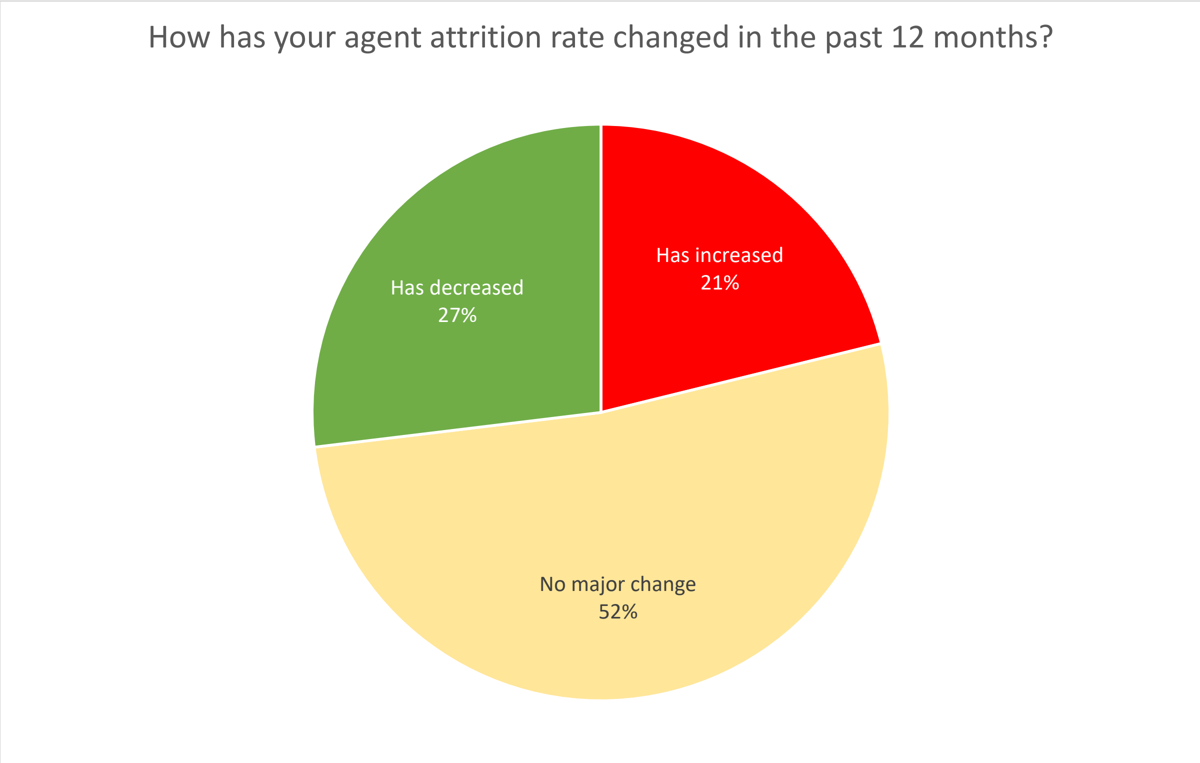
	South Africa	UK	US
Mean	25% (19% inhouse, 31% BPO)	21%	30%
Median	18% (10% inhouse, 25% BPO)	17%	29%
1st quartile	8% (7% inhouse, 13% BPO)	10%	14%
3rd quartile	36% (25% inhouse, 46% BPO)	29%	42%

As this is the first year of running the South African survey, we do not have historical information on which to draw.

As such, the question was asked as to how the agent attrition rate had changed in the past year.

While 21% of survey respondents said that it had increase, 27% reported a decline, suggesting that there is likely to be a slight decrease in agent attrition within South African contact centres.

Figure 39: How has your annual agent attrition rate changed in the past 12 months?



A high level of early attrition strongly suggests that errors are being made in the type of people employed, who are all but doomed to failure by their unsuitability for the task. Businesses should collect information on the sorts of behaviour and characteristics of people likely to do well in each role – preferably analysing the people who are successful in the roles already – and pre-screen applicants against those criteria.

Getting a high proportion of the right sort of people through the doors and onto the induction course can greatly reduce early attrition: attrition is something that should be focused upon at the recruitment stage, rather than leaving it until the candidates are already in the business before noticing the problems.

75% of South African survey respondents report that the 90-day attrition rate for new starters was less than 10%. 23% found that 11-25% of new starters had left by the 90 day mark, and only 2% said that a higher proportion had left: these are positive results.

AGENT ABSENCE

In a tightly run contact centre where costs and performance are closely managed, significant levels of staff absence can cause major problems with contact centre performance and the customer experience. Even just a slight increase in absence rates can mean a major difference to how well the contact centre performs on that day. Staff end up overworked and stressed, and more likely to take time off as a result. Morale suffers, which increases staff attrition and overwork, thus creating further absence.

Staff absence is a vicious circle, each part of which feeds into another, usually leading to higher attrition rates, greater costs and poor service.

There are many causes of unnecessary absenteeism, including:

- The absence of a recruitment process that allows operations to identify unreliable applicants
- Poor front-line leadership: many team leaders are just not able to manage their teams and help prevent absenteeism, a fault of incorrect training and/or recruitment at this level
- Low morale in the contact centre, meaning the workforce think that missing work is acceptable.

There are also other factors that influence absence, including:

- Mandatory overtime and unsociable hours
- Lack of schedule flexibility and choice
- Insufficient mentoring or supervisor support, especially during the transition period after training
- Large team sizes (20+ per team)
- Cancelled team activities like 1:1 coaching due to heavy call volume.

Short-term (no-show) absence is the average number of agent days lost through short-term sickness and unauthorised absence as a percentage of contracted days annually.

Mean absence is somewhat higher in South Africa than in the UK, and seems to be driven by the in-house sector rather than BPOs. US operations report similar findings to South Africa.

Figure 40: What is your average short-term annual agent absence rate? (SA, UK and US)

	South Africa	UK	US
Mean	10.2% (13.6% inhouse, 6.1% BPO)	6.9%	9.5%
Median	5.5% (8.0% inhouse, 5.0% BPO)	6.0%	6.0%
1st quartile	4.0% (4.5% inhouse, 3.0% BPO)	3.0%	5.0%
3rd quartile	10.0% (12.5% inhouse, 6.5% BPO)	9.0%	12.5%

REMOTE WORKING

Faced with the challenges of continuing to run contact centres in an environment decimated by coronavirus, many businesses urgently implemented business continuity plans which usually involved remote working. South African BPOs grew their client base – especially in the US – during this time, and made significant inroads into that market which they continue to explore.

Apart from this, homeworking / remote working promises contact centres significant benefits, including:

- the environmental benefits of working at home, reducing carbon emissions and decreasing congestion on the roads
- increased flexibility in working hours means rapid response to call spikes and reduced idle time
- increasing costs of recruiting and retaining staff allow agents outside the commutable distance to be employed at times that suit them and the business.

Only 33% of South African survey respondents operate a remote / hybrid working model, as for many of their agents, homeworking is not suitable.

In the UK, 71% of agents operate in a remote or hybrid model, with the figure for the US being 62%. A very gentle move to remote / hybrid working is expected in South Africa.

Figure 41: At the moment, where are your contact centre agents based?

	In-house / captive	Outsourced / BPO	Average
Always in the contact centre	56%	77%	67%
Hybrid – home & contact centre	35%	13%	24%
Always at home	9%	10%	9%

Figure 42: At the end of 2026, where will your contact centre agents be based?

	In-house / captive	Outsourced / BPO	Average
Always in the contact centre	55%	70%	63%
Hybrid – home & contact centre	37%	18%	27%
Always at home	8%	12%	10%

SALARIES

For offshore BPO destinations, cost of service plays an important role in any decision made about where to source customer contact. South African survey respondents report new agent salaries of around 17-20% that of the UK and US, although this only refers to the salaries rather than fully-loaded extras around insurance, pension, social charges, etc.

As the seniority of the employees increases, salary differentials become less: team leader salaries are 29% that of the UK and 22% the US, whereas contact centre manager salaries are 42% of a UK equivalent and 31% for the US.

NEW AGENT SALARIES

The mean reported annual salary for a new South African agent is R122,265, which is 22% that of a UK agent and only 17% that of a new US agent.

Figure 43: Average new agent salary – ZAR (SA, UK and US)

	SA average	SA (inhouse)	SA (BPO)	UK	US
Mean	R122,265	R140,310	R101,213	R559,000	R705,845
Median	R105,000	R105,276	R104,500	R545,455	R664,483
1st quartile	R138,000	R183,000	R115,000	R577,273	R791,379
3rd quartile	R95,000	R95,600	R93,000	R522,727	R550,000
Exchange rate used: R1 = GBP£0.044 = USD$0.058					

Figure 44: Average new agent salary – GBP (SA, UK and US)

	SA average	SA (inhouse)	SA (BPO)	UK	US
Mean	£5,380	£6,174	£4,453	£24,596	£31,057
Median	£4,620	£4,632	£4,598	£24,000	£29,237
1st quartile	£6,072	£8,052	£5,060	£25,400	£34,821
3rd quartile	£4,180	£4,206	£4,092	£23,000	£24,200
Exchange rate used: R1 = GBP£0.044 = USD$0.058					

Figure 45: Average new agent salary – USD (SA, UK and US)

	SA average	SA (inhouse)	SA (BPO)	UK	US
Mean	$7,091	$8,138	$5,870	$32,422	$40,939
Median	$6,090	$6,106	$6,061	$31,636	$38,540
1st quartile	$8,004	$10,614	$6,670	$33,482	$45,900
3rd quartile	$5,510	$5,545	$5,394	$30,318	$31,900
Exchange rate used: R1 = GBP£0.044 = USD$0.058					

EXPERIENCED AGENT SALARIES

Experienced agents in South African contact centres are reported to be paid a mean average of R147,354, which is 24% that of an equivalent UK agent and 18% of a US agent.

Figure 46: Average experienced agent salary – ZAR (SA, UK and US)

	SA average	SA (inhouse)	SA (BPO)	UK	US
Mean	R147,354	R167,640	R122,294	R626,636	R831,431
Median	R121,750	R135,000	R120,000	R590,909	R767,241
1st quartile	R172,800	R204,000	R142,000	R643,182	R905,172
3rd quartile	R104,000	R105,000	R102,000	R568,182	R681,034
Exchange rate used: R1 = GBP£0.044 = USD$0.058					

Figure 47: Average experienced agent salary – GBP (SA, UK and US)

	SA average	SA (inhouse)	SA (BPO)	UK	US
Mean	£6,484	£7,376	£5,381	£27,572	£36,583
Median	£5,357	£5,940	£5,280	£26,000	£33,759
1st quartile	£7,603	£8,976	£6,248	£28,300	£39,828
3rd quartile	£4,576	£4,620	£4,488	£25,000	£29,966
Exchange rate used: R1 = GBP£0.044 = USD$0.058					

Figure 48: Average experienced agent salary – USD (SA, UK and US)

	SA average	SA (inhouse)	SA (BPO)	UK	US
Mean	$8,547	$9,723	$7,093	$36,345	$48,223
Median	$7,062	$7,830	$6,960	$34,273	$44,500
1st quartile	$10,022	$11,832	$8,236	$37,305	$52,500
3rd quartile	$6,032	$6,090	$5,916	$32,955	$39,500
Exchange rate used: R1 = GBP£0.044 = USD$0.058					

TEAM LEADER SALARIES

At a team leader level, South African respondents report paying a mean average of R227,583, which is 54% higher than the salary of an experienced agent.

While the cost differentials between countries is still very considerable, they are starting to diminish, with a South African team leader being paid 29% that of a UK team leader, and 22% of a US team leader.

Figure 49: Average team leader salary – ZAR (SA, UK and US)

	SA average	SA (inhouse)	SA (BPO)	UK	US
Mean	R227,583	R241,589	R212,842	R775,136	R1,053,397
Median	R205,000	R221,000	R204,000	R727,273	R982,759
1st quartile	R276,000	R306,002	R240,000	R818,182	R1,189,655
3rd quartile	R180,000	R180,000	R180,000	R681,818	R827,586
Exchange rate used: R1 = GBP£0.044 = USD$0.058					

Figure 50: Average team leader salary – GBP (SA, UK and US)

	SA average	SA (inhouse)	SA (BPO)	UK	US
Mean	£10,014	£10,630	£9,365	£34,106	£46,349
Median	£9,020	£9,724	£8,976	£32,000	£43,241
1st quartile	£12,144	£13,464	£10,560	£36,000	£52,345
3rd quartile	£7,920	£7,920	£7,920	£30,000	£36,414
Exchange rate used: R1 = GBP£0.044 = USD$0.058					

Figure 51: Average team leader salary – USD (SA, UK and US)

	SA average	SA (inhouse)	SA (BPO)	UK	US
Mean	$13,200	$14,012	$12,345	$44,958	$61,097
Median	$11,890	$12,818	$11,832	$42,182	$57,000
1st quartile	$16,008	$17,748	$13,920	$47,455	$69,000
3rd quartile	$10,440	$10,440	$10,440	$39,545	$48,000
Exchange rate used: R1 = GBP£0.044 = USD$0.058					

CONTACT CENTRE MANAGER SALARIES

At a contact centre manager level, the relative lack of experience at an industry level starts to show, with salary differentials much less: a South African contact centre manager is paid a mean average of R488,920, which is 42% that of a UK manager, and 31% of a US contact centre manager.

Figure 52: Average contact centre manager salary – ZAR (SA, UK and US)

	SA average	SA (inhouse)	SA (BPO)	UK	US
Mean	R488,920	R500,199	R476,389	R1,162,364	R1,570,448
Median	R480,000	R490,000	R420,000	R1,121,591	R1,465,517
1st quartile	R610,000	R600,000	R670,000	R1,318,182	R1,896,552
3rd quartile	R360,000	R378,000	R330,000	R954,545	R1,189,655
Exchange rate used: R1 = GBP£0.044 = USD$0.058					

Figure 53: Average contact centre manager salary – GBP (SA, UK and US)

	SA average	SA (inhouse)	SA (BPO)	UK	US
Mean	£21,512	£22,009	£20,961	£51,144	£69,100
Median	£21,120	£21,560	£18,480	£49,350	£64,483
1st quartile	£26,840	£26,400	£29,480	£58,000	£83,448
3rd quartile	£15,840	£16,632	£14,520	£42,000	£52,345
Exchange rate used: R1 = GBP£0.044 = USD$0.058					

Figure 54: Average contact centre manager salary – USD (SA, UK and US)

	SA average	SA (inhouse)	SA (BPO)	UK	US
Mean	$28,357	$29,012	$27,631	$67,417	$91,086
Median	$27,840	$28,420	$24,360	$65,052	$85,000
1st quartile	$35,380	$34,800	$38,860	$76,455	$110,000
3rd quartile	$20,880	$21,924	$19,140	$55,364	$69,000
Exchange rate used: R1 = GBP£0.044 = USD$0.058					

IMPACT SOURCING

Impact sourcing refers to the practice of employing individuals from disadvantaged or marginalised communities – often youth, women or people in rural areas – to perform business process outsourcing (BPO) or contact centre work.

In South Africa, it has become a recognised model for inclusive economic growth, supported by both government policy and private sector initiatives. Impact sourcing represents a promising intersection of commercial performance and social impact, and is an approach that can strengthen the country's global competitiveness while addressing unemployment and inequality.

The impact sourcing model aims to create shared value: businesses gain access to a reliable, motivated workforce, while employees gain sustainable livelihoods, skills, and upward mobility.

Many South African contact centres, particularly in Cape Town, Durban and Johannesburg, have adopted this approach to align with social development goals and enhance their reputation for responsible business practices.

Incentives such as Broad-Based Black Economic Empowerment (B-BBEE) scorecard benefits, training subsidies and partnerships with social enterprises make impact sourcing an attractive option for employers.

The benefits are tangible, including lower staff turnover, high employee loyalty and strong community goodwill. Many global clients value ethical sourcing and may include it as part of their supplier selection criteria.

However, challenges remain: impact workers may initially require greater training and support, and some employers face pressure to balance social objectives with productivity and cost-efficiency targets.

65% of survey respondents have a formal policy around impact sourcing, with outsourcers / BPOs more likely to do this (76% against 56% for in-house / captive operations).

Amongst those survey respondents which do have an impact sourcing policy, 44% of agents are impact workers (47% in outsourcers / BPOs and 41% in the in-house / captive sector).

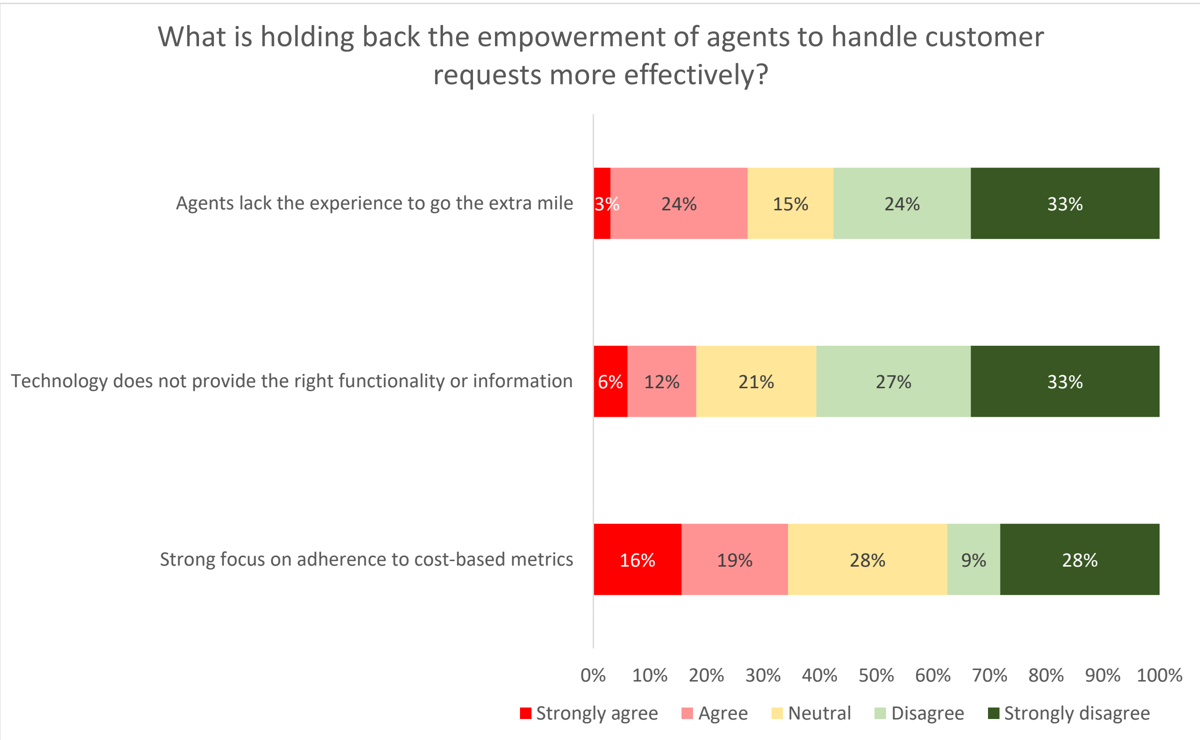
Key to both morale and performance, agent empowerment – the ability to make the decisions and carry out the actions that would actually help customers – requires the business to trust the agent to do the job to the best of their ability, supporting them through culture, process and technology as needed, and is closely linked with first-contact resolution, which as we have seen elsewhere in this report is one of the keys to customer satisfaction.

35% of survey respondents blamed the contact centre's excessive internal focus on hitting metrics such as call duration and throughput for not empowering agents to make the decisions and carry out the actions they need to in order to serve customers most effectively. This is considerably higher than either the UK or US, and is perhaps indicative of a growing industry where the depth of the agent experience or indeed management pool is less.

Only 27% of respondents believe that agents lack the experience and capability to go beyond what they already know how to do, which is on a par with the UK and seen as significantly less of a problem than US survey respondents.

While the most important factor restraining agent empowerment in the US and UK is that technology does not deliver the required functionality or information, this is seen as much less of an issue in South Africa: another piece of evidence suggesting that the younger industry has managed to avoid many of the piecemeal legacy issues that hold back the more mature industries.

Figure 55: What is holding back the empowerment of agents to handle customer requests more effectively?



Survey respondents were asked to rate the attributes that they believed were most useful and valuable in contact centre agents.

By far the most important factor in all three countries was empathy – the ability to listen, understand and help customers – which was placed in no.1 position by 44% of South African respondents and in the top three by 90% (84% in the US and 87% in the UK).

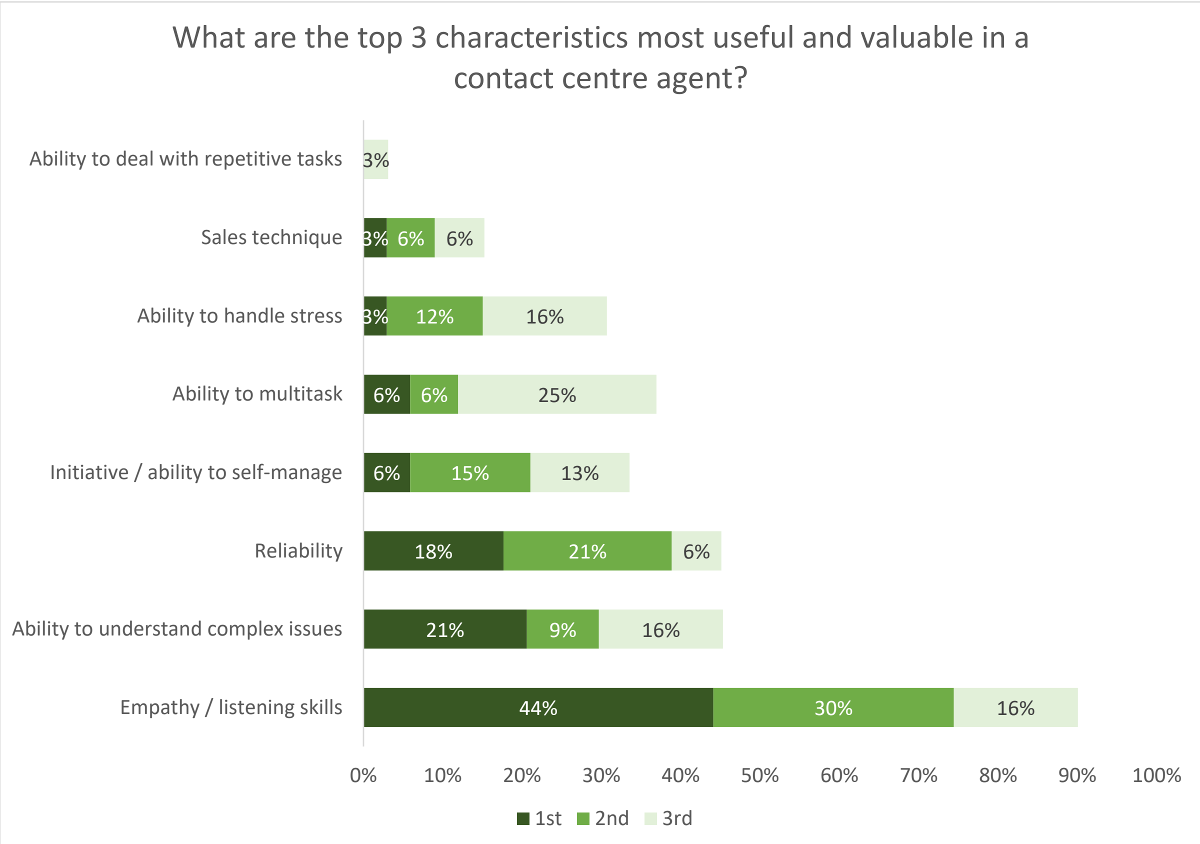
Of course, empathy is only really useful when the supporting systems and processes allow and empower the agent to handle the interaction as they need to: there is no use in valuing empathy in an agent if they are not permitted to spend the time required to fulfil the customer's request, or the systems prevent them from achieving their goal.

An ability to understand complex issues is also very valued, and will probably increase in importance as self-service handles more of the straightforward customer requests, leaving more complex and tricky work for human agents.

Initiative and self-management is also seen as important, and is of particular value in remote working environments where self-starting is an asset, and where outside help may be more difficult to access. Reliability is also valued very highly.

Interestingly, the ability to deal with repetitive tasks – a necessity in many historic contact centre environments – is rated much lower by South African contact centres (3% in the top three) than in the UK (19%) and US (15%).

Figure 56: What are the top 3 characteristics most useful and valuable in a contact centre agent?



ABOUT CONTACTBABEL

ContactBabel is the contact centre industry expert. If you have a question about how the industry works, or where it's heading, the chances are we have the answer.

We help contact centres compare themselves to their closest competitors so they can understand what they are doing well, what needs to improve and how they can do this.

The coverage provided by our massive and ongoing primary research projects is matched by our experience analysing the contact centre industry. We understand how technology, people and process best fit together and how they will work collectively in the future.

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