

# Four imperatives for **IVR** in the digital age.

Transforming your IVR into a modern,  
conversational self-service powerhouse.



## Years of investment in digital channels have left IVRs lagging

While IVRs have been invaluable in reducing contact center costs, let's face it: not many deliver a truly modern, intuitive and conversational experience. It's no surprise given the rise of digital—which led many organizations to abandon focus and investment in their IVR in favor of mobile, websites and social channels. (Hands up if you lavish the same amount of attention on your IVR as you do on your website or mobile apps.)

**But digital hasn't killed IVR—it's just pushing it to be better.**

Customers expect the same seamless, intuitive experiences they get in the digital world everywhere they engage your organization—especially in the IVR. The phone is more important than ever to your customers: it's an escalation point if digital channels don't deliver what they need, it's the go-to channel when they're 'on the go' and can't easily navigate a website or an app, and when customers have complex or sensitive issues that require human assistance (your agents), they call.

So, at your customers' critical moments of need, are they greeted by an outdated touch-tone phone system, awkward menu options and hard-to-remember passwords? Or an intuitive, conversational and effortless experience that quickly gets them exactly what they need?

**In this guide, we'll show you how to transform your IVR from an outdated cost center to a modern, conversational self-service powerhouse that boosts customer satisfaction, reduces churn and even drives new sales.**

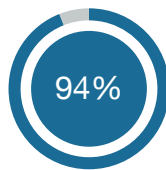




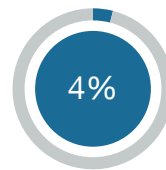
## The impact of doing nothing

We live in an age of voice-enabled everything. If consumers can dim the lights, check the weather and change the TV channel just by speaking, why can't they request a refund or check the status of a flight in the same effortless way within your IVR?

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.

If a single interaction with your company takes too long, is too complex or isn't intuitive, your customers are far less likely to buy from you again in the future.

### Still not convinced of the impact of an outdated IVR?

Here's a look at what a bad customer experience and poor IVR performance could cost you:

#### Reduced customer satisfaction

**78 percent of consumers have bailed on a transaction** because of a poor customer service experience.<sup>1</sup>

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

Outdated IVRs lead to **poor performance across routing, containment and automation success rates**, pushing callers to agents and driving up costs.

#### Declining customer retention and the bottom line

**47 percent of customers will stop doing business with a company** because of a frustrating experience<sup>2</sup>—and in the era of voice-enabled everything, outdated touch-tone experiences are exactly that.

#### Negative impression and brand reputation

Nearly **68 percent of consumers say their purchase decisions are impacted by online reviews**.<sup>3</sup> Why leave your IVR vulnerable to creating poor experiences that can be shared everywhere, when you can take an easy, affordable approach to make it modern?

**Today, customers resolve straightforward customer service interactions via self-service**, leaving complex issues like account closure, booking a complex multi-city set of flights, or an explanation of smart metering billing policies for a phone conversation with an agent.

- Forrester Research<sup>4</sup>

#### Voice is still key for service

**68%**

of customers resolve issues successfully on the phone...but

**50%**

say the IVR is the biggest source of customer service frustration<sup>5</sup>

<sup>1</sup> American Express Global Customer Service Barometer Research, 2011

<sup>2</sup> The Customer in Context: Understanding the Real Expectations of Today's Connected Customer, CMO Council, 2017

<sup>3</sup> 2017 Local Consumer Review Survey, Brightnote

<sup>4</sup> Your Customers Don't Want to Call You for Support, Forrester, January 2016

<sup>5</sup> Get it Right: Deliver the Omni-Channel Support Customers Want, Ovum Research, 2016

## Four imperatives for a modern IVR

Based on data and analysis of billions of IVR interactions from thousands of our customers, we've identified four key principles that are central to a truly great caller experience:



### 1. Create an intuitive, personalized first point of contact

How well does the IVR identify, understand and guide the customer at the start of the call?



### 2. Deliver natural, conversational interactions

Does talking to the IVR feel natural? Does the caller get what they need quickly?



### 3. Anticipate your caller's needs

Can it predict what the customer needs and deliver a relevant experience?



### 4. Adopt an omni-channel approach

Does the IVR connect seamlessly with other customer engagement channels?

Artificial intelligence (AI) is a key to reinventing IVR because it moves it beyond simple voice recognition to a deeper level of understanding and interaction. To deliver on these imperatives, the most impactful IVR investments leverage new AI-powered technologies to their advantage—making the most of speech recognition, text-to-speech, Natural Language Understanding (NLU), biometrics and machine and deep learning to drive a modern IVR experience.

Let's dive into each area to understand where customer experience (and operational performance) are suffering most—and what you can do about it.



#### AI is key to a modern IVR

To learn more, read "Voice Reimagined: How AI is delivering a modern voice experience—in the IVR and beyond"

[Download now](#)



## 1. Create an intuitive, personalized first point of contact

Imagine if you and your closest friends had to re-introduce yourselves every time you met. Or every time you ordered a coffee from your local barista, you had to verify your identity. It sounds ridiculous—but that's basically what outdated IVRs are putting even your most loyal customers through.

**There are far better ways to offer personalized first contact experiences.**

### Use ANI to recognize callers even faster

With Automatic Number Identification (ANI), you can eliminate caller identification prompts completely.

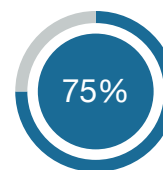
Instead, your IVR automatically identifies inbound phone numbers and matches them against your customer data to work out who's calling before the interaction even begins. The result: shorter handling times, reduced agent time and a more personalized experience for customers.

### Ditch the PINs and passwords

There's also a far better way to handle authentication painlessly: voice biometrics. Companies such as Barclays, T-Mobile and Vanguard are already using this technology to replace agent-guided verification processes.

Here's how it works: with voice biometrics, your voice is your password. The IVR automatically verifies your identity by comparing your voice against a "voiceprint" you created during a simple one-time setup process.

It's not just a more pleasant experience—it's far more efficient and secure. On average, organizations have seen call durations shortened by an average of 42 seconds freeing up agents to spend time on more complex issues.



By 2020, 75% of omni-channel customer-facing organizations will sustain a targeted, cross-channel fraud attack with the contact center as the primary point of compromise.<sup>6</sup>

### Case in point: Barclays

[Learn how Barclays uses voice biometrics to make authentications painless and fight fraud.](#)



**See voice biometrics in action.**

<sup>6</sup> Don't Let the Contact Center Be Your 'Achilles Heel' of Fraud Prevention", Gartner, March 2017

**"I'd like to transfer money from my savings to my checking account."**





## 2. Deliver natural, conversational interactions

Talking to an IVR isn't new. For years, customers have been able to speak a word or two to make a menu selection or get to an agent. But the IVR typically relied on the caller repeating a pre-programmed set of words—not asking questions or exchanging dialog.

Those kinds of one-way interactions don't cut it anymore. Today's callers expect your IVR to listen and respond to natural dialog as if they're talking to a human—not just prompt them. And, thanks to huge breakthroughs in AI and NLU, today's modern IVRs are capable of far more than basic interpretation and routing. They can:

### 1 Infer intent and ask questions

Callers don't always say what they need clearly. For example, "I don't want my smartphone's insurance plan" actually means "I have a question about my bill." Conversational IVRs can understand the caller's intent and prompt: "Just to confirm: it sounds like there is a feature on your bill that is incorrect. Am I right?"

### 2 Understand next steps

Once the IVR identifies the caller's intent, it can easily understand what's needed to complete the task and prompt the caller for missing information.

### 3 Recognize the unrecognizable

Even live agents can have a tough time with slang, poor grammar and quirks like "ums" and "ahs." Conversational IVRs can effortlessly handle these challenges, keeping the interaction natural, smooth and painless.

### 4 Predict and anticipate

The combination of ANI matching and existing customer data can help proactively anticipate **why** a customer is calling, reducing time to completion and live agent intervention.

### 5 Remember critical information

Nothing is more annoying than being prompted for the same thing multiple times. Conversational IVRs remember what customers have already said—so they won't have to provide duplicate information.

### Case in point: Amtrak

#### Modernizing their IVR pays off big

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

#### The result:

# 50k

calls answered on average per day by Julie (up to 95,000 during peak travel times)

# 53%

increase in customer satisfaction by switching from the old touch-tone system



### 3. Anticipate your caller's needs

Callers want to spend as little time as possible when contacting your company. They don't want to wait on hold and are open to ways to streamline their engagement. Forward-thinking companies are using the latest advances in AI and predictive capabilities to better anticipate why customers call and get them to the right resolution faster.

Putting AI to work in the IVR enables organizations to predict the reason for a call and then automatically deliver an experience that is hyper-personalized – tailored just for them based on their unique situation and past history.

Suppose a cable subscriber spends time researching programming packages before calling. The IVR can recognize that activity and greet the caller with a personalized message: “I see you were browsing cable packages online earlier today. Are you calling to add a station or change your programming lineup?”

By analyzing information such as browsing and interaction history and transaction data, you can anticipate customer needs before even saying “hello.” The best IVRs don't just resolve the customer's issue more effortlessly; they recommend the right next step for every customer, too.



**Loan servicers could reduce late payments and collections costs**—by using an advanced IVR to recognize callers that consistently pay late and offer a one-time option to change their payment due date.



**Wireless service provider's IVR could automatically recognize customers who qualify for device upgrades**—and turn an ordinary service call into a revenue opportunity.



**Energy provider could proactively save customers money in the summer, while creating more forecastable recurring revenue yearlong**—by offering an averaged billing program when a customer calls to make a higher-than-average payment in July or August.

Bringing that level of intelligence and predictive capability to your IVR isn't just about meeting customers' rising expectations. It's about improving business results, too—increasing automation and first-call resolution rates, improving CSAT scores and lowering TCO.

#### Case in point: Delta Airlines

#### Conversational IVR exceeds customer and business expectations

Delta Airlines integrated a conversational IVR with Natural Language Understanding and call steering with its existing proactive engagement solution.

When a passenger contacts Delta's call center after being notified about flight delays, the IVR greets them by name and asks if they're calling about their delayed flight. Callers interact with the system naturally and are connected directly to an informed reservation specialist.

#### The result:

# 5.1%

containment rate (they were shooting for 3% containment)

# \$3M

in savings in the first year alone, and much happier flyers

**Minimizing churn and maximizing sales**

IVRs that leverage AI are always listening and learning, so they can even proactively monitor calls for signs a customer may be frustrated, on the verge of canceling or even signaling a higher propensity to make a purchase, by using:

**1 Activity**

By analyzing your customers' actions in context, the IVR can use intelligent predictions to make proactive offers, route callers faster, reduce churn and even increase sales.

**2 Words**

The IVR can learn and listen out for key words that indicate when callers are about to cancel or purchase less, or even when they're ready to spend more.

**3 Tone**

The most advanced IVRs can even sense changes to a customer's tone, volume and inflection—which can signal frustration or excitement—and guide the call accordingly.

**Prompt your customers**

Customers are increasingly choosing to take their hard-earned dollars to companies that keep them in the loop, proactively alerting them to important product, service and account information.

For example, if the same banking customer calls every Friday to confirm their paycheck direct deposit was received, the IVR can identify that behavior and send deposit notifications proactively.

These automated reminders and alerts via text, voice, email and push channels increase the likelihood that customers take action (like paying bills on time or renewing services) while simultaneously reducing inbound operational costs through call deflection.

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**90%**

of consumers say they are more likely to do business with companies that send them reminders<sup>7</sup>

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**200%**

increase in collections conversion rates within days of implementing a proactive reminder system at large US Mortgage Service Provider

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#### 4. Connect your IVR and digital channels

Companies with the strongest omni-channel customer engagement strategies retain an average of 89 percent of their customers, compared to only 33 percent for companies with weak strategies.<sup>8</sup>

Why? Because 60 percent of customers visit your website before calling your IVR, and 36 percent continue to browse your website while talking to a representative.<sup>9</sup> Wherever they start their journey, they expect to authenticate once, then move seamlessly between channels to get the answers they need.

An IVR-to-digital solution can reduce your contact center costs, improve customer satisfaction, and optimize channel engagement by allowing customers to transfer seamlessly from your IVR to text messaging, a virtual assistant or a live chat agent. Many customers prefer these anyway, and they offer significant cost savings—making it a win-win for your callers and you.

So how does it work? Imagine a customer calls with a pre-sales question about a new product they're considering. Here, the IVR offers them a choice: "No problem, I can have a live agent help you with that—the wait time is just five minutes. Or you could chat with an agent right now via text message. Would you like to chat instead?"

[Learn more about IVR-to-digital.](#)

# 63%

of millennials already prefer to handle their basic customer support questions via live chat<sup>10</sup>

# 89%

of customers get frustrated if they must repeat their issues to multiple representatives<sup>11</sup>



<sup>8</sup> Why Omni-channel Strategy Matters, Internet Retailer, 2013

<sup>9</sup> Aberdeen Research, 2016

<sup>10</sup> The Impact of Demographics on Live Chat Customer Service, Software Advice, 2015

<sup>11</sup> Accenture Global Pulse Survey, 2016

## Moving from “meh” to modern

We asked our own experts for their top recommendations when planning an IVR modernization initiative. Here's their advice:



### Find your starting point

Assess your current IVR performance metrics, such as overall containment and call duration. Be sure to include customer authentication and verification in your performance review, then list your results from worst to best. (Try our [IVR Self-Assessment](#) for a quick, easy way to identify areas where you can improve.)



### Look at where callers and agents are stumbling

Where do callers and agents get bogged down? What takes the most time? Identify a few key areas where a more advanced IVR could create dramatically better experiences and prioritize these projects.



### Don't let your IVR stagnate

As voice becomes the new norm—and voice assistants continue to roll out new skills by the thousands—consumers will expect your IVR to evolve too. Start with the most pressing projects, but don't forget to keep modernizing.



### Get expert advice to ensure success

A modern IVR relies on fast-moving technologies—and that can make it difficult to keep up. An expert strategic partner or consultant can help you assess, update and support your modern IVR.



### Consider the cloud

You're almost certainly using the cloud to lower costs and improve performance in other areas of your organization—and those benefits can also apply to your IVR. Moving your IVR to the cloud can help you reduce or eliminate in-house server and system maintenance costs, remove the need to manually upgrade IVR software, ensure always-on performance regardless of call volumes and improve data security.

## Modernizing your IVR—it's your move

Ask yourself: when customers call your IVR to resolve complex issues, who answers the call? Is it an advanced, conversational IVR that delivers a world-class experience? Or is it an outdated “Press 1 for Sales” phone tree from 1994?

If the answer's the latter, it's time to modernize your IVR. Your customers expect it. Your business deserves it. And if you wait too much longer, your competitors may take advantage of it.

### IVR modernization in action

Check out what these trailblazing brands are achieving.



#### [American Airlines](#)

American Airlines' IVR reached new heights in CSAT, **increased call containment by 5% and saved millions annually.**



#### [FedEx](#)

FedEx created a more human IVR, **increased automation by 6% and eliminated 11,000 calls to live agents per day.**



#### [NYC311](#)

NYC311's IVR provides **faster, more efficient call routing** from a single point of access.

## Next steps

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

[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](#) today to learn how we can help you take your IVR to the next level.



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#### 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 assist-ed-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.

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