

OPTIMIZING THE PROFIT CENTER ROLES OF CUSTOMER SUPPORT ACTIVITIES IN CALL
CENTER OPERATIONS: THE CASE OF CUSTOMER PRIORITIZATION, RETENTION, AND
CONVERSION

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Abstract

A framework for a call center operation strategy is proposed, where instead of using the customary methods of maximizing performance of call centers by providing specified services with minimal costs, we are proposing a differing approach that allows such operations to become a legitimate profit center, with a goal of discouraging supplier switching by profitable customers and retaining at-risk customers through prioritization algorithm. A typical call center operation simulation was developed, using customers segmentation and prioritization scheme based on their loyalty and satisfaction, which resulted into four distinct groups: Apostles, Mercenaries, Hostage, and Terrorists. The highest processing priority, that includes using servers with a combination of technical and tacit knowledge, was given to the “Apostle” while regular processing was given to the Mercenary and Hostage. The “Terrorists” customers were directed to the retention program and attempts to convert them were conducted. We found out that customer prioritization, using knowledge and socially aware criteria, resulted in significant increase in the net present value of the individual customers through their increased level of satisfaction. And while it results in a lower utilization of regular servers, the additional retention program not only offers the opportunity to allocate unused server time but also decreases the fraction of ‘terrorists’ customers in the overall customer pool. The proposed framework offers a better process to maintaining existing customers and improving their loyalty and satisfaction, while at the same time insuring future sales for the organization. We also found out that this is a viable and least costly option in generating new customers.