SPEECH ANALYTICS: MAXIMIZING THE VALUE OF VOICE CONVERSATIONS

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This report will highlight how speech analytics helps contact centers manage voice conversations by illustrating the business value companies observe by using this technology. We will also provide an overview of several capabilities necessary to maximize ROI from investing in speech analytics.

The Business Case for Investing in Speech Analytics

During the past decade, we witnessed the call center transform into the contact center. The main driver for this transformation was the rapid incorporation of new channels to serve customers. In fact, Aberdeen’s February 2017 CEM Executive’s Agenda 2017: Data-Driven Approach to Delight Customers study shows that 55% of businesses use at least 10 channels (e.g., phone, web, and email) to serve customers. Findings from this study revealed that voice conversations by phone and interactive voice response (IVR) maintain a key role in the contact center, where 93% of companies use phone and 46% use IVR to serve customers.

Aberdeen’s June 2017 The Intelligent Contact Center: Get Smarter to Drive Customer Satisfaction study observed how contact centers capture, analyze, and use data across different channels. One of the technologies featured in this study was speech analytics (see footer for definition). Figure 1 (next page) shows the year-over-year (YOY) performance gains companies reported by using speech analytics to analyze voice conversations, compared to those without this technology.

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.
Figure 1: Speech Analytics Users Enjoy Superior Customer Experiences

There are two groups of performance measures depicted in Figure 1. The first is related to customer experience outcomes, reflected by improvement in customer satisfaction rates and customer retention. In fact, speech analytics users report 87% greater annual improvement of the former measure (9.9% vs. 5.3%) and 2.3 times greater improvement of the latter (12.5% vs. 5.4%), compared to non-users. Together, these findings reveal that companies using speech analytics are ahead of non-users in delivering better customer experiences.

Happy buyers are more likely to retain their business and grow their spend over time. This is validated by the second group of performance results in Figure 1. Speech analytics users enjoy 98% greater YOY increase in annual company revenue (13.3% vs. 4.9%) and 2.7 times greater annual improvement in customer lifetime value (12.7% vs. 6.4%), compared to non-users. Customer lifetime value refers to the total spend a customer makes with a business.

Financial gains like the ones noted here are made possible by speech analytics and its ability to track customer sentiment. This enables agents to better guide conversations by learning from insights captured through analysis of previous conversations. These learnings help retain more clients. Gauging customer sentiment also helps firms determine cross-sell / up-sell opportunities by prompting agents when they should pursue sales...
opportunities. The key capabilities that facilitate such activities through speech analytics will be discussed later in this report.

While improvements across customer experience results and financial measures are important, equally important for contact center executives is ensuring operational efficiency. This can be defined as maximizing measures such as agent productivity and ensuring compliance with internal and external standards. Figure 2 illustrates how speech analytics users fare across these measures, compared to non-users.

**Figure 2: Speech Analytics Helps Maximize Agent Productivity**

Agent productivity is an important performance metric for all contact centers. It reflects how well companies utilize existing human resources to handle the workload (customer traffic). When agent productivity lags, companies must schedule more agents to minimize adverse effects (e.g., extended wait times) on customer experience outcomes. This, in turn, increases labor costs. Without scheduling more agents, companies risk losing current and potential customers by failing to attain service level agreements (SLAs). In short, poor agent productivity has a severe impact on the business. Figure 2 shows that speech analytics users enjoy 46% greater annual improvement in this metric, compared to non-users (12.0% vs. 8.2%).

Data also shows that speech analytics users achieve a 6.3 times greater annual increase in the number of quality SLAs met, compared to non-users (8.2% vs. 1.3%). While gains in agent productivity influence this increase, use of speech analytics also
helps monitor voice conversations to ensure the company meets its SLAs.

Another reason why agent productivity is improved through speech analytics is that it allows companies to guide agents in real-time, or provide automated post-call coaching by using insights gleaned through speech analytics. For example, speech analytics can determine customer sentiment and help companies display that information to the agent through a notification in the form of a happy, neutral, or unhappy face on the agent desktop. The company might also use this information and provide brief recommendations to the agent via the agent desktop on how to handle next steps in the conversation. Such activities also reduce the need for supervisor time spent coaching agents. In fact, data shows that speech analytics users improve (decrease) supervisor time spent assisting contact center agents by 5.1% YOY, compared to only 0.9% by non-users.

What Influences Speech Analytics Adoption?

The performance findings noted thus far provide a clear business case for how investing in speech analytics helps companies drive efficiency, improve customer satisfaction and enhance financial results. Yet, The Intelligent Contact Center: Get Smarter to Drive Customer Satisfaction study shows that only 26% of contact centers use a speech analytics platform or related functionalities, such as speech recognition.

Table 1: Top Reasons Why Companies Are Not Using Speech Analytics

<table>
<thead>
<tr>
<th>Top Factors (n=422)</th>
<th>Non-Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>We don’t currently see how speech analytics can help improve our performance</td>
<td>46%</td>
</tr>
<tr>
<td>Don’t know enough about speech analytics or are unaware of its benefits</td>
<td>30%</td>
</tr>
<tr>
<td>Lack of human resources needed to manage speech analytics activities</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, August 2017

The top reason companies cited for not deploying speech analytics was a lack of understanding of how speech analytics can
improve business performance. The second reason is actually an inherent lack of awareness of the technology itself. Organizations in both categories should take a close look at the findings noted in this report to discover how speech analytics can influence their performance outcomes.

While reported by only 11% of non-users, the third top reason why companies are not using speech analytics is a lack of internal resources needed to manage the technology. The good news is that many speech analytics platforms require minimal support from roles such as data scientists, and are designed to provide relevant insights with minimal coding or technical skills. So, companies in this category should evaluate platforms that require such minimal internal technical expertise.

Now that we observed the top reasons why companies are not investing in speech analytics, let’s look at why companies are investing in this technology – aside from the performance benefits noted thus far (Figure 3, next page).

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**Which Firms Currently Use Speech Analytics?**

The average revenue of speech analytics users within *The Intelligent Contact Center: Get Smarter to Drive Customer Satisfaction* study was $1.3 billion. To put this in context, non-users reported $944 million.

Company size isn’t a direct and sole determinant for organizations using this technology. In fact, 22% of speech analytics users reported annual revenue below $50 million, and 24% reported over $1 billion. This means that organizational maturity in understanding the benefits of speech analytics has a more direct and significant impact on companies using speech analytics, compared to the depth of financial resources signaled by revenue.
Figure 3: Top Goals Driving Speech Analytics Investments

<table>
<thead>
<tr>
<th>Goal</th>
<th>Speech Analytics Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address customer needs in a timely and personalized manner</td>
<td>59%</td>
</tr>
<tr>
<td>Evaluate and manage agent performance</td>
<td>35%</td>
</tr>
<tr>
<td>Quality assurance</td>
<td>29%</td>
</tr>
</tbody>
</table>

Figure 3 shows that improving customer experience outcomes is the top goal speech analytics users aim to achieve. This isn’t necessarily surprising, as many organizations turn to technology to help solve challenges – in this case delivering better experiences to empowered customers. In fact, findings from Aberdeen’s July 2017 Cloud Contact Center: Customer-Centricity with Greater Agility and Less Cost study reveals that improving customer experiences is among the top objectives for contact centers investing in cloud technology.

The superior performance results of speech analytics users across customer satisfaction and customer retention rates clearly demonstrate the value of this technology. Speech analytics users also invest in this technology to improve agent productivity as well as performance and quality assurance. Once again, the findings on how speech analytics users outperform non-users across metrics, such as the number of quality SLAS met and agent productivity, indicate that companies using this technology are far more likely to succeed in accomplishing these goals, compared to those without it.

Develop a Plan to Maximize Your Results

The real benefits from speech analytics are not tied to incorporating it within the contact center technology toolbox. Rather, they emerge from having a firm grasp of the capabilities provided by speech analytics, and building related processes to use them. Table 2, on the next page, shows a list of these activities.

Companies incorporating speech analytics within their technology toolbox see greater performance improvements.
Table 2: Activities that Help Get the Most Out of Speech Analytics

<table>
<thead>
<tr>
<th>Current Adoption Rate (n=422)</th>
<th>Speech Analytics Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distinguish speech content</td>
<td>71%</td>
</tr>
<tr>
<td>Identify business trends through speech analytics</td>
<td>65%</td>
</tr>
<tr>
<td>Regularly update vocabulary associated with customer satisfaction</td>
<td>53%</td>
</tr>
<tr>
<td>Provide agents with real-time guidance through their desktop</td>
<td>53%</td>
</tr>
<tr>
<td>Automatically score calls based on speech content</td>
<td>41%</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, August 2017

As noted earlier, speech analytics can be used in a variety of ways, such as ensuring compliance, agent guidance, and cross-sell / up-sell opportunities. Each of these activities require identifying the speakers involved in a voice conversation. For example, mistaking the words of an agent with those of a customer, will yield inaccurate results when gauging customer sentiment. To alleviate such issues, 71% of speech analytics users currently distinguish speech content. While the adoption of this capability is comparably higher than some others in Table 2, it’s important to point out that 29% of organizations currently lack this ability to differentiate between stakeholders in a conversation.

Once companies differentiate between the voice of a customer versus an agent, a world of opportunities open up. One example is the ability to determine business trends. By analyzing commonly used words by customers through speech analytics, companies can determine trends impacting customer experiences. For example, companies use dashboards integrated with speech analytics to display word clouds where the size of the cloud indicates the frequency of use of certain words (e.g., return, unsatisfied, and dirty). Executives can use these insights to learn key factors influencing customer experience outcomes and make more educated business decisions with this knowledge.
Speech analytics can be used to analyze data in real-time, post-call, or through call recordings. When used in real-time, agents can be informed about customer sentiment – a capability adopted by 53% of speech analytics users. Similarly, use of post-call analytics can help agents review their own activities to learn from past success or mistakes. The ability to execute these activities requires first understanding the words associated with customer satisfaction and dissatisfaction. Table 2 shows that 53% of speech analytics users have an established vocabulary for this purpose.

More companies should regularly analyze customer conversations to build and manage an existing vocabulary to ensure the accuracy of insights gleaned through speech analytics. To this point, data shows that 41% of speech analytics users are satisfied with the quality of insights gleaned through this technology. Incorporating capabilities such as the ones discussed thus far will help improve the accuracy of these insights, and help firms maximize the ROI they get from speech analytics investments.

The activities discussed so far all contribute to a firm’s ability to use speech analytics to automatically score calls. But companies must first determine the scoring criteria. This might include customer sentiment, detected through speech analytics or a lack of certain activities, such as reading mini-Miranda rights to a customer. Using these insights, companies can score calls based on their compliance with internal objectives. This scoring then allows supervisors to listen to poorly ranked conversations for agent coaching and training. Scoring also allows agents to re-engage the customer, when and where appropriate. In fact, data shows that 41% of organizations currently have an automated call scoring capability.

**Key Takeaways**

Contrary to widespread industry conversations, voice is not ‘dead’ for the contact center. It’s alive and well – used as an integral channel for many firms to deliver service and sell. However, channels such as self-service and customer messaging are increasingly used by organizations to handle simple conversations. On the other hand, companies increasingly reserve voice conversations for more complex issues, hence increasing the importance of voice as a value-add for customers.
The findings in this report validate that companies managing voice conversations with the help of speech analytics do indeed deliver superior customer experiences. Not only that, they also excel in ensuring compliance and improving key measures such as agent productivity.

If your company is among the non-users struggling with the business value of speech analytics, we recommend a careful observation of the findings in this report to consider how this technology can maximize your performance. If you currently use speech analytics, but struggle with getting the desired performance results, we recommend incorporating the key capabilities covered in this report to lay the foundation for success. Once you establish the pillars for Best-in-Class results, you’ll find that it will be easier to continuously improve your contact center performance with the help of speech analytics.

Related Research

*The Intelligent Contact Center: Get Smarter to Drive Customer Satisfaction*
June 2017

*Customer Engagement Analytics: Take the Right Step, Every Time*
June 2017

*Contact Center Workforce Optimization: Productive Agents, Happy Customers & Reduced Costs*
January 2016

*Cognitive Customer Experience: The Future is Here*
March 2017
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