



GENESYS®
AN ALCATEL-LUCENT COMPANY

A Business White Paper

The Customer Front Door: Why Next-Generation Self-Service is Mission- Critical to Your Brand

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Executive Summary

A company's interactive voice response (IVR) system speaks volumes about an organization's brand – as the literal mouthpiece for the business, it can provide customers with a positive experience or, it can completely frustrate them. Today's harsh and unforgiving competitive environment makes it imperative that every customer touch-point deliver fully on the brand promise. That's why the IVR system choice is no longer merely a technology or telecommunications question. Rather it is a strategic high-level decision with far-reaching consequences for the company.

Executives across the organization should understand that now is the time to revisit the IVR system choice. With many existing, hardware-based IVR systems approaching planned end-of-life phase-out, companies are being forced to take action whether they want to or not. The good news is that this planned obsolescence coincides with the now widespread support for open systems and communications standards that enable an open, software-based voice platform for next-generation self-service solutions.

Software-based self-service solutions deployed on an open platform deliver a variety of benefits. These include the ability to provide a more positive customer experience through intelligent use of blended self and agent-assisted service, as well as the opportunity to better align the contact center with the business goals and strategies of the entire organization.

This new customer front door supports and reinforces corporate branding through careful orchestration of the right voice, business intelligence, and seamless integration with the contact center.

The result is a vibrant, brand-consistent company “front door” that greets and routes the caller, using natural language speech capabilities, to the most appropriate resource to handle the customer's needs. This new customer front door supports and reinforces corporate branding through careful orchestration of the right voice, business intelligence, and seamless integration with the contact center.

This white paper discusses the impact of IVR systems on a company's brand and long-term success, how self-service can be blended with agent-assisted service for optimal experience and efficiency, the potential for creating competitive advantage with a unique customer-centric front door, and how companies can implement a blended approach to customer service for greater customer satisfaction, higher revenues, and productivity.

What IVR Really Says About a Company

With intense competitive pressures facing companies in nearly every industry, gaining and retaining customers is critical to the long-term profitability and success of the enterprise.

That's why viewing the contact center as an unavoidable cost of doing business and not as a strategic capability of the company, misses the point. With the majority of customer touch-points coming through the contact center, it is, in fact, the "front door" to the corporate brand. Company executives who enter their company the way many of their customers and prospects do – via the phone – might be surprised at how their IVR system greets customers at this virtual front door. Poor IVR, regardless of the competency and effectiveness of the contact center, reflects poorly on the brand, while well-executed self-service solutions can increase customer satisfaction, loyalty, and value in a number of ways.

Yet, the decision to purchase IVR systems—arguably the most powerful and influential phone touch-point—is often left to the telecom or information technology department who don't necessarily keep larger strategic goals in mind. Traditional proprietary IVR systems were designed primarily to reduce customer service costs by force-fitting customers into self-service regardless of the value of that customer to the business. Today's business leaders must begin to view self-service solutions in a new way—as the initial, best opportunity to capture, convert, and maintain highly profitable customers.

IVR Experiences — The Good, the Bad, and the Ugly

Well-executed self-service solutions can increase automation rates, reduce wait times and agent talk times, keep agents happier, and create cost efficiencies that have significant ROI and TCO impact. Poor IVRs are just plain bad for business – customers hate them, operational costs increase, and agent time is diverted from profitable interactions to routine information delivery.

Frustrating IVR experiences create a domino effect of problems for the contact center and the company as a whole:

- Higher churn rates and customer acquisition costs as customers feel under-appreciated and poorly treated
- Lower revenues due to lack of repeat business as well as cross-selling and up-selling opportunities
- Poor agent morale and higher agent turnover as they deal with irritated customers and low-value administrative services
- Diminished customer loyalty and fewer brand champions willing to recommend the product or service

“The top complaint of virtually every user of telephone self-service is having to again provide information to the agent that has already been provided to the IVR. Yet, this capability is rarely implemented.”¹

— ASRNews

Frederick Reichheld, in his book *The Loyalty Effect: The Hidden Force behind Growth, Profits and Lasting Value*, indicates that it costs five times as much to acquire new customers than it does to nurture existing customers into becoming brand champions. Reichheld goes on to estimate that increasing a company’s brand champions by just five percent would lead to an average profit increase of roughly 25 percent.

New research findings from GBC Consulting, based on responses from over 4,200 enterprise customers worldwide, found that customer service is the biggest influencer on customer loyalty and more than 74 percent of those surveyed would do business with a company based on a great contact center experience. The survey also shows that more than 56 percent of customers feel less loyal when they feel they are pushed to use self-service.² Similar results were reported in an earlier study by Benchmark Portal that showed that 86 percent would do business in the future based on good caller experience. The study also showed that the telephone is still the most dominant channel used by customers to contact a company.³

This and other research has shown that customer service is one of the biggest influencers on customer loyalty – clearly demonstrating why it is imperative that customer satisfaction be an important consideration when deploying IVR technology.

A New Paradigm Ushers in Next-Generation Self-Service

Making next-generation self-service possible is the shift in the industry to a new paradigm: moving away from monolithic, proprietary, and expensive voice processing systems to distributed, open, and cost-effective voice platforms. Laying the groundwork for this shift is the emergence of Voice Extensible Mark-up Language, or VoiceXML, a standards-based programming language for voice; and Voice over Internet Protocol (VoIP), a common protocol for convergence of voice and data.

VoiceXML offers a Web-based development framework and leverages existing Web and backend infrastructure to build voice applications. By reusing code in this way, companies reduce costs and accelerate time-to-market. Leveraging the backend CRM databases and Web infrastructure enables common business logic and lays the foundation for a consistent customer experience across both voice and Web channels. In addition, VoiceXML enables a broader pool of applications and simplifies the development of sophisticated speech applications.

The technology benefits of open voice platforms are enormous; the most important being the ability to easily extend and integrate open self-service solutions with all parts of the contact center infrastructure.

¹ Automatic Speech Recognition ASRNews, February 2006 Volume 17 No. 2

² “GBC Consulting Global Consumer Survey,” 2006/2007, commissioned by Genesys

³ “Enabling IVR Self-Service with Speech Recognition”, Benchmark Portal, June 2005

Next-generation self-service solutions emerging from an open voice platform can now manage human interactions in extremely sophisticated and unprecedented ways, allowing contact centers to implement well-designed speech applications that can bring significant cost and operational savings while delivering excellent customer experiences.

Envision a New Customer Front Door

As mentioned previously, the IVR system serves as a business' virtual front door. And while other channels of communication such as chat and e-mail have made inroads, customers still predominately rely on the phone to contact companies.

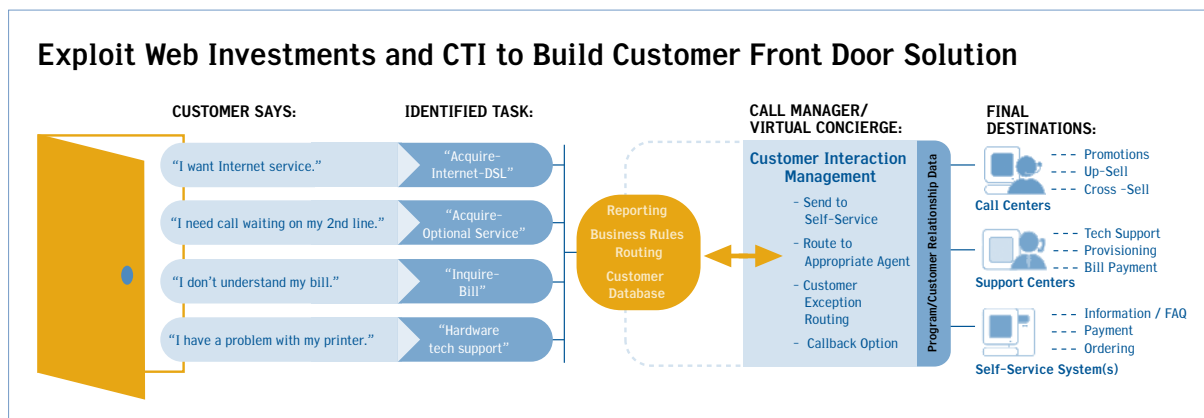
Open voice platforms enable self-service speech solutions that approximate the subtle sophistication and intelligence of a live agent. This allows companies to create a brand-reinforcing system that makes customers feel valued and increases their loyalty. It also effectively extends the types of customers who can be satisfyingly handled with a self-service option, lowering overall costs and keeping agents free to focus on revenue opportunities.

Using an open voice platform, companies are creating front doors for their businesses that:

- Enhance the customer experience with intelligent, natural language speech capabilities to greet the caller with a consistent voice persona
- Create a consistent brand experience that meshes with advertising, the corporate Website, and other brand activities
- Provide self-service that satisfies customers' routine requests and enables agents to focus on more productive or complex calls
- Promote customers efficiently to the best agent for their needs when self-service isn't enough to handle complex issues
- Ensure customers don't have to re-enter or provide information thanks to seamless and customer-focused transitions
- Improve customer loyalty by enhancing the end-to-end customer experience

By being able to promote callers seamlessly and efficiently from the front door to a skilled agent best able to handle their issues, the new customer front door helps companies achieve three core business objectives: ensuring an exceptional customer experience; increasing contact center efficiency and productivity; and generating incremental revenue through cross-selling and up-selling.

Figure 1.
The Customer Front Door with Integrated Natural Language Speech Self-Service and Routing



Leveraging Blended Experiences for Maximum Benefit

While an open voice platform can deliver wide-ranging benefits for self-service, companies shouldn't stop there. A blended approach of self-service and agent-assisted service optimizes both customer satisfaction and contact center efficiency.

Integrated self-service and agent-assisted service enables companies to intelligently apply the same business rules to those calls handled by the self-service system as are applied to live agent calls, i.e., to “screen-pop” key customer data collected within the self-service system to agent desktops and to seamlessly route calls as customer needs dictate. The result is a seamless distribution of service types over the entire system, based on critical factors such as customer value, agent availability, and overall call volumes.

In a study comparing speech with touch, speech was preferred to DTMF (dual-tone multi-frequency) by a majority of users and was judged to be more satisfying, entertaining, and easier to use than DTMF⁴

Customer Front Door at Telecom New Zealand

Wellington-based Telecom New Zealand (TNZ) is a service provider handling more than 24 million calls. The expanding number and complexity of products and services was creating more customer service challenges than ever before, with inconsistent caller experience across numerous toll-free numbers. This resulted in 45% of callers “zeroing out” of the self-service system.

TNZ used integrated self-service technology to consolidate dozens of customer service numbers for a more consistent experience via a brand-reinforcing customer front door. It created 35 self-service topics and 150+ destinations integrated with skills-based routing and screen pop. Customer satisfaction scores soared from 16% to 75% while shaving 26 seconds off of initial call handling times. The number of customers zeroing out dropped to 4.7%, with the number of fully self-served customers increasing from 4.3% to 15.4%, which reduced hold times 3–5 minutes.

⁴ “Speech Versus Touch: A Comparative Study of the Use of Speech and DTMF Keypad for Navigation,” Kwan Min Lee, Jennifer Lai, *International Journal of Human-Computer Interaction*, 2005, Vol. 19, No. 3

A blended solution enables companies to make intelligent decisions about the mix of speech automation and live agent interaction required to best serve customer needs. Some industries, such as financial services, have customers who easily navigate IVR to find the information they need. Help desk support, however, often requires personal interaction to satisfy customers. And there are many types of organizations that fall somewhere in between, needing a customized blend of self and agent-assisted service.

The ROI of Blended Experience: Health Care

A health care company processing requests for referrals to medical specialists receives two main types of calls: referral requests which are 81% of call volume, and referral status, making up the other 19%. Referral status calls can be handled by self-service, with the system collecting patient and physician IDs. Agent-assisted service handles the referral requests, with highly trained agents making judgments on approvals.

The new self-service system handles 80% of the completely automatable calls, resulting in a 15% talk time reduction. By passing data gathered by the self-service system to agents, call lengths for agent-assisted calls are reduced by 39%, providing a cost savings of 63% on direct costs for agents compared to only a 15% reduction for self-service. The ROI for the blended solution is four times that of self-service alone.

Hanging out the Welcome Sign: Outbound Calls

Orchestrating the ideal blended experience requires two additional capabilities: automatic callback and proactive contact.

Automatic Callback

Automatic callback enables customers to opt to receive a callback instead of waiting on the line during unusually busy periods in the contact center. Long hold times are a major cause of frustration for consumers around the world. In a recent global consumer survey conducted by GBC Consulting, 88% said they would prefer to receive a call-back rather than be on hold, while 74% would ask for a call-back if the wait time is longer than they are willing to hold.⁵

Proactive Contact

Proactive contact takes advantage of low volume periods to proactively reach out to customers for outbound activities such as courtesy calls, customer care, or surveys.

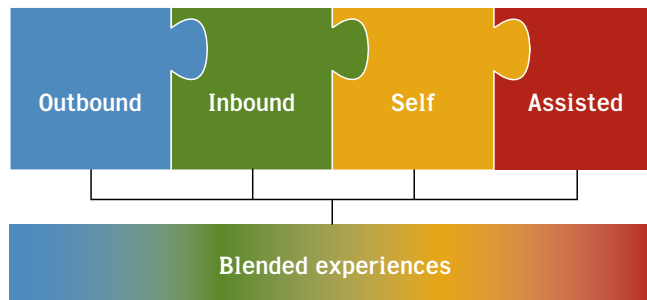
While most contact centers have typically been managed as a resource that responds to customers' requests for service, a significant opportunity exists for contact centers to be more proactive in building relationships with their customers. In the same GBC Consulting consumer survey, 89% indicated they would like to receive proactive communications from their suppliers.⁶

⁵ "GBC Consulting Global Consumer Survey," 2006/2007, commissioned by Genesys

⁶ Ibid

Proactive contact integrated into the blended self-service/agent assistance system, is a valuable loyalty tool that further reflects and embodies the qualities of your brand. Proactive contact reduces outbound costs, while improving effectiveness and strengthening the customer relationship. From flight status updates to prescription renewals and sales alerts, there are dozens of uses for proactive contact across all industries.

Figure 2.
The Blended Experience System



Companies fully leveraging the blended experience elevate the contact center to a more strategic role in the organization, enabling it to more positively influence the end-to-end customer experience. As companies across industries are recognizing, there is considerable benefit to implementing a blended experience:

- Consistent customer experience
- Increased opportunity and success for cross-selling
- Greater contact center efficiency
- Eliminate customer frustration with long hold times
- Accelerated business innovation by enabling self-service to support the corporate brand

Tampa Electric Company Reaches Out to Customers

Tampa Electric is an energy provider serving over one million customers who depend on the company for reliable power and value-added energy services. Its contact center processes over three million calls per year, with significant surges in calls during power outages. For both its customers' well-being and to improve response and efficiency, Tampa Electric needed a way to proactively inform affected customers of an outage.

Using proactive contact enabled through an open voice platform, Tampa Electric now proactively informs all affected customers when there is an outage. This has helped the company automate field crew call outs for greater efficiency and significantly reduce incoming calls. By proactively contacting customers and providing them with information about the outage, complaints were reduced by 40%.

Getting Started with an Open Voice Solution

Companies who leverage the current opportunity presented by the planned obsolescence of existing IVR systems can ensure the next voice solution energizes the entire contact center and future proofs the organization for technology growth by adopting an open voice platform.

While replacing systems is never easy, one way to maximize return on investment and time-to-benefit, while minimizing transition challenges, is to employ a three-stage plan similar to the following:

Stage One: Create Customer Front Door Application

Using an open voice platform, create the initial customer front door application to begin improving customer service with speech-enhanced, intelligent self-service and routing. Prioritize migration of self-service applications from the existing IVR to the new application.

Stage Two: Migrate Legacy DTMF IVR Applications

Begin migrating existing DTMF applications to the new customer front door application. At this point, companies can begin to utilize end-to-end call experience reporting for greater insight into performance. As more existing applications are migrated, begin leveraging more advanced customer segmentation and routing.

Stage Three: Fully Exploit Customer Data and Business Rules

Once all the legacy applications have been migrated to the new customer front door application, companies can fully exploit customer data and business rules routing for improved profitability and customer satisfaction.

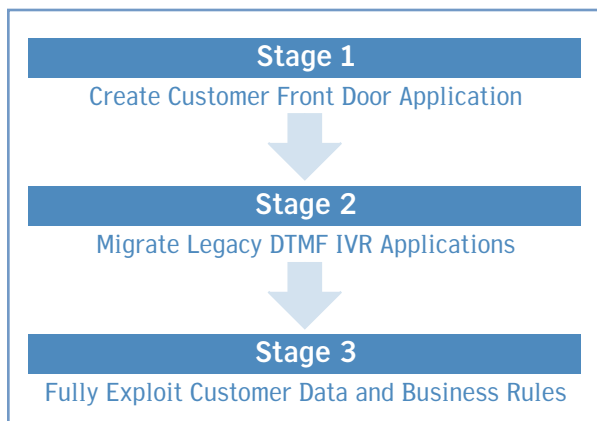


Figure 3.
*Three-Stage Customer Front Door
Implementation Plan*

Conclusion

The next-generation self-service solution – based on an open voice platform – can become the embodiment of your brand’s persona, creating a competitive advantage with a unique customer-centric strategy, and increasing your company’s agility to adapt to business changes.

Companies can create a vibrant, brand-reinforcing company “front door” that greets and guides customers to the most appropriate resource that matches their needs. By blending integrated self-service, agent-assisted service, callback, and proactive contact, companies can deliver on the brand promise while creating greater cost and operational efficiencies.

Companies that take advantage of the current IVR replacement requirement have the opportunity to elevate the contact center to a more strategic role in the organization, aligning it with the brand and operational strategies of the entire organization. Moving to an open voice solution delivers a plethora of immediate benefits and positions organizations for future growth and innovation.

About Genesys

Genesys, an Alcatel-Lucent company, is the only company that focuses 100% on software to manage customer interactions via the phone, web and e-mail. The Genesys software suite dynamically connects customers with the right resources – self-service or assisted-service – to fulfill customer requests, optimize customer care goals and efficiently use resources. Genesys software directs more than 100 million customer interactions every day for 4,000 companies and government agencies in 80 countries. Genesys helps stop customer frustration, drive efficiency, and accelerate business innovation.

Additional Information

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