

# IVR in an omni-channel world.

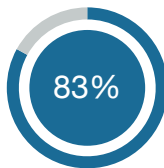
5 ways to modernize your  
IVR to meet customer  
expectations.

## Let's be honest: when it comes to customer service in an omni-channel world, people only want to talk to someone as a last resort.

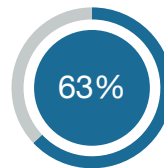
In short, they want fast, easy experiences — and why shouldn't they? Tesla drivers can summon their parked cars at the touch of a button, and anyone with a smart phone (all 2.16 billion of us in 2016) can watch virtually anything we want, at any time, entirely on-demand. It's a world of quick, instant experiences, and the bar has already been set.

But most Interactive Voice Response systems (IVRs) haven't caught up to these high expectations yet. Years of investments in digital channels like Web, mobile and social have left many IVRs — now the most popular channel for support escalations — lagging far behind.

Forrester's Kate Leggett reports that of online adults in the U.S.<sup>1</sup>:



83 percent had a live conversation last year with a customer service representative or agent via telephone.



63 percent reported using a voice self-service technology like speech recognition.

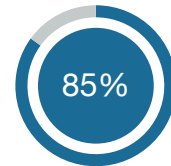
### The point? Customers call IVRs when they need answers the most, when all other channels have failed.

Yet at the peak of their frustration, they're being greeted by outdated touch-tone phone systems, confusing menu options, and clumsy PIN and password authentication. It's the exact opposite of a modern digital experience — and the negative effects on customer satisfaction and retention can be dramatic.

Fortunately, there's a far better way. Even the oldest IVRs can be easily adapted to deliver experiences that aren't just "good enough," but ones that are intuitive, incredibly efficient and even share-worthy as your customers take to social media to brag about a great experience.

**Let's take a look at exactly what your customers expect in a modern IVR experience — and which updates you should consider making this year to keep up with their expectations and the competition.**

## The facts



85 percent of relationships with the enterprise will be managed by customers without interacting with a human.

# 2.16B

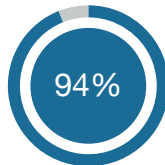
2.16B smart phones owned in the U. S. in 2016.

<sup>1</sup> Forrester Research Report, "Trends 2016: The Future of Customer Service" by Kate Leggett, January 2016

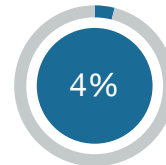


## 5 ways to modernize your IVR (and please the crowds of callers)

In his book *The Effortless Experience*, author and researcher Matt Dixon nails the importance of making it easy for customers to do business:



94 percent of customers are likely to repurchase goods or services in the future from companies that offer them “low effort experiences.”



4 percent (a significant difference) said they would buy again when subject to a high effort experience.

And that’s just the beginning. Dixon’s firm, Corporate Executive Board (CEB), found that a **20 percent increase in simplicity results in a 96 percent increase in customer loyalty<sup>2</sup>** — with a **115 percent boost in their likelihood to recommend** your brand to others.

That means that a single interaction with your company — in person, online or on the phone — that takes too long, is too complex or requires too much effort on the part of the customer, can dramatically diminish the likelihood that they will buy from you again in the future.

### So how can you properly design your IVR to make the experience effortless?

While every company’s needs are different, the most impactful investments typically hit on one or more of five key improvement areas:

#### 1. Recognizing callers faster

Nobody likes PINs, passwords and security questions. They create angst and frustration at the outset of every call, and they cost you a fortune in wasted time. Faster authentication is a great place to start.

#### 2. Becoming more conversational

IVRs don’t have to sound like robots. They can listen, respond to prompts, understand slang and even speak multiple languages. Plus, customers prefer natural, more human-like interactions.

#### 3. Personalizing the experience

It feels nice to be greeted by name. It’s even better when an IVR remembers who you are, knows your preferences and can even infer why you’re calling.

#### 4. Proactively anticipating customer needs

Customers appreciate proactive service. It saves them time, and can even save them money. Alerts and reminders are a great way to boost satisfaction and earn loyalty — and they’re easy to implement.

#### 5. Creating consistency across every channel

Most customer service inquiries span several channels. Customers start on the Web, and then move to the phone. Modern self-service technology makes it possible for these channels to work together, so your customers get a more seamless, empowering and engaging experience.

Let’s dive into each area to understand where customer experiences (and operational performance) are suffering most, and explore how modern IVR technologies are helping top companies achieve major gains.

## 1. Recognize your callers faster (and far less painfully)

Imagine if you and your closest friends had to reintroduce and verify your identities every time you met. It sounds preposterous — yet that’s exactly the experience that outdated IVRs are putting even your most loyal customers through by asking them to recite PINs, passwords and answer layers of security questions at the onset of every call.

There’s a far better way to handle authentication quickly and painlessly, and it’s called **voice biometrics**. Leading companies across nearly every industry, from financial services to telecom, are replacing frustrating, time consuming agent-guided verification processes by letting customers authenticate using the power of their voice.

Here’s how it works: With voice biometrics, your voice is your password. The IVR system automatically verifies your identity by comparing your voice on a phone call against a “voiceprint” you created during a simple, one-time setup process.

### Customers love it, and businesses can yield major savings.

It’s not just a more pleasant experience either: it’s far more efficient, decreasing agent call volume, shortening call durations, and creating more time for callers to learn more about new products.

Plus, voice biometrics is actually significantly more secure than the alternatives, helping to **reduce the cost of fraud in the call center by 90 percent.**<sup>4</sup>

Companies like **Barclays, T-Mobile, Vanguard, and Santander** have implemented voice biometrics not only to maximize automation and ensure a great customer experience, but also to thwart fraud.



90 percent of users say they prefer voice biometrics to status quo solutions like PINs and passwords.<sup>3</sup>

A sampling of enterprises using voice biometrics:

**Barclays**  
**T-Mobile**  
**Vanguard**  
**Santander**



See voice biometrics in action.

<sup>3</sup> 2012 survey conducted by Coleman Parkes Research in conjunction with Opus and Nuance.

<sup>4</sup> 2015 Infinity Research market study on fraud related to customer interaction in banking and financial enterprises.

“At Santander,  
my voice is  
my password.”

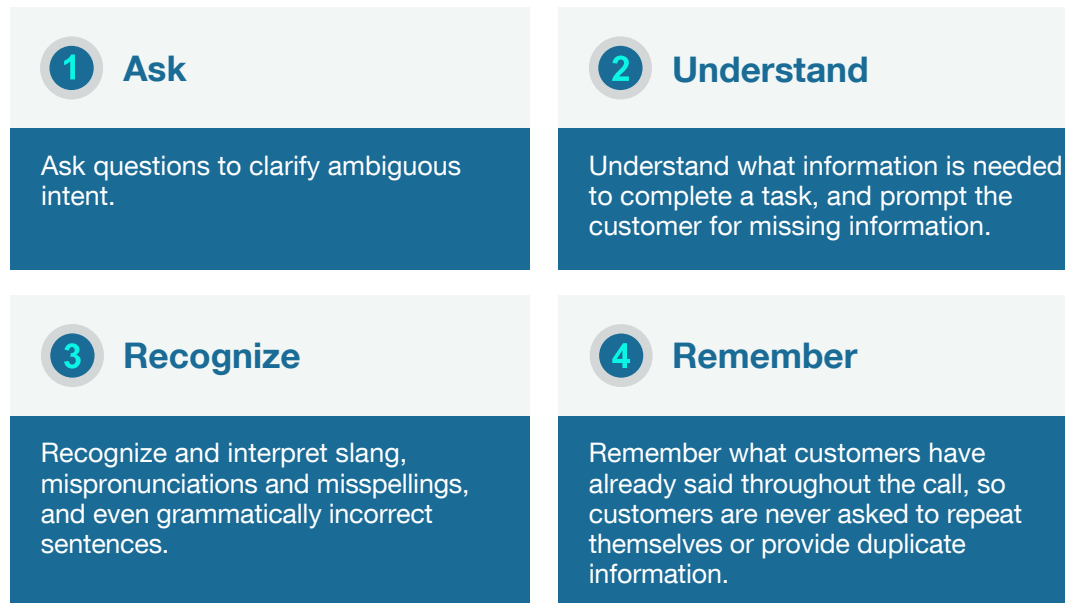


## 2. Become more conversational

If you haven't already, it's time to ditch the IVR menu mazes. They're time consuming, cumbersome and terrible at routing customers to the best place quickly and painlessly.

Instead, leading companies are switching to **conversational IVR technology**. At their simplest, conversational IVRs allow callers to use their own words to ask for and get what they need, instead of selecting from an arduous list of menu options. A conversational greeting like "What can we help you with today?" allows customers to state their needs in their own words — then uses the IVRs Natural Language Understanding (NLU) technology to properly interpret and assist the caller.

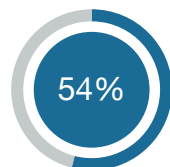
But that's just the beginning. True conversational IVRs are capable of far more than basic interpretation and routing. They're designed to dramatically simplify complex tasks, and minimize the amount of time and effort that goes into each and every call. They can:



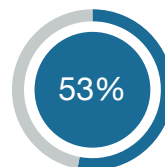
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### Results at Amtrak –

Amtrak's conversational IVR has paid off big. Their automated agent, nicknamed Julie, completes more calls per day than one human agent handles per year.



54 percent of calls are now fully resolved by the IVR, with no agent assistance.



53 percent increase in customer satisfaction along the way.

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### 3. Personalizing the experience

The most modern IVRs don't just authenticate faster and sound more natural. They're actually smart. They draw on readily available information (like customer phone numbers, browsing and interaction history, transactions and more) from your backend systems to anticipate customer needs before even saying "hello." Examples of IVR personalization include:

#### Greeting callers by name

Using Automatic Number Identification (ANI), your IVR can easily compare phone numbers from incoming calls against your CRM system. Then, text-to-speech technology makes it easy to greet callers by name. ("Hi Matt, thanks for calling.")

#### Up-leveling customer convenience

Customers don't want to wait on hold for the next available agent. Instead, your IVR can simply offer to call the customer back when the next agent becomes available or offer to switch channels to speed response. When customers call to report a service outage or lost baggage, for example, the IVR can offer to text or call them with status updates as they become available.

#### Gathering information to expedite call resolution

Even when customers do choose to wait for an agent, the most modern IVRs use the hold time productively. A sophisticated IVR system can help gather important data from the caller that can reduce hold times and expedite call resolution.

#### Adding more context to every call

The most intelligent IVRs go beyond quickly identifying who is calling, and can actually anticipate the reason they are calling too. By reviewing recent browsing, interaction and transaction history, IVR technology can accurately infer customer needs and help them get the answers they need even faster.

#### Remembering customer preferences

Just as today's IVR technology can work with your CRM system to determine who is calling, it can also identify and store things like a customer's preferred language, payment method and even communication channels — allowing you to create an even more personalized experience each and every time your customer calls.



#### Results at American Airlines

At American Airlines, the IVR asks customers questions about their travel plans while they are on hold, and then relays their responses to the agent. Impressed customers have even taken to popular frequent flyer Websites to compliment the airline for their timesaving IVR technology — and that's a clear win in such a competitive marketplace.



#### Great experiences for Telco customers

Suppose a cable subscriber has spent time reviewing cable packages online before calling. Today's IVR systems can recognize that activity, and greet the caller with a personalized message:

**"I see you were browsing our cable packages online earlier today. Are you calling to add a station or change your programming lineup?"**



## 4. Proactively anticipating customer needs

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An astonishing statistic –



90 percent of consumers say they are more likely to do business with companies that send them reminders.<sup>5</sup>

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It's a busy world, after all, and it's nearly impossible to keep up with every single payment due date, appointment time and delay or schedule change.

As a result, customers are increasingly taking their hard-earned dollars to companies they feel “keep them in the loop,” proactively alerting them to important product, service, and account information.

Companies can improve their IVR performance by implementing a comprehensive proactive engagement platform. Utilizing well-orchestrated communications, companies can send alerts and communications to targeted customers notifying them of issues in advance to make their call smoother or **prevent the need for a call in the first place**. Imagine if a simple reminder from one of their preferred channels (including voice, text and email) informed them that an issue was resolved before they found out and needed to call.

<sup>5</sup> 2015 Wakefield Research, “What Customers Want”



The types of alerts that customers appreciate include:

### 1 Inform / remind alerts

Why assume a customer will notice or remember something, when you can take a more active role? Instead, send proactive alerts that help prevent missed flights, late payment fees, missed deliveries, account overdrafts, missed appointments, and more.

### 2 Collection alerts

By sending collections alerts to customers proactively, the moment an account becomes past due, you can avoid longer (and less likely to collect) delinquencies. Top notification platforms even allow you to automate the entire collections lifecycle, leading to higher cure rates and lower downstream costs.

### 3 Messages on demand, for critical alerts

When services go down, or during crisis situations, proactive alerts can help mitigate the impact of prolonged downtime. Plus, you can dramatically reduce inbound call volume, and leave customers with a far more favorable impression of how you handled the situation.

The business benefits are very real. Proactive reminders and alerts increase the likelihood that customers will take action (like paying bills on time, renewing services, etc.) while simultaneously reducing inbound operational costs through call deflection.

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#### Results at Citi Mortgage and Suntrust –



200%

200 percent increase in collections conversion rates within days of implementing a proactive reminder system at **Citi Mortgage**.



60%

60 percent reduction of first payment defaults at **Suntrust**.

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## 5. Creating consistency and quality across every channel

Multiple channels tapped, often at the same time.



60 percent of callers first visit a company's Website.



36 percent of callers continue browsing the company Website while talking to a representative — effectively using more than one service channel at a time.<sup>6</sup>

Clearly, customers are growing accustomed to using multiple channels to request and receive service. What they don't welcome or expect are major gaps in the quality of experience between your service channels.

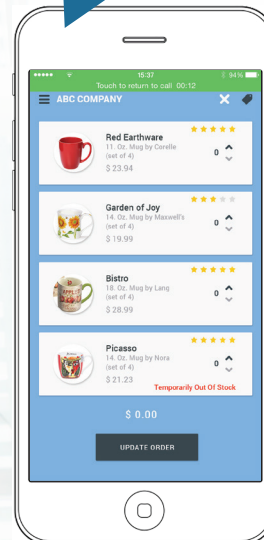
Fortunately, several IVR technologies are available and in use by top companies today that help bridge the channel divide, delivering a more intuitive, effortless, and engaging omni-channel experience.

### Visual IVR

Visual IVR technology allows you to deliver helpful content to a caller's mobile device to assist them further during an IVR interaction. Since some information is best viewed visually — like long lists of financial transactions, the seat layout of an airplane while booking a ticket, or video instructions for product set-up or service — offering a visual IVR experience offers the best of both worlds.

Up to 80 percent of the calls coming into enterprise IVRs come from mobile phones, and around 40 percent of those are estimated to be smart phones. **Visual IVR is a great way to fully utilize the power of these devices**, and provide even easier, more effective self-service experiences.

"Put me on speaker phone since you'll be viewing your screen. Once you've opened the link I sent, select the mugs you'd like and update your order. I'll stay here and if you need anything say - I'm back."



<sup>6</sup> According to research by Corporate Executive Board (CEB)



**IVR to SMS**

IVR to SMS technology empowers agents or even the IVR itself, to move callers from phone calls to other digital channels like SMS chat. This is particularly helpful for teaching users to self-service in the future, improving next-call prevention and reducing support costs.

With IVR to SMS, the caller receives an invitation to an SMS chat or Web-based co-browse session. There, the IVR or agent can direct the caller to helpful self-service tools and resources — **by moving the entire conversation from the phone to lower-friction, lower cost support channel like chat or virtual assistant.**

**Automation Assist**

Automation Assist allows human agents to silently assist during a largely automated call to your IVR. This is particularly helpful when the IVR encounters unusual difficulty handling a particularly complex situation like an unexpected request or a very noisy environment.

With Automation Assist, a live agent typically only spends **3 to 5 seconds assisting with each call**, to aid with capturing a caller's intent.

So how does it work? When a caller uses an unexpected phrase, or extreme background noise interferes with understanding, the IVR (aided by Automation Assist) routes the call audio to a human agent. Then, the human agent interprets the caller's request and maps it to one of the pre-defined dialog results. From there, the IVR continues the call and allows the caller to self-serve within the automated system.

At a very large European telecommunications company, just eight to ten human agents process thousands of these “assists” each day, improving recognition accuracy from 95 percent to near perfect. And near perfect recognition means more callers complete their self-service inquiries successfully, increasing caller satisfaction and improving efficiency.

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**How it all comes together**

Any one of these technologies can drive major improvements in customer experience, satisfaction and operational performance. But the best customer experiences (and business results) are achieved when they work in tandem. Here's a sample call to illustrate just what's possible — from voice biometric authentication to conversational IVR, personalization and even Visual IVR.



**See a modern IVR in action.**

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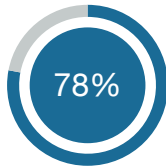
## The impact of doing nothing

**Frost & Sullivan said it best: “At the end of the day, an organization’s customer service infrastructure is only as good as its worst performing channel.”<sup>7</sup>**

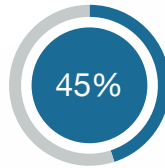
That means it doesn’t matter how good your mobile, Web and social channels perform if your most popular route for escalations (the phone) is subpar.

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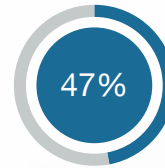
### Stats tell the whole story<sup>8</sup> –



78 percent of customers say they take action after a bad customer service experience.



45 percent warn friends and family about the company.



47 percent discontinue business with the company altogether.

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Don’t let your IVR be the weak link. Even if your aging IVR platform and infrastructure have been modified over the years to address specific needs, they may not be capable of delivering the highly personalized, low-effort experiences today’s customers demand. Touchtone input and even first generation speech recognition aren’t good enough for today’s customers (and they’ve almost certainly plateaued in containment) — leading to poor performance and abysmal satisfaction scores.

<sup>7</sup> Frost & Sullivan, “Benefits of Refreshing the IVR, a Customized Market Insight”

<sup>8</sup> Wakefield Research, 2014 – Consumer Preferences Survey





If you've delayed investment in modernizing your IVR, poor performance could be costing you with:

### 1 Reduced customer satisfaction

78 percent of consumers have bailed on a transaction or not made an intended purchase because of a poor service experience.<sup>9</sup> And 91 percent of unhappy customers will not willingly do business with you again, according to Lee Resources.

### 2 Poor call containment, efficiency and higher agent frustration

Increasing automation success is a top priority for today's contact centers. Outdated IVRs lead to poorer performance across routing, containment and automation success rates, pushing callers to agents and driving up costs. Plus, modern conversational IVR technologies have been shown to improve key metrics like cost per transaction and average handle time.

### 3 Declining customer retention and the bottom line

Remember, 47 percent of customers will stop doing business with a company as a result of a frustrating experience. And 96 percent report some form of disloyal behavior<sup>10</sup> — whether it's reducing spend, writing a negative review or telling a friend or family member about the bad experience.

### 4 Negative appearance and brand reputation

Nearly 68 percent of all consumers say their purchase decisions are impacted by online reviews.<sup>11</sup> Why leave your IVR vulnerable to creating poor experiences, when you can take an easy, affordable and stepwise approach to modernizing it?

9 American Express Survey, 2011

10 Research by Corporate Executive Board

11 Moz, "New Study: Data Reveals 67 percent of Consumers are Influenced by Online Reviews," 2015

## Moving from “meh” to a truly modern IVR: Here’s how to get there.

Without modernizing your IVR, the negative effects on your business can be immense, but fortunately, avoidable. Even a decade or more of IVR technology stagnation can still be repaired. It’s not too late to get started, and big results are attainable with even modest budgets and aggressive timelines.

We asked our own experts for their top recommendations as you plan your own IVR modernization initiative. Here’s their advice:

### Perform a thorough assessment to identify where to begin.

#### Analyze IVR performance

Figuring out where to start can be the hardest part. Begin by examining your current IVR performance metrics, including overall containment, as well as containment for each self-service application within your IVR.

#### Review worst to best

Be sure to include customer authentication and verification in your performance review, and then list your results from worst to best. This is a great way to see where you need the most improvement, and get ideas for which modern IVR technologies could make the most positive and significant impact.

#### Map call flows to call volumes

Next, review your IVR call flows from start to finish, and look for the self-service apps that have the highest volume of calls. Focusing on higher volume apps will help you increase containment, reduce costly agent interactions, and result in significant cost center savings.

#### Look at where callers and agents are stumbling

Finally, look for challenge points. Where do callers and agents get bogged down? What’s taking the most time?

Each of these assessments will give you a clearer picture of your most critical focus areas, and where your initial IVR modernization investment is likely to yield the biggest results.

### Don’t try to implement everything all at once.

#### Start with things that will have the biggest impact

Most companies don’t need every single technology we’ve outlined in this guide to make major improvements to their IVR experience. Look at your most pressing customer and business needs based on the assessment above, and start there.

#### Make sure your IVR doesn’t become stagnant again

As customer and business needs continue to change, you can add new IVR technologies to accommodate them — keeping your experience fresh, your customers happy and your contact center performance outstanding.

### Finally, create a plan for continual improvement.

#### Target one key area at a time

Remember, you don't have to re-decorate your house all in one go. Take a methodical, stepwise approach, targeting one key area at a time — perhaps starting with voice biometrics or natural language speech technologies, and then adding layers of personalization and proactive alerts as your business needs change and budget warrant.

#### Get expert advice to ensure success

Still confused? That's natural. Don't hesitate to ask for expert guidance. A strategic IVR partner or consultant can evaluate your environment and provide you with expert recommendations based on hundreds of successful implementations.

## Modernizing your IVR – it's your move.

Even in the digital era, customers still call your IVR. In fact, they depend on it now more than ever, calling to resolve complex situations they can't resolve using your Web or mobile channels.

But who answers the call? Is it an impressive, modern IVR capable of competing with other world-class customer experiences? Or is it an outdated "Press 1 for Sales" phone tree from 1994?

There's never been a better or more crucial time to modernize your IVR. Your customers expect it. Your business deserves it. And if you wait any longer, your competitors may take advantage of it.

**Want to learn more?** Find out more about [Nuance's Conversational IVR](#).

**Ready to talk?** We're here to help. Contact a [Nuance specialist](#) today and let us help you improve your customer experience.



## Resources to make the business case

Check out these additional resources to modernize your IVR for the omni-channel world.

### CASE STUDY

#### American Airlines reaches new heights in customer service.

The U.S. domestic airline industry's first Natural Language Understanding IVR system delivers fast, personalized IVR self-service.

[Download Now](#)

### CASE STUDY

#### Adiós to PINs, passwords, and security questions.

Learn how millions of Santander customers simply use their voice to securely access their accounts.

[Download Now](#)





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