Optimizing the IVR in Your Contact Center

An SPS White Paper

Kathy Sobus, Director of Customer Experience Consulting, SPS
Brian Pia, VP of Contact Center Consulting Services, DDV
A CUSTOMER’S JOURNEY can begin in many places, but as needs become more complex, they usually result in a phone call – and the caller’s first point of contact is typically an Interactive Voice Response (IVR) system. A number of events can lead to such an attempt, depending on the industry: a consumer wishing to make a purchase, payment or balance inquiry; customers with technical issues or questions, who have already exhausted other resources and social media connections; or maybe a caller simply following up on an account-related email or SMS message. Regardless of the reason, they all want fast resolution of their issue! The upsetting fact is that the customer experience at this point usually comes from an outdated IVR with applications built a number of years ago.

Under pressure to keep up with trends, business desires, and pressure to adapt, many customer service organizations have invested in, and enhanced, other channels of connectivity such as websites, smart phone apps, chat or email communications – but they haven’t given the same focused attention to their IVR. At the moment of a customer call, the companies that have continually invested in their IVR experience are positioned to provide a better customer experience that’s light years ahead of those that haven’t.

Recent advances in IVR technologies and service delivery approaches offer countless new capabilities to meet rapidly-changing customer needs – regardless of industry, size or geographic location. Customers have likely experienced enhanced IVR capabilities in their relationships with other businesses, including improved speech recognition, personalization, integration with other channels of communication, and streamlined processes that bridge the gap between the IVR and live agents. They have experienced better conversations and better outcomes with these technologies. This has raised the bar on the customer experience! Many companies have realized the potential of these new capabilities to drive down costs, improve operational efficiencies and enhance the service experience.

Expectations for enhanced IVR capabilities are also raising consumer expectations for good, and great, customer service overall. Today’s consumers are multi-channel and always connected to social media. Word of both good and bad customer experiences can spread quickly, and each transaction is an opportunity to amaze or disappoint. Once a customer decides to contact a company, the IVR is that company’s next line of defense.

Across all industries, live representatives are doing more, receiving and resolving highly complex questions and problems – so a good experience with the IVR can make or break the customers’ satisfaction with that specific transaction. IVR is a gateway for live agents, who provide the only way to help callers clarify what they are looking for, navigate the company’s systems, deliver bad news or escalate cases. There is currently no substitute for human understanding and empathy. Since callers must pass through IVR to reach live agents, a good experience with the IVR can make or break Customer Satisfaction.

History

Interactive Voice Response blossomed in the 1970’s as a tool to help call centers manage the flow of incoming calls. Broadly defined, an IVR is a system that interacts with callers to understand their intent, provide information, process transactions, and in some cases route
callers to live agents for additional service. The IVR system provides voice prompts, while the customer responds by pressing touch-tone keys on their handset. Today, many IVRs leverage speech recognition technologies such as directed dialogue (guided selection from a list of options) as well as natural language, where the caller’s input is spoken in their own words.

IVR’s were originally implemented to help route callers with mundane needs away from expensive service representatives, to control costs and improve the company’s bottom line. Basic IVR functionality captures caller intent and serves the caller’s needs through either full or partial self-service transactions. In the event the IVR cannot serve the needs, the IVR will route the caller to an agent with the correct skill set. If no agent is readily available, the caller remains in queue until an agent is available to take the call. The system attempts to promote efficiency by keeping agents busy with cases that they are qualified to resolve. During long hold times, the IVR can provide callers with pre-recorded messages promoting cross-sell opportunities, or attempting to deflect callers to alternate channels, whether on the current call or for future transactions.

By forcing callers to interpret and navigate long lists of menu options and multiple layers of call flows, these systems often fell short in meeting customer needs. Today, many IVR systems continue to operate along these lines, producing customer-service horror stories that kill businesses with poor reviews on social media sites and damage their reputations.

The latest IVRs can do much more, meeting customer needs by resolving inquiries and automatically processing self-service transactions. But IVR functionality need not stop there. An IVR provides a powerful system and a platform that can provide expanded functionality, delighting customers in new ways, streamlining operations, and helping keep agents satisfied with their work. Such capabilities are within the reach of every company. IVR has matured, growing from a necessary evil into a competitive differentiator.

Need for Change

With the prevalence of the Internet, smartphones and tablet computers, customers have more access than ever to online resources and information. As they become more well-informed, their attitudes toward customer service have shifted – and that shift makes advanced IVR functionality a necessity to deliver high customer satisfaction. If a business’s service is below the mark, customers are increasingly likely to seek out a different provider. Brand loyalty is not only decreasing; in many industries, it’s already a thing of the past.

Perspectives on customer-service performance have also become more portable. Across most markets, standards for good customer service are now very similar – more so than when the bulk of consumer transactions took place in brick-and-mortar locations. As a result, customers of even small companies expect them to provide the levels of service available by global giants like Amazon, United Airlines, Zappos, Starbucks and others. Merely staying ahead of direct competitors is no longer sufficient. Experienced and worldly customers take note of sub-standard service wherever they find it, and share their experiences with their socially-connected friends, who in turn share and repost to their social networks.
In this environment, IVR performance is more critical than ever. The most successful organizations recognize that the IVR must remain nimble enough to respond to rapid shifts in consumer behaviors and expectations, citing five key drivers:

1. Consumers expect more concise, digestible, and meaningful information.
2. Ease of access is the standard for every channel of interaction. Anything less creates a poor customer experience.
3. Personalization is the norm. Customers expect each interaction to be personalized and proactive, showing that the company is situationally aware of their relationship.
4. Companies should have one unified view of the customer interaction, even when callers are forwarded to another department, or the interaction shifts to another channel. Information given once should never be requested again!

For market leaders who recognize IVR as a strategic part of their customer care model, everything starts with understanding customer expectations and behaviors.

Only a few companies within each industry will establish themselves as leaders with highly-effective service practices and closely-integrated IVR strategies. Examining such companies reveals several common traits that make their IVR service experience stand out. These traits apply to companies across all vertical markets, company sizes and geographic locations. Pursuing these traits in your own design will help your company establish a reputation for service leadership.

Even if your IVR resides on an up-to-date platform, chances are there is room for improvement in call flows, business processes, application integration and user-centric approaches. In the remainder of this white paper, we will:

/ Explore several capabilities enabled by today’s IVR systems.
/ Discuss common characteristics of successful IVR-based applications.
/ Identify key considerations required to ensure the success of IVR integration projects.
/ Keep a focus on leveraging IVR as a competitive differentiator to establish industry leadership through service excellence.

Information Supplied to Customers

Customers expect companies to provide them with relevant, meaningful, and concise information that is readily available and easy to use. Simply enabling an IVR to provide store hours, locations and mailing addresses can produce an attractive return on investment, but customers now expect companies to provide more meaningful functionality, with applications such as order status, shipping notices, account balance and collections.

Adding speech technologies like natural language can raise the perceived value of interactions. This is particularly true when tight database integration enables the IVR to provide account-specific information and transaction processing. A high containment rate indicates the IVR is keeping customers satisfied and streamlining company operations. When
something is amiss, the IVR continues to offer the option of connecting customers with a live agent.

This level of functionality is rapidly becoming table stakes for efficient customer handling, as it yields quick results for companies while relieving employees of mundane tasks.

**User Authentication and Ease of Access**

Improved identification and authentication (ID&A) capabilities can drastically change the IVR experience and re-define how an organization is perceived by their customer base. The most cost-effective way to improve the overall identification and authentication process is typically to streamline the process, leveraging information the company already has on file.

Automated Number Identification (ANI) technology allows the company to identify the caller with little to no input. An ANI query can then be performed against the organization’s Customer Relationship Management (CRM) database. When a match exists, the caller is then prompted to enter an authentication credential such as a PIN or the last 4 digits of their Social Security number. A streamlined authentication process like this removes most of the burden from the caller, and demonstrates that the company knows who is calling and values that caller’s time. If ANI is not be available or falls outside the organization’s ID&A strategy, companies can still streamline the process using identification credentials such as account number, policy number or order number. Under this approach, the interaction must be structured to ensure that questions are asked in a way that promotes usage and provides a sense of progression towards the caller’s intended goals.

For some organizations, the use of advanced authentication technologies like Voice Biometrics can be an effective way to raise the bar and provide an enhanced level of service. By combining caller identification with passphrase or voiceprint confirmation, Voice Biometrics appropriately balances security with ease of access, minimizing inconvenience to the caller. A streamlined authentication process reduces the caller’s effort, enhances the level of personalized interaction and sends callers a positive message on the company’s commitment to exceptional service.

Today Voice Biometrics technology is used internally by many companies for employee ID verification and password resets. Externally this technology has been adopted by many industries where security is essential, including Financial Services and Banking.

As a guideline, identification and authentication credentials should mirror the level of customer and business exposure that’s implicit in each transaction type. This technology is a growth area that’s maturing fast, so organizations should be tracking its progress as new offers advance such capabilities.

Regardless of the caller authentication methods in use, every customer service organization should regularly revisit their ID&A strategy to ensure the approach is in-line with user behaviors, organizational service goals and market trends. Additionally, organizations must continually evaluate how their strategy impacts the entire caller experience, particularly as callers move from the IVR to live service agents.
Computer-Telephony Integration (CTI or “screen pops”) can help create a seamless transition from the IVR to the service representative, allowing agents to initiate calls in a personalized manner. When there is no CTI connection providing IVR responses to agent desktops, callers must start all over, providing information to the agent a second time, as if their input to the IVR had been disregarded. The need to re-authenticate and explain is a consistent dis-satisfier, and sends the wrong message when a company is striving to decrease effort and create customer delight.

In addition to the technologies already listed, organizations can also integrate Call-Back capabilities into their IVR for a big improvement in ease of access. When callers transfer to a customer service resource with long hold times, they instead select an option to have the organization call them back – preserving their place in line without keeping them on the phone. Alternately, the IVR can help customers schedule a call at a time convenient for them. Combined with appropriate staffing and workforce scheduling, organizations that implement such tools quickly achieve positive results in service levels, customer satisfaction and workforce utilization rates.

### Personalization

Today’s consumers expect the company they are calling to know who they are, and know the extent of their relationship with the organization. Companies with market-leading service delivery understand the need to drive personalized and proactive services to their callers. And adopting such strategies can help organizations support existing goals – shortening service interactions while simultaneously providing more relevant information to callers. Consumers want the companies they deal with on a regular basis to know who they are, and to understand the intent and context of the call without being told.

As previously mentioned, driving a personalized experience starts from the moment a customer’s call is answered by the IVR, using ANI and other identifying information to narrow service options and push proactive information to the caller – whether in conjunction with the ID&A process or independently. Personalization can still be achieved by organizations that do not leverage ANI capabilities, although it may require additional customer input. In those cases the customer identification process would require manual input of identification and authentication credentials such as member ID, order number, customer number, account number, stock number, etc.

Once the caller’s identity is established, companies can determine who the caller is, access the caller’s account, look up the extent of their product or service portfolio, and access a history of their interactions. This shortens the overall time needed from the customer, allowing callers to engage with far less effort.

Identification can also help isolate the service options appropriate to the caller’s relationship with the organization. For example, if a consumer calling a bank has only a brokerage account with that institution, the system can be designed to offer only self-service options related to brokerage, based on account information. This function is called Dynamic Menus, and implementing it helps companies demonstrate their understanding of the caller, resulting
in improved Customer Satisfaction scores and reduction in misrouted calls, transfers, and callers dialing zero to escape the IVR.

Caller identification is the key to activating dynamic menu functions and provide proactive, personalized messaging. Many highly-successful organizations have already adopted this strategy to enhance the service experience for their customers. Banking and credit card institutions have seen significant benefits by pushing account balance information automatically, upon caller authentication, since this is by far the most common customer request. This increases the IVR Containment Rate for such customers, who never need to leave the IVR to speak with an agent – and also frees agents to service more complex issues. As a result, these institutions both save money and increase Customer Satisfaction metrics – a double win!

While ANI is a valuable tool for driving personalized experiences, its security value varies depending on the industry, organization and transaction. In higher-security scenarios, ANI can be used as the primary identifier, followed immediately by an authentication credential. Technologies like Voice Biometrics can be deployed for an added layer of authentication. The key is to leverage ANI and other identification credentials as elements of a broader personalization strategy. By aligning the levels of personalization to the caller's relationship and corresponding transactional level, organizations can streamline their operations in a way that balances financial goals with customer convenience.

Implementing customer profiling as part of a personalization strategy enables organizations to present callers on hold with targeted offers, based on an understanding their specific relationship and history with the company. Such focused offers yield a much higher take rate than general on-hold broadcast messages, enhancing cross-sell/up-sell revenue for the company.

Customer Point of View

The customer journey sometimes follows an arduous path to reach the desired information or outcome. Today’s multi-channel, always-connected customers often take a multifaceted approach, searching for an answer to their question using a variety of devices (computer, tablet, or smartphone) and services (Google, Facebook, Pinterest, company website or apps, etc.).

Customers often shift their efforts to the IVR and phone only after exhausting other channels. As a result, the customers' view is often that they have already identified themselves online, and spent what they feel is an inordinate amount of time seeking resolution. These customers want service representatives to understand all of the interactions and steps that they have taken prior to reaching a live agent.

Customers no longer tolerate providing information again, or repeating steps taken prior to reaching an agent. They expect the agent to know everything they’ve done via any customer-service channel, so the agent can pick up where they left off with the other interactions. And they are delighted when this actually does happen.
Linking together multi-channel interactions in a meaningful way helps create this kind of delight by reducing the customer’s effort. Companies should explore how these capabilities can help streamline their business to create memorable interactions that customers will share through social media channels.

Anticipating Needs and Awareness

As the saying goes, “data is king.” Improved access and higher levels of personalization can advance the customer experience for many organizations. Using accurate and relevant information improves your chances of successfully delivering a user-centric experience. Looking at every interaction from a customer’s point of view can be a telling exercise for any company considering an update to their IVR.

Company-centric information is confusing to consumers. Organizations that use this approach find that agents spend excessive call time explaining internal practices that were not designed to be customer-facing. This problem may be especially acute for healthcare and insurance companies that use complex jargon on customer-facing correspondence and in the IVR. While these points of confusion often seem obvious to the company, caller confusion can arise from the way they are asked for their Account Number, Site Code, or other simple information – leading to a poor service experience and unnecessary interaction with a service agent.

Companies that do not take steps to implement a user-centric data model will tend to experience higher rates of IVR abandonment, lower self-service containment, lower rates of first call resolution and significantly higher operational costs compared to companies that do the work to be customer-centric. When users continue to find the information provided by an IVR to have limited value, they will eventually reject the IVR channel and dial zero to speak with a customer service representative every time and negating the value of the IVR system. This can throw the organization into a downward spiral, with low usage rates leading to higher call volumes, longer hold times, increased operational costs and customer attrition – ultimately making it difficult to justify further investments in IVR capabilities. To avoid such limitations, implementation projects for IVRs and related technology must include a business-wide plan for data design, including a read-out to ensure that IVR prompts make sense to customers.

In addition to implementing a user-centric model, placing the correct context around every interaction greatly enhances customer-centricity and satisfaction. When a company anticipates and prioritizes customer needs before the customer engages Customer Service, that’s customer-service nirvana. Today, deploying a user-centric model that spans the available channels of interaction improves a company’s chances of creating a truly memorable event.
Ensuring Success for IVR Migrations

Once you’ve gained an awareness of what’s possible with current technology, it’s time to identify and prioritize your business objectives and customer satisfaction goals, then assess your technology currently in place. Consider the continuum of technologies described in the diagram below.

The IVR Customer Experience Continuum

While this is not a rigid path, it does depict the approximate roadmap followed by many customer-service organizations, with each capability building on those that came before. Developing your organization’s technology roadmap starts with asking some key questions:

/ Where are you today?
/ What are your goals as a company?
/ Would these solutions help your customers?
/ How would those results benefit your company?

When setting your goals, consider how often your customers press zero to escape the IVR, and how many transfers your agents are performing. Think about what your customers expect from you, and the journey that they follow through their experience with your organization. Which trends and capabilities could be interwoven for the biggest impact on the customer outcomes and satisfaction? Take stock as well of your competition, and the customer experience (products, services, and customer care) that they provide to the marketplace.

Finally, consulting with a proven systems integrator like SPS helps ensure that your plan will achieve your goals. Many of these technologies will deliver immediate financial benefit, improve employee satisfaction, reduce your customers’ effort, and enhances their experience – but a master plan is the key to a roadmap architecture that makes sense, strategically implementing enhancements that will make a real difference on business outcomes.

Conclusion / Next Steps

This white paper aimed to provide an understanding of how successful organizations leverage Interactive Voice Response systems as a strategic component of their customer experience model. Most IVR’s currently in production are powerful enough to support an enhanced user experience, with greater levels of personalization, improved ease of access, and interaction across devices and channels. It need not require a large investment to start delivering the level of information that today’s sophisticated consumers have come to expect.
IVR is more strategic for today’s customer-service organizations than ever. Even stand-alone IVR capabilities are playing an increasingly vital role in customer care. Integrating complementary technologies like web and mobile applications serves to unlock further value.

Historically the IVR was viewed as a gatekeeper, and it will remain so until companies enhance its capabilities. Our vision for the future is that customers will come to value the IVR, viewing it as an opportunity to quickly and efficiently gain information and transact business. Until then, pressing zero to exit the system will continue to be the customer’s signature response.

All IVR applications have room for improvement as business processes and consumer expectations evolve. Our experiences indicate that many companies initially deploy an IVR to handle a small number of specific scenarios. Adding new technologies to such systems enables companies to enhance more business processes and help customers gain resolution to their needs. Even a static business model has consumers who are being continuously exposed to new technologies, better service experiences, and broader channel offerings – raising their expectations and leading to increased demands on customer service organizations. This evolution continues to drive the need for companies to rise and meet or exceed their expectations.

Keeping pace with those expectations requires ongoing, periodic assessments of system designs and the solutions available to help meet those requirements. Best practices acknowledge constant change as a known variable, and nimble business processes will help meet those new challenges. And consulting with a proven systems integrator like SPS allows even smaller companies to benefit from a broader perspective on new and ever-changing customer needs.

About SPS

Strategic Products and Services (SPS) is a global, multi-vendor systems integrator for unified communications (UC), including voice, video, collaboration, infrastructure, bridging and contact center applications, with managed services, cloud-based and mobility deployment options. The company is differentiated by proprietary, documented and repeatable processes and expert staff who combine deep knowledge with broad competencies and certifications. SPS delivers custom, end-to-end solutions enable clients to optimize their business – from strategy and design through implementation and support.

About DDV

Digital DataVoice specializes in self-service and assisted-service technologies for call centers, and is one of the largest and most experienced providers of integrated IVR, CTI and Call Center solutions in North America. DDV provides comprehensive business-to-consumer communication services that span application development, comprehensive maintenance, management, and support.