

# 5 reasons to use conversational speech in your IVR.

A step-by-step guide for wowing your customers and CFO with brand-differentiating service and savings.

# How can I help you?

## Introduction

Customers always come first – except when it comes to some organizations' interactive voice response systems (IVRs). In study after study, consumers overwhelmingly choose the phone over every other customer service channel, and they prefer IVRs with conversational speech interfaces over touchtone.

So why doesn't every organization prioritize their IVR investments accordingly?

In some cases, it's because they don't realize the ROI that's possible with conversational IVRs, such as millions in annual savings from increased call containment at US Airways. In other cases, it's a mistaken belief that mobile apps are hustling IVRs into irrelevance, making further IVR investment a waste of money.

Whatever the reason, their competitors aren't making the same mistakes. Instead, they're investing in IVR upgrades such as natural language understanding (NLU), which provides the ultimate combination of convenience and personalization: Callers can state what they're looking for using words that come naturally to them, instead of stumbling through menu mazes and other time-wasting frustrations that give outdated IVRs the bad reputations they deserve. That satisfaction enables those businesses to minimize operating expenses, reduce churn and maximize revenue.

This guide provides a crash course into the top five reasons why conversational speech can benefit your customers and your bottom line. It includes links to case studies and other real-world examples of how next-gen IVRs have raised the bar for customer service.

## Reason #1: Consumers Want It, and They Reward Companies That Provide It

More than 40% of U.S. households have ditched their landline phone and gone completely wireless. That phenomenon isn't limited to the U.S., and it continues to grow, all of which means mobile phones will drive an increasingly bigger share of inbound contact center traffic worldwide.

Smartphone penetration also is skyrocketing, and that's made consumers comfortable with the concept of using speech to ask an app for information rather than typing their questions. In fact, 83% of consumers now say they want the ability to have conversations with intelligent virtual assistants. When a company's app provides a positive experience, 90% say they're more likely to give that organization their business.

Savvy companies, government agencies and other organizations are leveraging those trends and preferences by upgrading their IVRs with Natural Language Understanding (NLU) technology. NLU enables callers to speak naturally to IVRs and ask open-ended questions to provide an easy, intuitive experience that routes callers to the right answer right away.

### Conversational speech delivers:

#### US Airways

- Call containment by 5%
- AHT by 10%
- Annual saving by millions

#### Wells Fargo

- Call containment by 3%
- Task completion rate by 2%

Those organizations know that when people call, it's typically because they couldn't find what they needed on their website. With NLU, their IVR doesn't add to that frustration by forcing them into menu mazes.

That convenience benefits their bottom line, too, by maximizing automation. Nuance usability studies show that with each IVR menu tier that's eliminated, self-service potential increases by more than 3%. High automation rates also free agents to provide white-glove service to callers with highly complex questions.

Just as important, NLU and other IVR investments can be extended to your mobile apps to provide easy, conversational experiences there, too. That strategy maximizes not only your IVR's ROI, but also self-service rates with your mobile apps, the operational savings that come with that increase and the customer loyalty that comes with a great experience.



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## Reason #2: Your Brand Perception is Riding on It

What does robotic, disjointed speech say about your company? A lot, and none of it good.

The wrong voice makes an IVR come across as impersonal and uncaring, which means the organization behind that IVR comes across as impersonal and uncaring. Consider a UCLA study about the “7-38-55” rule of comprehending spoken communications. Just 7% of comprehension is tied to the words themselves. Another 38% comes from the way they’re spoken. The biggest part – 55% – comes from facial cues and body language.

An IVR can’t provide those visual cues, which is why its voice quality is so critical. Yet too many IVRs use outdated text-to-speech technology whose robotic voices and unnatural cadence perplex, frustrate and annoy callers. And even when IVRs use voice talent to come across as more human, often the customer experience is undermined by poor recording quality and phrases awkwardly stitched together in ways that no human would ever speak.

### Conversational speech delivers:

#### FedEx

- Automation by 6%,
- Use of self-service

#### Delta

- Call containment by 5%
- Savings by \$5M annually

The good news is that it doesn’t have to be that way. Next-gen audio-output technologies dynamically synthesize pre-recorded prompts with text-to-speech. By gracefully morphing syllables, words or phrases into the sounds that precede or follow them, these technologies provide smoother, more natural-sounding audio.

As a result:

- Callers get a frustration-free experience because they don’t waste time trying to decipher what the IVR says. That boosts your brand perception and drives loyalty.
- In the case of sales inquiries, callers who aren’t frustrated and annoyed are far more likely to complete that purchase, meaning more revenue.
- Self-service increases, saving you money.
- Your agents have a better working environment because they’re not constantly dealing with customers who couldn’t find what they need on your Website and were further frustrated by an IVR that sounds like something out of a 1970s sci-fi flick.

To maximize those benefits, use those IVR features as the foundation for other customer service channels. For example, businesses are increasingly extending their IVR voice persona to their mobile apps to ensure a consistently great experience across all channels.



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### Conversational speech delivers:

#### Talk Talk

– Savings by £3M annually

#### NYC 311

– Agent availability by 25%,  
– Call center capability by 20%

## Reason #3: Consumers Want Proactive, Personalized Notifications

Research shows that consumers overwhelmingly appreciate proactive notifications from the companies they do business with. That's not surprising. After all, who likes late-payment penalties or wondering when broadband service will be restored?

Companies that provide personalized notifications enjoy better brand perception and customer loyalty. They also save money because the outreach reduces inbound call volumes, so they can run lean contact centers. Their agents also have less stress because there are fewer irate callers.

That's not wishful thinking, either. Sharp HealthCare, for example, saved \$2.3 million because personalized notifications reduced missed appointments by 25%. Meanwhile, a major bank is using payment reminders to save \$8-\$25 per deflected inbound call.

A cross-channel strategy can maximize those benefits. Suppose that a customer chooses to get fraud alerts via text message, but when one comes in, she's in a meeting and can't act on it. That evening, she remembers the text and calls her bank. If the IVR asks whether she's calling about the alert, it eliminates the need for her to go through multiple prompts. This kind of easy, fast resolution reduces the chances that she'll opt of the IVR to speak to an agent, and the positive experience builds loyalty.



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## Reason #4: Hypertasking Consumers Value Convenience

More than 80% of people use their smartphone while watching TV. That's just one example of how consumers are increasingly doing multiple things at once.

In this era of "hypertasking," businesses have to provide self-service that's effortless. That starts with adding conversational speech capabilities to your IVR. When callers can use everyday language to ask questions, they'll get the answers faster. The best IVRs go a step further by anticipating the caller's request and proactively providing that information. By comparison, old-school IVRs force them to navigate a maze of menus, which is even more frustrating and confusing when their attention is spread over multiple tasks.

### Conversational speech delivers:

#### Telecom Deutschland

- Automation by 75%
- Capacity, handling 100k calls/day
- Savings by €10M per year

#### PayPal

- 3% self-service containment

The proliferation of smartphones and tablets is a major reason why so many consumers are multitasking. Speech-enabled IVRs enable your customers to interact hands-free, instead of constantly poking at their phone's keypad because only a touchtone interface is available. Next-gen IVRs also enable you to extend conversational speech to your mobile apps so customers can simply speak their request instead of using drop-down menus or typing questions. Add voice biometrics, and callers can authenticate themselves by simply speaking a passphrase instead of typing their password or PIN – if they can even remember them.

US Airways is a great example of how savvy businesses and other organizations are using next-gen IVR technologies to provide the kind of proactive, easy and highly personalized self-service that today's multitasking consumers value.



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### Conversational speech delivers:

#### GE Money (AU)

- Misrouted calls by 5%
- Call transfers by 10%
- Self-service by 20%

#### Amtrak

- Containment to 54%
- CSAT by 53%

## Reason #5: Save Money – A Lot of It

If customer satisfaction is your No. 1 priority, No. 2 probably is keeping your CFO happy. A conversational IVR lets you do both.

Take US Airways, where increased call-containment rates 5% and reduced agent-handling times by 10% are saving millions of dollars annually. Meanwhile, other companies are reporting bottom-line benefits such as:

- A 50-second decrease in call duration.
- A 10% increase in successful capture of caller intent.
- Thirty fewer specialized toll-free numbers.
- Twelve percent less opt-outs to live agents at the main menu.
- A 9% increase in automation rate.

Feel free to paste those statistics into your presentation showing your CFO why conversational IVR has a solid, proven ROI. And remember that's on top of lots of other bottom-line benefits, such as customers whose satisfaction makes them churn less and spend more.

## For more information

Ready to take the next step to a conversational IVR? Send us an email at [customerexperienceexperts@nuance.com](mailto:customerexperienceexperts@nuance.com).

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