

The Power of Now!

Do You Listen to Your Customer in Real Time?

 WHITE PAPER

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Executive Summary

Your customers live in real time. They are more demanding and impatient than ever before. They live in the present and expect you to deliver accordingly. According to research, quick problem resolution, and the ease and simplicity of interactions, were two of the top four customer demands for an exceptional customer experience.¹ To satisfy these demands, it is incumbent on companies to recruit empowered employees who can solve problems at the customer's moment of truth. However, employees often fail to maximize performance at the moment of truth due to lack of skills, knowledge, authority and time. This inconsistency in their capabilities creates a *Variance Factor* in which some employees deliver great experiences that maximize customer value while others fall short, delivering sub-par experiences that fail to meet customer expectations – leaving customers disappointed and often leaving money on the table.

The majority of tools and systems for handling customer interactions provide pre-interaction support such as training and coaching or post-interaction support such as analytics and follow up. However, what most of these tools lack is the ability to listen to the customer and identify the “real” issue or opportunity and make the required decisions to provide the relevant solution in real time. *Real-Time Speech Analytics*, an emerging technology already implemented by vendors such as NICE Systems, promises to solve the *Variance Factor* challenge. By combining customer and employee data with the ability to listen and analyze the conversation in real time, employees can deliver the right solution at the right time. The capability is based on a real-time analysis of the spoken conversation, including identifying events and topics from what the customer and agent said, which are subsequently combined with pre-interaction data to generate insights that trigger alerts and guidance. While employees often listen to the stated customer request at the beginning of a call, *Real-Time Speech Analytics* conducts *Complete Listening* and responds to the complete set of customer needs. As discussed further on page 6, *Complete Listening* empowers employees with the ability to fully capture and understand the customer's needs and opportunities, and provide robust and relevant responses in a personal and relevant manner.

By combining customer and employee data with the ability to listen and analyze the conversation in real time, employees can deliver the right solution at the right time.

The Strativity Group Study illustrates that more than 40% of customers will pay a premium price for an exceptional customer experience. *Real-Time Speech Analytics* empower every employee to become a chief experience creator so that they can elevate the quality of the experience and maximize revenue and profit.

¹ Strativity Group: 2010 Consumer Experience Study

Demanding More and Now – Market Trends

“I can’t stand traffic. I don’t like queuing very much. I can’t wait for things to happen. If I want to do something then I want to do it now. If I want to go somewhere, I want to go there NOW,” said Sebastian Vettel, 2010 Formula 1 World champion. While such a statement coming from a world-class race-car driver shouldn’t be surprising, the sentiment of living in “here and now” is not unique to those who live in the fast lane. Mr. Vettel’s comments are an accurate reflection of many of today’s customers who have little time to spare and who expect relevant and personal experiences at every interaction channel. They demand consistency across all channels, and expect all employees in both the front and back-office to deliver exceptional value.

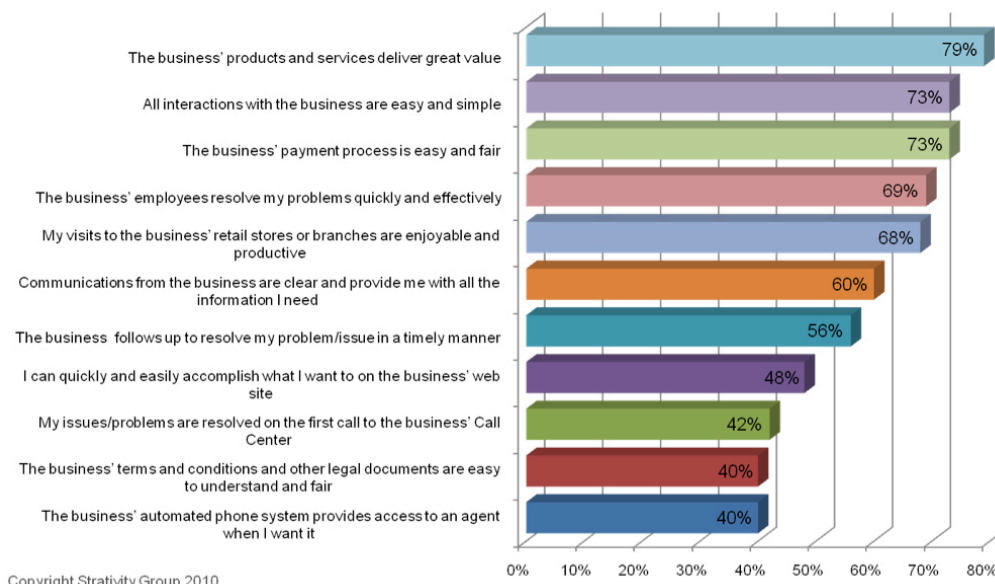
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In Strativity Group’s 2010 Consumer Experience Study, participants were asked to indicate the level of importance of each attribute of their customer experiences. The study reveals that customers associate exceptional customer experience with the following:

- Great value
- Easy and simple interactions across all channels
- Employees’ ability to resolve problems quickly

What is Important to Consumers?

Please indicate the level of importance you associate with each of the following attributes.



Real-Time Speech Analytics through Complete Listening, processing and analysis of conversations in real time, enables organizations to deliver high quality experiences by:

- Presenting customers with a relevant and personalized offer at the appropriate time
- Providing expert and relevant service to any customer need
- Reducing the duration of the call
- Mitigating the need for a transfer or escalation

It is imperative to note the great emphasis that customers place on the ease, simplicity and speed of interactions. Today's battle for the customer's heart and wallet is won over the ability to deliver consistent, relevant and timely experiences.

If customers receive the aforementioned experience, companies should expect greater loyalty, revenue and profit as evident by the following findings from The Strativity Group:

- 73% of consumers stated that they would expand their purchases with a vendor by 10% or more if the customer experience was superior
- 55% of consumers agreed that they would stay with a vendor for 10 years or more as long as the experience was superior
- 58% said they would recommend companies that deliver superior customer experiences to others
- 44% of consumers would be willing to pay a premium price of 5% or more for a superior customer experience

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The rewards are enticing, but is it possible for companies to deliver such high quality experiences? To create such experiences companies must create a new breed of empowered employees who would be able to handle the most challenging customer interactions on the fly. They would pay attention to every detail stated by customers and respond in the most compassionate and relevant fashion. This new breed of employee would be flexible – capable of presenting a cost effective resolution to an unprofitable customer while delivering a generous resolution to a VIP customer just minutes later. In every interaction, these individuals would be able to create and deliver customized solutions to any type of customer. Do such superman-type employees really exist? If not, how do you create and retain such employees?

To create such experiences companies must create a new breed of empowered employees who would be able to handle the most challenging customer interactions on the fly.

Understanding the Variance Factor

Step into every service operation and you will hear the leaders praise Amy and Jack. Who are Amy and Jack? They represent the heroes in every operation. They are the best of the best. Every customer they treat is thrilled to have interacted with them and request to speak to their supervisor so they can say how wonderful these two are. However, these two super-employees are but a few in a sea of hundreds or even thousands. While Amy and Jack provide experiences that excite and delight, others often provide mediocre if not sub-par experiences. While customers demand consistent experiences, organizations can at best provide them with mediocre service with the occasional hero experience. This inconsistency creates a *Variance Factor* – the variance between top and low performers.

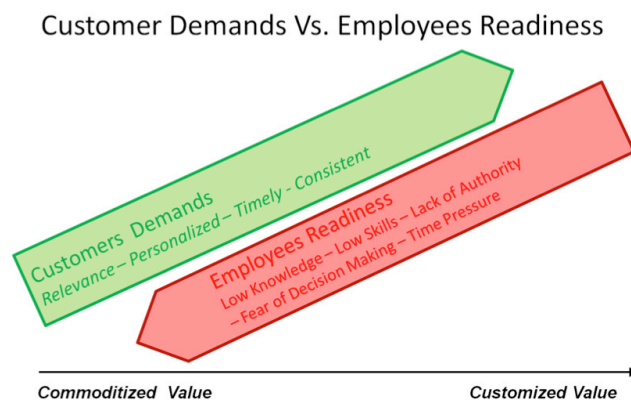
Why does the *Variance Factor* exist? What are the reasons that cause some, often the majority of employees to perform below the standards of their top colleagues?

The *Variance Factor* is a function of several elements. It is important to note that employee performance will often be affected by some, rather than just one of these elements.

Employees often receive reasonable requests but are unable to adequately respond to them due to a distinct lack of authority. They know what they should do to help the customer but are simply not authorized to do what they know to be right.

- **Lack of Knowledge** – Agents in many organizations face the almost insurmountable challenge of not knowing enough about their company's products and services to be able to select the best option for the customer and present it in a way that best fits the customer's circumstances. They also often lack the knowledge to answer any question posed by the customer. As a result, they often default to scripts or general guidelines and fail to provide deeper and more relevant information. Moreover, knowledgeable and experienced employees are more likely to understand the context and tone of a conversation. While a veteran employee may demonstrate happiness when learning of a newborn in a customer's family, a new employee may ignore this revelation altogether and continue to follow the script.
- **Lack of Skills** – Listening to customer needs and adapting accordingly takes time and skill. Veteran employees are the beneficiaries of time and training so that they have been able to develop the skills required to respond to customers in a personalized fashion. New employees lack the requisite skills and professional development, and as a result, fall short on meeting customers' needs. A skilled employee will know how to counter a competitive discount offer, while her less skilled colleague will lose the customer due to a poor or non-response. Unfortunately for many organization, high attrition in their contact centers means that most of their employees fall into the new employee category.
- **Lack of Authority** – Employees often receive reasonable requests but are unable to adequately respond to them due to a distinct lack of authority. They know what they *should* do to help the customer but are simply not authorized to do what they know to be right. While every employee at Zappos is authorized to refund money for an unhappy customer, in other organizations such authority requires extra steps and approvals lengthening the duration of the interaction and increasing the customer's frustration.

- **Fear of Making Decisions** – “In our company we are all empowered to make the right decision.” Although companies often claim that their employees are empowered, in reality they are only empowered to do what is necessary so long as they make the correct decision. Incorrect decisions are not tolerated. While employees often inherently know the right thing to do, they fear that even if they act accordingly, their decision will not be supported, if it doesn’t meet corporate policies or guidelines. As a result, they default to a resolution that is likely to frustrate the customer.
- **Time Pressure** – Service operations often focus on efficiency over quality of service. Employees are generally evaluated, compensated and promoted according to their ability to meet time-based metrics such as average handle time or average speed of answer. Rather than paying complete attention to the customer, employees are watching the clock or the queue, and attempt to provide the quickest rather than the most effective resolution. These employees are often more concerned with meeting a deadline than delighting customers.



Combining the lack of knowledge, skills and authority with fears over time-based metrics and “correct” decisions creates the perfect storm inhibiting employees from delivering the level of performance expected by customers.

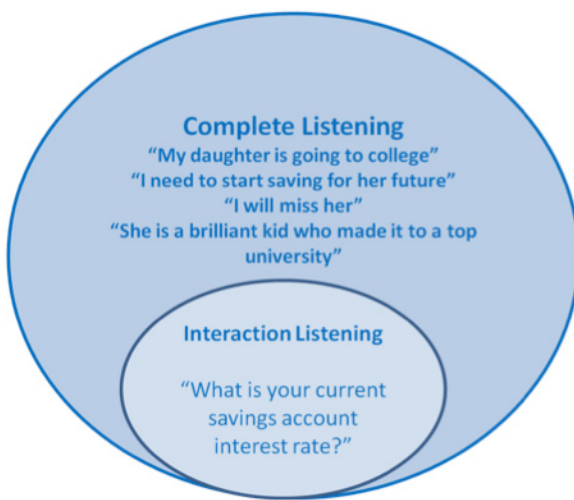
Combining the lack of knowledge, skills and authority with fears over time-based metrics and “correct” decisions creates the perfect storm inhibiting employees from delivering the level of performance expected by customers.

Customer demands for relevant, timely, personal and consistent experiences are in direct conflict with employee readiness and capabilities. This conflict directly impacts companies’ top and bottom lines. As a result, companies deliver generic experiences, and consequently lose their relevance with customers. Moreover, such experiences will erode a company’s competitive edge and accelerate their own commoditization.

There are a variety of approaches that companies utilize to address employee competence and readiness. In addition to the use of customer relationship management and associated tools, such approaches include onboarding training, role playing, analysis, call monitoring and coaching. The challenge with all these methods is that they do not take place in real time but provide support only before or after the customer interaction. However, at the moment of truth during a customer interaction, employees are alone with whatever knowledge and skills they managed to accumulate and develop. In real time, *during* the interaction, companies are reliant not on training or tools, but on the employees’ skills, knowledge and intuition.

The Solution – No More Before and After – The New Era of Now!

In the era of *Now*, where customers demand resolutions in real time, pre and post-interaction solutions only solves part of the challenge for employees. As a result, employees often employ partial or *Interaction Listening* when engaging with a customer. Since they have limited skills and face enormous time constraints, employees listen to the problem so they can deliver a swift resolution. In so doing, they often fail to listen to the complete “circumstances” of the customer. Often, the customers will state one issue for which he or she wants resolution. The key – and an



important value of real-time speech analytics – is the ability to identify other needs, which are often implicit or stated by the way.” While *Interaction Listening* is effective for ensuring efficiency, it is partial in nature and hinders the employee from identifying cues that would help make the resolution more relevant, delightful, and profitable. *Complete Listening*, which incorporates the dynamic unfolding *context* of the conversation, enables employees to provide a customized solution in real-time and maximize opportunities that are offered by the customer.

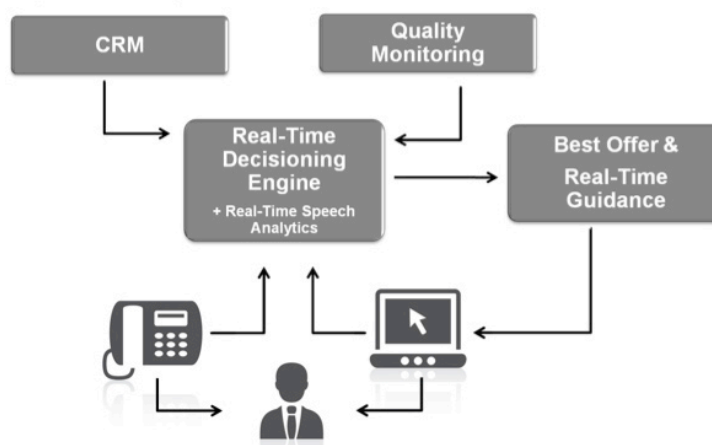
Achieving this level of real-time customized solutioning requires a real-time capturing and analysis capability that can drive intervention. In its absence, few employees will be able to provide real-time and time-efficient personalized experiences.

Real-Time Speech Analytics is an emerging capability that assists organizations in addressing the Variance Factor. The recent release of the capability by NICE Systems represents an important step towards real-time consistent performance by all employees. By capturing and analyzing in real time both the customer and agent voice, as well as the employee desktop activity, *Real-Time Speech Analytics* ensures that EVERY employee will be able to provide such appropriate solutions in real time at the customer’s moment of truth. It enables organizations to close the gap between growing customer demands for immediate relevant service and limited employee competence and readiness. It helps to mitigate the variance factor and empowers every employee with the relevant customer-specific information and offer to deliver a timely and personalized experience.

Complete Listening, which incorporates the dynamic unfolding context of the conversation, enables employees to provide a customized solution in real-time and maximize opportunities that are offered by the customer.

- *Real-Time Speech Analytics* captures, processes and analyzes conversations in real time to extract insights, which will be fed to the *Real Time Decisioning Engine* together with: Customer data as available in the CRM systems
- Employee capabilities as available in the quality monitoring system
- Employee desktop activity

Speech Analytics and Decisions in Real Time



The *Real Time Decisioning Engine*

uses business rules such as customer profitability, to produce real-time guidance to the employees regarding how to handle the specific request for a specific customer. This real-time guidance may include a customized offer to the customer based on his unique situation, personalized compensation to the customer's specific problem, or a guided response to a competitor's newest campaign.

Real-Time Speech Analytics enables agents to conduct *Complete Listening*. While the time-pressured employee tends to listen to the stated request, *Real-Time Speech Analytics* is listening to EVERYTHING that is being said or hinted to enable agents to provide the best response or present the best offer to customers. This *Complete Listening* method ensures that no important cue is being ignored. Analyzing the conversation in real time and triggering the proper guidance to the employee ensures that the customer will receive a resolution that is the most relevant and personalized to his or her specific needs.

Analyzing the conversation in real time and triggering the proper guidance to the employee ensures that the customer will receive a resolution that is the most relevant and personalized to his or her specific needs.

The core benefits of utilizing *Real-Time Speech Analytics* include the ability to *deliver the right solution for the right customer at the right time*. While relatively small merchants have the ability to deliver such solutions due to their intimate familiarity with customers, *Real-Time Speech Analytics* introduces the small-merchant intimacy to a new level of scale both for employees and customers. By providing real-time guidance to every employee based on the relevant *context* of the customer interaction, organizations ensure that each employee will be able to consistently deliver the right service and experiences to the right customers.

With *Real-Time Speech Analytics* companies no longer need to count only on their few heroes to deliver personalized and relevant experiences to customers. A solution that is powered with this new capability, triggering agent guidance at the moments of truth, is turning every employee into a powerful CEO – Chief Experience Officer. Each employee can now deliver the personal, relevant and timely experience that their customers demand. Organizations finally have the ability to achieve consistency of experience delivery by reducing the variance factor and elevating their employees' readiness.

Real-Time Speech Analytics deliver benefits on multiple levels, including the following:

- Increases customer intimacy, relevance and loyalty
- Increases offer acceptance, and consequently, revenue per customer
- Reduces wastage by eliminating generous deals to unqualified customers
- Increases first call resolution thus reducing service costs
- Increases employee satisfaction and retention, consequently reducing service costs and improving customers' life time value

In the new era of *Now*, companies need to elevate their game. Partial or interaction listening will take them only so far. Complete listening with real-time guidance will enable companies to respond to the most relevant customer needs in real time and therefore retain relevance, intimacy and longevity.

Applying Real – Time Speech Analytics to Real Life

Service Recovery – Customer Satisfaction – Retail

“I ordered a special get-well gift for my wife with a special message imprinted on it. The gift arrived late and the imprint is incorrect. In fact you insulted my wife. Instead of writing “Move On Stacey” you wrote “Moron Stacy”. What type of idiots work at your factory?”

Interaction Listening – An employee focusing on interaction listening will attempt to activate a return process while uttering a quick generic apology. He may not provide an immediate refund but will request to see the merchandise first.

Complete Listening – The employee will demonstrate sincere concern and personalize the apology. *Real Time-Speech Analytics* identifies the dissatisfaction phrases as a high indication of possible defection, triggering an alert that the customer is at risk of churning. Accordingly, the agent is immediately guided on how to prevent the customer from leaving with a special relevant retention offer. Inexperienced agents are not likely to fully appreciate the severity of the customer’s dissatisfaction. However, by employing *Real-Time Speech Analytics*, every agent regardless of knowledge or tenure will be able to mitigate churn by presenting a relevant offer rather than defaulting to a generic apology and providing the customer with a refund.

Real Time-Speech Analytics identifies the dissatisfaction phrases as a high indication of possible defection, triggering an alert that the customer is at risk of churning.

Inbound Marketing – Financial Services

“I would like to change my address. I am moving to a bigger house in preparation for my wedding in March”

Interaction Listening – The employee will proceed to the customer’s file and change the address.

Complete Listening – *Real-Time Speech Analytics* will identify the opportunities around new house and wedding. *Real-Time Guidance* will be triggered to guide the employee to congratulate the customer on the special occasion and thank her for sharing such exciting news with him. The identified hidden *context* of the call will be pushed into the *Real Time Decisioning Engine*, which will provide the next best offer to the employee who will in turn present the customer with the following:

- New credit card for the spouse
- Joint checking account with the spouse

Now You Can. Conduct Complete Listening and Deliver Tailored Solutions in Real Time

The growing gap between employee readiness and customer demands is the primary source of corporate angst. While using the best tools available, companies still allow for the variance factor to impact the customer experience and business results. The good news is that this compromise is finally no longer required. It is possible to elevate every employee's performance to the level required by customers. Companies now have the ability to transform every employee into a chief experience officer who delivers personalized, relevant and timely experiences on a consistent basis. These employees will engage in complete listening to identify customer needs, wishes and emotions enabling the employees to deliver the right experience to all customers making each of them as if they are the only customer that matters. By doing so, employees maximize customer value and develop longer lasting loyalty.

The only question remaining – What opportunities are *you* missing in every interaction?

Companies now have the ability to transform every employee into a chief experience officer who delivers personalized, relevant and timely experiences on a consistent basis.

About Strativity Group

At Strativity Group we do more than customer experience research and strategic planning. We take a strong, multi-disciplinary approach to customer experience strategy design and implementation. Through proprietary research tools, strategic analysis, customer experience innovation design and education programs we help our clients operationalize profitable customer experience strategies.

We measure our success by a single criterion: **execution.**

Throughout the years we have had the privilege of serving some of the world's leading organizations including: Avaya, Capital One, Cargill, CATIC, Circle K, CA, E.ON UK, FedEx, Herbalife, Honeywell, Lockheed Martin, Microsoft, Nokia, Nordea, Ricoh, Sage, SAP, Seagate, Siemens, Telus, Thomson Reuters, University of Pennsylvania and Wyeth.

About NICE

NICE Systems (NASDAQ: NICE), is the worldwide leader of intent-based solutions that capture and analyze interactions and transactions, realize intent, and extract and leverage insights to deliver impact in real time. Driven by cross-channel and multi-sensor analytics, NICE solutions enable organizations to improve business performance, increase operational efficiency, prevent financial crime, ensure compliance, and enhance safety and security.

NICE serves over 25,000 organizations in the enterprise and security sectors, representing a variety of sizes and industries in more than 150 countries, and including over 80 of the Fortune 100 companies.

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