

Call Centers
Turnover/Output Measures in the United
States

(ISIC Rev. 4 8220, NAICS United States 2012 56142)

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ISIC 8220, Call Centers

1. Definition of service being collected

ISIC 8220, Call Centers is broken down into two industries for NAICS United States covering 561421, Telephone Answering Services and 561422, Telemarketing Bureaus and Other Contact Centers. Telephone answering services are defined as answering telephone calls and relaying messages to clients. These services are of the type typically used by medical professionals or others that are on call for emergencies outside of normal business hours.

Telemarketing bureaus and other contact centers provide a much wider range of services to their clients. The services can include fax, e-mail, and telephone contact to receive and process orders, to promote the clients services or offerings, to solicit contributions for clients, or to provide general information and customer assistance regarding a clients services. These services can require inbound inquiries, outbound solicitations, or both.

These services are generally provided on a contract or fee basis to clients but can also be provided by separate units to support other locations of multi-establishment companies.

2. Unit of measure collected

Surveys and Censuses covering call center output collect the dollar value of sales, shipments, receipts, or revenue for the provision of call center services.

3. Surveys measuring call center output

The U.S. Census Bureau has a number of surveys and censuses that collect output data for call centers.

The Quarterly Services Survey (QSS) targets employer companies and provides quarterly estimates of revenue at the NAICS three-digit level for 561 (pt) based on a sample of providers. Quarterly estimates are not published at the five- or six-digit NAICS level for call centers.

The Service Annual Survey also targets employer companies and provides annual estimates of revenue for employer firms at both the five- and six-digit NAICS level based on a sample of providers.

The Economic Census (conducted in years ending with 2 and 7) collects detailed data on employment, payroll, revenue, expenses, and similar characteristics for both industries and products at the six-digit NAICS level. The Economic Census provides sampling frames for annual and periodic surveys and is the basis for benchmarking sample surveys to the universe of the Census. Five-year Economic Census data also provide the basis for developing weights in the Producer Price Index program. The Economic Census provides the most comprehensive benchmark data provided by the economic programs at the Census Bureau.

In addition to the surveys and censuses listed above, the U.S. Census Bureau produces country business patterns annually that provide estimates of payroll, employment and establishment counts at the six-digit industry level. These data are provided at the State and County level using noise to ensure confidentiality. Finally, Nonemployer Statistics provide estimates of the number of call center establishments that do not have employees. This data is derived from administrative tax data and is available for NAICS 56142.

Alternative measures of establishments and employment are available from the Quarterly Census of Employment and Wages produced by the U.S. Bureau of Labor Statistics.

4. Market conditions and constraints

Call Centers arose as businesses outsourced certain back office functions to providers of those services who could provide the services in a more economical fashion due to specialization and economies of scale. According to data from the Bureau of Labor Statistics, employment in call centers increased by almost 36% from 2003 to 2013¹. This growth trend continued throughout the recession in the late 2000s. Data from the 2012 Economic Census have not been released. Market size is based on a variety of the most recent source data available rather than exclusively 2007 Economic Census data.

Call center establishments by employment size class in 2012 from County Business Patterns are included in Table 1².

¹ Bureau of Labor Statistics, QCEW, series report 201408041345637, downloaded from BLS.gov

² U.S. Census Bureau, County Business Patterns, 2012 <http://censtats.census.gov/cgi-bin/cbpnaic/cbpdet.pl>

Table 1.

| | | Total establishments | 1-4 | 5-9 | 10-19 | 20-49 | 50-99 | 100-249 | 250-499 | 500-999 | 1000 or more |
|--------|---|-----------------------------|------------|------------|--------------|--------------|--------------|----------------|----------------|----------------|---------------------|
| 56142 | Telephone Call Centers | 5,298 | 1,728 | 616 | 825 | 772 | 410 | 451 | 278 | 166 | 52 |
| 561421 | Telephone Answering Services | 1,487 | 480 | 248 | 412 | 233 | 59 | 22 | 12 | 17 | 4 |
| 561422 | Telemarketing Bureaus and Other Contact Centers | 3,811 | 1,248 | 368 | 413 | 539 | 351 | 429 | 266 | 149 | 48 |

2012 Economic Census data for call centers are scheduled to be released in October 2014. In order to provide a measure of economic significance, 2007 Economic Census and 2012 Service Annual Survey data are presented.

In 2007, NAICS 56142, Telephone call centers³:

| | |
|---|------------------|
| Private Employer Establishments: | 5,370 |
| Employees in Private Establishments: | 419,468 |
| Receipts/Revenue from Private Establishments: | \$16,955,153,000 |

Service Annual Survey revenue estimates for NAICS 56142⁴:

| | |
|------|------------------|
| 2007 | \$16,955,000,000 |
| 2012 | \$16,508,000,000 |

Call Center establishments provided a wide range of services according to data from the 2007 Economic Census. The two most significant product lines were telemarketing services and telephone answering and messaging services. This was followed by

³ Economic Census, 2007 AFF_report 56142,
<http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>

⁴ U.S. Census Bureau, Service Annual Survey, December 18, 2013 release, Table 2.
<http://www.census.gov/services/index.html>

fundraising services in a distant third place. These three product lines accounted for over 95% of revenue or receipts in 2007⁵.

The total amount of call center services provided is hard to define using official statistics. According to Paul Stockford of the National Association for Call Centers, there are approximately 66,000 call centers in the United States⁶. Official statistics for employers show less than 1/10 of that number. There are several possible reasons for the discrepancy. Official statistics reflect the services that are offered in the market but not all that are produced and consumed in the provision of other services (captive). Census statistics generally include enterprise support units even if expense data is used to proxy revenue. But call centers may not be separate establishments or locations in multi-establishment enterprises. They could be call centers operating out of head quarters, warehousing or distribution centers, or other support locations. Economic Census counts include only those establishments that are primarily or exclusively providing call center services.

Another possible reason for the discrepancy is the employment status of workers in call centers. A large automobile company recently closed an offshore call center and is using contract workers in the United States to respond to customer inquiries.⁷

The Census Bureau's nonemployer statistics reports 19,216 establishments in the United States. These statistics are primarily based on tax return results and could include those independent contractors as establishments. Even added to the employer statistics, official statistics are only identifying about 1/3 of the call centers claimed by the association.

Call center services can also be distributed across multiple locations. Advances in telecommunication services allow call center workers to operate out of a central location or out of a home. This is true for voice, e-mail, or chat services. It is not likely that each location providing service is being separately identified as an establishment under these circumstances.

5. Standard classification structure

NAICS United States classifies call centers within the subsector for Administrative and Support Services, NAICS 561. NAICS United States describes the services provided by establishments classified in 561 as follows:

⁵ Economic Census, 2007, EC0756SLLS1, Subject Series – Product lines: Product Lines Statistics by Kind of Business for the United States and States, 2007

⁶ www.usetoday.com/story/money/business/2014/08/04/call-center-jobs-overseas/13560107

⁷ *ibid*

Industries in the Administrative and Support Services subsector group establishments engaged in activities that support the day-to-day operations of other organizations. The processes employed in this sector (e.g., general management, personnel administration, clerical activities, cleaning activities) are often integral parts of the activities of establishments found in all sectors of the economy. The establishments classified in this subsector have specialization in one or more of these activities and can, therefore, provide services to clients in a variety of industries and, in some cases, to households. The individual industries of this subsector are defined on the basis of the particular process that they are engaged in and the particular services they provide.

Many of the activities performed in this subsector are ongoing routine support functions that all businesses and organizations must do and that they have traditionally done for themselves. Recent trends, however, are to contract or purchase such services from businesses that specialize in such activities and can, therefore, provide the services more efficiently.

The industries in this subsector cannot be viewed as strictly "support." The Travel Arrangement and Reservation Services industry group, includes travel agents, tour operators, and providers of other travel arrangement services, such as hotel and restaurant reservations and arranging the purchase of tickets, serving many types of clients, including individual consumers. This group was placed in this subsector because the services are often of the "support" nature (e.g., travel arrangement) and businesses and other organizations are increasingly the ones purchasing such services.

The administrative and management activities performed by establishments in this sector are typically on a contract or fee basis. These activities may also be performed by establishments that are part of the company or enterprise. However, establishments involved in administering, overseeing, and managing other establishments of the company or enterprise, are classified in Sector 55, Management of Companies and Enterprises. Establishments in Sector 55 normally undertake the strategic and organizational planning and decision making role of the company or enterprise. Government establishments engaged in administering, overseeing, and managing governmental programs are classified in Sector 92, Public Administration.⁸

Specifically, NAICS United States 2012 includes the following industry structure for Call Centers:

⁸ NAICS United States 2012, Bernan Press, ISBN 978-1-59888-549-1, pages 779-780.

- 5614 Business Support Services
- 56142 Telephone Call Centers (Content equal to ISIC Rev. 4 8220)
- 561421 Telephone Answering Services
- 561422 Telemarketing Bureaus and Other Contact Centers⁹

The proposed North American Product Classification System includes a number of call center services. From the provisional product lists available on the NAPCS webpage, NAPCS includes:

Product List 5412, Business Support Services¹⁰

- 5 Call Center services – making or receiving telephone calls on behalf of others, for such purposes as marketing clients’ goods or services, providing customer assistance, and providing answering services.
 - 5.1 Telemarketing services – making or receiving telephone calls to market clients’ goods or services
 - 5.1.1 Outbound telemarketing services – making telephone calls to market clients’ goods or services
 - 5.1.2 Inbound telemarketing services – receiving telephone calls to market a clients’ goods or Services
 - 5.2 Telephone-based customer assistance services – making or receiving telephone calls to assist customers of clients. This includes answering questions about product setup and installation, and troubleshooting problems with a clients’ goods or services
 - 5.3 Telephone-based data collection and polling services – providing data collection and polling services using the telephone. This includes conducting telephone interviews, surveys, and market research on behalf of clients.
 - 5.9 Other call center services – making or receiving telephone calls on behalf of others, for purposes other than telemarketing, customer service, or market research and public opinion polling.
 - 5.9.1 Telephone answering and messaging services – where a live person or a computer answers, screens, and redirects inbound telephone calls. This service does not include instant messaging services.

⁹ Ibid, pages 786-788.

¹⁰ http://www.census.gov/eos/www/napcs/finalized/web_5614_final_reformatted_edited_US020509.pdf

6. Evaluation of standard vs. market conditions

The industry classification makes a useful distinction between telephone answering services and telemarketing bureaus. The difference in skills and knowledge required by personnel providing the service justifies the continued separation of these types of establishments.

The products that are identified for call centers might require some additional clarification particularly in product 5.2. While it is clear that the services do not include instant messaging services (the capability to perform instant messaging services), the type of customer support services could be clarified to include chat services as well as e-mail based customer support services if they are provided. Beyond that possible clarification, the NAPCS and NAPCS appear to address market conditions very well.

7. National Accounts concepts and measurement issues

There are no unique National Accounts concepts or measurement issues for call center services. The services of call centers are treated as are all other purchased services. If output programs also collect expense data at this level, it would help allocation of the purchased inputs, particularly if the trend to outsource the activity is concentrated in particular industries or sectors.

8. Turnover/output data methods

The programs listed in section 3, above, use different methods of collecting data. The most comprehensive coverage is from the five-year Economic Census. The Census directly surveys all establishment above mail cut-off levels and uses administrative tax data for non-mail cases. The Economic Census also has the most comprehensive coverage of product output and expense data.

The Economic Census using a single questionnaire to collect information on a variety of administrative and support services. The questionnaire provides kind-of-business choices for call centers under the following choices:

1. Call/contact center – initiating or receiving communications via telephone, facsimile, e-mail, or other communications modes for administering product and customer support of information inquiries
2. Telephone answering services
3. Telemarketing bureau – selling, taking orders, and/or soliciting contributions, information, etc. on a contract basis

4. Telemarketing center – selling this companies products or services – *Describe products of services sold* _____

In addition to the kind-of-business inquiries, the establishments are asked to provide specific breakouts of revenue by product (item 22), total revenue, employment and payroll, and other establishment characteristics. In addition, the questionnaire requests class of customer breakouts for these service providers in item 20. The full questionnaire is available at: <https://bhs.econ.census.gov/ec12/php/census-form.php>. The specific form number is AS-56102. Relevant excerpts are included in attachment 1.

The Service Annual Survey is a sample survey with companies as the sample unit instead of establishments. The survey unit is generally in line with a kind-of-activity unit concept: the sample unit includes all establishments with the same NAICS industry code nationally. Industry estimates are generated from the sample respondents and benchmarked to the Economic Census every five years.

The Quarterly Service Survey is also a sample survey with companies as the sample unit. Quarterly data estimates are developed for the universe from the sample. Quarterly data are generally benchmarked to annual data to ensure consistent results over time with the more comprehensive annual and Economic Census data series.

Nonemployer data are based on administrative data and there are no direct surveys for nonemployers.

9. Evaluation of turnover comparability with prices

The Producer Price Index Program at the Bureau of Labor Statistics does not produce price indexes for NAICS 56142, Call Centers.

The Census Bureau and the Bureau of Labor Statistics work closely to develop output and price indexes with comparable structure and content when both output and price data are available. PPI primarily uses Economic Census data to weight price indexes.

Each agency uses a different business register for surveys and samples but the agencies also work together to ensure, to the extent possible, that the content of the registers are comparable. For example, Census and BLS are currently reviewing large employer establishments and companies that have different industry classification between the registers. This process generally requires each agency to research the unit and the meet to discuss differences and assign a mutually agreed upon classification code.

10. Summary

The United States produces turnover/output estimates for call centers on a quarterly and annual basis using samples of companies. Every five years, the turnover/output of call centers is measured in the Economic Census. The Census Bureau also collects information on payroll and employment, products, expenses, and class of customer breakouts for call centers as part of the ongoing censuses and surveys.

The industry and product definitions appear to adequately address differences in the services provided and differentiate appropriately between different types of service provider.

The statistics produced adequately cover services provided in the market but a comparison of market providers with trade association estimates indicates that market provision of these services is only a small portion of the captive provision of call center services.

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|--|--|--|--|--|
| 7. Telemarketing services | | | | |
| a. Outbound telemarketing services 32951 | | | | |
| b. Inbound telemarketing services 32952 | | | | |
| c. Add lines 7a and 7b 32950 | | | | |
| 8. Telephone answering and messaging services (not for contact/call center services.) 32960 | | | | |

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