STATE OF THE MARKET: THE CHANGING LANDSCAPE OF CONTACT CENTRES IN AFRICA

The global contact centre market's value will be worth **$9.7 billion** by 2019, with a CAGR of **9%** from 2016–2019.

The EMEA market is will exceed **USD 3 billion** by 2019, growing at a CAGR of over **11%**. South Africa, Tunisia, Ghana, Kenya will be key contributors.

Digital transformation, language barriers CEM adoption and cybercrime will all form major challenges in the coming years of Africa's contact centre transformation.

HELP

Cybercrime is Africa's next "big threat" to be faced, with Kenya losing **$146 million** per year.

South Africa has the most dynamic contact centre industry, growing **30–35%** annually over the past five years, and employing over **210,000** people.

85% of contact centre operators find that customer experience is a key competitive differentiator. Leading African contact centre hubs (South Africa, Kenya, etc) are well placed to deliver enhanced CE due to their access to a skilled talent pool and a linguistic/cultural affinity to key consumer regions like the UK, Europe and Australia.

> *Innovation and the proliferation of digital technologies has changed customers' interaction with companies, and customers are now using different channels such as the web and self-service options. In the EMEA region, South Africa, Tunisia, Ghana and Kenya are expected to be among the key contributing countries to the global contact centre market over the next five years.*
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> Amit Sharma, lead analyst for ITO and BPO research, **Technavio**

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As telecommunications technologies continue to become more sophisticated and spread to greater areas of the developing world, the global contact centre market continues to grow steadily in line with the rising proportion of consumers who have access to mobile phones and reliable broadband internet. Recent predictions suggest that the market's value will be worth around $9.7 billion by 2019, with a CAGR of 9% during this period.

Africa has already begun to embed itself into the future of contact centres, with several African nations rapidly building capacity in recent years. With the rise of the digital consumer comes the growing desire to digitise African contact centres in order to make them as competitive, cost-efficient and customer-centric as possible. While billions of dollars are being invested in fibre optic cabling and 4G LTE rollouts across the continent, huge sums are also being spent on delivering state-of-the-art digital contact centres. These emerging centres are being designed to meet and exceed the expectations of an increasingly digitally-awakened African population, not to mention BPO clients' customers from around the world.

Top Challenges in Africa's Call Centre Future

Customer Experience Management: Deloitte's 2015 Global Contact Centre Survey found that 85% of its respondents view customer experience as a competitive differentiator. Many leading African countries, such as Kenya and South Africa, enjoy several advantages in this area, such as access to a skilled talent pool and a linguistic/cultural affinity to key consumer regions like the UK, Europe and Australia. However, the integration of innovative CEM solutions and agent-empowering technologies will be required to allow African contact centres to reliably deliver a customer experience that can compete with established BPO regions like India and the Philippines.

Digital transformation: Digitally-based customer interactions generally lead to higher customer satisfaction over those using traditional channels. Despite attracting growing investments for the digital transformation of contact centres, many companies in parts of Africa still have to contend with poor infrastructure and a lack of available expertise. Most contact centres across the continent are still using legacy infrastructure and are struggling to adapt quickly enough to the new digital trends and international best practices.

Diverse language base: Language continues to be a barrier due to the much wider range of official languages in African countries, such as South Africa which has 11. Speech recognition technologies will inevitably play their part, but if contact centres want to adequately serve their domestic market and offer multiple language support then they will need to train their staff accordingly.

Moving contact centres from revenue generation to profit generation mode

While there is still some way to go, the continent's leading market players have already begun establishing themselves as reputable, reliable and attractive environments for BPO destinations for contact centre offshoring, as well as developing domestic-serving centres. South Africa is perhaps the most dynamic of the African contenders, as the industry has grown annually by 30-35% over the past five years, and employs around 210,000 people.

Compared to competing destinations for offshoring, such as India or the Philippines, South Africa does not seek to compete on the basis of labour and operational costs but instead in terms of the country's capacity to offer high levels of customer experience as well as the ability to handle complex processes.

This example is one that other aspiring contact centre hubs in Africa will do well to follow, as the global BPO market rapidly moves towards RPA (Robotic Processing Automation) to cover its basic, unskilled and non-intuitive tasks and processes. By providing access to higher skilled agents who can successfully carry out more intuitive customer-based processes, emerging contact centres will position themselves well for the inevitable changes currently affecting BPO worldwide.

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APPROPRIATE SOLUTIONS AND TECHNOLOGIES FOR THE AFRICAN MARKET

High-speed ICT Services and Infrastructure:

Overcoming existing infrastructural challenges lies at the heart of improving its telecommunications and general ICT deficiencies. In order for emerging African economies like the DRC to leapfrog their current infrastructural deficiencies, innovative telecommunications technologies must be employed.

In South Africa and other leading African economies, a variety of telco operators are investing billions in rolling out new services and infrastructure as demand for high-speed mobile services soars. April 2015, Cell C announced plans to invest $691 million over the next three years to establish 4G LTE services in metropolitan areas, while Afrihost aim to expand access and availability in more under-served areas. Rising levels of overall investment in ICT services and infrastructure will help improve the effectiveness and connectivity of contact centres being established in Africa.

Session Initiation Protocol (SIP) solutions:

Instead of relying on the limitations of a public-switched telephone network (PSTN), more African contact centres are turning towards SIP trunking as it allows for multiple simultaneous streams of VoIP calls to be routed through a carrier's network much more easily, reliably and inexpensively.

In April 2017, Tigo Tanzania unveiled a state-of-the-art contact centre which it calls the first of its kind in the country. The contact centre is equipped with the latest SIP-based communications technology including a USSD/SMS platform for query follow-up and escalation as well as CRM monitoring of customer satisfaction. Tigo claims that the centre will be operating 24 hours a day, staffed by over 500 people in order to serve 55,000 customers.

This is emblematic of Africa's rising level of investment in digitally transforming existing contact centres and establishing new ones that are equipped to an international standard.

Interactive Voice Response:

IVR increasingly seems to be a natural fit for much of the African market, where soaring mobile phone and smartphone adoption rates, combined with high illiteracy, play to IVR's strengths in terms of customer experience. IVR systems are perfect for streamlining the sales process, helping customers negotiate any elements that they might have previously experienced difficulties with while using other channels. This will help drive African contact centres' efficiency while at the same time enhancing the customer experience, as it saves them time and eliminates confusion or inconvenience.

Cloud-based contact centres:

No matter what combination of multi-channel communication methods, web-chat routing, automated outbound dialling, IVR or other solutions a contact centre decides to utilise, technology supports the entire structure of a modern, digitised setup. Integrating and maintaining the necessary technologies can often prove expensive, which may encourage operators to consider a modular approach where the cloud-based centre only utilises the systems and functionalities it really needs. This allows the centre to benefit from economies of scale, while at the same time keeping operational costs down. Then, whenever customer needs evolve and they require new services or channels, the cloud-based approach puts the centre in an excellent position to simply "bolt on" added functionality.

Data Protection and cybersecurity solutions:

The rise of digitised contact centres in Africa will likely lead to a related rise in opportunities for cybercrimes to be carried out, as cybercriminals look for the chance to steal customer data to use fraudulently. Experts are already warning that cybercrime is Africa's next "big threat" to be faced, with Kenyan businesses alone losing $146 million per year to online fraud and other cybercrime methods. Meanwhile, South Africa suffers the highest volume of cyber attacks on the continent.

The increasingly serious and diverse threat landscape necessitates that African contact centre operators make an honest and accurate assessment of their cybersecurity capabilities, and then determine whether they are sufficiently well-prepared to face what they are up against. Whether this means creating adequate cybersecurity capabilities in-house, or utilising the expertise of expert solution providers and technology vendors, this is an essential element of the modern, digitised contact centre.

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A DIGITAL PUSH: AFRICA'S CONTACT CENTRES CONTINUE TO EXPAND AND MODERNISE

Investment levels continue to rise across keys areas of the continent for the creation of contact centres capable of handling both domestic needs as well as the international BPO market. With new, state-of-the-art centres being delivered in Kenya, Tanzania, South Africa and many other countries, it's clear that both international investors and African governments see a future for Africa in this rapidly evolving industry.

As the industry evolves, Africa-based contact centres must continue to move with it, embracing digitisation and the respective technological opportunities that it offers. Despite the persistent challenges outlined, examples of new and improved centres being developed across the continent demonstrate that both the will and the technical capacity exists to overcome them.

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