RYAN STRATEGIC ADVISORY

Rethinking your CX Strategy with Gig

A white paper for Solv™ by Concentrix

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Introduction

Let there be no mistake – gig working is a global reality and it is not going away. More than ever before people across different age groups, countries and educational backgrounds want to participate in the gig economy. This is proving to be a benefit for organizations that are able to harness the energy and talent that gig workers bring to the table. And while this business model stretches across a number of different industries, it is the customer experience sector (CX) where gig working is truly becoming a disruptive force for better interactions.

The reality is, that the traditional customer experience work model is quickly becoming dated. Fewer talented, consumer-focused prospective agents are willing to tolerate working set schedules in a contact center operation. Rather, the focus moving forward for many in this talent pool will be to deliver the best possible interactions by using their energy and subject-matter expertise to drive both customer satisfaction and loyalty. A growing number of forward-looking enterprise executives recognize this trend and are understandably adapting their strategies to incorporate this way of CX working.

Gig working is straightforward to operationalize

A number of facets are leading to interest among enterprise customer experience decision-makers when it comes to using the gig model in their contact center strategies. Probably one of the most important relates to the fact that from an operations perspective this way of driving better CX for consumers is not hard to get up-and-running. And, while new ways of working in customer experience management tends to be met with hostility from many executives who are wary of how shifts in CX structures will impact interaction quality, there has been much less resistance when it comes to the gig business model.

However, to be clear, in order to leverage the best that gig can bring to CX in the shortest amount of time, there are considerations that enterprises need to take into account. Among the most important include:

- *Experience* – any enterprise leveraging gig CX must do so with a management team that intricately understands all aspects of the business model, in order to successfully operationalize it in a swift fashion;
- *Technology* – the right platforms need to be in place to help gig agents get up-and-running as quickly and seamlessly as possible.
- *Processes* – people management, compliance / security and workflows are all distinct in gig CX delivery. Thus, it is imperative to have the right gig-oriented procedures in place.

Given the relative newness of gig-working in the CX domain, the ability to source the above points via an experienced partner is the preferred approach for many enterprise executives.

Gig working is cost-effective

From a value perspective, gig working makes financial sense for enterprise CX operations. This is abundantly clear when comparing gig CX versus the traditional model of contact center delivery. In the case of the latter, an enterprise is obligated to hire a set number of agents to work a set period of time, during which they may or may not be handling interactions with consumers. Regardless of their activity level, the enterprise must pay each agent's salary and statutory benefits, which depending on local labor laws may be heavy. This is in addition to voluntary incentives and the management of payroll deductions. There are also the overheads associated with housing an agent in a facility (such as running a canteen, locker-rooms, security management and leisure facilities, to name a few).

Compare this with the gig model, which makes for a compelling, value-based approach to end-user management. Using a mutually agreed upon rate, the gig agent is compensated for those interactions that they successfully manage to completion, and to the satisfaction of the consumer. This encourages productive use of time. Further, the enterprise is not responsible for managing deductions or providing statutory or voluntary benefits to the gig agent. Equally, as gig agents work remotely, outsourcers enjoy lower facilities costs.

Traditional Contact Center

- ✗ Paying for productive and unproductive time
- ✗ Susceptible to local wage laws
- ✗ Cost benefits packages
- ✗ Human resource costs related to payroll deductions
- ✗ Facilities overhead expenses

Gig CX Model

- ✓ Pay-for performance
- ✓ Set rate per interaction
- ✓ Gig worker manages their own payroll deductions
- ✓ No associated benefits
- ✓ No operational expenses for running a physical contact center

This value-driven approach has not been lost on enterprise contact center executives. In fact, in the most recent Ryan Strategic Advisory Front Office Omnibus Survey of 540 captive operators across Western Europe, North America and Australia, cost management was seen as one of the most compelling reasons for incorporating gig as part of a well-balanced CX strategy.

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Developing a gig strategy is straightforward

Smart enterprises are looking to adopt gig CX as a strategic element of their broader consumer interaction strategies. The fact is that the pathway toward the best possible customer interactions will only get more complex. Today, end-users communicate across more channels, and their expectations are increasing. This is in addition to ongoing business pressures that include seasonal customer experience demand surges, growing multilingual support requirements and the need for securing business continuity. This is why companies rightly want to bring the gig model into their long-term CX plans. However, for many enterprises, the challenge lies in that they are not far enough along on their own customer management evolution to realistically formulate and implement a gig strategy. This is why working with an experienced gig partner is gaining traction as a means of getting such a program up and running.

Conversely to what some may think, incorporating gig into a customer experience program need not be complex. Rather, if handled properly, it is complimentary to traditional business models. The most important considerations around strategy development for gig CX working include:

- *The sector's CX dynamic* – what are the typical interactions being supported within the industry, and among those, which would benefit by being shifted to the gig model?
- *The typical consumer* – within the scope of the enterprise's buyer base, what is the profile of the customer and does this group lend itself to gig servicing? Or, is a more traditional model contact preferred?
- *The ideal agent* – equally important as the consumer profile when developing a gig CX strategy is that of the front-line representative. Does the enterprise have the reputation needed to recruit the passionate, independent agent who is associated with successful CX delivery? If not, how best to build the needed synergy to bring in this type of agent? If so, what are the best channels for conducting the most efficient recruitment campaign?

These are each important strategic points that need to be taken into consideration as decision-makers leverage gig's potential. However, the reality is that given the cutting-edge nature of gig as a CX business model, the expertise around strategy development is almost non-existent within enterprise customer management operations. This is further reason why working with an experienced partner is rapidly becoming the model of choice for many companies.

Gig CX is happening now – no enterprise can afford to wait

Gig working is here and it not going anywhere. This not only applies to customer relationship management; it is a trend unfolding across the broader economy. Consider the following:

- According to some estimates, [roughly 40%](#) of the US labor force is represented in the gig economy;
- In the UK, roughly [1-in-10 adults](#) worked in the gig economy in 2019. This was an increase of 50% from 2016.
- [Gig working is not simply for young people](#) – it leverages talent across age brackets, meaning that prospective employers can leverage the benefits of working with a wide-range of age groups.

With these factors in mind, there is little wonder that the gig working model retains interest from CX professionals. And, even more compelling is that research shows that it is currently being used in a customer management setting. In fact, research conducted by Ryan Strategic Advisory for Solv™ by Concentrix indicates that a significant proportion of enterprises are using gig workers to manage elements of their interaction flows. As noted below, roughly two-thirds of those surveyed are incorporating some aspect of gig management into their email and social media CX strategies, with a solid proportion stating that this model is in play when it comes to web-chat and messaging platforms.

What current customer support channels are active in your Gig business? Select all that apply
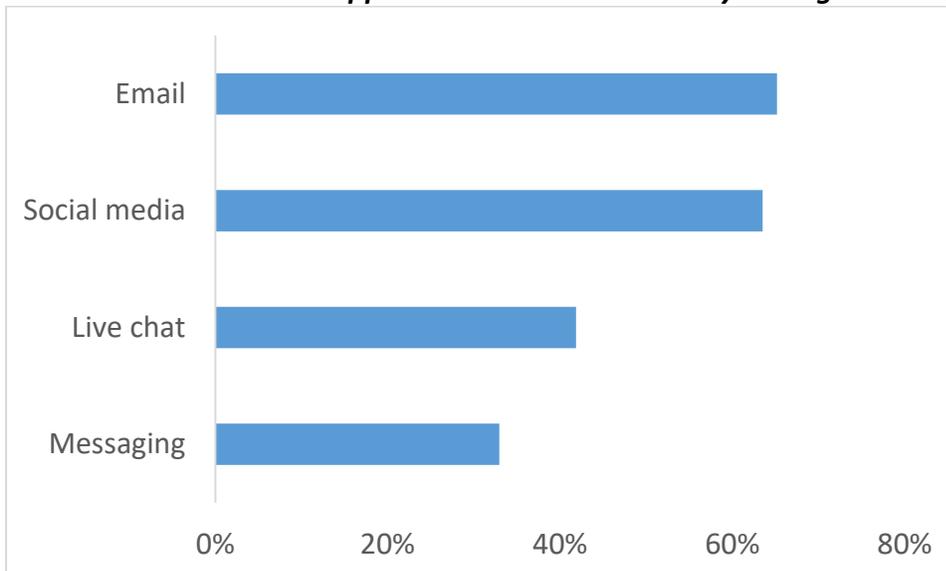
Source – Ryan Strategic Advisory

It is further noted that the 2020 Front Office BPO Omnibus Survey shows significant interest among enterprise executives toward working with outsourced partners that have gig capabilities. Although this model is relatively new in the CX domain, those surveyed in the US

rated gig capabilities as a top-10 competitive advantage for an outsourcing partner to bring to the table; in the UK, gig CX was among the top-5 most important advantages.

Solv™ by Concentrix Differentiates Using Gig CX

Since its inception, Solv has been at the forefront of the gig working model when it comes to customer management. This gig CX market leadership has been exemplified in the following examples:

Fast ramp-up
- A global technology leader required a fast start to a complex technical support campaign, and engaged Solv to deploy the gig model. Solv managed to design and implement the programme over a 6-week period, resulting in performance-based efficiencies that lowered costs by roughly 20% while increasing chat service levels by over 90% in 24-hour cover periods.

Customer experience improvements
- A worldwide distributor of consumer electronics engaged Solv to help manage their email traffic. Being in a customer-oriented sector, the ability to provide rapid and accurate responses is crucial in building loyalty. By bringing in the gig CX model, Solv lowered email response wait times from 15 hours to 3 hours.

Managing surges in demand
- An leader in e-commerce in Asia was facing significant pressure managing digital interactions during peak buying times, both in terms of cost and human resource management. This organization engaged Solv, which instituted a gig-based strategy that allowed cost-effective seasonal CX support ramp-ups of up to 4X during peak periods.

Emerging and mid-sized orientation
- Solv has proven that gig CX is not simply a business model for large or global organizations. Rather, this way of working is ideal for smaller, growing businesses that want to drive the best possible outcomes in the most efficient manner. To this end, Solv developed a digital platform for a mid-sized client that allowed them to move their customer support function out of offshore premised-based delivery into a gig model, resulting in annual savings of $350k.

Conclusions

Gig CX is a business model that is changing the manner in which consumer interactions are managed. No longer are enterprises favoring the expense and effort needed to run a traditional customer management operation. Instead, businesses across the vertical spectrum are opting for a leaner approach, one that provides end-users with the best interactions possible, delivered by entrepreneurial and innovative front-line ambassadors. This business model is one that is being leveraged across the broader economy. Thus, it is logical that its best aspects are sought after to drive end-user loyalty. To be clear, this way of working carries significant strategic rewards, if deployed properly. Hence, finding a strong partner with the resources, experience and thought-leadership to truly maximize the potential of gig CX should be the priority of any interested enterprise executive.