

# customer care solutions

from Nuance

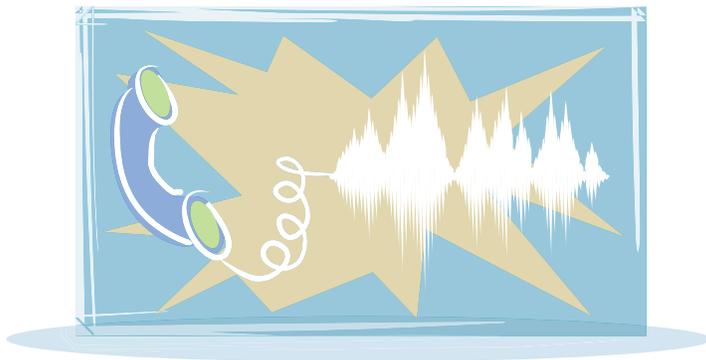
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white paper ::

## The Business Case for Speech-Enabled Self-Service

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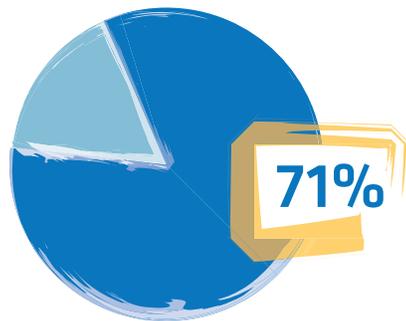


## Introduction

Despite the noble goals of customer service to increase loyalty and revenue, driving costs out of the organization remains a priority for businesses. Challenging economic times have intensified the need for call center executives to find incremental savings in everything they do, without sacrificing the customer experience. No business can afford to lose a customer right now – but balancing these two seemingly competitive goals might seem impossible. But the fact is, a strong speech automated care operation can deliver on both objectives simultaneously.

Skeptical? Over 71% of consumers surveyed prefer the 24x7x365 availability of automated interactions over the voice channel.\* At the same time, speech automation allows call centers to reduce transfer rates, agent handling time and overall call time from the bottom line while improving customer loyalty and satisfaction. By providing a means for consumers to help themselves, call centers stand to slash costs from their operating budgets.

### Top Reason Consumers Prefer Automated Interactions



**Most consumers prefer using automated interactions over the voice channel because of 24x7x365 availability**

## Doing the Math

Imagine your company handles half a million calls per month, or six million calls per year. If a speech system enables you to increase your automation rate by 5%, you'll be capable of handling an additional 300,000 calls per year. If you save \$5 per call, that adds up to a \$1.5 million annual savings. Furthermore, these figures don't even factor in the higher customer satisfaction rates, repeat usage and general goodwill that come from presenting your callers with an intuitive interface to customer service.

**Implementing speech technology can realize savings by increasing automation rates.**



For example, consider a call center receiving 6 million calls per year that raises its automation rate by 5% by implementing speech technology. At a savings of \$5 per call, the additional 300,000 calls handled through the automated system provide \$1.5 million in savings.

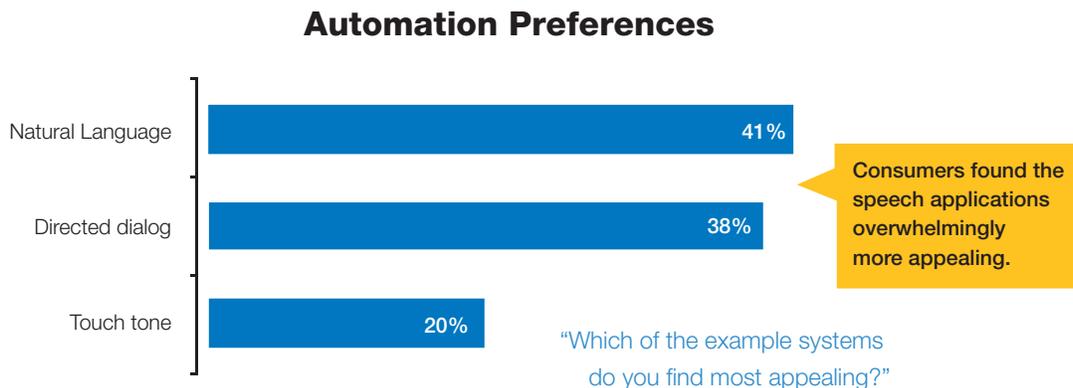
Take, for example, a leading U.S. bank that wanted to improve the effectiveness of its self-service system by providing a more consistent, satisfying caller experience. First, the bank consolidated its 4000 different toll-free numbers into one and routed callers based on recognizing their answers to the question "How can I help you?" It then added speech automation for applications including call routing for credit card, lines of credit, mortgage and loan, funds transfer and deposits. Within ten weeks, the application had achieved a 78.5% effectiveness rate, a 2% increase over the effectiveness of the bank's legacy touchtone applications. Ultimately this 2% increase saved the bank over \$15M annually.

In another example, one of the UK's largest banks wanted to lead the market in offering superior customer service while also maximizing productivity and reducing costs in its existing call centers. Over the course of several years, it rolled out a series of speech-enabled self-service applications that eliminated the 40-45 seconds previously required for agents to answer calls, identify and verify customers. Call volume was therefore reduced considerably as were operational costs. The benefit of savings for one speech application alone was £4.2M annually – no small change. Importantly, with all the savings, the quality of care was actually improved as a new single number for contact has made it easier for customers to contact the bank.

Consider also the efficiencies realized by a U.S. utility company. With 1.5 million customers spread across multiple states, it was managing over 4.7 million calls per year. Its existing IVR was reaching end-of-life and couldn't be supported much longer. Completion rates in the IVR were a mere 32%. The utility needed to implement new applications – applications that were not feasible through their existing touchtone system. Using speech, the utility introduced a self-service system available 24 hours per day that asked “How may I help you today?” This new system now handles interactions for a number of customer needs, including turn on/turn off/transfer service requests, outage reporting, documentation requests and outbound notification applications. This system increased first-call resolution by 16% which immediately helped decrease inbound call volume. Completion rates also increased from 32% to over 44% in early stages, saving the utility the time and money of return calls and transfer requests.

## But Do Consumers Really Like Speech?

Voice automation has come a long way since the days of “press or say 1”. Yet almost everyone has a story about some less-than-optimal interaction with a speech system. Does this mean that customers don't like speech systems in general? The results of one recent Harris Interactive online survey indicate that this is simply not the case. As part of the survey, callers were asked to listen to three different sound clips: a touchtone interaction, a directed dialog interaction, and a natural language interaction. According to the results, 80% of consumers preferred the speech (natural language and directed dialog) applications. In fact, speech-based applications far outranked the touchtone applications across all categories – ease of use, clarity, speed of transaction and completeness of service – in some cases by almost two to one.



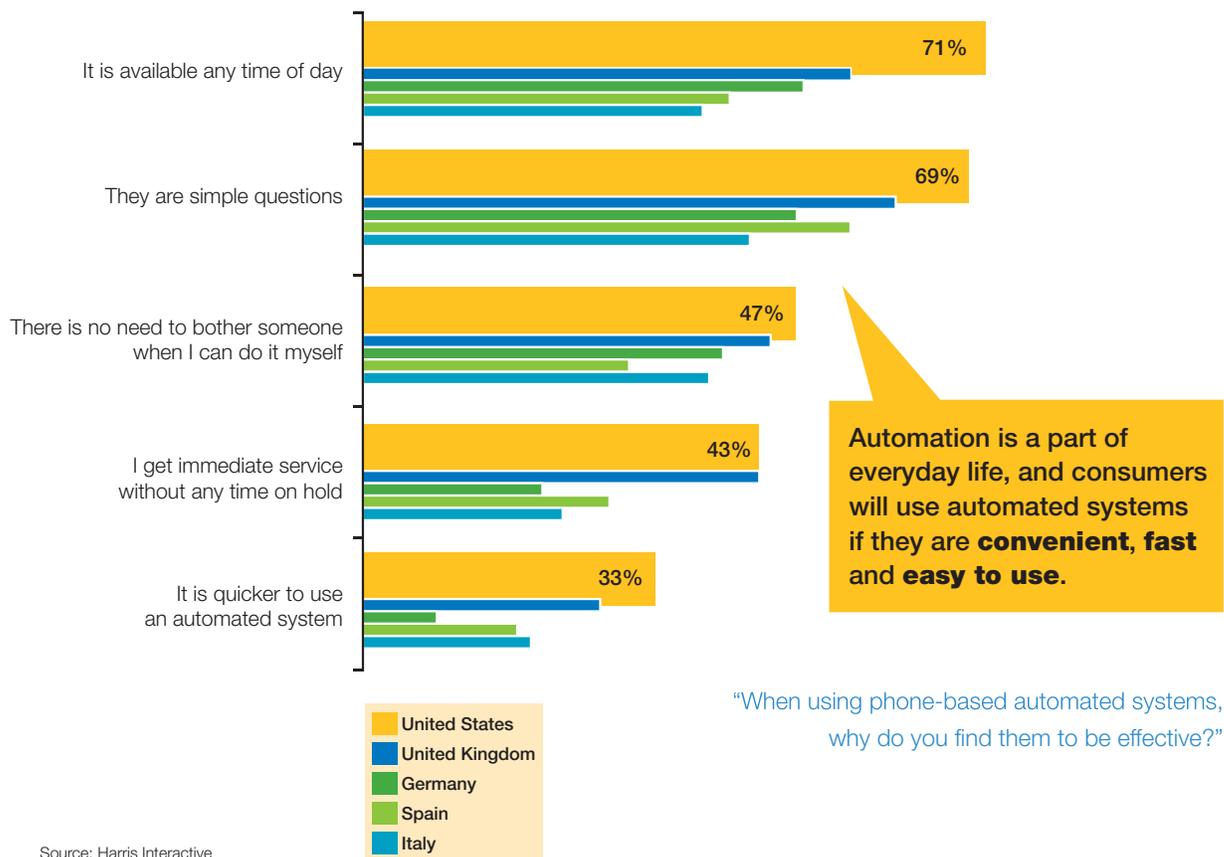
Source: Harris Interactive

These same characteristics that made consumers favor speech applications over touchtone are similar to the qualities consumers now demand from self-service applications in general. Consumers want assurance that their issues will be resolved quickly, simply, thoroughly and without confusion. The survey also asked respondents what they didn't like about the speech applications. The results highlighted the importance of

communicating with customers during the interaction so they stick with the system instead of opting out to an agent. This could be as simple as letting callers know they need to answer two more questions before the system can complete the transaction. After examining this data, it's clear that the problem is not whether consumers like speech systems. The problem is that consumers simply don't like bad automation.

But what constitutes "good" automation? When participants in this same poll were asked which characteristics of a phone-based automated system they associate with effectiveness, the responses highlighted those features perceived to make automation more efficient and helpful to callers. Respondents wanted 24x7 availability, simplicity, control and immediate service.

### Reasons for Using an Automated System



## Speech Automates What Touchtone Can't

Despite the successes many business have had, some companies continue to claim that their touchtone systems are good enough. This begs the question, "Good enough for whom...you or the customer?" For basic automation tasks that require only a few choices, a high-performing touchtone system may indeed be adequate. More often than not, however, touchtone systems present barriers that stand in the way of providing exceptional service to today's savvy and demanding consumers. Many callers end up getting lost in a maze of menu options until they finally press "0" to reach a live person for help. Others may 'zero-out' immediately, rather than wade through the options.

Some speech applications allow callers to describe their needs in their own words and be routed immediately to their destination, instead of having to listen to a long list of menu options. Callers are asked an open-ended

question such as, "In just a few words, tell me how I can help you today."

From there, a caller can say something like, "I have a question about a bill" or perhaps "I'm moving and I need to change my address." With this input, callers go directly to their destination – whether it is a touchtone application, a speech application or a live agent. This way, callers can concentrate on their question rather than guessing which category bucket to explore to find an answer.



By enabling more conversational input, speech systems also address some of the challenges that touchtone applications simply can't handle. For example, can you easily type in a mailing address with 12 buttons? What if you needed to type in "Albuquerque"? Some phones don't even have a "Q". As your speech system proves itself capable of handling more complex tasks easily and seamlessly, you'll find customers choosing to use it through to resolution rather than zeroing-out to wait on hold for an agent. You can even offer service to people calling from the car in hands-free environments – where pushing buttons can be pretty difficult – to further simplify interactions and enhance the overall caller experience.

In short, speech automates what touchtone can't and this makes a big difference when it comes to achieving return on your system investment.

### Large U.S. Insurance Company

#### Background

- < A leading U.S insurance provider was managing over 1,000 toll-free numbers
- < Multiple stand-alone IVRs across the country
- < High volume of simple inquiries and lengthy call flows

#### Solution

- < Implemented a new voice portal that gave callers highly personalized menus and more than 15 self-service automated options including:
  - < Basic member and provider validation
  - < Benefits and contact information
  - < Claims status and order status
  - < Eligibility
  - < Faxing
  - < Prescription refill information

#### Results

- < 400% increase in completed calls
- < 9% reduction in year-over-year calls requiring a customer service representative

### Leading UK Hospitality Company

#### Background

- < One of the UK's largest hotel networks, providing rooms to 13 million customers annually
- < Needed to ease pressure on agents and eliminate the need for extra agents during peak times

#### Solution

- < Introduced a speech-enabled room reservation system enabling customers to check room availability and make/confirm bookings in 460 hotels in the UK
- < Mobile customers can request a confirmation text message
- < System can cross-sell callers to different locations if desired destination is fully booked

#### Results

- < Almost 3 out of 4 customers said they'd rather use the automated system than have to wait in a queue to speak to an agent
- < 89% of those who stayed with the automated booking system completed their reservation

### Worldwide Leader in Mobile Communications

#### Background

- < Worldwide leader in mobile communications that provides a complete range of mobile telecommunication services
- < Saw speech technology as a way to bolster the quality of its customer service while reducing call center agent operating expenses

#### Solution

- < The speech-enabled IVR allows customers to get quality service without the wait and resolve their most frequently asked questions on their own
- < Pre-paid and post-paid customers can use natural speech to set voice mail settings, check pricing options, monitor and redeem reward points and activate special promotions

#### Results

- < Customer satisfaction rates jumped 14% with the speech system compared to touch-tone technology
- < Customer satisfaction rates are 8% higher with the automated system than with live agents
- < The system handles over 8 million calls per month, or an average of 250,000 calls per day

## Conclusion

In periods of economic change – either growth or decline – customer relationships become a constant barometer of your organization's health. Speech automation offers you a way to maintain and grow those relationships while addressing your need to more tightly manage spending. As you've read in this white paper, there's proof that these systems really work. Do the math and use speech to save money and retain customers by meeting their expectations in each and every interaction.

## Nuance: A Strategic Partner for Managing Customer Interactions

Nuance has been helping companies with automation solutions for the voice channel for well over 10 years. We offer a comprehensive portfolio of interaction solutions and services including: Call Steering to naturally automate the routing of callers to the right destination; voice biometrics-based authentication to ensure secure interactions; destination solutions for automating the dissemination of business information and managing business transactions; the Nuance Notification Hub, a comprehensive platform for proactive, outbound interactions; customer care analytics engagements to optimize customer interactions; and full business consulting, solution deployment and solution management services.

## About Nuance Communications, Inc.

Nuance is in the business of helping companies better support, communicate with and understand their customers while maintaining operational efficiency goals. Nuance currently supports over 8 billion care interactions around the world. No other company has as much experience as Nuance in understanding how customers interface with a care operation. Our vision is to make every customer interaction a winning experience. For more information about our customer interaction solutions, business consulting and professional services, please visit [www.nuance.com/care](http://www.nuance.com/care).

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