

TECHNOLOGY

Pluses And Pitfalls In Voice Mail

By Cynthia Scanlon

It's happened to you: Your phone call to a company is answered not by a person at the other end but by a recorded voice offering you a menu of options to choose from and phone buttons to press. Interactive voice response (IVR) technology is here to stay, but it can frustrate and annoy as readily as it facilitates customer service.

Many companies find IVR frees up employees for other duties and provides convenience for clients and customers. It is increasingly used to disseminate basic information, to route callers to various departments, and to assist in simple financial transactions. Industry analysts estimate that the technology will be a \$1.2 billion market this year.

"Larger companies are saturated with this technology," says Tricia Lester, director of marketing programs for Syntellect Inc., a Phoenix-based supplier of IVR technology. "Our marketing is toward smaller companies because the technology is moving down in price. And smaller companies are installing it because the technology is now tested and proven successful."

Quality systems that handle one or two incoming lines can be purchased for as little as \$4,000. And for many companies, the cost of installing a new system can be recovered in the first year or two through increased productivity and reduced telephone staffing.

Voice processing has been a boon to the two major newspapers in Nashville, Tenn., the *Nashville Banner* and *The Tennessean*, which are separately owned but perform some administrative functions through a single staff. Before installing an IVR system, the newspapers had difficulties hiring people to run their customer-service operations effectively. "We've had an unemployment rate of 2 percent in our market," says Patti Gibbons, director of customer

information and programs. "I had positions open for more than a year that were going unfilled." IVR filled the void.

Now, customers can request a replacement for a damaged or missing newspaper, change their delivery service, temporarily stop their newspaper during vacations, or

Designed to cut costs and raise productivity, these systems are now priced within small firms' reach; but don't let yours turn customers away.

If a company is going to install an IVR system, it should do so prudently, says John Goodman, president of Technical Assistance Research Programs, in Arlington, Va. Much of the technology is routinely misused, he says. For example, he explains, "in the process of trying to become customer-oriented, salesmen are creating a disaster and companies are encouraging them to do it. Companies are pushing every salesman to run around, hand out business cards, and say, 'If you have any questions or problems, give me a call.' You then call him and get voice mail.

"The minute a customer gets voice mail, you take a 10 percent hit in customer satisfaction because they cannot get their problem solved immediately."

Goodman also warns that many companies allow callers to get trapped in voice mail without being able to get out. "You are in voice-mail jail, which frustrates the dickens out of customers as well," he says.

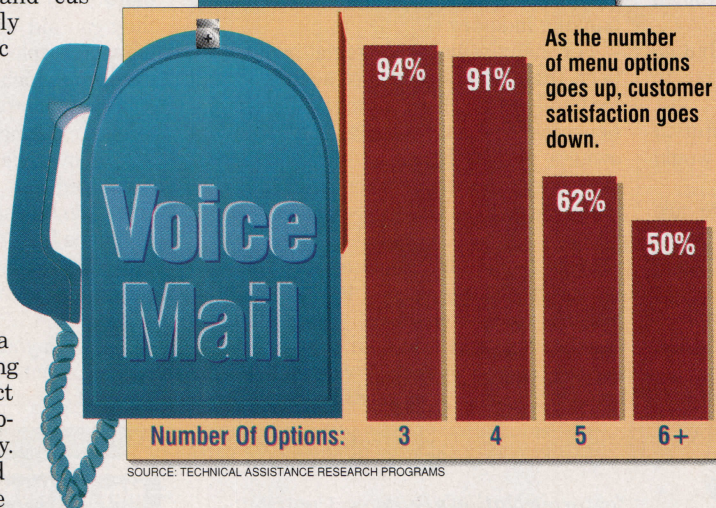
Goodman and Lester agree that not only must you always

give the caller the option of speaking to someone, but your IVR system must also limit the number of menu options it offers. Research indicates that three options yield a 94 percent satisfaction rate, and four options a 91 percent rate. "Five options drops your satisfaction rate to the 60s, and six or more options drops the level to [50 percent or less]," Goodman says.

Companies looking into IVR technology, Lester says, should research the systems and options available by examining publications such as *Telephony*, *What To Buy For Business*, *Managing Office Technology*, and *Communication News*.

Finally, she recommends that companies check an IVR firm's references thoroughly before deciding to do business with it. "There are a lot of 'garage shop' companies that buy off-the-shelf hardware and try to incorporate it into existing technology," she says. "If small companies are not careful, they can get burned."

Callers' Satisfaction With Automated Phone Menus



ask for an invoice to be sent—all by pushing the right numbers.

For businesses where staffing isn't a problem, IVR systems can free employees from many routine or repetitive tasks. Workers at the six branches of First National Bank of Hudson, Wis., "have become more efficient in their daily work" with the help of the new IVR system, says Susan Gilbert, executive vice president for operations. "They're not scrambling at 4 in the afternoon to try and get things done."

Customers now can obtain balances on checking and savings accounts, loan balances, payment and delinquent-account information, and interest, principal, and escrow amounts on mortgage loans. What's more, this information can be accessed 24 hours a day, seven days a week.

"This 24-hour access to information is one of the great advantages of IVR technology," says Syntellect's Lester. "Small businesses typically don't staff to handle those hours, but now they can without hiring more people."

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