



# CBI Product Factsheet: Contact centre services in the Netherlands

## 'Practical market insights into your product'

The Netherlands has the sixth largest contact centre market in Europe. With 1,770 contact centres, it represents 5.4% of the European contact centre market. In 2012, contact centres in the Netherlands purchased contact centre services (via in-, out- and cosourcing) with a total value of more than €1 billion. The sector is predicted to grow at an average pace of 2.0% per year. The market offers good opportunities for contact centre service providers that have access to Dutch speaking agents, offer customer services and helpdesk services, and can offer a complete range of contact centre services, including social media monitoring and live chat.

### 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 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

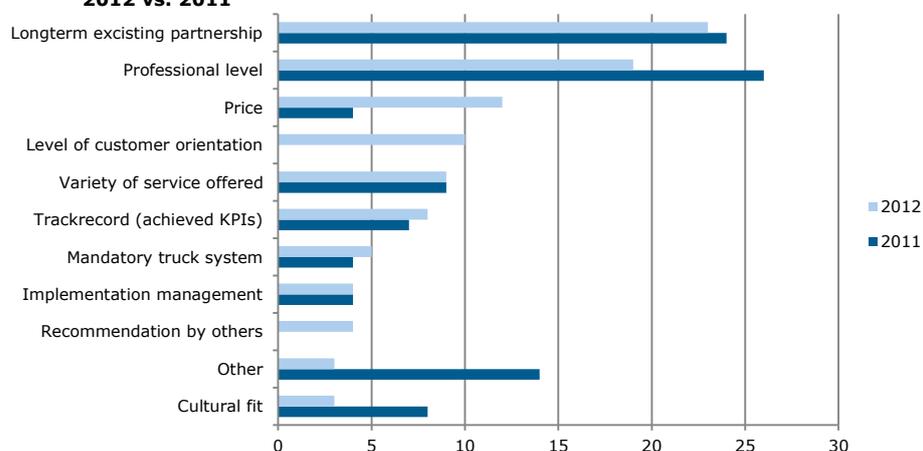
The most important product specifications of contact centre services as required by Dutch buyers are described below.

- **Dutch language skills.** Even though around 85% of the Dutch population claims to be able to converse in English, Dutch customers want and expect to be able to communicate in Dutch with contact centres. According to contact centre outsourcers from the Netherlands, foreign contact centres underestimate the effort of learning Dutch. Dutch language skills are one of the main requirements of Dutch contact centre service buyers.
- **Existing partnership.** For Dutch companies that already outsource their contact centre services, an existing long-term relationship is the most important criterion for choosing an outsourcing partner (23%). They see their existing relationship with an outsourcing partner as a good basis for establishing a successful partnership (Figure 1).

### Considerations for action

- Study websites of Dutch 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 Dutch market.
- Make sure you have access to Dutch-speaking agents, since entering the Dutch market without these will prove to be very difficult.
- Provide your agents with Dutch pronunciation lessons in order to reduce possible accents.
- If you have good English-speaking agents, consider targeting multinational companies in the Netherlands.
- Build up long-term relationships with current customers and use them as a reference to convince Dutch potential partners that you are a solid partner to work with.

**Figure 1: Important criteria for Dutch contact centres when choosing an outsourcing partner, 2012 vs. 2011**



Source: Totem 'Performance Customer Interactions 2012'

- Professionalism.** The professionalism of an outsourcing partner is the second most important criteria (18%) for Dutch companies that outsource or want to outsource contact centre services. Good service quality is an important aspect of professionalism. Service quality can be measured by different performance metrics. The most used key performance indicators (KPIs) in the Dutch contact centre market are quantitative, such as first contact resolution and time before speaking to an agent. The level of customer orientation is becoming increasingly important (see Figure 1) and is currently monitored almost as much as quantitative indicators. An overview of the most used KPIs in Dutch contact centres can be found in Table 2. Service quality is an area for improvement according to Dutch companies that are already outsourcing their contact centre services.
- Provide potential customers with information about the key performance metrics of your company in order to show them your quality standards and capabilities. Use this information in your promotional activities as well.
- Compare the performance metrics of Dutch contact centres with the metrics of your own company to see where you can make a difference and communicate this to potential customers.
- Invest in good quality equipment in order to enhance the quality of your service.

**Table 2: Service performance of Dutch contact centres, 2011**

	In-house	Outsourced
	<b>Telephone</b>	
<b>Service level</b>	<b>75%/30sec</b>	<b>80%/25sec</b>
<b>Time before speaking to agent</b>	40 sec	32 sec
<b>First contact resolution</b>	78%	84%
	<b>E-mail</b>	
<b>Service level</b>	85%/35 hour	85%/24 hour
<b>First contact resolution</b>	81%	83%

Source: Contact Centre Industry Research 2012

- Attractive price.** Price is also an important criterion in the selection process of a contact centre service provider (12%). Its importance increased significantly between 2011 and 2012. In 2011, only 4% of Dutch companies said price was the main criteria, whereas in 2012, this has gone up to 12%. This is probably because companies are still looking for ways to reduce costs due to continuing economic uncertainty in the Netherlands.
- Pricing model.** When outsourcing contact centre services, price per agent/hour/seat/call is the most common form of cooperation (57%) according to research done by Totem. Other ways to agree on a price are a fixed budget per year (16%), price per product/unit/box (14%), price per sale (9%), and price per customer (4%). This shows that the determination of the costs is mainly based on volume. To guarantee service quality, Dutch contact centres work with bonus/malus arrangements and/or KPIs.
- Emphasise the cost savings a Dutch company can obtain when they outsource their contact centre services to your company, together with proof of your professional level.
- Adapt your price strategy to the requirements on the Dutch market. Take into account that price per agent/hour/seat or call is the most common price strategy on the Dutch contact centre market.

**Legal requirements**

- Personal data protection in electronic communications.** Providers

**Considerations for action**

- Providers outside the EU can be held directly responsible for violations of EU

of technical services regarding electronic communications to EU companies have to take into account the EU legislation on personal data protection (Directive 2002/58/EC and Directive 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 are not expecting such an interaction). The Netherlands has developed the so-called 'Bel me niet register' (do-not-call-me register). Consumers and companies who do not wish to receive unsolicited phone calls for direct marketing purposes can register their phone numbers on this website. Companies are then only allowed to call those people or companies if they are already customers.

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

### Non-legal requirements

There are some additional standards/certifications that are appreciated when targeting the Dutch contact centre services market.

### 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 seriously. 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 customer contact centres that are internal to a business and those that

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 'Bel me niet register'. Go to <http://www.bel-me-niet.nl> for more information (note that the information on this website is in Dutch).
- Study the terms and conditions of Dutch contact centre service providers as these reflect EU laws.

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

### Considerations for action

- Consider applying for relevant standards/certifications to gain trust and prove your capabilities. However, they are not a requirement.
- ISO 9001 is the most known quality standard among Dutch 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.

have been outsourced.

- **eSourcing Capability Model for Service Providers.** 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, eSourcing also addresses critical issues associated with the 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.

- eSCMSP is less known than ISO 9001. However, it might help in gaining trust and proving your capabilities. Refer to the website of [ITSQC](http://www.itsqc.org) for more information about the model and its certification process.

- 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**

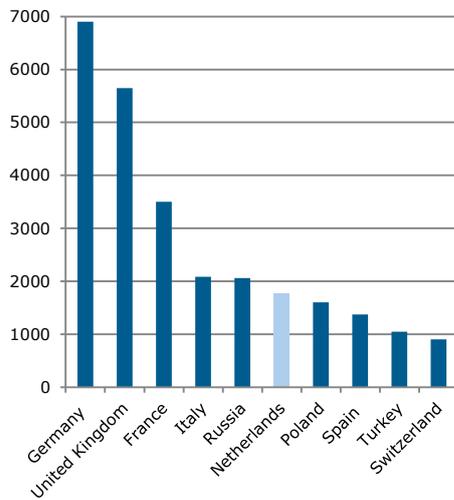
### **Market size**

- **Sixth largest contact centre market in Europe.** The Netherlands has a mature contact centre market. Dutch contact centres are more than twice as large as most other European contact centres with an average of 115 full-time equivalents (FTEs). The reason why Dutch contact centres are so large lies with the fact that the contact centre industry in the Netherlands is one of the oldest and most mature contact centre markets in the world. Players have merged over the years and have attracted other international players to the Dutch market. With 1,770 contact centres in 2012, the Netherlands represents 5.4% of the European contact centre market, which makes it the sixth largest market in Europe (Figure 2). In terms of employees, the Netherlands ranks fourth, with more than 220,000 thousand FTEs (Figure 3). In 2012, the Dutch contact centre market had a value of more than €1 billion in 2012. The market grows with a steady pace at an estimated 2.0% per year. The growth is predicted to continue.

### **Considerations for action**

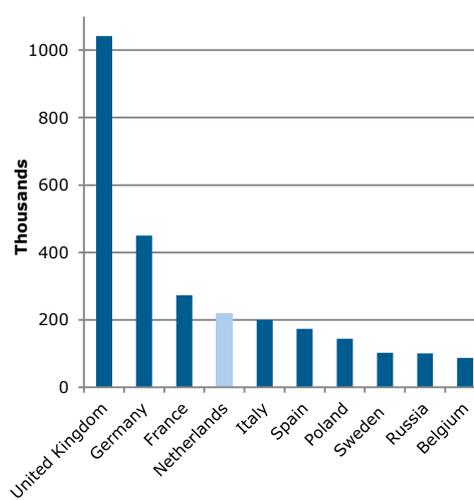
- If you have access to Dutch language skills, consider focussing on the Dutch contact centre market as it is a well-established and steadily growing market that is predicted to continue to grow in the next 5 years.
- Make sure you understand the Dutch contact centre market before approaching potential customers in order to optimise your product, price, promotion, and distribution strategy for the Dutch market. Study e.g. product requirements for contact centre services and the Dutch business culture. Also look at competitors that are active on the Dutch market as their service designs, pricing, choice of trade channels, and promotion strategies are based on market research done prior to yours. You could make use of that.

**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**



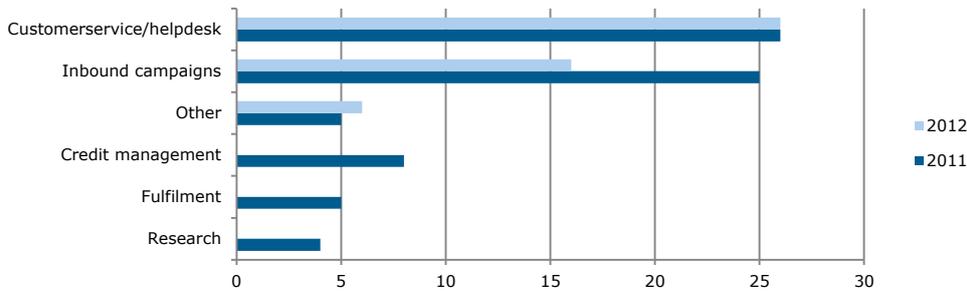
Source: European Contact Center Benchmark 2012

- Dutch contact centre market dominated by 3 large players.** 15 years ago, there were around 5 large important players in the Dutch contact centre market. In recent years, mergers and take-overs have reduced the number to 3 (Teleperformance, SNT, and Cendris). The competition in the market is fierce and is predominantly price-driven.
- In-house contact centres dominate.** 79% of Dutch contact centres are in-house contact centres, largely in line with the EU percentage. The remaining 21% are external contact centres to which contact services have been outsourced.
- Mostly outsourced within the Netherlands.** Almost 90% of all outsourced contact centre activities are outsourced to providers within the Netherlands. The remaining 10% is evenly divided between nearshore and offshore providers. Popular destinations are mostly countries with a relatively large Dutch-speaking population, which are Turkey and Morocco nearshore, and Surinam and the Dutch Caribbean Islands offshore. Experts in the Dutch contact centre industry do not expect this percentage to change much in the upcoming years.
- Customer service/helpdesk most outsourced.** Customer service/helpdesk are the contact processes that are most outsourced by Dutch companies (26%). The outsourcing of outbound and inbound campaigns decreased between 2011 and 2012 (Figure 4). This is mainly because of decreasing budgets of Dutch
- Make sure you are competitive in your pricing, as the Dutch contact centre market is predominantly price-driven.
- Besides outsourced contact centres, you could also target in-house contact centres, especially if you have expertise in their specific vertical market.
- Explore the opportunities for obtaining access to Dutch speaking agents, since this will significantly increase your chances on the Dutch market.
- Focus on processes you have experience in. Ask for references from current customers to demonstrate your experience in these processes and to maximise your changes of a business deal.
- Focusing on customer service/helpdesk might offer the best opportunities as they are the most stable. Furthermore, Dutch

contact centres. Experts in the contact centre industry in the Netherlands do not expect that outsourcing customer service or helpdesk activities will increase much in the upcoming years.

companies are increasingly focusing on increased customer satisfaction in which good customer service plays an important role.

**Figure 4: Outsourced contact centre processes in Dutch contact centres, 2011 and 2012, in %**



Source: Totem: Performance Customer Interactions 2012

### Salaries

- Salary levels lower in developing countries (DCs).** Salaries form a large share of the costs of a contact centre. The average salary of a contact centre agent in an outsourced contact centre in the Netherlands is around €1,600 per month. Salaries at in-house contact centres are generally higher (Table 3). Salary levels of agents in DCs can be significantly lower. Outsourcing contact centre services to DCs can therefore accomplish substantial cost savings.

#### Considerations for action

- Calculate the cost savings a Dutch company can achieve when they outsource their contact centre services to you. Include overhead cost and differences in efficiency (number of calls resolved per hour worked). Compare for example the monthly salary of a contact centre agent in your company to the monthly salary of a contact centre agent in the Netherlands.

**Table 3: Average hourly salary for contact centre employees in the Netherlands, 2012**

Position	In-house	Outsourced	Government
Own agents	15.25	9.85	15.80
Flex worker	14.35	9.25	13.85

Source: Contactcenter Brancheonderzoek 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

- Difficulties in finding motivated employees.** Dutch people generally have a low perception of contact centre jobs, especially among the younger workforce. The social status of such a job is quite low and few contact centre employees are ambitious about their job which results in a high employee turnover. Especially in outsourced contact centres outflow is high, between 30-40%. In addition, Dutch consumers demand high quality services from contact centres. They are becoming more demanding in service levels and are increasingly frustrated by the quality of existing services. This offers

#### Considerations for action

- Emphasise the availability of qualified contact centre employees.
- Ensure a high service level by developing an internal training and motivation policy to keep your agents motivated and their skills up-to-date.

opportunities for DC contact centre providers that can deliver motivated (Dutch speaking) agents and high quality services.

- Demographic changes.** The population in the Netherlands is ageing. Within the next 10 years, a large part of the workforce will retire. On the one hand, this can lead to a shortage in employees, especially in government contact centres, as they have a relatively old workforce. On the other hand, the retirement age in the Netherlands will be increased from 65 to 67. This means that there will be an increase in the number of older workers available. Contact centres might therefore increasingly focus on the older workforce. During the economic crisis, many Dutch contact centre agents cling to their jobs, even though they might prefer to work somewhere else. When the job market recovers, a large outflow of contact centre agents is expected.
- Keep an eye on the Dutch job market and look for signs of recovery. When the market starts to recover, many contact centre agents are expected to leave their jobs.

**Technological market drivers**

- Use of new media channels higher in outsourced contact centres than in in-house contact centres.** 25% of Dutch consumers prefer social media for customer contact and this share is increasing. Especially outsourced contact centres adapted to this development: the use of new media channels is much higher in outsourced contact centres (60%) than in in-house contact centres (24%) (Table 4). This significant difference can be explained by two things. First of all, outsourced contact centres are usually bigger and more professional than in-house contact centres. Secondly, outsourced contact centres generally have a higher employee turn-over than in-house contact centres. A higher employee turnover results in more new employees who are generally more open towards the use of new working methods, such as new media channels. Not all Dutch contact centres are prepared for the shift in customer communication channels. Telephone, website, and e-mail are still the most used channels. Chat and Skype are the most used new media channels in Dutch contact centres.

**Considerations for action**

- Besides telephone, website, and e-mail services, also offer customer services through new media channels such as Facebook, Twitter, Skype, and chat.

**Table 4: Use of new media channels in Dutch contact centres**

	In-house	Outsourced
<b>Use of new media channels</b>	24%	60%
<b>Social media monitoring</b>	89%*	67%

\*Social media monitoring is divided evenly between contact centre and other departments  
 Source: Contactcenter Brancheonderzoek 2012

- Increasing social media monitoring.** Social media monitoring at Dutch contact centres increased from 50% (in-house and outsourced contact centres) in 2010
- Consider offering social media monitoring services as this is an increasingly important service for Dutch contact centres.

to 89% in 2012 at in-house contact centres and 67% at outsourced contact centres (Table 4). The reason why the percentage of social media monitoring is so high in in-house contact centres can be explained by the fact that this research also has taken into account social media monitoring at other departments than the contact centre. The increasing use of social media as a customer contact channel is leading to more customer interaction and therefore increases demand for contact centre services.

- **Social media offers new services for contact centres.** The increasing use of social media does not only mean new communication channels for contact centres but also results in a new market segment. An increasing number of Dutch companies are asking contact centres to monitor social media for them and to write content on social media. They want to know what is written about their company to be able act on that content.

- Offer social media monitoring and content writing services as part of your service package.

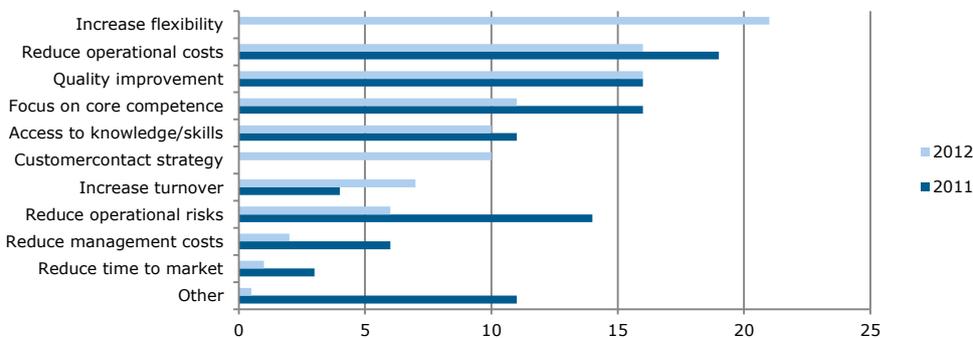
**Economic market drivers**

- **Increased flexibility and cost reduction main reasons for outsourcing contact centre activities.** For most Dutch companies, increasing flexibility has become the main goal when outsourcing contact centre services (Figure 5). They find the availability of additional capacity one of the most important advantages. However, for 28% of Dutch companies that outsource their contact centres, the goal of increased flexibility has not been achieved. Reducing operating costs such as wages and quality improvement are other important goals.

**Considerations for action**

- Show potential customers how you can offer them flexibility, for example access to flexible capacity.
- Make clear agreements about flexibility so that you know what your customer expects from you and what you can expect from them. You may consider working with a fixed price per call, flexible business hours, etc. Being able to upscale or downscale when needed is deemed to be very important.

**Figure 5: Main goals of outsourcing contact centre services for Dutch companies, 2011 and 2012, in %**



Source: Performance Customer Interactions 2012

- **Budgets are under huge pressure due to recession.** Companies in the Netherlands are under pressure to save costs due to continuing economic

- Offer a full service package that also includes web self-service solutions.
- Emphasise cost saving in your marketing message. Compare e.g. the monthly

uncertainty. The budgets for contact centre services are therefore becoming smaller, but demand for contact centre services is not declining. Most Dutch companies that outsource their contact centre services have a budget of €500,000 or less. Dutch companies are trying to save costs by offering web self-service solutions and/or customer service through social media. However, outsourcing contact centre services can also be a way to reduce costs.

- **The Dutch contact centre outsourcing market moves in 'waves'.** There are years where companies are increasingly outsourcing their contact centre activities and years where they are moving it back in-house. All decisions are made with the aim to save money. During the last couple of years, the market has been developing towards the in-house phase. According to industry experts, it is expected that in 2014 or 2015 the market will again turn towards outsourcing.
- **Price per customer.** Dutch companies are increasingly asking contact centre service providers for a price-per-customer price model. In 2010, only 14% of all companies that outsource (or want to outsource) contact centre services expected to work with the price-per-customer model. In 2012, this number went up to 31% (Source: Performance Customer Interaction 2012, by TOTE-M). The price-per-customer model provides the outsourcing company with the security of paying a fixed price per customer, regardless of the number of contacts. The service provider can increase profit by reducing the number of customer contacts by looking for ways to improve the process and/or by implementing self-service applications.
- The sales cycle of contact centre service outsourcing is long. This means you should already start approaching potential customers even though the market is still in an in-house phase.
- Emphasise cost saving in your marketing message.
- Offer to work with a price per customer if you think your company is innovative enough to find ways to reduce the number of customer contacts.

salary of a contact centre agent in your company to the monthly salary of a contact centre agent in the Netherlands.

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

## Market Channels and Segments

**Figure 6: Trade structure for contact centre services outsourcing in the Dutch market**



Source: Peer group BPO and interviews with industry experts

- **Partnership.** Dutch companies are mostly looking for a partnership, a relationship that goes beyond customer/supplier. A personal approach is key in the Dutch market. A successful entry in the Dutch market can be achieved through different channels which are displayed in Figure 6.
- **Subcontracting by Dutch contact centre service providers.** According to industry experts, subcontracting by Dutch contact centre service providers is the most realistic market entry channel for DC contact centre service providers. The advantage of working with a Dutch contact centre service provider is that he already knows the market and has experience in approaching potential customers. Furthermore, up-front capital investments in case of subcontracting are low.
- **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 payroll and often have a permanent contract which means you have to take over employees as they cannot be easily laid off. It is most likely to be successful among larger end users. Large contact centre contracts are usually outsourced by a Request For Information (RFI) or a Request For Proposal (RFP) as Dutch companies prefer the transparency of this system.

### Considerations for action

- Make an analysis of your company and target market in order to choose the most suitable entry channel.
- Approach contact centre service providers that correspond to your company size and segment.
- Attend trade or industry events to meet potential customers in person. It will probably not directly 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 Dutch business culture.
- Consider approaching in-house contact centres directly, especially if they are in the same vertical market as your company.

- **Local intermediaries.** Entering the Dutch market via a local intermediary like a consultant matchmaker or sales/marketing representative is an interesting option. Local intermediaries know the market, know how to approach interesting companies, and already have a network. According to a Dutch offshoring expert, contact centre service providers should work on a solid business relationship with local intermediaries. Take into account that finding a suitable partner, either a Dutch contact centre service provider or an end user of contact centre services, is a long term process.
- 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 the Netherlands. Examples of such sources are:

- Customer Contact Magazine - <http://www.ccmonline.nl> - Go to 'Branche Informatie' and 'Wie levert wat' for a list of stakeholders in the Dutch contact centre market. This does not only include contact centre service providers but also consultancy companies that might be interesting intermediaries to enter the Dutch market.
- Klantenservice Federatie - <http://www.klantenservicefederatie.nl> - Dutch customer service association. Go to 'Wie zijn we' and 'Leden KSF' for a list of members. Members include both in-house contact centres and outsourced contact centres.
- Multichannel - <http://www.multichannel2014.nl> - Contact centre trade event, held annually, in April, in Utrecht. Click on 'Exposanten' and 'Exposantenlijst'.
- Outsource Magazine - <http://www.outsourcingmagazine.nl> - Bimonthly outsourcing magazine. Go to 'Outsource Overview' and click on 'Nearshoring', 'Offshoring', 'Klantcontact outsourcing' or 'Telecom Outsourcing' for a list of potential trading partners.
- Top Contact Center Managers - <http://www.tccm.nl> - Network for contact centre managers of large (100+ seats) contact centres. Go to 'Onze leden' for a list of members.

## Market Competitiveness

Refer to CBI Market Competitiveness for BPO as competitiveness in the Dutch 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 Dutch contact centre industry are:

- Dutch Dialogue Marketing Association - <http://ddma.nl> - Branch organisation for dialogue marketing. Go to 'Kennishank' and search on your preferred marketing channel for a broad variety of information, publications and research about the topic.
- Telecommerce - <http://www.telecommerce.nl> - Monthly customer contact magazine (only available in Dutch).

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

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