



Call Centres as an Enterprise Opportunity in South Africa

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Market Conditions

- Highly regulated telecommunications industry
- Limited access to telephony by local market
- Distorted demographic profile of market
- Highly developed mobile networks
- Start-up capital expenditure, barrier to entry

Local Call Centre Industry

- History approximately 15 years
- Early adopters financial services
- Major players Siebel, Siemens and Lucent
- Trend towards mini-centres coupled with CRM systems

Enterprise Opportunity (Local)

- Cost of customer acquisition high
- Accessing customers using call centres as opposed to direct contact costs seven times less
- Cost of transport extremely high in South Africa
- Immense cost reduction using 24 x 7 smart support call centres

Enterprise Opportunity (Global)

- India, 100 000 jobs created
- North America and Europe, main markets
- Problems: telecom, electricity supply, language
- Western Cape opportunity
- Possible job creation of 50 000 plus
- Could compete with Adelaide or Cork
- Niels Kjellerup, July 2000

Case Study - Globaltelesales

- Lufthansa call centre subsidiary
- 30 000 calls per day, \$150 million in sales globally
- Cape Town office 3000 calls per day
 - Overflow volume from Lufthansa centre in Kassel, Germany, for domestic market
 - Routed to 120 German speaking agents locally
 - Agents all South African, some of whom are trainers at Lufthansa's training facility in Berlin

Success in Cape Town

- Reasons:

- Highest international standards of local telecommunications
- Impeccable technical support services around infrastructure
- Abundance of employees with high level English and German language skills
- Third party work already taken on from South African and German companies within a year of operation

Concluding Remarks

- With deregulation in telecom in South Africa in March 2002, reduction in operating costs envisaged
- South African market increasingly accustomed to SMS and WAP services in booming mobile market
- Unofficial figures for telesales in 1999 \$200 million
- Indications are double this figure for 2000