Hosted IVR: 4 things you’ll gain by moving to the cloud.

And a few things you’ll give up (but we guarantee you won’t miss).
Hosting critical business technologies in the cloud is nothing new—in fact, these days it’s the norm for most organizations. But some business functions are still lagging on cloud adoption, and it’s time they caught up.

It’s time for the IVR to move to the cloud. Hosted contact center spending is growing 14-15 percent per year versus only 4-5 percent for traditional on-premises IVR solutions. By 2020, it’s estimated that cloud/hosted IVR will represent 55 percent of new investment—up from 45 percent in 2015.\(^1\)

For some companies, the idea of handing off their IVR (or other customer service channels) might be pretty uncomfortable. But, the advantages of hosted IVR to you and your callers simply can’t be ignored.

If your IVR doesn’t deliver the experience callers demand, they’ll simply take their business elsewhere. And because nearly 65 percent of all customer service interactions are handled over the phone,\(^2\) if the IVR fails to satisfy, the result will impact your customer loyalty, your contact center performance and your bottom line.

As you think about your future IVR plans, let’s review the things you’ll gain by moving to a hosted IVR in the cloud. There are also a few things you’ll give up along the way—but don’t worry, we promise you won’t miss them.

Hosted IVR: What You’ll Gain by Moving to the Cloud
1. The freedom to innovate
2. Access to the latest technologies
3. A superior customer experience
4. Omni-channel service

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Gain the freedom to innovate, give up the micromanagement

With a hosted platform built for managing thousands of applications and processing billions of calls, you enjoy unbounded scalability, enterprise-level security and continuous availability. And you don’t need to lift a finger.

Hosted IVR means you don’t have to worry about hardware upgrades, equipment maintenance or boring, repetitive IT administrative tasks.

That means you and your team can free up the time and resources you need to deliver new applications and better customer experiences and to drive more revenue for your business—instead of spending your days dealing with server maintenance.

Hosting delivers worry-free IVR operation

- Service level agreements that guarantee 24 x 7 x 365 uptime
- Dedicated infrastructure and performance monitoring
- A geographically redundant, modular, virtualized environment
- Flexible hosting and hybrid-hosting models
- Security that includes PCI, SOX, SASE16 and HIPAA compliance, certification and periodic audits
Real-time monitoring: identify issues before they impact callers

When it comes to monitoring your IVR environment, a top-notch hosting provider will have your back.

Using sophisticated tools, your provider should ensure your entire IVR ecosystem is functioning properly—all day, every day. Real-time monitoring guarantees that issues are detected early, and a modular platform architecture allows for quick resolution without service interruption.

For added peace of mind, monitoring should include your back-end systems as well as third-party systems. Hosting providers can also monitor unexpected call traffic or patterns, time-to-first-prompt, application recognition, response latency and other metrics that affect the caller experience.

Capacity on demand: pay only for what you use

An on-premises IVR is typically built to support the busiest time of the busiest day during your busiest season. (And doubled again, so you have a redundant backup on hand.) For most companies, this means paying to operate 60 percent or more of extra capacity year-round, even if it’s only needed for a couple of days.

With hosted IVR, you pay for the capacity you use, when you use it. Along with sophisticated traffic forecasting and capacity planning, leading hosting providers offer excess capacity—so you’re ready to handle spikes in traffic, both expected and unexpected.

Even in the event of equipment failure, power outages or natural disasters, multi-tier, geographic redundancy and failover ensure continuous system availability.
Gain access to the latest technologies, give up hunting for new solutions

Imagine always using the newest IVR technologies—without having to plan or pay for software upgrades. That’s what you get when you move your IVR to the cloud.

You no longer need to spend your time pushing out updates, or looking for the next big thing in contact center technology. Your provider should handle everything, continuously delivering the latest advances.

Take advantage of the latest advances in speech and natural language, voice biometrics and proactive engagement capabilities to:

- Meet consumer expectations for fast, easy and intelligent self-service
- Gain competitive advantage through service differentiation
- Increase savings through higher automation rates

The power of conversation with machine learning and deep learning

The latest in voice and interaction technologies are powered by Artificial Intelligence (AI). Through machine and deep learning, leading hosted IVR providers are creating next-generation interfaces that offer more than your average customer engagement platform.

Machine learning is the fundamental application of AI that makes everything else possible. It automatically trawls through all your data, looking for patterns and trends, learning from what it finds. It then improves progressively—without your having to program anything—to deliver increasingly accurate predictions and insights into your business data.

Deep learning takes this to another level, applying machine learning to train the computer to intelligently apply what it has learned to your business-specific applications. In the case of contact centers, it’s driven the evolution from text-to-speech to fully synthesized, human-like voices.
**Natural Language Understanding: transforming IVR interactions into conversations**

The truth is, people think IVRs are difficult to use.

Recent research found that 69 percent of customers agreed that IVRs make describing their issue difficult, and 75 percent said IVRs made them listen to options that weren’t relevant. In this day and age, that just won’t do.

Your callers have had it with navigating menu mazes that don’t make sense. Finding what they need takes too long and requires too much effort. They just want to ask a single question and get an answer—fast.

This “Siri-effect” has re-set people’s expectations for how easy it should be to interact with devices and systems, including IVR. A third of voice technology users engage with it daily, and 47 percent expect their usage to increase—they’re becoming accustomed to performing tasks just by speaking naturally.

Voice is everywhere, and that’s why more companies are using Natural Language Understanding (NLU) technology—powered by machine and deep learning—as the foundation for their IVR and other voice-enabled channels.

NLU reflects how your customers speak in the real world. So, instead of having to match predetermined triggers, your callers can simply talk and describe their issues in their own words. The AI core of NLU allows your voice channel to intelligently infer meaning from what your caller is saying—instead of just interpreting it literally—and respond with tailored, meaningful responses.

The NLU conversational approach not only simplifies the caller experience, but also delivers:

- Reduced call length and improved routing accuracy
- Higher self-service automation rates
- Valuable caller intent data that drives continuous IVR improvement

With hosted IVR, you get the latest, most innovative technology as it becomes available, without having to overhaul your infrastructure—it’s simply implemented behind the scenes by your provider.

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Gain superior customer service, give up poor performance

As many as 96 percent of customers are likely to become disloyal to a company after a high-effort customer service interaction, while only four percent are likely to repurchase after a high-effort experience.\(^5\)

These days, your callers are expecting more. It’s critical that your self-service channels can advance to meet customers’ rising expectations, without adding to your contact center costs.

By letting your hosting provider tackle the tasks associated with integrating and operating the technologies, you can focus on important business initiatives that improve customer satisfaction and top-line revenue.

American Airlines’ hosted IVR:

- Lets callers express their request in their own words
- Uses a high-quality audio persona
- Personalizes the welcome message with the caller’s name, time of day and call history
- Predicts the reason for the call and proactively delivers information
- Passes information to the agent to prevent repetition

The Results: 5 percent increase in IVR completion rates and millions in savings.

Read the full case study here.

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Easier and secure caller authentication
Many IVRs still rely on knowledge-based authentication, requiring customers to remember multiple passwords and security questions. But, with 25 percent of people forgetting a username or password within the last six months alone, many customers end up having to authenticate with an agent anyway.

Voice biometrics does away with all this by authenticating through natural voice patterns. Callers simply say a passphrase and the IVR analyzes hundreds of unique voice characteristics and validates them against their voiceprint. It’s fast, effortless and more secure than knowledge-based authentication.

How it’s said is as important as what is said
The quality of what your customers hear is just as important as your IVR’s ability to understand what they say.

Until recently, creating natural, dynamic IVR conversations was a real challenge. Most IVRs use a complicated web of thousands of words and sounds, which are often recorded over the course of several years—meaning a consistent tone is out of the question.

When someone calls, these bits of audio are ‘stitched’ together. The result? Robotic audio that’s awkward, difficult to understand and slows down the interaction.

Thankfully, there’s been significant advances in speech technology, allowing for more human-like IVR conversations—seamlessly synthesizing pre-recorded prompts into a single voice.

And, because it’s cloud-based, performance data can be collected and analyzed automatically, allowing for continuous improvement, with no intervention from you.

40% of US adults want to use biometrics instead of a password to access their financial accounts, up from 27% in 2015.

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4 Gain omni-channel service, give up organizational silos

The secret to great customer service is connecting their experience across every channel you have.

Customers don’t always start and end their service journeys within your IVR. Many of them will visit your website first or try live chat. And, sometimes, they’ll leave the IVR to find their answers through your other channels.

So, this isn’t just about your IVR—the right hosting provider should help you deliver a consistent, connected service using your outbound channels, virtual assistants, mobile apps, SMS, web chat and anything else you use. Connecting your channels also helps break down silos in your customer service function, so you can share data easily.

Here’s where we can help—with this, and everything else we’ve outlined in this ebook.

Meet Nuance OnDemand hosted IVR

The Nuance OnDemand omni-channel platform delivers intelligent customer self-service for both inbound and outbound engagements across multiple experiences including SMS, email, IVR and the web.

Our platform integrates core Nuance technologies, such as speech recognition, Natural Language Understanding, and voice biometrics, and integrates with your existing ACD and CTI systems.

Its core functions include an open, high availability, cloud-based architecture, extensive 24x7x365 proactive monitoring and seamless maintenance and upgrades.

The benefits of Nuance OnDemand for IVR hosting add up quickly:

- Achieve 20-30 percent higher automation compared to other IVR platforms
- Use the newest conversational technologies first—sooner than on any other platform
- Gain insights for continuous IVR improvement using powerful reporting tools
- Get the expertise of the world’s largest team of IVR and design experts
- Leverage your speech investment and extend your use of conversational technologies to other channels
Hosted IVR: a better experience for callers, innovation and savings for business

IVR in the cloud doesn’t mean a storm is coming. It means a worry-free IVR that’s always available, up to date and ahead of the curve (without using up your time, resources or increasingly precious budget).

To keep pace with growing consumer expectations and rapid advancements in technologies, hosted IVR has become less of a nice-to-have, and more of a strategic necessity.

But, even if it’s a massive shift in how your organization handles IVR, there’s so much to gain:

- The ability to focus your resources on strategic advances, not operational tedium
- The latest technologies, delivered automatically as they become available (and saying goodbye to the time, effort and expense involved in upgrades)
- Unprecedented speed and ease—for you and your customers—all while giving up the operational burdens
- A competitive advantage through superior self-service and savings, replacing an outdated caller experience that costs you in customer satisfaction and loyalty
- The ability to extend your IVR assets, such as NLU and audio persona, to other self-service channels, while getting rid of a siloed customer experience across channels
Ready to put the power of the cloud to work for you?

LEARN MORE

**Step up to the most advanced customer service platform**
Discover how Nuance OnDemand, the largest conversational, omni-channel customer service platform in the world, can you help you transform your customer experience and business—in the IVR and beyond.

FREE ONLINE ASSESSMENT

**See how your IVR stacks up**
Take our quick, online IVR assessment to get instant recommendations on how to modernize your IVR.

We’re here to help.

Contact one of our customer experience experts to learn how we can help you take your IVR to the next level.
About Nuance Communications, Inc.

Nuance Enterprise is reinventing the relationship between enterprises and consumers through customer engagement solutions powered by artificial intelligence. We aim to be the market leading provider of intelligent self- and assisted-service solutions delivered to large enterprises around the world. These solutions are differentiated by speech, voice biometrics, virtual assistant, web chat and cognitive technologies; enabling cross-channel customer service for IVR, mobile and web, Inbound and Outbound; and magnified by the design and development skill of a global professional services team. We serve Fortune 2500 companies across the globe with a mix of direct and channel partner selling models.