"Thank you for calling."

Why Customers Love to Hate the IVR

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Initially, bank executives in the 1960s were very hesitant to install Automated Teller Machines (ATMs) in their branches. It was not just the manufacturing and installation costs of these early machines that worried them; companies were concerned that customers would resist having machines handle their money. As a matter of fact, experimental ATMs (also known as Bankographs or Bankomats early on) were installed in various banks throughout the U.S. going all the way back to the late 1930s, but were typically removed after a few months due to lack of use and customer acceptance.

Years ago, the ATM was put into cities that served as test beds for ATM machines. Bank customers liked the self-service after hours, and banks across the nation started installing ATM machines. Customers also liked having the ability to check their balances, get cash, and deposit checks. When the ATM was upgraded to count cash deposits, more customers started to use it for cash deposits as well. Each new addition to the automated banking interaction was accepted by the customer, and ATM self-service automation is now ubiquitous and accepted worldwide. Customers drive to the bank at all hours of the day and night, choosing to use the ATM as the channel of choice for many banking transactions.

The 1980s brought about the Interactive Voice Response (IVR) systems. By the late '80s, companies were accepting the systems as an optional channel of service. Unlike today, most companies used a separate toll-free number for customers who chose automation. Companies that were known for their quality customer service said they would never force users to use a machine interface, stating it was 'rude' and didn't represent the type of customer experience they wanted to provide. However, when the cost savings to companies was realized, the same system that was considered 'rude' front-ended close to 100 percent of incoming calls, almost overnight, even for the elite customers. Today, many companies increase their cost savings by requiring callers to press "0" twice or embedding the option to transfer to a Customer Service Representative (CSR) within a prompt.

Companies not only force callers to enter information; they also play marketing messages, provide website information, outage information, and/or business hours and locations. This causes long delays when trying to reach an agent and can frustrate customers. No longer can customers 'choose' to use the automation; rather, they're often forced to use it as the only means to do business with that specific company or to resolve an issue. More and more companies started to embrace the IVR solution, causing customers to have a very limited number of options if they wanted to speak to an agent. GetHuman.com came about, telling the industry that enough was enough, and providing 'cheat-sheets' for callers on how to reach an agent. However, IVR systems changed so quickly that the website became outdated and some cheat sheets were no longer accurate.

Banks Head Back to the Future

1930s: *Bankographs/Bankomats* installed, but removed shortly thereafter due to lack of customer acceptance.

1960s: Banks hesitant to install *Automated Teller Machines (ATMs)*, concerned that customers would resist having machines handle their money.

1980s: *Interactive Voice Response (IVR)* systems accepted as an optional channel of service and show cost-savings almost overnight.

IVR technology soon took hold, and customers were forced to interact with IVR systems even if they needed to speak to a CSR. When speech technology was introduced, these systems took on human-like scripting and introduced themselves by name, such as Amtrak's "Julie" and Canadian Bell's "Emily." This was supposed to make the customer feel as if they were speaking to a human by using words like "got it," "OK," and "Sorry, my mistake."

Companies were becoming more business centric and less customer centric.

A variety of studies, and an endless stream of anecdotal evidence and customer feedback, have experts coming back to the same conclusion: The IVR is a technology customers love to hate. This has led to endless mockery and venting of frustration by countless customers. And, who can blame them? Some systems are designed without much fore-thought: For example, there is a large cable company that provides Internet services. If the Internet is down, and the customer calls for Internet technical support, the system tells them that in order to receive faster service, they can "log onto our website at www..."

Some systems play, "Please listen carefully as our menu options have recently changed," and then the greeting is left on year after year. Who can blame the customers for getting frustrated and blaming the technology?

In reality, however, the fault lies not with the technology, but with the *implementation* of the technology.

Let's stop and picture, for a moment, how accepted ATMs would be if they were set up like IVR systems of today. Can the reader imagine a series of ATM machines at the entrance of a brick-and-mortar bank branch that all customers must interact with before the door will open? This interface theoretically is for the purpose of providing the customer with an easy way to perform simple trans- actions autonomously; it is an enhanced customer ser- vice tool. However, the perception would be that these machines block customers from getting access to the knowledgeable human employees eager to provide per-

Hello,
We have recently installed an Automated ATM Door. Please place your bank card into the slot and choose one of our many service options.

If the ATM cannot service your request, the door will auto- matically open and one of our friendly agents will assist you.

Thank you for your business.

Let's stop and picture how accepted ATMs would be if they were set up like the IVR systems of today.

sonalized and expedient service inside the bank. Would many people continue to use this bank and be satisfied? Would that affect the customers' perceived value of the ATM machine? Any technology that stands in the way of a customer reaching a CSR would be just as quickly vilified and rejected as the IVR.

Now, we need to ask ourselves: If the IVR offers the caller quick answers to most questions, why all the customer frustration and ill will toward IVR systems? We believe, based on our research, that customer frustration stems from the miscalculation of the limitations of automated self-service using voice response by the industry. Instead of providing more options, the IVR should be viewed as a means to provide the essential tools to accomplish simple, unambiguous tasks while eliminating second-guessing as much as possible. An automated self-service system should provide the information to the customer in a clear,

concise, and quick (CCQ) manner or transfer them to someone who can assist. And, like an ATM, no one should be forced to use it unless the business is closed.

What is the fix for the IVR today? The first is that the IVR needs to cater to the user, not to the company. This requires that the company review the business rules, agent skill group mapping, and gain up front information on who their customers are and what they may need based on the status of their accounts. An IVR system can be designed to be proactive by having the ability to access the customer database using either the Auto Number Identifier (ANI) provided, or request the caller's account number. Once received, the system can review the account and provide information specific for that caller. For example, if he or she has a bill due within a few days of the call, ask "are you calling to make a payment?" or if they are past due "would you like to set up a payment plan?" When calls are transferred to an agent, the agent should know all the information that the caller provided to the IVR; and ask different security questions to ID the caller.

A well-designed IVR system is a win-win proposition

Recent research conducted at eLoyalty showed that callers would be OK interfacing with an IVR after regular business hours to get the information they need, along with hours of operation, and the option to leave a message. Call centers are not required to remain open 24 hours a day, nor have follow-the-sun agents. Our research showed that over 90 percent of the participants would utilize an automated system after hours, which would make this technology analogous to an ATM machine.

What does this all mean? The bottom line is: If an IVR user interface is set up correctly, people are not only willing to use it; they would *prefer* to use it. However, if there are messages up front, too many options without the ability to get to an agent (by pressing "0"), and long prompts, the callers will shut down and demand a CSR. By following best practices such as shortening prompts, moving marketing messages, website addresses, or other informational messages when the caller is in queue for an agent, the customer will not hesitate to use the system. However, one bad system does ruin it for many good systems.

So in retrospect, we believe that if the IVR is truly an automated self-service system that is provided to the customer as a matter of choice, that, similar to the ATM, more and more customers would have grown to depend on it and use it. However, we are at the point in IVR evolution where there is no going back. What we now have are numerous opportunities to improve the user interface of the IVR systems still in production that have upfront marketing messages, website addresses provided when the caller has chosen the phone as the channel to the company, and lengthy menu options that cannot be bypassed. Hence, the popular disdain and ridicule for the IVR systems is sustained and propagated as a sort of modern technology folklore. This, of course, is where we come in; as we fix inefficient and poorly executed IVR systems, one system at a time. We return to the core functionality of the business and partner with our customers to provide a more customer-centric environment. We have found that a well-designed IVR system can be a win-win proposition for both the customer and the company that implements it, as it does not only provide better customer service it also assists in the reduction of overall call center costs. ■

"Our research showed that over **90 percent** of the participants would prefer using an automated system after hours."

About the Authors

Vicki Broman is the manager of the Voice User Interface Designer team at eLoyalty. She has over 22 years experience as a designer and project manager. She has designed applications for numerous companies in industries that include financial (securities, credit card, banking), government, utilities, insurance companies and prescription services, airlines, travel agencies and cosmetics corporations. Ms. Broman has been a presenter at conferences for SpeechTek, Nuance, Sterling Audits, Rockwell, and AT&T. She developed classes in VUI Best Practices that have been presented to customers worldwide. With close to 20 years working with speech technology, she has integrated proven Best Practices to enhance end-to-end customer service for her customers. Ms. Broman has a degree in Electrical Engineering and a master's degree in Management Information Systems from Stevens Institute of Technology. She was awarded a patent for a Speech Recognition Fraud application Design on November 20, 2007.

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About eLoyalty

eLoyalty, a TeleTech company, provides customer technology solutions that simplify service and deliver exceptional customer experiences at a lower cost. Using today's most advanced cloud, on-premise, and hybrid technologies, eLoyalty helps companies harness their existing technology investments and integrate legacy systems into a central customer collaboration hub that enables seamless service across all communication channels. Superior customer experiences start with an integrated approach, and eLoyalty unites all the capabilities businesses need to engage customers and build loyalty with every interaction.

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