

CUSTOMER SERVICE IMPROVEMENT OUTWEIGHS ECONOMIC DOWNTURN FEARS

Submitted by: Citizen Relations

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- Yet research commissioned by BT shows that corporate and mid-market organisations are hampered by high solution costs

Improving customer service is more important than reducing capital expenditure to cut costs, despite the current economic climate, according to a Gartner Consulting white paper commissioned by BT, out today. *

The white paper examines the reasons why corporate and mid-market companies invest in contact centres and Customer Relationship Management (CRM) solutions. Gartner Consulting found that improving customer service quality is the number one motive for investing in CRM. Cost reduction was rated behind improving organisational responsiveness and internal communications.

"Customer service, customer service, customer service is the only mantra there is, and we should all be singing it," Paul White, director and chief designer, BT Contact Central, said: "According to the research, the corporate and mid-market companies are now on board and listening."

Based on interviews with 400 UK based corporate and mid-market companies, Gartner Consulting found that improving management control in order to deliver customer satisfaction is gaining credence as a reason to invest in CRM. This is significant because it shows a maturity of thinking regarding CRM requirements, and recognition that control of customer interaction will deliver increased sales and improve internal efficiencies.

Gartner Consulting found that the average software budget allocation for CRM contact centre solutions is £100,000. Given that most bespoke solutions are currently significantly more expensive than this, there is clearly some disparity between the needs of the vendors and users. Without more cost-effective contact centre solutions, smaller companies are unable to implement the kind of customer service that they recognise is vital to the future of their business.

Terry Wright, principal analyst of Gartner and author of the research, said: "Contact centres already sit at the heart of customer facing CRM strategies. Our research has shown that although contact centres are being adopted by larger organisations, smaller organisations are in danger of being left behind. Lack of appropriate and affordable solutions is certainly the principal culprit."

Paul White said: "CRM is definitely becoming the driving force motivating our customers. Our off-the-shelf contact centre solution, Contact Central, is helping to bridge the gap between SME needs and corporate custom-built solutions. Since its launch in November 2001 Contact Central has had a very positive welcome from both our mid-market customers and our larger corporate customers."

Other key findings:

- By 2004, customer expectations will cause 45 per cent of new and existing call centres to increase their direct communication channels, creating multi-channel centres.
- Corporate and mid-market companies within the UK alone will spend £252 million on CRM contact centre solutions by 2004
- By 2004 only 15 per cent of all companies will have migrated to multifunctional, multichannel contact centres.
- The finance and banking industries have particularly well-established contact centre solutions. 90 per cent of contact centres in this sector were installed in the last five years, 50 per cent in the last two.

~Ends~

*Gartner Consulting " U.K. Contact Centre Market", C. Boyd, S. Blood, T. Wright, February 2002.

Note : Gartner Consulting survey findings may differ from Gartner's published research position.

About the research:

For the purpose of this research, corporate mid-market company refers to organisations with between 50 to 10,000 employees and an annual turnover of between £50m and £500m. A Contact Centre handles enquiries from customers via a range of channels - telephone, fax, e-mail, website, mobile.

About Contact Central:

Contact Central is a unique package enabling companies to establish call centres to handle enquiries via voice, fax, e-mail, Internet, text chat and co-browsing. This off-the-shelf package can be implemented at a fraction of the cost of custom-built solutions. It is particularly suitable for companies with Contact Centre requirements between 10 & 200 seats, but larger scale solutions are also possible.

NOTES TO EDITORS

BT is one of the world's leading providers of telecommunications services and one of the largest private sector companies in Europe. Its principal activities include local, long distance and international telecommunications services, Internet and broadband services and IT solutions. In the UK, BT serves more than 28 million exchange lines as well as providing network services to other licensed operators.

BT Group consists of:

- BT Retail - the UK's largest communications service provider and the prime channel to market for BT's other businesses;
- BT Wholesale - the provider of network services and solutions to communications companies, network operators and service providers;
- BT Ignite, a datacentric solutions and broadband IP business focussed on European corporate and wholesale markets, currently holding the former assets of the Concert global venture; and
- BTopenworld, a mass-market narrow and broadband Internet business.

Further businesses make up the BT Group, including BTextact Technologies, the internationally renowned advanced research and technology business.

In the year to March 31, 2001, BT's group turnover was £20,427m with profit before goodwill, amortisation, exceptional items and taxation of £2,072m.

For more information, visit <http://www.btplc.com> .

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