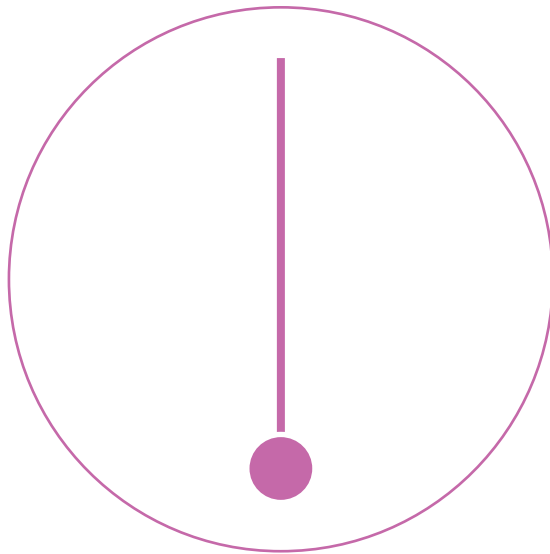


Hosted IVR: What You Give Up (and Gain) by Moving to the Cloud

Advantages to your callers and the
bottom line simply can't be ignored.





Introduction



Thinking of moving your IVR to the cloud? You're not alone. More than half of IVR spending will be for hosted IVR in 2014¹. And for speech IVR, that number is projected to grow by an average of 11.5% year over year². As uncomfortable as shedding IVR equipment operations might be for some companies, the advantages of hosted IVR to both callers and to the bottom line simply can't be ignored. If your IVR doesn't deliver the experience callers demand, they'll simply take their business elsewhere. And because nearly 40% of all customer service interactions are handled over the phone³, if the IVR fails to satisfy, the result will have damaging financial impact.

As you think about your IVR plan for the future, let's review the things you'll give up (and those you'll gain) by moving to a hosted IVR in the cloud.

¹ Ovum Global IVR and Speech Self-Service Solutions Forecast: 2009–15

² Ovum Global IVR and Speech Self-Service Solutions Forecast: 2009–15

³ Forrester Forersights 2013

Hosted IVR: What You Give Up (and Gain) by Moving to the Cloud

1. **Give up:** Outdated IVR Infrastructure and Stale Technology
Gain: Continuous Access to the Newest Technologies
2. **Give up:** Operational Headaches
Gain: Security, Reliability and Scalability
3. **Give up:** Caller Frustration and Disappointing ROI
Gain: A Superior Customer Experience

This ebook contains interactive content such as videos and audio clips. Look for icons like this to launch these featured demonstrations and please make sure your speakers are on and set to stereo mode.



#1

Give Up

Outdated IVR infrastructure and stale technology

Gain

Continuous access to the newest technologies



Picture always using the newest IVR technologies—without having to plan or pay for software upgrades. That's what you get when you move your IVR to the cloud. Deliver self-service apps that your callers want and need rather than those that your platform allows. Take advantage of the latest advances in speech and natural language, voice synthesis and voice biometrics to:

- Meet consumer expectations for faster, easier and more intelligent phone self-service
- Gain competitive advantage through service differentiation
- Increase savings through higher automation rates



Natural Language Understanding: transforming IVR interactions into conversations

The truth: People think IVRs are difficult to use. According to a study by New York University, an overwhelming majority (83%) of consumers feel that IVRs provide either no benefit at all, or only a cost savings benefit for the company they're calling. They've had it with navigating menu mazes that don't make sense. The whole process of finding what they need takes too long and requires too much effort. Usability studies confirm that consumers today just want to ask a single question and get an answer. This "Siri-effect" has re-set people's expectations for how easy it should be to interact with devices and systems, including IVR. With 90% of iPhone 4S users asking for Siri's help at least once a month⁴, people are becoming accustomed to getting information or performing transactions just by speaking naturally. That's why more companies are using Natural Language Understanding (NLU) technology as the foundation for their IVR.

With each
additional menu tier
3-5%
of callers will hang
up or press zero

Using NLU, the caller simply states, in his own words, the reason for his call. NLU understands the caller's intent and routes the call appropriately—often in a single step. Open-ended dialogs continuously adapt to the information provided, letting the caller control the interaction. This conversational approach not only simplifies the caller experience, but it delivers financial and operational benefits including:

- Reduced call length and Improved routing accuracy
- Higher self-service automation rates
- Valuable caller intent data that drives continuous IVR improvement

⁴ Jessica Vascellaro Blog, "Apple's Siri Gains Traction—For Some things," Digits, March 26, 2012.



Read how FedEx eliminated
11,000 calls per day using
Nuance OnDemand



How it's said is as important as what is said

When it comes to providing a great IVR experience, the quality of what your customers hear is just as important as your IVR's ability to understand what they say. Until recently, creating IVR conversations that speak dynamic information naturally was no easy feat. Most IVRs use thousands of individual files and making even minor changes involves major effort. The audio is often recorded over years, which makes it difficult to maintain consistent tone and pacing. At the time of each call, disparate pre-recorded bits of audio are 'stitched' together to present information to callers. The result? Robotic audio that slows down the interaction, hinders comprehension and negatively impacts callers' ability to quickly get what they need.

[Double click to activate](#)

New technology for prompt playback and natural, expressive voice synthesis delivers more human-like IVR conversations. Rather than recording long lists such as products, locations or transaction types, companies can use packages that blend a combination of impeccably recorded prompts such as cities, streets, airports or names, with the newest voice synthesis—all using a single voice. This technology-driven approach delivers a more natural audio experience that reduces phrase playback time by as much as 50%. And, because it's provided as a cloud resource, pronunciation data can be collected, analyzed and improved without the need for individual company prompt updates. Advanced audio with continuous improvement is better for your customers and your bottom line.

[Double click to activate](#)



Learn more about how great audio impacts IVR performance and caller engagement



Easy and secure caller authentication

Too many of today's IVRs still rely on knowledge-based authentication that requires customers to remember multiple PINs and passwords, and then answer security questions to back them up. 37% of people forget at least one password a month⁵, which means they have to authenticate with an agent instead of using self-service. This leads to customer frustration and increased contact center costs—both of which are bad for business.

Voice biometrics does away with all this by authenticating callers through natural voice patterns rather than annoying PINs, passwords and questions. Callers just speak a passphrase, such as “My voice is my password,” and the IVR validates their identity by analyzing hundreds of unique voice characteristics and comparing them to the voiceprint on file. Because it's fast, effortless and more secure than knowledge-based authentication methods, voice biometrics enables you to:

- Increase self-service automation
- Reduce Average Handle Time
- Boost customer satisfaction
- Reduce fraud

☹️ **85% of users are frustrated with existing knowledge-based authentication methods**

😊 **90% of users prefer voice biometrics over the status quo**

⁵ Harris Interactive, “2012 Online Registration and Password Study,” July 2012.



“My voice is my password” video

#2

Give Up

Operational headaches

Gain

Security, reliability and scalability



With a hosted platform built for managing thousands of applications and processing billions of calls, you enjoy unbounded scalability, enterprise-level security and continuous availability. Plus, you pay only for the capacity you use as you use it. What's more, you don't have to worry about hardware upgrades, equipment maintenance or other IT administrative tasks. Hosting delivers worry-free IVR operation through:

- Service level agreements that guarantee 24 x 7 x 365 uptime
- Dedicated infrastructure and performance monitoring
- Geographically redundant, modular virtualized environment
- Flexible hosting and hybrid-hosting models
- Security that includes PCI, SOX, SASE16 and HIPAA compliance, certification and periodic audits





Real-time monitoring: identify issues before they impact callers

When it comes to monitoring your IVR application environment, the top-notch hosting provider will have your back. Using a variety of sophisticated tools, the provider should ensure that your entire IVR ecosystem is functioning properly—all the time. Real-time monitoring guarantees that issues are detected early and a modular platform architecture allows for quick resolution without service interruption. For added protection and peace of mind, monitoring should extend beyond the hosting infrastructure to your backend data systems and third-party systems. Hosting providers can also monitor and proactively remedy issues related to unexpected call traffic or patterns, time-to-first-prompt, application recognition and response latency and other metrics that affect the caller experience. As a result, you can expect optimal IVR performance and availability, along with valuable data to drive continuous IVR improvement.

Capacity on-demand: pay only for what you use

When your IVR is on premises, it's typically built to support the busiest time of the busiest day during your busiest season. And, all that capacity is doubled so you have a redundant backup if a system fails. For most companies, this equates to purchasing and then operating 60% or more of extra capacity all year, even though it's needed only one or two days. But with hosted IVR, you pay only for the capacity you use, when you use it—eliminating the cost of operational excess. Along with sophisticated traffic forecasting and capacity planning, leading hosting providers provision substantial excess capacity for handling traffic spikes across their entire customer base, so you're always ready for both planned and unplanned spikes. And multi-tier, geographic redundancy and failover ensures continuous system availability even in the event of equipment failure, power outages or natural disasters. 🌐 [Learn more](#)

A Nuance OnDemand customer's IVR system spiked to eight times normal volume during a recent hurricane with absolutely no adverse impact on service.



Nuance OnDemand hosted IVR

The Nuance OnDemand multi-channel platform delivers intelligent customer self-service across SMS, email, phone IVR (inbound and outbound), mobile and Web. The platform integrates core Nuance technologies, such as speech recognition, Natural Language Understanding, voice synthesis and voice biometrics, and integrates with your existing ACD and CTI systems. The core functions include an open, high availability cloud-based architecture, extensive 24x7x365 proactive monitoring and seamless maintenance and upgrades. The benefits of Nuance OnDemand for IVR hosting add up quickly:

- 20% - 30% higher automation compared to other IVR platforms
- Use the newest conversational technologies first—sooner than on any other platform
- Gain insights for continuous IVR improvement using powerful reporting tools
- Get the expertise of the world's largest team of IVR and design experts
- Leverage your speech investment and extend your use of conversational technologies to other channels



Nuance OnDemand is the largest natural language platform, handling 2B inbound IVR interactions yearly.



#3

Give Up

Caller frustration and disappointing ROI

Gain

A superior customer experience



A 2013 Harris Interactive survey found that 66% of customers are likely to leave a company after a high effort interaction and 82% are likely to stop spending money with companies as a result of a bad customer experience. As consumer expectations for self-service continue to evolve, it's critical that your IVR can advance to meet those expectations and still continue to reduce contact center costs. By letting your hosting provider tackle the tasks associated with integrating and operating the technologies, you can focus your own resources on important business initiatives that improve customer satisfaction and top line revenue.

U.S. Airways's hosted IVR experience is so natural that callers say "thank you."

The IVR:

- Lets callers express the reason for their call in their own word
- Uses a high-quality audio persona
- Personalizes the welcome message using the caller's name, time of day and call history
- Proactively speaks relevant information by predicting the reason for the call
- Passes collected information to the agent so the caller never has to repeat himself

The Results: 5% increase in IVR completion rates and millions in savings.



Hosted IVR: a better experience for callers, innovation and savings for business

Transitioning your IVR to a hosted platform has long offered operational advantages. But to keep pace with growing consumer expectations and rapid advancements in technologies, hosted IVR has become a strategic necessity for today's enterprise. There's much to gain (and to give up):

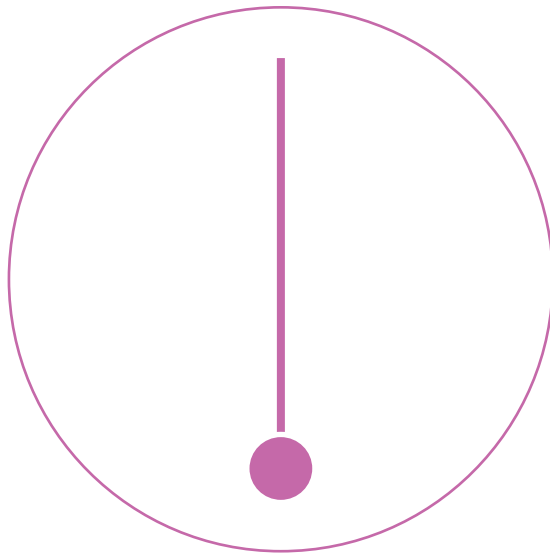
Gain the use of the latest technologies as they become available while giving up the time, effort and expense involved in forklift upgrades.

Gain unprecedented speed and ease while giving up the operational burdens.

Gain a competitive advantage through superior self-service and savings while giving up an outdated caller experience.

Gain resources that can focus on strategic advances while giving up operational tedium.

Gain the ability to extend your IVR assets, such as NLU and audio persona, to other self-service channels while giving up a siloed customer experience across channels.



Conclusion



IVR in the cloud doesn't mean a storm is coming. It means a worry-free IVR that you'll pay as you use and reap the rewards. Your company will be agile and ahead of the competitive curve using the newest technologies.

Is it time to re-invent your IVR in the cloud? Take the next step to find out. Contact us at CustomerExperienceExperts@nuance.com.

About Nuance Communications

Nuance Communications, Inc. (NASDAQ: NUAN) is a leading provider of voice and language solutions for businesses and consumers around the world. Its technologies, applications and services make the user experience more compelling by transforming the way people interact with devices and systems. Every day, millions of users and thousands of businesses experience Nuance's proven applications. For more information, please visit www.nuance.com/go/CEX.

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