



# CBI Product Factsheet: Contact centre services in Germany

## 'Practical market insights into your product'

The German contact centre market is a mature, but stable market. With 6,900 locations, Germany has the highest number of contact centres in Europe, representing 21% of the European contact centre market. The shortage of contact centre employees and the search for cost savings offer interesting opportunities for contact centre service providers in developing countries (DCs). However, German language skills play a very important role in the decision to nearshore or offshore contact centre activities, and due to the lack of sufficient German language skills in nearshore and offshore destinations, some German companies are bringing their contact centre services back to Germany. The financial services industry and the healthcare industry offer the best opportunities. Companies that can offer contact centre services that go beyond phone calls, and also offer chat, e-mail and/or social media monitoring services have a competitive advantage.

### Product Definition

A contact centre is a facility from which all customer contact is managed. Contact centre services consist of a range of activities and channels. The majority of these services concern managing large volumes of incoming contact (referred to as inbound activities), but can also include outgoing contact for purposes such as telemarketing, product services, and debt collection (referred to as outbound activities). Besides telephone, contact centres increasingly manage and make use of other communication channels as well, such as e-mail, website inquiries, chat, and social media (Table 1).

**Table 1: Overview of activities and channels within the contact centre services market**

Contact centre activities	Contact centre channels
Customer service & complaint handling (non-technical)	Telephone
Technical support	E-mail
Dispatching & event registration	Voice Portal Services (IVR Self Service)
Pre-sales activities (lead generation, appointments)	Internet (including chat & co-browsing)
Surveys (satisfaction, qualification, market research)	SMS
Loyalty & retention	Traditional mail
Sales	Fax
Credit collection	Other

Source: *European Contact Center Benchmark 2012*



### Contact centre services outsourcing

A contact centre can be within a company (in-house) or outsourced, which means that contact centre services are delegated to external service providers. Outsourcing can take place:

- Onshore: to service providers within the same country (onshoring).
- Nearshore: to foreign providers within the region (nearshoring). For example: Central and Eastern European countries and North African countries for Western Europe, and Canada and Mexico for the United States.
- Offshore: to foreign providers outside the region, typically overseas (offshoring). For example: Asian and Latin American countries for Western Europe, and Africa and Asia for the United States.

### Product Specifications

The most important product specifications of contact centre services as required by German buyers are described below.

- **Quality.** High quality services are an important requirement for contact centre services outsourcing. The quality of a contact centre service provider can be measured by different performance metrics. The most used key performance indicators (KPIs) in the German contact centre market are quantitative ones, such as the number of calls and first call resolution. However, lately, qualitative indicators like customer experience are also starting to be measured through methods such as customer feedback, call recording, and silent monitoring.
- **German language skills.** Almost all German companies that want to outsource their contact centre services have a preference for German native speakers. German language skills therefore play a very important role in contact centre services outsourcing. Some companies even require agents to be able to speak German without a regional accent. However, Germany also houses a lot of multinational companies, especially in the field of technology. For these companies, good English language skills might be sufficient.
- **Industry knowledge.** German companies prefer contact centre service providers with a deep understanding of

#### Considerations for action

- Study websites of German contact centre service providers to gain insights into buyer requirements. Find out e.g. which types of contact centre services they offer, which channels they use, which value added services they offer, and which certifications they have. This can help you better adjust your service offering to the German market.
- Provide potential customers with information about the key performance metrics of your company in order to show them your capabilities and quality standards. Also use this information in your promotional activities.
- Invest in good-quality equipment in order to enhance the quality of your service.
- Investigate the possibilities to have access to German-speaking agents as this increases your chances on the German market considerably. Verify if they speak without a strong regional accent.
- If you have sufficient agents available that have good English skills, consider targeting multinational German companies.
- Specialise in contact centre services for a particular industry.
- Try to obtain references in the industry

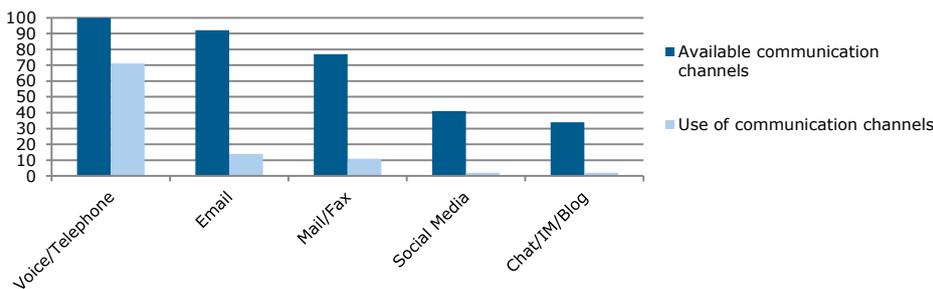
their particular industry, for example the financial services, telecom or healthcare industry. They find that it enhances the quality of the contact centre services.

- Variety of communication channels.** German customers like options and freedom of choice. All German contact centres have the infrastructure for the use of telephone and it still remains the most used communication channel within German contact centres (Figure 1). Surprisingly, mail and fax also remain important channels in Germany. Even though 41% of German contact centres already offer the infrastructure for social media communication, it is only used in 2% of all interactions. However, the role of the social media channel is expected to increase.

you are focussing on/want to focus on in order to prove your industry expertise and experience.

- Have a system in place in which it is relatively easy to implement new communication channels.
- Offer different communication channels, including social media. Even if your potential customer is not yet ready for customer contact through social media, the fact that your company is can enhance your professional image and demonstrates you are a solid partner to work with, also in the future. Bear in mind that social media services require additional skills of agents. It is usually technically more complex as conversations are made on different applications and social media dialogues require a different style of writing.

**Figure 1: Available infrastructure in German contact centres, per communication channel, in %, 2012**



Source: *Shaping Tomorrow's Contact Center*

- Good communication.** German companies that currently outsource their contact centre services find that a high level of coordination and communication is necessary to keep the quality of the outsourced work high.

**Considerations for action**

- Communicate frequently and clearly with your customers to ensure quality and to avoid misunderstandings.

**Legal requirements**

- Personal data protection in electronic communications.** Among EU member states, Germany has one of the strongest policies on personal data protection. Providers of technical services regarding electronic communications to EU companies have to take into account the EU legislation on personal data protection (Directives 2002/58/EC and 95/46/EC). The requirements relate to the protection of the privacy of EU users of technical services and also include requirements on 'Cold calling' (approaching prospective customers who were not expecting such an interaction). Germany has a 'Robinson list', managed by the Deutsche Dialogmarketing Verband. Consumers and companies can register for a period of 5 years in which

**Considerations for action**

- Providers outside the EU can be held directly responsible for violations of EU data protection requirements. It is therefore important that you comply with the EU legislation on personal data protection. Refer to [EU legislation: Personal data protection in electronic communications](#) for more information.
- Make sure you understand the terms and conditions of the 'Robinson list. Go to <https://www.robinsonliste.de> for more information.
- Study the terms and conditions of German contact centre service providers as these reflect EU laws.

they cannot be contacted by phone, fax or SMS for direct marketing purposes.

- **TUPE.** The European 'Transfer of Undertakings for the Protection of Employees' (TUPE) regulation protects employees' terms and conditions when a company, or part of a company, is transferred to a new employer. Companies that nearshore/offshore their contact centre services must negotiate with the affected contact centre agents to transfer their individual work contracts.

- Study the TUPE regulation. For more information, go to <https://www.gov.uk/business-transfers-and-takeovers-tupe>.

### Non-legal requirements

There are some additional standards/certifications that could be relevant when you want to target the German contact centre services market. Please note that the standards/certifications mentioned are in general of less importance for smaller companies.

#### Quality requirements

- **ISO 9001.** The ISO 9001 standard represents requirements for the development and implementation of a quality management system in an organisation.
- **COPC.** The COPC® Family of Standards is the most prestigious performance management system in the customer contact industry. Being COPC certified means that a contact centre is taking its business very serious. However, costs of the COPC processes are relatively high.
- **EN 15838.** This is a new EU standard for contact centres. The goal of the standard is to provide quality-of-service requirements for customer contact centres, common to all centres, which exist independent of service provider, service sector or technical approach to the provision of the service. The standard would be applicable both to in-house customer contact centres and those that have been outsourced. This standard is especially important in the DACH region (Germany, Austria, and Switzerland).
- **eSourcing Capability Model for Service Providers (eSCMSP).** This model helps sourcing organisations manage and reduce their risks while improving their capabilities across the entire sourcing life cycle. The Model's Practices can be considered to be the best practices associated with successful sourcing relationships. Where most quality models only focus on delivery capabilities, eSCMSP also addresses critical issues associated with the

#### Considerations for action

- Consider applying for relevant standards/certifications as they can be a way of gaining trust and proving your capabilities. However, they are not a legal requirement.
- ISO 9001 is the most known quality standard among German companies. Applying for ISO 9001 is therefore recommended. Refer to the website of [ISO](#) for more information.
- Refer to the website of [COPC](#) for more information.
- According to industry experts, EN 15838 is an interesting standard, but it is not known yet which influence it will have on the contact centre market. It is recommended to follow the developments of this standard, as it might become an important standard in the long term. Refer to the website <http://en15838.org> for more information.
- eSCMSP is less known than ISO 9001. However, it might help in gaining trust and demonstrating your capabilities. Refer to the website of [ITSOC](#) for more information about the model and its certification process.

initiation and completion of a contract.

**Security requirements**

- **ISO 27002.** ISO 27002 is the standard governing information security and management. It provides the industry-approved model for an Information Security Management System (ISMS) and addresses the confidentiality, integrity, and availability of information within an organisation. ISO 27002 (and its ISO 27001 counterpart) has rapidly become the worldwide standard for information security, helping organisations achieve compliance with the Data Protection Act and Computer Misuse Act.

- Adopting the ISO 27002 standard is a must for service providers that deal with sensitive information of their customers. For more information on ISO 27001 and ISO 27002 standards, go to <http://www.27000.org>.

**Trade and Macro-Economic Statistics**

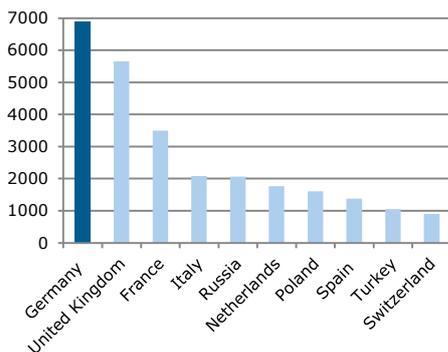
**Market size**

- **Highest number of contact centres in Europe.** Germany has a mature contact centre market. With 6,900 contact centres in 2012, it represents 21% of the European contact centre market, which makes it the largest market in Europe (Figure 2). In terms of employees, Germany ranks second behind the UK with 450 thousand full-time equivalents (FTEs) (Figure 3). 77% of German contact centres are in-house contact centres. This is slightly less than the European average (80%). The other 23% are external contact centres to which contact services have been outsourced. The German contact centre market grows with a slow but steady pace at an estimated 1.3% per year according to a study of the European Contact Center Benchmark. This growth is predicted to continue. The contact centre market is in fact one of the strongest sectors of the service industry in Germany. Quality, innovation, and new business models are the main drivers that make the industry grow.

**Considerations for action**

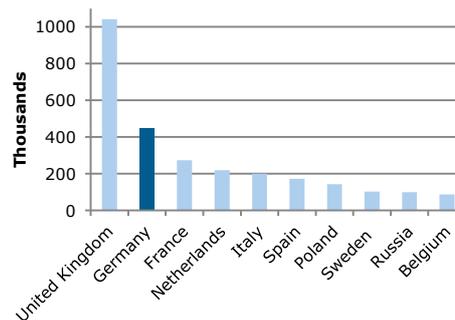
- If you have access to German language skills, consider focusing on the German contact centre market as it has the highest number of contact centres in the EU.
- Make sure you understand the German contact centre market before approaching potential customers in order to optimise your product, price, promotion, and distribution strategy for the German market. Study e.g. product requirements for contact centre services and the German business culture. Also look at competitors that are active on the German market as their service designs, pricing, choice of trade channels, and promotion strategies are based on market research done prior to yours.

**Figure 2: Contact centre market size in number of contact centres, European countries, 2012**



Source: European Contact Center Benchmark 2012

**Figure 3: Contact centre market size in number of total employees, European countries, 2012, in thousands**



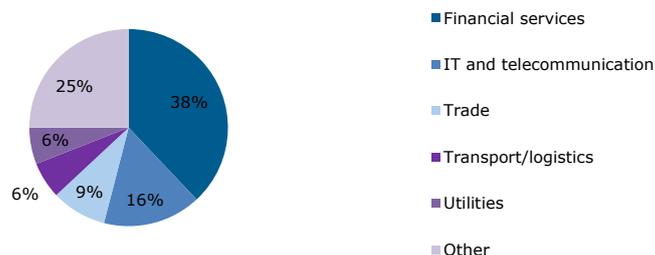
Source: European Contact Center Benchmark 2012

- Nearshoring/offshoring contact centre activities not widely practised yet.** Industry experts estimate that only 3% of all contact centre activities in Germany are nearshored/offshored. They do not predict a large increase within the next three years, mainly due to the important requirement of German native speaking contact centre agents and the lack of these agents in countries outside of Germany. Nearshoring is more popular than offshoring. Even though nearshore locations are generally more expensive than offshore locations, they are more attractive to German companies, especially Poland, Bulgaria, Romania, and Turkey. This is largely because of their available German language skills, proximity, and cultural similarities. Turkey for example has large contact centres in Istanbul filled with Turkish people with excellent German language skills and a good understanding of the German culture because they have lived/worked in Germany. The most popular offshoring location is South Africa.
- Inbound activities major activity.** Around 70% of German contact centre activities consist of inbound activities, which is slightly less than the European average (75%). The other 30% are outbound activities according to a study of the European Contact Centre Benchmark. Specialisation in either inbound or outbound contact centre services is increasing in the German contact centre market. The number of German contact centres that are specialised in outbound activities increased by 27% between 2009 and 2012.
- Financial services industry largest segment.** The financial services industry is the largest segment within the German contact centre market, representing 38% according to the German Outsourcing Association (Figure 4). IT- and telecommunication come second (16%), followed by trade (9%), transport/logistics (6%), and utilities (6%).

**Considerations for action**

- Explore the opportunities of obtaining access to German speaking agents as this will increase your chances on the German market significantly. In case you only have access to English speaking agents, your chances are mainly limited to multinationals.
- Offshore contact centre service providers should limit the potential disadvantages of being offshore by providing excellent means of communication, availability in the required time zone, and good security and privacy measures. Time zone differences for example can be an advantage as they make round-the-clock availability much easier.
- Specialise in inbound or outbound activities. Bear in mind that inbound activities are generally more stable than outbound activities. This is because outbound contact services are often related to the economic situation, which is fluctuating. As a result of the economic crisis, many companies are cutting their budget for outbound contact services.
- Focus on a segment you have experience in. Ask for references from current customers in that segment to help you demonstrate your experience.

**Figure 4: Industries represented in the German contact centre market, in %, 2012**



Source: Deutscher Outsourcing Verband 2012

- **Healthcare industry promising segment.** The healthcare industry, including the pharmaceutical industry, medical technology, and healthcare services, is a promising segment for the contact centre industry. The German healthcare sector is looking for ways to reduce costs, since healthcare costs are under pressure. Outsourcing business processes can be an effective way for companies/organisations in the healthcare industry to reduce costs.

**Considerations for action**

- Consider specialising in contact centre services for the healthcare industry since this is a promising segment, according to industry experts.

**Salaries**

- **Salary levels considerably lower in DCs.** Salaries constitute a large share of the costs of a contact centre. The average salary of a contact centre agent in Germany is €1,758 per month (Table 2). Salary levels of agents in DCs can be significantly lower. Outsourcing contact centre services to DCs can therefore accomplish substantial cost savings for German companies.

**Considerations for action**

- Emphasise the access to qualified employees and cost savings a German company can obtain when they outsource their contact centre services to your company. Include overhead cost and differences in efficiency (number of calls resolved per hour worked).

**Table 2: Overview of monthly salary levels of agents in German contact centres**

Minimum salary	€1,141
Medium salary	€1,559
Average salary	€1,758
Maximum salary	€1,994
Average cost product per hour	€25.8

Source: European Contact Center Benchmark 2012

For more information on statistics and macro-economic indicators in the EU+ EFTA BPO market in general, refer to CBI Trade watch for BPO.

**Market Trends**

**Social market drivers**

- **Shortage of contact centre employees.** The shortage of human resources is seen as the third biggest challenge in the German contact centre industry (behind different technology issues). According to the German call centre association, there were 20,000 open positions in German contact centres at the end of 2012, an increase of 4.0% in one year. The industry is specifically concerned about agent qualifications and training, as the variety and different use of communication channels has set higher qualification standards for agents. The shortage of qualified staff offers opportunities for DC contact centre service providers.

**Considerations for action**

- In your marketing, emphasise the availability of qualified contact centre employees.
- Develop an internal training policy to train your employees' skills and keep their skills up-to-date. Train them e.g. in the use of new communication channels such as social media.
- Join forces with other contact centres in your country and stimulate your government to offer adaptive education programmes. This can increase the skilled labour pool in your country and with that its reputation as a contact centre service outsourcing destination.

**Technological market drivers**

- **Increased use of Unified Communications solutions.** German contact centres are increasingly using Unified Communications solutions in

**Considerations for action**

- Explore the possibilities to implement a Unified Communications solution into your contact centre as such a solution is becoming important in German contact

which real-time communication services such as telephony and chat are integrated with non-real-time communication services such as e-mail or SMS. In the beginning of 2013, almost 50% of German contact centres had a Unified Communications solution in place and 17% are planning to install one according to a study of Altitude Software. Such solutions can improve service significantly. Source:

- **Increased use of mobile websites and apps as self-service tools.** People are no longer bound to desktop PCs. They can now use their mobile phones or tablets to access the web from almost anywhere. This trend is impacting customer services. As a result, an increasing number of German companies offer mobile websites and apps. 60% of German contact centres expect that in the future customers will prefer mobile apps to Voice Portal Services (IVR). Also, social networks are becoming a tool for self-service. All questions, answers, and solutions are public and visible to all internet users and today people prefer to search the web before they turn to customer service for help and support.
  - **Increased use of Unified Contact History.** Access to the full customer interaction history is key to delivering excellent customer service throughout all communication channels. At the beginning of 2013, around half of German contact centres had a Unified Customer Interaction system for all communication channels. Almost 25% of the contact centres are planning to achieve this in the next three years, according to a study of Altitude Software.
  - **Cloud computing.** 20% of German contact centres already use a cloud solution in their contact centre and another 19% are planning to use one in the near future. The remaining two thirds of German contact centres are not planning to move to the cloud soon. They see no real need for change as their existing infrastructure is working efficiently and reliably, or because they are concerned with data privacy and protection when moving to the cloud.
- Integrate mobile websites and apps into your services.
  - Implement a Unified Contact History solution into your system. This is not only becoming increasingly important in German contact centres, but will also improve the efficiency of your services.
  - When you are using cloud solutions, emphasise the reliability and safety of your system in order to take away possible hesitations about data privacy and protection among your (potential) customers.
  - Address data privacy and protection measures, as Germany is more concerned with data privacy and protection than any other European country.

### Economic market drivers

- **Outsourcing by in-house contact centres increasing.** According to the German contact centre association, more German in-house contact centres are outsourcing their services to external providers. However, the trend of outsourcing contact centre services to foreign providers is somewhat decreasing. The main reason for this
- **Considerations for action**
  - When targeting the German contact centre market, make sure you have access to good German speaking agents. Try to hire for example native speakers or provide your agents with intensive German language courses.

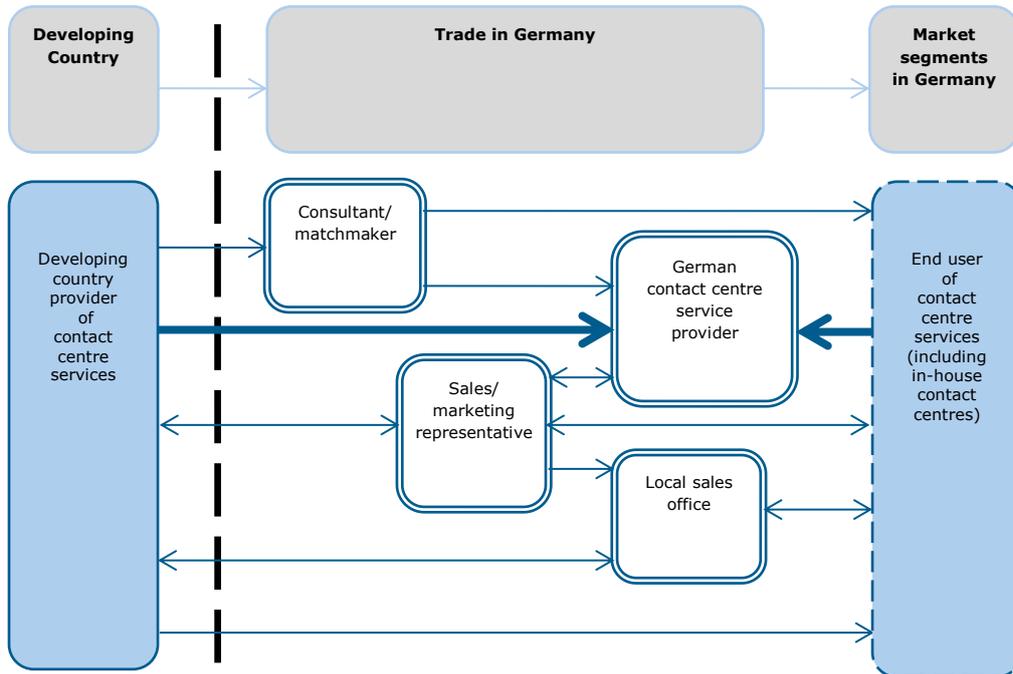
decrease is the lack of good German language skills abroad. Some German companies even brought their contact centre services back to Germany (backshoring) because of this. Other reasons for backshoring were that the costs for project management and quality assurance were higher than expected.

- **Cost reduction main reason to offshore contact centre activities.** Even though Germany is not nearly as affected by the economic crisis as many other EU countries, German companies are still under pressure to reduce costs. One way to do so is to offshore their contact centre activities to DCs.
- Emphasise the cost savings that German companies can achieve when they outsource their contact centre services to you.
- Do not only offer lower costs, but also focus on high quality services. Lower costs per minute do not matter if a call takes twice as long or if the customer is not satisfied with the quality of the call.

For more information on market trends on the EU+EFTA BPO market in general, refer to CBI Trendmapping for BPO.

### Market Channels and Segments

Fig. 5 Trade structure for contact centre services outsourcing in the German market



Source: Peer group BPO and interviews with industry experts

The most relevant channels for entering the German contact centre services market are displayed in Figure 5 and described below.

- **Subcontracting by German contact centre service providers.** Industry experts identify subcontracting by German contact centre service providers as one of the most realistic market entry channels for DC contact centre service providers (Figure 5). German contact centre service providers have good
- Make an analysis of your company and target market in order to choose the most suitable entry channel.
- Target companies whose size corresponds to your own capacity.
- Attend industry events to meet potential customers, as personal contact is very important in the German contact centre

knowledge of the German market and have their own network of customers. Furthermore, up-front capital investments in case of subcontracting are low. Also, German contact centres are under price pressure which can make the subcontracting part of their services to DCs worthwhile.

- **Direct partnership with in-house contact centres.** A direct partnership with an in-house contact centre can prove to be successful but is generally more complex. In-house employees are on the payroll and often have a permanent contract, which means you have to take over employees as they cannot be easily laid off. Direct nearshoring/offshoring of contact centre services is done more by large German end users, such as large technology suppliers. Many smaller German companies with in-house contact centres are still hesitant towards direct nearshoring/offshoring and generally prefer to outsource their contact centre services to service providers within Germany.
- **Intermediaries.** Finding a suitable partner, either a German contact centre service provider or an end user of contact centre services, takes time. Furthermore, German companies like to work with a German contact person. Therefore, German intermediaries such as consultants/matchmakers or sales/marketing representatives can also be an interesting market entry channel, especially when you are new in the German market. Intermediaries generally have a large network, understand the local markets, and have insights into buyer requirements. Since working with an intermediary is seen as less risky than a direct approach, the number of subcontracting contracts that are negotiated through an intermediary is growing.

market. It will probably not immediately generate business, but it is likely to generate new contacts and maybe even business leads. Furthermore, it will give you the opportunity to learn more about the German business culture.

- If you are specialised in contact centre services for a specific industry, for example home appliances, you could try to approach German in-house contact centres in the same industry directly. German companies prefer contact centre service providers with a deep understanding of their particular industry.
- If you choose to work with an intermediary, look at:
  - The expertise of the intermediary. It should be in line with your services.
  - The size and value of the intermediary's network.

Trade associations, trade events, and databases can be good sources to help you find potential customers in Germany. Examples of such sources are:

- Call Center Verband - <https://callcenter-verband.de> - German contact centre association. Go to 'Mitglieder', 'Mitglied finden', and 'Mitgliederverzeichnis' for an overview of German contact centres (both in-house and external contact centre service providers).
- Call Center World - <http://www.callcenterworld.de> - Largest call centre trade fair of Europe, held annually, in February, in Berlin. Go to 'Exhibition', 'Exhibitors', and click on 'Exhibitors' for a list of exhibiting companies.
- DDV - <http://www.ddv.de> - German dialogue marketing association. Go to 'Mitglieder', choose 'Mitgliedersuche' and select 'Call Centre/Telemedien' for a list of German contact centres and telemarketing companies.
- Outsourcing Verband - <http://outsourcing-verband.org> - German outsourcing association. Sign up for EUBIS, an innovative business information and presentation platform with a directory service for European and global service providers.
- Teletalk - <http://www.teletalk.de> - Monthly call centre magazine. Go to 'Markt & Produkte', select 'Marktübersichten', and go to 'Call Center Dienstleister' for an overview of German contact centre service providers.

## Market Competitiveness

Refer to CBI Market Competitiveness for BPO as competitiveness in the German contact centre industry does not differ significantly from the BPO market in general.

## Useful Sources

Besides the sources mentioned in the section 'Market Channels and Segments', other sources that can provide interesting insights into the German contact centre industry are:

- CallCenterProfi - <http://www.callcenterprofi.de> - German call centre magazine, published 8 times a year. It also has an interesting website where news, studies, and whitepapers about the German contact centre market can be found. The website is available only in German.
- Call Center SQUIT - <http://www.squt.de> - German call centre intermediary. Also publishes articles about the German contact centre market.
- Dressler & Partner - <http://www.dressler-partner.com> - Provide information regarding potential offshoring locations all over the world for the BPO, ITO, Shared Services, and Call Center Business. They have a large researching branch. Go to 'Global Research Institute and search their 'Database' and 'Research & journal' sections.
- INTRE - <http://www.intre.cc> - Quarterly magazine about customer care management for the German speaking countries (Germany, Austria, and Switzerland).

This survey was compiled for CBI by Facts Figures Future  
in collaboration with CBI sector expert Harry van Geijn.

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