SPEECH ANALYTICS: CONVERT VOICE OF THE CUSTOMER INTO BUSINESS SUCCESS

October 2016

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Report Highlights

This report highlights the massive returns that companies see by incorporating speech analytics. It also illustrates the building blocks that help organizations maximize the benefits they see from this technology.

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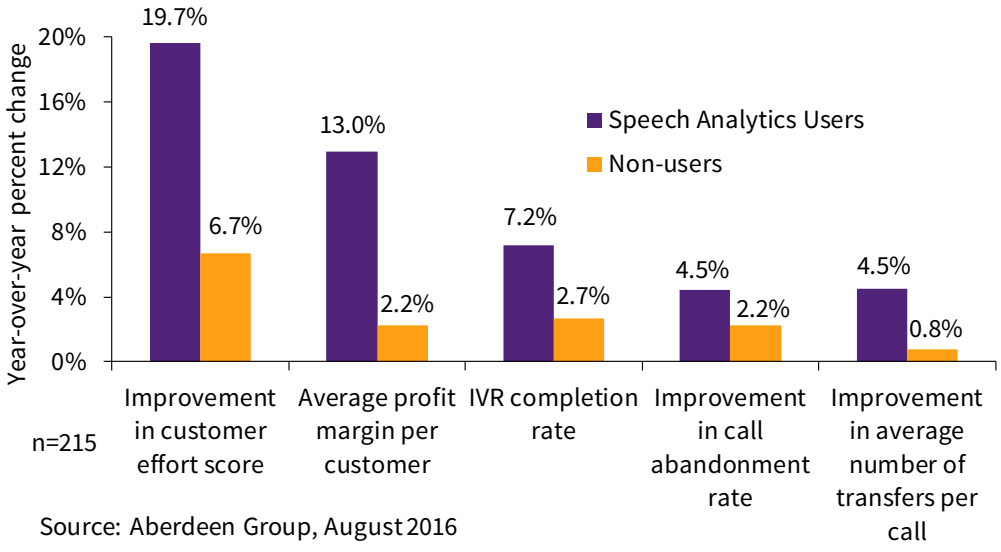
Despite popular belief, voice conversations are not going away. They are now reserved for more 'high-touch' interactions, and for best results must be blended with other channels.

The Business Case for Speech Analytics

Companies may be thinking that phone communications have fallen by the wayside. They are focused on finding newer ways to interact with customers and keep up with current technologies. Only focusing on newer channels means omitting the potential benefits from well-established channels such as voice (phone and interactive voice response aka IVR).

Companies use voice conversations in a variety of ways. They range from selling products and services to delivering agent-assisted support and automated recordings on issues such as payment reminders or prescription refills. Speech analytics is a technology that helps organizations manage (and improve) the process and outcomes of voice conversations.

Figure 1: Speech Analytics Users Enjoy Better Results



Source: Aberdeen Group, August 2016

Definition: Speech Analytics

For the purposes of this research, Aberdeen defines speech analytics as a technology used to analyze customer conversations taking place through phone and/or interactive voice response (IVR) during or after the call. Speech analytics helps companies:

-Manage customer experience
-Ensure compliance
-Support contact center workforce management
-Improve agent performance
-Build strategic business plans
-Grow sales / collections

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Aberdeen's report titled, *The Intelligent Contact Center: Master Low-Cost & High-Impact Customer Interactions,* shows that 15% of organizations are currently using speech analytics. These are organizations that understand the importance of getting customer interactions right in order to become more successful within their omni-channel customer experience programs.

Figure 1 shows that companies using speech analytics see the benefits from investing in this technology across four key areas:

- **Customer experience:** There is an abundance of metrics companies use to measure success in this category. One of these metrics is a customer effort score. Speech analytics users achieve far greater annual improvement in customer effort scores, compared to non-users (19.7% vs. 6.7%). There are numerous ways to measure this metric, but regardless of the method of measurement a year-over-year decrease in customer effort indicates that the company successfully improved its results in this area.

  The use of real-time speech analytics helps organizations guide employees, like contact center agents, with screen-pops during a voice conversation. This helps decrease handle times and improves resolution rates – other measures that ultimately impact customer experience results. Success in accomplishing these goals helps businesses minimize customer effort as customers will need to spend less time on the phone and won't need to contact the business repeatedly for the same issue.

Definition: Omni-channel
For the purposes of this research, Aberdeen uses the term "omni-channel" to define programs designed to deliver personalized **and** consistent customer experiences across multiple channels (e.g., phone, social media, web, mobile, and email) and devices (in-store, laptop, and smart phone).

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The use of cloud technology provides small and mid-size contact centers with easier access to speech analytics.

➔ **Financial results:** Happy customers have a direct influence on the financial results of a business. Satisfied buyers are more likely to be repeat customers, compared to customers whose needs are not met. Data shows that speech analytics users attain superior annual improvement in customer profit margins, compared to non-users (13.0% vs. 2.2%). They are able to do so by using speech analytics to determine key phrases indicative of a sales opportunity or debt collection. Monitoring such activities throughout the entire company helps maximize both top-line and bottom-line results.

Increases in customer profit margins are driven by two main factors. First is the total amount a customer spends with the business. Second is the cost of serving that customer. Regarding the former, data indicates that 46% of speech analytics users observe an annual increase in cross-sell and up-sell revenue. Use of speech analytics also enables organizations to alert (and guide) employees and supervisors when detecting factors that might likely result in increased service costs. Examples of such factors include non-compliance, non-renewals, and cancelations.

Companies using speech analytics achieve 3.2x greater annual improvement in SLA compliance.

➔ **Compliance:** One of the critical benefits of tracking and analyzing phone and IVR conversations is the ability to ensure compliance with internal and external regulations such as PCI-DSS, FDCPA, TCPA and HIPAA. For example, if an agent doesn't read Mini-Miranda rights to a customer, then use of real-time speech analytics would allow the company to detect non-compliance. In that case, the agent would be provided with a screen pop reminding to read the Mini-Miranda rights before proceeding with the

rest of the conversation. In addition, post-call speech analytics reports on calls lacking compliance disclosures for personalized coaching and training opportunities for agents.

Findings from Aberdeen's October 2014 *How to Fund Speech Analytics and Maximize its Business Value* study shows that speech analytics users enjoy far greater year-over-year increase in number of quality service-level agreements (SLAs – see sidebar) met, compared to non-users (16.6% vs. 5.2%). This validates that use of speech analytics helps organizations reduce the risk of non-compliance in customer conversations.

➔ **Operational efficiency:** Operational efficiency refers to a company's ability to become more efficient in delivering customer support. Metrics such as call abandonment rates, average handle times, and first contact resolution rates are among the metrics used to gauge success in this area. Speech analytics enhances operational efficiency by allowing organizations to analyze voice conversations and providing employees with real-time guidance and feedback. For example, if a customer says 'broken part', detecting this keyword allows the company to provide the contact center agent with a link to the relevant knowledgebase article through a screen pop on the agent screen.

Use of speech analytics also reveals the root-cause of silence and overlapping voices during a call. For example, if calls an agent handles repeatedly have more silence

Definition: Service-level Agreements

For the purposes of this research, Aberdeen uses the term "SLA" to define organizational commitments of service delivery. For example, if a company promises to address customer issues within 24 hours after reporting an issue, failure to address the issue within that time window would mean the company wasn't able to maintain its commitment / SLA.

➔ Read the full report, "State of the Cloud Contact Center 2016: Raising the Bar for Happier Customers"

➔ Related Research "Getting Ahead in Customer Analytics: Which Technologies Do You Need to Succeed?"

Speech analytics is a key enabler for quality assurance. Savvy users of the technology utilize it to automatically score calls to measure agent performance and provide tailored coaching and training programs.

than calls managed by other agents this might indicate that the agent doesn't have the required training. Issues with the agent desktop or the processes that should provide the related data are now efficient in displaying relevant insights in a timely fashion. The data represented in Figure 1 illustrates that speech analytics users enjoy superior performance gains in this category (e.g. call abandonment rate), compared to non-users.

Large contact centers are not the only ones who benefit from speech analytics. While large contact centers (those with more than 500 seats) are 3.3x more likely to implement speech analytics, the use of cloud technology provides cost-effective ways for small and mid-size contact centers to access this technology.

Unlike an on-premises delivery model, companies using cloud-based speech analytics don't need to incur up-front investment costs. They can pay based on the number of licenses or minutes of voice data analyzed through the services of a third-party provider. In addition to avoiding fixed costs, this also helps minimize IT resources needed to implement and manage use of speech analytics. Aberdeen's *State of the Cloud Contact Center 2016: Raising the Bar for Happier Customers* outlines how cloud technology influences access to critical customer care applications.

How to Lay the Right Foundation for your Speech Analytics Program?

While there are many benefits to speech analytics, using the right strategy will get you the best results. Table 1 shows several activities that help companies reap maximum results from speech analytics investments.

Table 1: Speech Analytics Must Be Incorporated within Omni-Channel Programs

Current Adoption Rate (n=196)	Speech Analytics Users
Integrate speech analytics with other multi-channel technologies to provide a more complete view of the customer	57%
Automatically prompt agents and alert supervisor when speech analytics identifies non-compliant actions	50%
Vocabulary associated with customer satisfaction or dissatisfaction is regularly updated	50%
Calls are automatically scored based on speech content	43%

Source: Aberdeen Group, August 2016

It's vital that companies think about speech analytics through an omni-channel lens. This means acknowledging that voice conversations are here to stay, but also understanding that success in these interactions hinges on blending them with conversations across all other channels (e.g. web, social media and live chat). Table 1 shows that more than half of speech analytics users weave buyer data captured across other channels with insights gleaned through speech analytics to create a richer picture of each customer. This also enables employees to deliver truly personalized and consistent customer conversations. If you're among those organizations without this capability, then it's recommended that you work with your IT team to map and integrate all the systems capturing customer data. Aberdeen's June 2016 *Getting Ahead in Customer Analytics: Which Technologies Do You Need to Succeed?* report outlines more on this specific topic.

Another capability successful speech analytics users employ is building a vocabulary of keywords indicative of customer satisfaction and dissatisfaction. For example, when a customer

Supporting Technologies

Data shows that speech analytics users deploy the following technologies to convert the voice of the customer into better business results:

-**Prescriptive intelligence:** Speech Analytics Users: 50% vs. Non-users: 11%

-**Real-time decision assist and guidance:** Speech Analytics Users: 41% vs. Non-users: 18%

says ‘this is taking too long’, the word ‘long’ would be associated with customer frustration. Similarly, the word ‘cancel’ might be used to detect customer churn risk, and hence elevate the conversation to a retention specialist. One out of two speech analytics users have the ability to detect customer sentiment through specific words using during a conversation.

The effort in achieving value from speech analytics is reduced with the ability to differentiate between customer and employee parts of conversation.

Analysis of conversations for keywords also allows companies to automatically prompt employees and supervisors with specific activities. For example, if the system detects the use of non-compliant words with the regulations influencing company activities, then an automatic alert would be issued to the employee through the desktop while also alerting the supervisor to provide related coaching. Such trigger alerts can also be set based on observing lack of use of specific words. Examples to these include analysis of calls to determine if a contact center agent asked a customer if all the questions were addressed during the call.

Keywords also help organizations guide employees to detect (and pursue) cross-sell and up-sell opportunities. This is done by first determining keywords associated with the likelihood to purchase specific products / services. When the system detects that a customer used a word that is associated with similar buyers purchasing a specific product, then it would provide a trigger alert. This alert could be in the form of a screen-pop on an inside sales representatives or contact center agents screen.

As a best practice, companies must not only prompt employees with a cross-sell or up-sell opportunity, they must take the steps of providing guidance on the nature of the opportunity. This refers to guiding the employee on which product or service to offer to the customer and how to position it. Use of technologies like real-time decision assist and prescriptive intelligence, help

companies deliver such prescriptive and time-sensitive guidance.

Companies that guide their employees in detecting and pursuing cross-sell and up-sell conversations enjoy increases in customer profit margins. Table 2 shows that 1/3rd of speech analytics users currently have this capability; increasing adoption across others will help more speech analytics users drive incremental revenue.

Table 2: Building Blocks Needed to Maximize the Benefits from Speech Analytics

Current Adoption Rate (n=196)	Speech Analytics Users
Ability to distinguish speech content	71%
Track moments of silence and overlapping speech to understand the progress of each interaction	67%
Monitor changes in tone of speech to track customer sentiment	57%
Speech content used to determine potential selling opportunities on a real-time or near real-time basis	33%

Source: Aberdeen Group, August 2016

A common requirement when implementing the activities outlined in Table 2 is the ability to determine who is the customer and who is the agent during a conversation. The above table shows that 71% of speech analytics users are able to make this important distinction.

Voice biometrics is one of the many ways companies can distinguish between speech content. This technology helps organizations capture information on the unique aspects of a person's voice, and hence allows organizations to determine the person participating in a voice conversation.

Contrary to popular belief, voice conversations haven't faded away in oblivion. Rather, companies started to use them in more strategic ways.

Companies use this technology in additional ways, which includes authentication. This helps minimize customer effort by verifying account data without the need to ask several questions and rather using voice to authenticate. Research shows that 37% of speech analytics users currently use voice biometrics in support of their activities.

The ability to distinguish speech content (having the ability to tell the difference between two people talking) provides further benefits. For example, it would help detect if the agent repeatedly speaks over callers and provide this information to a supervisor who would then provide tailored coaching on listening skills.

Another benefit derived from knowing which person is talking is making use of the non-spoken content. This refers to observing the conversation for a change in tone, tremors and etc. to monitor and identify customer sentiment. Such non-spoken content is just as valuable as spoken content as it helps employees better manage the conversation based on sentiment.

Recommendations

Aberdeen's December 2015 *Omni-Channel Customer Care: Best-in-Class Steps to Success* report shows that 93% of businesses use voice conversations as part of their customer experience programs. This dispels the popular belief that voice as a customer communication channel is rapidly fading away. Rather, companies are using phone interactions in particular in more strategic ways. For example, instead of addressing all customer issues through phone, some businesses first recommend customers to explore self-service before seeking agent-assisted service.

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Making more strategic use of voice as a 'high-touch' interaction channel means that brands must get even more effective in its use. We recommend companies to adopt the below activities to maximize their investments in speech analytics and build the foundation to deliver exceptional customer experiences:

- **Integrate speech analytics within your omni-channel programs.** Customers expect brands to deliver truly personalized messages that remain consistent regardless of the channels through which they are delivered. As such, if you haven't yet integrated your systems capturing data across the channels then we highly recommend you to do so. Adopting this activity will help your employees with access to a unified view of the customer journey, and will help them ensure consistency of conversations across all channels.

- **Understand the context of the conversation to manage it accordingly.** Reducing the effort in determining who's who on a call helps companies. It allows for more accurate analysis of voice data for gauging customer sentiment, ensuring compliance and identifying cross-sell and up-sell opportunities. This also allows supervisors with deeper insights into issues such as overlapping speech or customer retention rates associated with each employee. Using this intelligence, supervisors can deliver more precise coaching and guidance to employees to address their weaknesses and maintain their strengths.

Don't just analyze data, use speech analytics to deliver actionable guidance to employees to support them in doing their jobs.

➔ **Provide actionable guidance to your employees.** Once you know the context, you must also be able to guide agents on what to do next in order to retain a customer or successfully pursue a sales opportunity. If you don't currently use technologies such as real-time reporting and analytics and prescriptive intelligence, it's highly recommend you to do so. These allow converting the insights gleaned through speech analytics into actionable guidance for employees.

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

The Intelligent Contact Center: Master Low-Cost & High-Impact Customer Interactions; August 2016

Getting Ahead in Customer Analytics: Which Technologies Do You Need to Succeed?; June 2016

Omni-Channel Customer Care: Best-in-Class Steps to Success; December 2015

A Best-in-Class Voice of the Customer Strategy: Stop Hoarding Data, Start Putting it to Work; April 2016

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