10 REASONS TO INVEST IN SPEECH ANALYTICS

Why today’s voice recognition technology is essential for your modern contact center • Read the eBook
Siri. Alexa. Cortana. If you’re familiar with any of the new automated personal assistants available today, you know how remarkably accurate voice recognition software has become. Just a few years ago, voice recognition accuracy was only about 70%, but game-changing technological advances have elevated it to better than 95%. That makes a world of difference when it comes to the ability of speech analytics to extract valuable customer information and demonstrate great ROI in many operational areas of the contact center. No wonder recent market research projects the growth rate of speech analytics to be about 22% CAGR through 2020. Speech analytics technology is becoming as fundamental to contact center operations as workforce management and quality monitoring.

Read on to see the specific areas in which speech analytics can deliver demonstrable ROI, enabling you to short-cut the process of making the business case for speech analytics inside your company.
NOT YOUR FATHER’S SPEECH RECOGNITION

The first challenge is to educate yourself and your management team on the significant technological advances that have occurred in speech recognition over the last five years.

**Voice Assistants.** Voice assistants such as Apple’s Siri and the Amazon Echo have popularized speech recognition. Consumers are amazed at how well the technology works now. Conversational interfaces are set to become one of the fundamental building blocks of the next generation of enterprise mobile applications. By now, just about everyone has had direct and positive experience with speech recognition. This helps overcome some of the negative perceptions that may still linger from experiences with earlier versions of the technology.

**Self categorization.** One of the primary benefits of speech analytics is the ability to organize consumer and agent phrases into categories.
Early iterations of speech analytics required that analysts know in advance what these categories should be and then assign searches for related words and phrases. More recent speech analytics technology has the ability to automatically self-associate phrases into categories, thus allowing the software to discover underlying trends without manual intervention.

**Automated agent scoring.** Modern solutions such as Aspect Engagement Analytics and CallMiner’s Eureka automatically score agents’ behaviors based on a company’s key performance indicators (KPIs) for call quality. This substantially lowers the cost of quality monitoring, removes supervisor bias, and incorporates 100% of interactions, not just a tiny sample.

**Advanced search capabilities.** Today’s speech solutions are designed to capture a wide variety of metadata and associate it with individual speech. Easy-to-use dashboard interfaces make it possible for any authorized person to initiate searches. For example, the sales department may ask for a list of customers who have threatened to close their accounts. Quality control may request periodic reports on reasons for warranty replacements.

**Cloud delivery model.** Today, many leading vendors offer the option of subscribing to speech analytics in the cloud as a service. This substantially changes the economic model for a new speech analytics solution and provides an opportunity to “test drive” the technology at little cost.
Speech analytics can show substantial economic benefits in literally dozens of areas in your contact center. Following are 10 key benefits, which are natural areas to focus on when preparing your cost/benefit analysis.
HIGHER IVR CONTAINMENT

Automated self-service is far more cost effective than agent-assisted service. The containment rate is the ratio of calls completed within the self-service channel divided by the total number of inbound queries. About 60% of callers immediately attempt to zero out to an operator when they encounter an IVR. The main reason is the belief, often based on experience, that the self-service interface will be unable to answer their question or complete the transaction. Even a small increase in the IVR containment rate can produce significant labor savings. The key is to figure out how to provide a better IVR interface. Speech analytics produces a much clearer understanding of why customers are calling and why cost-effective self-service may not be working effectively. Based on this information, greetings, menus, navigation, transactions, and other elements that make up the self-service interface can be greatly improved. A modest improvement in the containment rate from 40% to 50% could produce a savings of $69,000 for every 100,000 inbound queries, as shown in the chart below.

<table>
<thead>
<tr>
<th></th>
<th>% Split</th>
<th>Calls</th>
<th>Cost/Call</th>
<th>Cost/100k Calls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before Speech</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agent</td>
<td>60%</td>
<td>60,000</td>
<td>$7.50</td>
<td>$450,000</td>
</tr>
<tr>
<td>IVR</td>
<td>40%</td>
<td>40,000</td>
<td>$0.60</td>
<td>$24,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100,000</td>
<td></td>
<td>$474,000</td>
</tr>
<tr>
<td>After Speech</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agent</td>
<td>50%</td>
<td>50,000</td>
<td>$7.50</td>
<td>$375,000</td>
</tr>
<tr>
<td>IVR</td>
<td>50%</td>
<td>50,000</td>
<td>$0.60</td>
<td>$30,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100,000</td>
<td></td>
<td>$405,000</td>
</tr>
</tbody>
</table>

Savings/100k calls  $69,000
First call resolution is one of the two traditional KPIs that has been empirically demonstrated to directly affect customer satisfaction.

HIGHER FIRST CALL RESOLUTION RATES

First call resolution (FCR) has become one of the most closely watched metrics in the contact center. About 30% of inbound calls require at least one follow-up call. If an agent handles 1,200 calls per month at $7.50/call and 30% are follow-ups, the cost of repeat calls is $2,700 per agent, per month. If the percentage of repeat calls were to drop 5% to an easily attainable 25%, the costs per agent would drop by $450 each month. For a 100-agent call center that equates to over $540,000 per year. Also, from a customer care perspective, FCR is one of the two traditional KPIs that has been empirically demonstrated to directly affect customer satisfaction. Speech analytics helps improve FCR in two ways. First, it addresses one of the most important challenges with FCR, and that is how to measure it. The system can automatically build a “Repeat Calls” category based on typical keywords and phrases associated with additional calls. Second, and more importantly, the repeat calls in this category can be studied to better identify what issues cannot be readily resolved by agents. In many cases, it may be a simple matter of extending more authority to agents so they do not have to check with supervisors to make concessions to unhappy customers.
A *reasonable average cost* for onboarding, which includes the direct costs for advertising, recruiter fees, testing, screening, interviewing, human resources, training, and extra supervision is $7,500.

Onboarding new agents is a significant cost for contact centers. An academic research project in Canada showed that these costs amount to approximately 16% of the new hire’s salary. Of course, the cost depends primarily on the position being filled. For skilled technical support personnel, onboarding can easily exceed $20,000, while the cost for a basic order processing salesperson could be as little as $1,500. A reasonable average cost for onboarding, which includes the direct costs for advertising, recruiter fees, testing, screening, interviewing, human resources, training, and extra supervision is $7,500. If we assume an annual 15% attrition rate, a 250 agent call center would incur onboarding costs of over $280,000 per year. For many operations, and most particularly outsourcers, up to 60% of new hires quit their jobs within the first 90 days. A major reason for these early exits is that once the new agent gets on the phone, he or she discovers that they do not like contact center work. Using speech analytics to monitor realistic simulations of actual interactions has proven to be very effective for detecting these at-risk candidates before an offer is extended.
REDUCED QUALITY MANAGEMENT COSTS

No contact center has the time or manpower to evaluate a statistically significant random sample of monthly agent interactions. Even the most conscientious and well-staffed contact centers will struggle to conduct 5 to 10 evaluations per agent per month. An automated quality management feature, like the solution offered by Aspect and CallMiner, can dramatically cut quality management costs while improving objectivity. The software can quickly interrogate 100% of agent interactions and objectively score these on specific call quality attributes. This capability greatly reduces hours spent by quality monitors and supervisors in conducting evaluations. How much can you save? That depends on the size of the contact center. For large operations with dedicated QM specialists, the savings can be substantial. An outsourcer with 1,800 agents in the Philippines was able to reduce its hours devoted to quality monitoring by 50% and as a result, received a one year payback on its investment in speech analytics.

Jennifer Buffaloe, a speech analytics expert with CallMiner and former contact center manager, says that the personalized agent dashboard serves as a motivator to improve quality scores. “When agents see their dashboard and look at their own scores compared with their peers and see what the top performer has done, the competitive factor kicks in.”
Extensive research by Pelorus Associates revealed that stress on the job is a significant contributor to agent turnover. Drilling down, the research revealed six specific stress inducing factors:

- Pace of work too fast
- Complaints and problems
- Sense of powerlessness
- Complexity
- Micromanagement
- Personality conflicts

Speech analytics provides the mechanism for identifying specific stress inducers, such as the nature of complaints and problems. Once known, these factors can be addressed through targeted coaching and adjustments to policies and procedures. The automated quality management feature also takes a lot of stress out of the monthly agent evaluations. Agents have access to the same data as supervisors, so there is no dispute over the facts. Since the subjective measures and ratings are consistent for all agents, there is less concern over possible supervisor favoritism. Further, access to such rich data empowers agents to help manage their own development.
IMPROVED AGENT PRODUCTIVITY

Getting more productivity out of the same or a smaller staff is the definition of cost savings. Research from the respected Aberdeen Group indicates firms that deploy speech analytics outperform firms that do not use speech analytics. Aberdeen found contact centers that deploy speech analytics technology are achieving much faster gains in productivity than those that have yet to make that investment. The principal reason is that insights gained from speech analytics provide supervisors with a much improved understanding of the factors that sap valuable agent time and other resources. An important feature of Aspect speech analytics solutions is the ability to detect and quantify silence. This is the time during which no conversation is taking place. It happens because agents need to consult knowledge bases or subject matter experts in order to answer the caller’s questions or have yet to develop the listening and call control skills needed to uncover the precise reasons consumers are calling. Analysts can drill into conversations that include excessive periods of dead air to identify the source of the problem.
REDUCED COMPLIANCE RISK

The Dodd Frank Wall Street Reform and Consumer Protection Act (Act) was enacted into law on July 21, 2010. Title X established the powerful Consumer Financial Protection Bureau (CFPB). The CFPB is charged with regulating consumer financial products and services covered under federal laws. It is also responsible for administration, rulemaking and enforcement of fifteen existing consumer protection laws. Among these are:

- Equal Credit Opportunity Act
- Fair Debt Collection Practices Act
- Home Mortgage Disclosure Act of 1975
- Truth in Lending Act

The CFPB has since assessed hundreds of millions of dollars in penalties and restitution for violations, some of which are attributable to statements or omissions from agents. At least three companies have had to pay out over $200 million.

Risk exposures exist at every point where the enterprise touches the customer. Examples are communications with the contact center, meetings with loan officers, trading instructions to brokers and dealers, collection calls, email promotions, chat exchanges, text messages, website visits, automated responses to customer queries, and postings to social media sites. These add up to millions of interactions.
Businesses require technology that can swiftly wade through staggering volumes of big data to help pinpoint areas that need attention, help ensure that issues are properly resolved, and monitor the results. For example, in a case involving Discover Bank (fined $214 million), telemarketers used numerous scripts to help promote credit card products and services. According to investigators, these scripts included representations and omissions that were in violation of applicable laws. Speech and data analytics tools can identify specific instances of potential misrepresentations. Speech analytics provides the perfect tools to monitor compliance, and if necessary, provide access to exculpatory information.

A call center services director for a major auto maker explains, “Speech Analytics brings us a ton of value. We can check to see if agents are saying their disclaimers properly. We were able to do some compliance type things and we look at escalations very carefully.”
HIGHER REVENUE AND COLLECTIONS

Research by the Aberdeen Group indicates that sales organizations that use analytics and training and coaching have a higher level of goal attainment than organizations that do not use speech. Speech analytics has the potential to grow revenue and cash in three ways:

Collecting and referring qualified leads. Analysis of recorded conversations can identify expressions that indicate a need for the company’s products or services. For example, a conversation with an agent from an insurance company may identify that a customer is planning to start a new business. This indicates an opportunity to cross sell a business insurance policy. Metadata associated with this call will reveal details about the prospect which can be shared with the sales organization. Of course, telephone representatives need to be encouraged to probe for business opportunities and rewarded when they are successful.

Emulating successful sales reps. Speech analytics can pinpoint the skills and knowledge that characterize successful telephone sales personnel. It could be the way they handle objections or perhaps the fact that they were simply more proactive about promoting the company’s products and services. It could be the language used or the order in which things are said. All of these lessons learned can be shared with other members of the team.
Improving the collections rate. Similar to our discussion about emulating sales skills, the same logic applies to boosting the collections rate. Some agents are simply better at this than others. It could be the manner in which they speak, the degree of empathy, their willingness to seek out solutions, or other factors. Speech analytics can help reveal what it takes to be more effective in collecting overdue accounts, or selling and upselling. After investing in speech analytics, a timesharing vacation club management company achieved a 26% improvement in customer satisfaction scores, a 19% increase in agent quality scores, and 48% increase in collections. As a result, they were able to transform the contact center operation from a cost center to a profit center.
IMPROVED BRAND LOYALTY

A substantial body of research has established that the level of customer effort is a significant driver of brand loyalty. Customers are willing to pay more for brands that deliver customer care that’s easy to get, and they will drop products that do not meet their service expectations. Insights gleaned from speech analytics provide significant guidance as to where customers are investing unnecessary effort in obtaining service.

Speech analytics is an especially valuable tool for retaining preferred customers. Reducing customer attrition is usually easier and more profitable than finding new customers. The contact center can help the sales and marketing organization by identifying customers in advance who are likely to defect to a competitor. The speech analyst will search for keywords and phrases that signal dissatisfaction with the company or its products. It could be frequent mentioning of a competitor, a history of frequent contacts, or complaints about service quality and pricing. Metadata associated with the at-risk customer, such as customer tenure and purchase volume, will help determine the degree of effort that should be extended to retain this customer. Moreover, the knowledge gained from a deeper understanding of customer beliefs and behaviors, coupled with more effective use of self-service and higher FCR rates, will strengthen brand loyalty and thereby reduce customer churn.
IMPROVED PRODUCT QUALITY

A leading producer of consumer products has discovered how valuable speech analytics can be for its product development and support programs. The company prides itself on producing the highest quality products. They are also proud of their extensive service and support. Customers and business partners contact the company through its three call centers. Product-related calls are routed to a team of technicians that handle product quality problems. These calls are recorded and analyzed by speech analytics. The information gained from these interactions has proved invaluable for identifying product enhancements and improving quality. Additionally, the product support team relies on speech analytics information to help sharpen user instructions and self-help tools on the corporate website.
We have seen remarkable advances in speech recognition accuracy. Just a few years ago, speech recognition accuracy was only about 70%. Speech analytics, which relies heavily on accurate speech recognition, could not deliver well on its promise. Today, recognition accuracies of 95% allow speech analytics providers to add remarkable value, as demonstrated in the 10 areas we highlighted.

With speech analytics coming into its own, the “return” component of ROI has never been better. Now is the perfect time to consider investing in speech analytics.

Learn more about the remarkable benefits available from speech analytics, and ask for a demo today!

Contact Aspect at:

1-888-547-2481 (North America)

www.aspect.com/speech-analytics
ABOUT ASPECT. Aspect helps enterprises break down the walls between people, processes, systems and data sources, allowing organizations to unite around the customer journey. By developing fully native interaction management, workforce optimization and self-service capabilities within a single customer engagement center, we enable dynamic, conversational interactions and create a truly frictionless omni-channel customer experience. Leveraging the agility of our worldwide cloud infrastructure and over 40 years of industry ingenuity, Aspect conveniently and easily connects questions to answers while helping enterprises keep service levels high and operational costs contained.

For more information, visit www.aspect.com
Follow us on Twitter at @AspectSoftware
Read our blogs at blogs.aspect.com

ABOUT CALLMINER. CallMiner believes that resolution is the fundamental driver of positive customer experiences. When contact center agents and others responsible for customer engagement are empowered by insight and feedback in real-time, they can dramatically improve the rate of positive outcomes. With the tagline “Listen to Your Customers, Improve Your Business” our goal is to help companies automate the overwhelming process of extracting insight from phone calls, chats, emails and social media to dramatically improve customer service and sales, reduce the cost of service delivery, mitigate risk, and identify areas for process and product improvement. Highlighted by multiple customer achievement awards, including six Speech Technology implementation awards in the past four years, CallMiner has consistently ranked number one in customer satisfaction, including surveys conducted by DMG Consulting and Ovum.

For more information, visit www.callminer.com

ABOUT PELORUS ASSOCIATES. Dick Bucci is Founder and Principal of Pelorus Associates where he specializes in contact center technologies. Dick has authored fourteen in-depth market research reports on workforce optimization applications and numerous articles and white papers. Prior to founding Pelorus Associates he was a senior sales and marketing executive with leading vendors and value added resellers. Dick has over 30 years of experience in telecommunications and is one of the most widely published and widely quoted analysts in the contact center industry.