

## **IVR to the Rescue!**

**A Benchmarking Study of 2010 Enterprise, Contact Center and IT Priorities and the Critical Role of IVRs in Achieving These Goals**

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## I. Executive Summary

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DMG's survey of 107 contact center and IT VPs, managers, directors, leaders and decision makers around the world found that a strong majority (76.6%) of responding enterprises are using interactive voice response systems (IVRs). Surprisingly, a large percentage of organizations not using IVRs today plan to invest in the next two years, 37.8% within the next 12 months and another 23.2% within 24 months. Although today only 17.1% of enterprises are using a hosted IVR and 23.2% a managed service offering, these alternative acquisition models are primary drivers motivating initial investments in IVR and encouraging existing IVR users to upgrade their environments. Of the over USD 2 billion spent on IVR in 2008, more than 55% went to hosted/managed service providers.

While the proportion of enterprises using IVR is slightly larger than expected, automation rates are very disappointing and present great opportunity for improvement. 26.8% of enterprises are automating less than 10% of their call volume with IVR, and only 4.9% of users are automating 95+% of their calls. Enterprises see the value and benefits of IVR, but need to optimize the performance of their voice self-service solutions in order to improve the customer experience and reduce operating expenses, the top two enterprise and contact center goals for 2010. Voice self-service solutions have long been essential for the success of contact centers, but senior management is increasingly viewing these applications as critical for helping cut operating expenses.

This Report reviews five related topics for contact center and IT executives, managers and leaders:

1. 2010 Enterprise, Contact Center and IT Goals
2. IVR Investment Intentions and Drivers
3. Top IVR Uses
4. IVR Optimization
5. Contact Center Technology/Applications Hosted/Managed Service

This Report presents DMG's survey results and discusses the significance of the findings for enterprises, contact centers and IT organizations. It presents a profile of leading companies, and delivers tactics and best practices for transitioning to world-class

performance for each of the 5 categories listed above. The Report enables readers to benchmark their company's 2010 enterprise, contact center and IT goals against their peers. They can also compare the performance of their IVR solutions against the best-of-breed offerings, and learn how to enhance their environments and become leaders.

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## II. Survey Demographics

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This study has found that enterprises are waking up to the power and benefits of voice self-service applications. 61% of enterprises that are using IVRs today are looking to enhance or upgrade their platform in the next two years; 28.1% of companies that are not currently using IVRs are looking for a voice self-service application. Thus, DMG was not surprised by the breadth of survey participants.

Enterprise, IT and contact center leaders from around the world were invited to participate in this survey during the third quarter of 2009. In an effort to access a broad spectrum of participants from a wide variety of verticals, DMG used contact center, speech technology, customer relationship management, customer experience management publications and a variety of newsletters to reach out to qualified end users. Of the 126 participants who started the survey, 107, or a very high 84.9%, completed it. United States-based respondents represented 67.3% of the total, and 32.7% were based in other countries.

The country breakdown of survey participants is highly representative of worldwide contact center usage. Of the 32.7% of participants based outside of the United States, 14% were in Canada, 13.1% were in the Philippines, 11.2% were in the United Kingdom, and 10.3% were in India. A total of 46 countries were represented in this survey, including 6.5% from both Australia and Singapore, 5.6% from Germany and South Africa, 4.7% from Mexico, 3.7% from Japan, Spain and Taiwan and 2.8% from Puerto Rico. The broad distribution of survey respondents makes it clear that IVR is an area of strong interest in countries where contact centers are well established as well as geographies where these technologies are still emerging. This points to the growing influence of IVR on a worldwide basis.

Of the 67.3% of companies headquartered in the US, 11.2% were in Wisconsin, 10.3% were in Georgia, 10.3% were in Illinois, 9.3% were in Ohio and Texas, 8.4% were in Florida and 7.5% were in New York, Pennsylvania, Utah, and Wisconsin. Survey participants also hailed from Colorado, Arizona, Nevada, Virginia, New Jersey, North Carolina, Oregon, Washington, Iowa, Massachusetts, Nebraska, Oklahoma, and more. Overall, 42 states were represented in this survey.

The broad list of survey participants reflects the enterprise-wide interest in voice self-service. 23.4% of respondents were contact center executives/VPs/directors/managers; 10.3% were operations managers; 12.2% were IT managers/CIOs; 9.3% were line of business executives/managers; and 6.5% were sales VPs/managers. The largest group of

participants, 38.3%, fell into the “other” category. This group included individuals with 32 different titles, including: site director, IT analyst, shareholder, consultant, training/process design and improvement, IT architect, CRM manager, CEO, engineering, telephony analyst, project manager, process specialist, creative director/usability, customer experience, IVR development team, service delivery VP, SVP marketing, performance improvement advisor, quality monitoring specialist, call center analytics, president, workforce management, change manager, business optimization manager, technology utilization analyst, and more.

Executives, leaders and managers from 20 different verticals responded to this survey. The four largest groups of participants, representing 58% of the respondents, were from financial services and telecommunications, each of which accounted for 18.7%, and healthcare and insurance, each contributing 10.3%. High tech/software accounted for 8.4%, outsourcing, 5.6%, retail and travel & hospitality both provided 4.7%, manufacturing, 3.7%, and utilities/energy, 1.9%. Other verticals that were represented in this survey were airlines, market research, education, consumer goods, pharmaceuticals, and more.

IVR has traditionally been viewed as a topic of interest mainly for large contact centers. However, the breakdown of survey participants shows that IVR has captured the attention of contact centers of all sizes. 29.9% of survey respondents were from contact centers with 1-49 agents; 10.3% were from contact centers with 50-99 seats; 16.8% were from contact centers with 100- 249 seats; another 16.8% of respondents were from contact centers with 250-499 seats; 9.3% were from contact centers with 500-999 seats; 8.4% were from contact centers with 1,000-2,999 seats; and 8.4% were from centers with more than 3,000 seats.

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### III. Benchmarking Results and Leadership Profiles

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#### i. 2010 Enterprise, Contact Center and IT Goals

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2010 enterprise, contact center and IT goals (and budgets) are going to be greatly influenced by the current worldwide economic recession. Even if the economy is showing signs of a recovery, DMG does not expect improvement to begin to be felt in contact center budgets until Q4 2010.

Enterprise, contact center and IT goals for 2010 are expected to be powerfully impacted by the current state of the economy, as is reflected by the priorities assigned to the goals in Figures 1, 2 and 3. While goal categories change slightly from year to year, many of the high level objectives remain similar. What does change a great deal is the relative weighting given to each of these objectives.

It's also important to appreciate that goal prioritization depends on which constituency rates them. Senior corporate executives have one perspective, while senior leaders in business units often see the relative importance of goals differently. In an ideal world, all business groups, departments and functions would work from the same set of corporate goals. Unfortunately, DMG has repeatedly found through studies and focus groups that even the most senior contact center leaders are not always familiar with their enterprise's top five or ten goals. This issue needs to be rectified in order for the contact center to be viewed as an essential corporate player that makes major and quantifiable contributions to corporate goals for revenue generation, customer retention and the overall customer experience.

The recession has made cutting costs the second most important enterprise and contact center goal. In the contact center, the goals that map to this enterprise objective are improving productivity, reducing operating expenses and increasing the use of self-service systems. Improving utilization of self-service solutions, such as the IVR, is important for the enterprise, as it is an effective way to reduce operating expenses with minimal negative impact on the customer experience (which is the top ranked enterprise goal), revenue protection and generation (third-ranked enterprise goal) and customer retention.

The survey asked participants:

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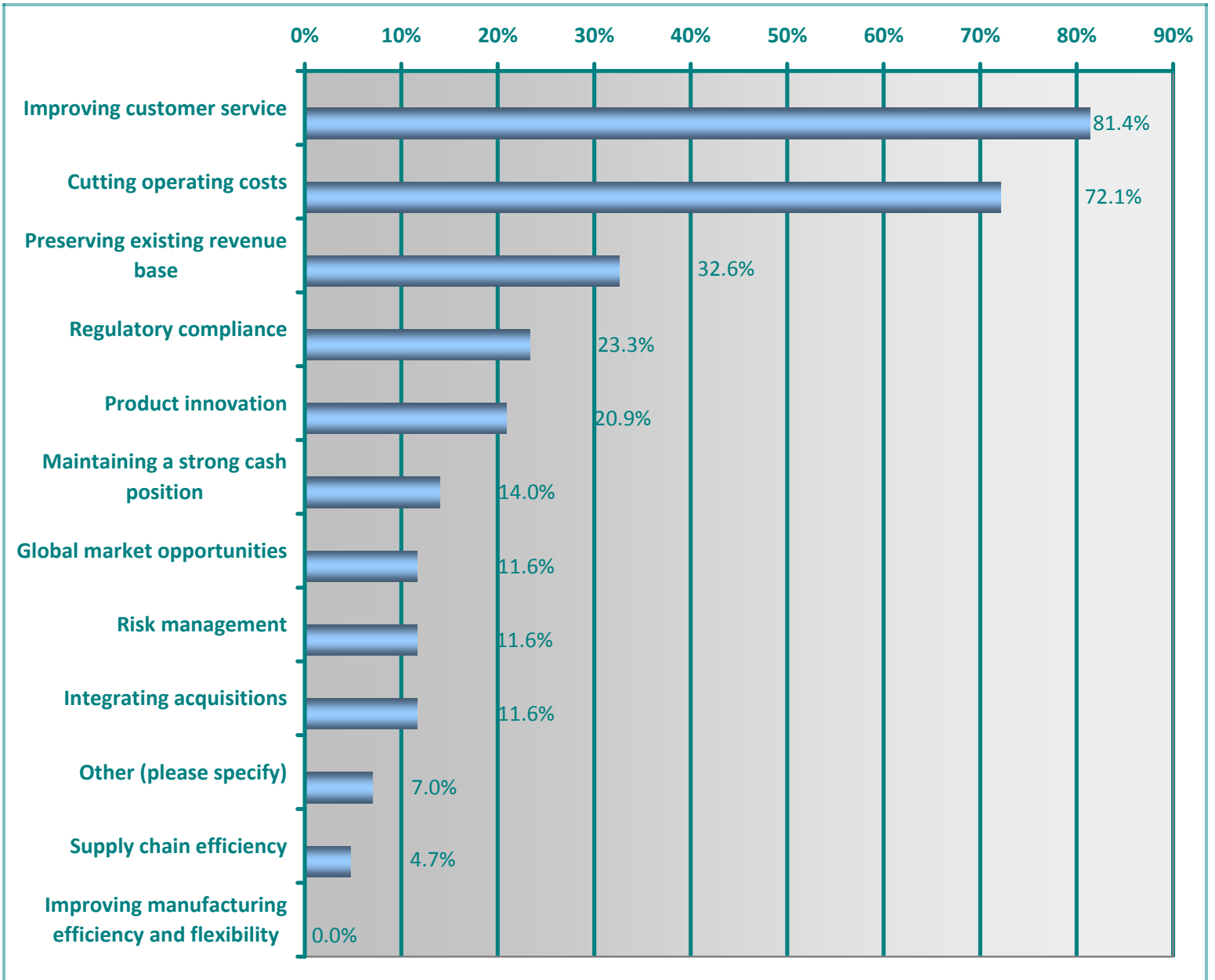
**Figure1: What are your top enterprise goals? (Choose all that apply)**

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All 107 survey respondents answered the three questions about their top enterprise, contact center and IT goals. Respondents were encouraged to select all goals that applied to enterprise, contact center and IT organization. The ranking for each enterprise goal reflects its relative importance in the market. Improving customer service was ranked as the top enterprise goal by 81.4% of respondents. Cutting operating costs was the second most important enterprise goal, chosen by 72.1% of survey participants. Preserving the existing revenue base, which addresses the importance of generating revenue and customer retention, was the third most important enterprise goal, with 32.6% citing its importance. Regulatory compliance was in fourth place with a ranking of 23.3%. Product innovation came in fifth place with a ranking of 20.9%; and maintaining a strong cash position was the sixth highest rated corporate goal, at 14%. Global market opportunities, risk management, integrating acquisitions and supply chain efficiency were ranked at 11.6%, 11.6%, 11.6% and 4.7%, respectively. Survey participants were satisfied with the goals presented in this question, as they provided only three write-in categories: growth, improving self-service and customer experience (which is the same as improving customer service).

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Source: DMG Consulting LLC, January 2010

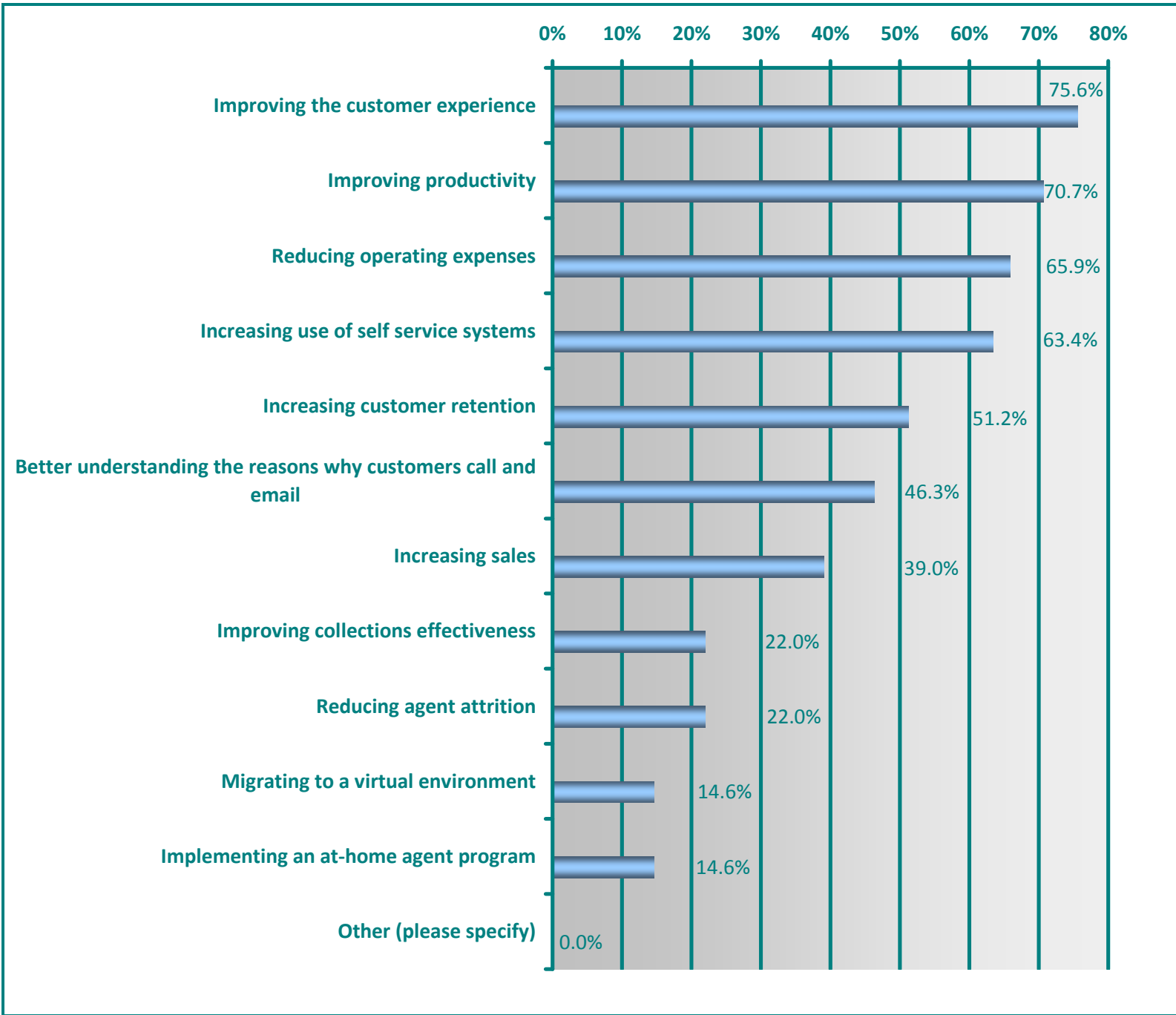
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**Figure 2: What are your top contact center goals? (Choose all that apply)**

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As was the case with enterprise goals, improving the customer experience was rated the top contact center goal, chosen by 75.6% of survey respondents. The next three highest rated categories, improving productivity, reducing operating expenses and increasing use of self-service systems, received scores of 70.7%, 65.9% and 63.4%, respectively. Increasing customer retention was the fifth most important goal for contact centers, selected by the 51.2% of survey respondents. Better understanding the reasons why customers call and email came in sixth place with a ranking of 46.3%. Increasing sales, which was in seventh place, was considered a top priority by 39% of survey respondents. Improving collections effectiveness was considered a top contact center goal by 22% of survey respondents. Reducing agent attrition was also ranked by 22%, which is somewhat surprising, given that it's an issue that impacts virtually every contact center, in good times or bad. Migrating to a virtual environment and implementing an at-home agent program were both cited by 14.6% of survey respondents. No additional goals were added to the list by survey participants, reflecting their consensus about contact center goals.

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Source: DMG Consulting LLC, January 2010

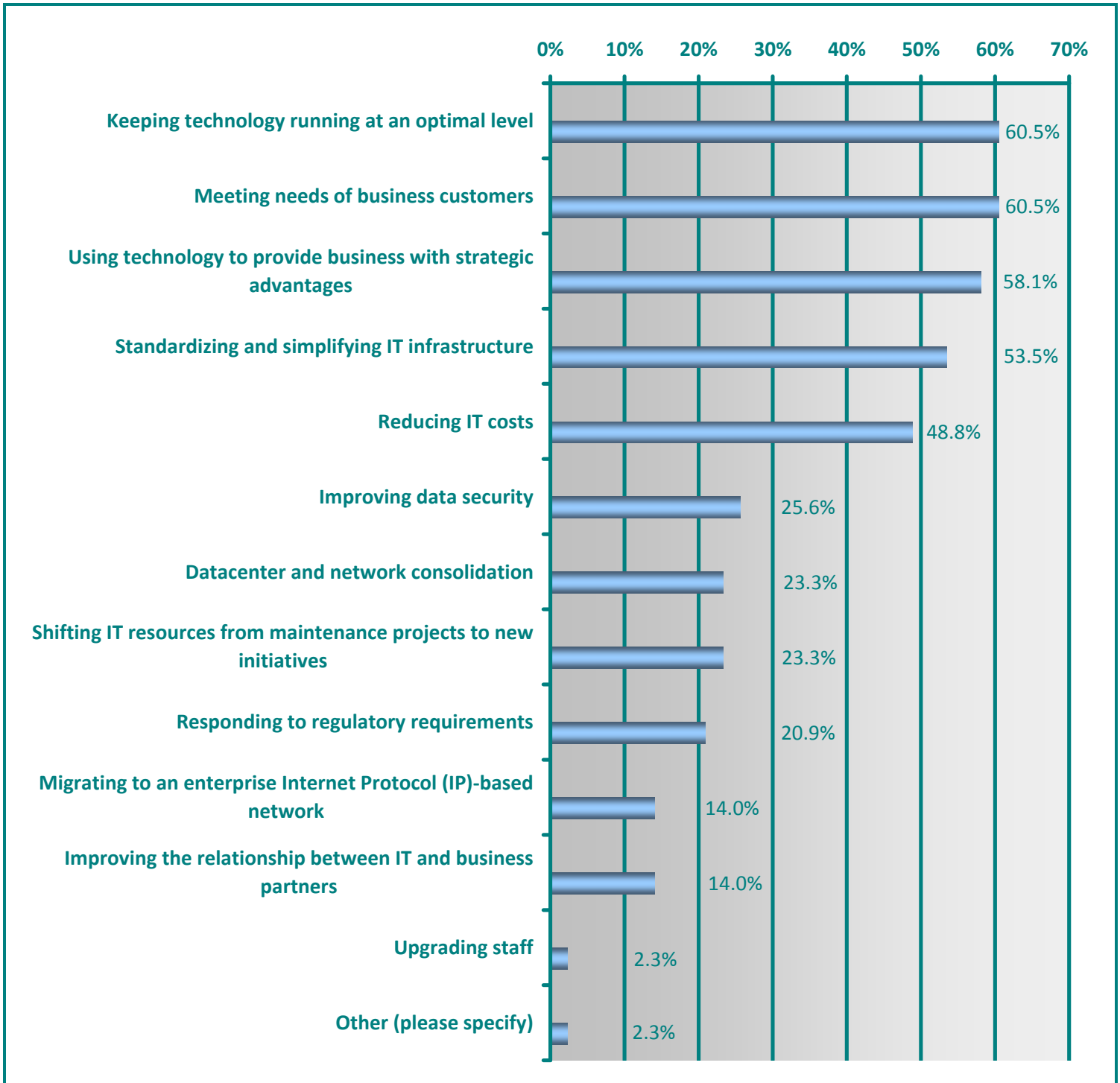
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**Figure 3: What are your top IT goals? (Choose all that apply)**

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As was the case with the enterprise and contact center goals, all 107 survey respondents provided their view of IT goals, even though a large percentage of participants were not in an IT organization. Two IT goals, keeping technology running at an optimal level and meeting the needs of business customers, tied at 60.5% as the top IT goals for 2010. Using technology to provide business with strategic advantages was viewed as the third most important IT goal with a 58.1% response. 53.5% of all respondents ranked standardizing and simplifying IT infrastructure as the fourth most important goal for IT. Reducing IT costs ranked fifth in importance according to all survey respondents. Security dropped in importance as a top goal for IT, as only 25.6% of survey respondents prioritized it as a top goal, putting it in sixth place. Datacenter and network consolidation and shifting IT resources from maintenance projects to new initiatives tied for seventh place, both garnering 23.3%. Responding to regulatory requirements, migrating to an enterprise Internet Protocol-based network, improving the relationship between IT and business partners and upgrading staff ranked, 20.9%, 14%, 14% and 2.3%, respectively.

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Source: DMG Consulting LLC, January 2010

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**Figure 4: What are your top enterprise, contact center and IT goals?**

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When the top goals for contact center and IT are mapped to those for the enterprise, there is close alignment. At a high level, the top three goals for the contact center and enterprise – improving the customer experience, expense control/improving productivity (including increasing the use of self-service), and preserving existing revenue/increasing customer retention – are aligned. The ratings are different because contact center managers break down their goals into more detailed categories than the enterprise level. (Improving productivity and increasing use of self-service systems are two ways that contact center managers cut costs.) See Figure 4.

This analysis also shows that the priorities and goals of IT are very different from the enterprise and contact center. This goal misalignment is the underlying reason for the lack of trust and understanding between IT and contact centers. The contact center's needs are not being addressed by IT's top goals. Establishing goal consensus between IT and the contact center can vastly improve the working relationship between these two essential business functions, and can help both groups better deliver to enterprise objectives.

**Figure 4: Comparison of Enterprise, Contact Center and IT Goals for 2010**

Goal	Enterprise Rank	Contact Center Rank	IT Group Rank
<b>Customer Service</b>			
Improving customer service	1	1	
Meeting needs of business customers			1*
Keeping technology running at optimal level			1*
<b>Expense Control</b>			
Cutting operating costs	2	3	7*
Integrating acquisitions	7*		
Supply chain efficiencies	10		
Improving productivity		2	
Increasing use of self-service systems		4	
Better understanding why customers call		6	
Improving collections effectiveness		8*	
Reducing agent attrition		8*	
Standardizing and simplifying IT infrastructure			4
Data center and network consolidation			7*
Migrating to IP-based network			10*
<b>Revenue-Related</b>			
Preserving existing revenue base / increasing retention	3	5	
Product innovation	5		
Global market opportunities	7*		
Increasing sales		7	
Using technology for strategic advantage			3
<b>Regulatory and Security</b>			
Regulatory compliance	4		9
Risk management / data security	7*		6
<b>Miscellaneous</b>			
Maintaining a strong cash position	6		
Migrating to a virtual environment		10*	
Implementing an at-home agent program		10*	
Shifting IT resources from maintenance to new initiatives			7*
Improving relationship between IT and biz partners			10*

Notes: \* Indicates goals that tied with other goals for the same number of votes. Table includes all goals that received that received 1 or more votes.

Source: DMG Consulting LLC, January 2010

## DMG's Leadership Profile: Aligning Enterprise, Contact Center and IT Goals

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Leading enterprises strive to align enterprise, contact center and IT goals. This does not mean that all business units and IT must have exactly the same set of goals and objectives, but rather it reflects the importance of establishing a few high-level overarching objectives that all operating groups strive to achieve.

Here are best practices that contact centers should follow when setting up their annual goals:

1. Contact center managers should begin the process by obtaining the corporation's annual goals. This will enable them to better align their goals with corporate priorities.
2. Contact center leaders should create departmental goals that support those of the corporation, even though they are unlikely to be 100% alike.
3. Contact center goals should be both strategic and tactical and much more detailed than those for the enterprise.
4. While IT should ideally align its goals with those of the business units that it supports, this rarely happens. DMG encourages contact center executives and managers to meet with the both the chief information officer (CIO) and key IT leaders responsible for overseeing their systems. The contact center manager should share and discuss their departmental goals with the IT organization and invite (or challenge) them to provide key performance indicators (KPIs) that measure how well IT delivers in support of these goals. Contact center managers should also set up quarterly system and performance reviews with IT.
5. If IT is involved in supporting the IVRs, the contact center and IT should have shared IVR performance and automation goals. It's essential for these goals to be in sync and for both groups to agree in advance about what needs to be done. Increasing utilization of self-service solutions is a corporate goal, and contact center managers are generally held accountable for management of the voice self-service solution. If IT is not positioned (or does not have the budget) to provide the necessary ongoing support for the IVR, this problem should be identified immediately and brought to the attention of senior management. Either the business or IT needs to provide the resources to identify and



- implement IVR optimization opportunities and make related programming changes on a timely basis.
6. Since the contact center is held accountable for the performance of the voice self-service solution, they must ensure that they have adequate resources to optimize its performance on an ongoing basis. If IT cannot provide the necessary support, the contact center should ask for the budget to acquire additional internal or external resources. If necessary, the contact center should consider outsourcing the IVR to an organization that provides ongoing optimization as a standard part of their offering.

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### **Transitioning to being a Leader in Managing the Annual Goal-Planning Process**

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Based on the survey results, contact centers are doing a better job of aligning their goals with enterprise objectives than they are with IT departments. Since IT is essential in delivering and maintaining the systems used to support enterprise and contact center objectives, it's imperative for the technology group to be better aligned with their internal and external customers. This is not a new finding for the market, but it's interesting to see that the disparity in goals is expected to continue to have a negative impact on companies throughout 2010, unless organizations take immediate action.

Most CIOs or IT vice presidents would like to better align their goals with those of their enterprise. Senior IT executives frequently feel the wrath of displeased senior enterprise and business managers when IT has prevented them from achieving planned objectives. The problem is the lack of communication between IT and the rest of the organization. For this to change and for IT to have a chance of coming up with more business-centric goals, they will have to be invited into the planning process for all business units within the company. This represents a major change within most companies, even the ones that pay "lip service" to including IT in their planning process.

DMG recommends that senior contact center managers meet with their peers in IT to share their goals for 2010, and to solicit their assistance in achieving their goals early in their planning process. (This is typically not done, as IT is viewed as an impediment.) The discussions need to go beyond the traditional debates about who owns various aspects of the budget, and concentrate on what the contact center needs to achieve in 2010. It's not going to be easy, as in many cases years of distrust have built up in both organizations, despite claims to the contrary. It will take time for contact center

managers and other business units to see IT as a true partner that is dedicated to helping them achieve their goals. But there is no chance that IT will change their mindset and goals if they continue to be left out of the planning process. Of course, for this to work, IT must change their approach; they have to appreciate that the contact center and other business units are not inviting them to the planning table to be told how to do their jobs better, but instead so that IT can help them achieve their goals.

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## ii. IVR Investment Intentions and Drivers

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Figure 4 showed that increasing the use of self-service solutions is one of the top ways that contact centers plan to contribute to the enterprise objective of reducing operating expenses in 2010. Self-service solutions have proven highly effective in cutting operating expenses by helping automate a growing percentage of customer inquiries and reducing the number of customer calls that require the assistance of live agents. 76.6% of enterprises are using IVR today. Of these solutions, touch-tone remains the predominant technology, deployed by 47.6% of IVR users. However, 41.5% of all IVR solutions offer callers the option to use either touch-tone or a speech-enabled script. As contact center managers are generally responsible for or directly involved with the management of their IVR, DMG asked them about their voice self-service investment plans for 2010.

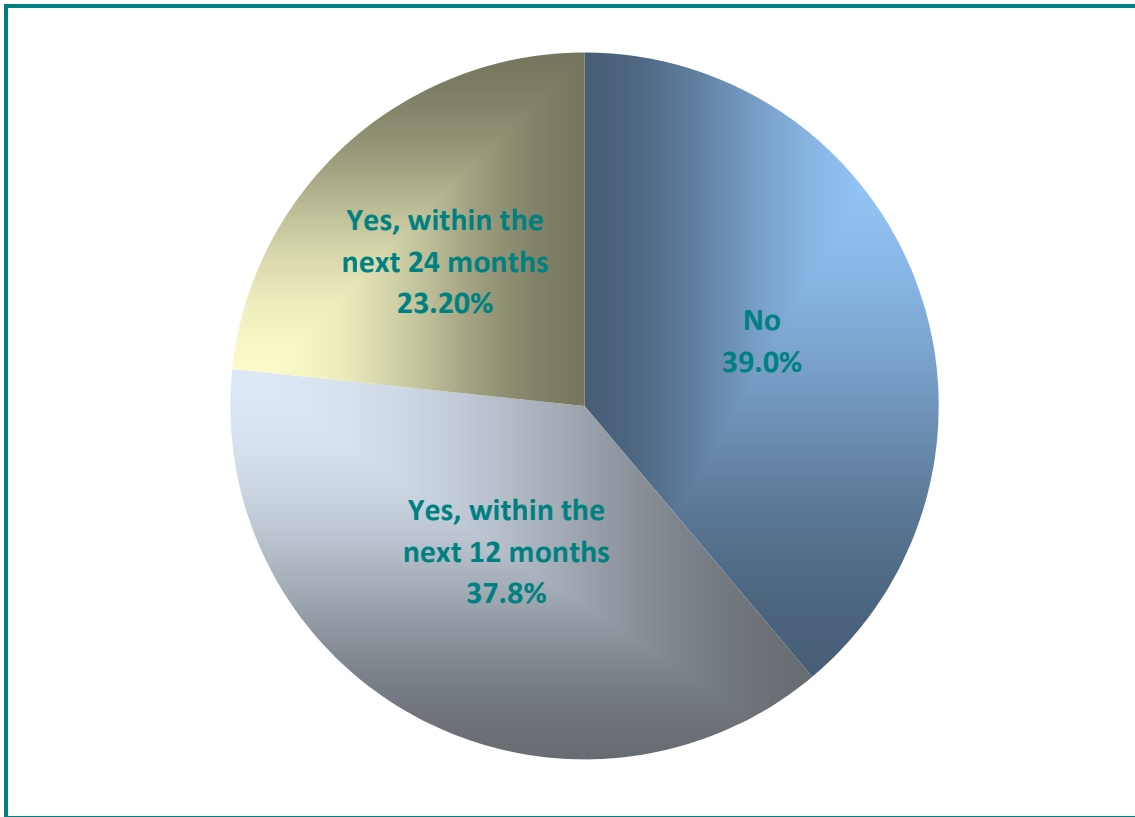
### Investment Intentions

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#### **Figure 5: Current IVR Users: Are you considering an investment in a new or upgraded voice self-service application?**

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Figures 5 and 6 show that a large percentage of enterprises currently using IVR as well as those that have not previously used voice self-service applications are planning to invest in these solutions within the next 1 to 2 years. 61% of all current IVR users are planning to enhance or upgrade their IVR platform in the next two years; 37.8% in the next 12 months and 23.2% within two years. While DMG has not conducted this exact study before, we have followed the IVR technology sector for the past decade. This is the strongest level of interest seen in IVR in the last ten years. It is a reflection of growing contact center and enterprise appreciation of the value and benefits of the new generation of voice self-service solutions, which is increasingly being led by the hosting/managed service IVR providers. (As of the end of 2008, more than 55% of all IVR revenue was earned by the hosted/managed service providers. See DMG Consulting's *2009 Hosted/Managed Service IVR Market Report*.)



Source: DMG Consulting LLC, January 2010

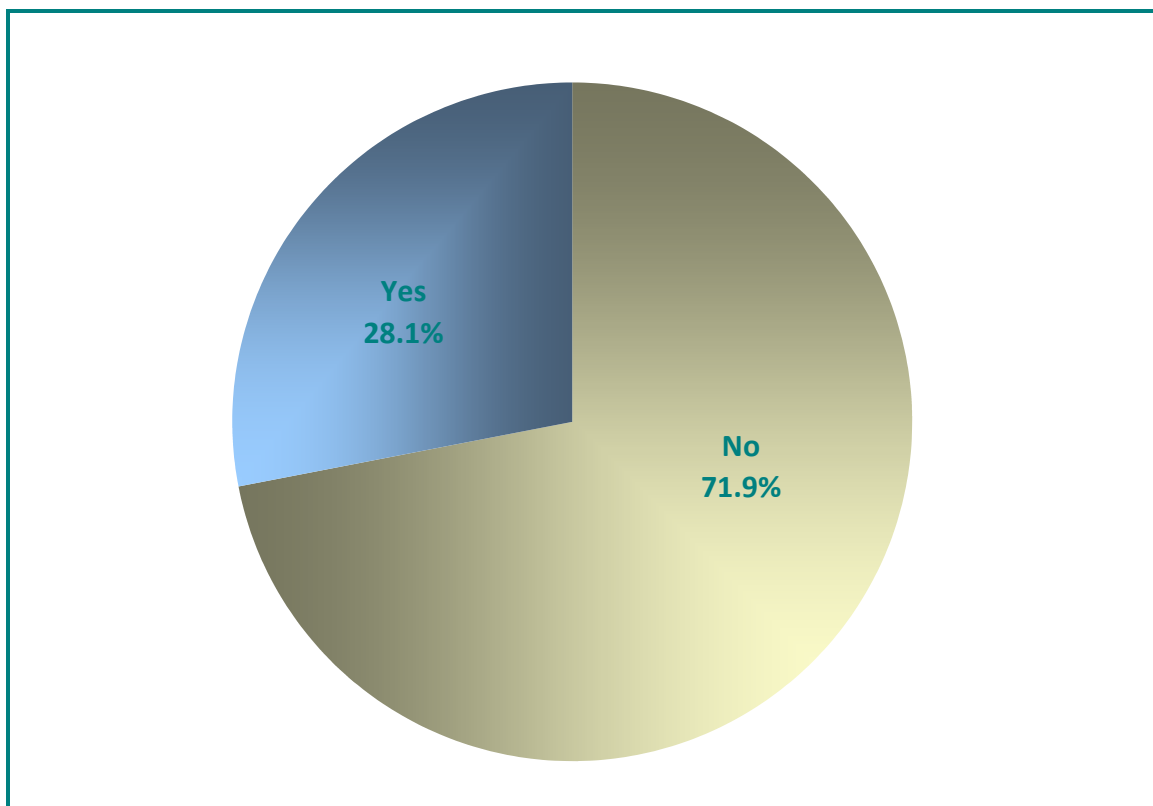
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**Figure 6 Not Currently Using IVR: Are you looking for a voice self-service (IVR) application?**

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An astounding 28.1% of companies not currently using IVR are in the process of looking for a voice self-service solution. The recession is pushing companies that were hesitant to use voice self-service IVR automation to make investments in these solutions. An IVR initiative that is planned, designed and rolled-out properly can reduce the volume of calls to live agents by 20% to 90% (over time), depending upon the purpose of the contact center and the tasks programmed into the solution. This trend is expected to continue even after the economy recovers. The benefits and cost savings from a well-designed IVR implementation generally convince even the most reluctant managers that these solutions are effective both for their customers and their cost structure.

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Source: DMG Consulting LLC, January 2010

## IVR Investment Drivers

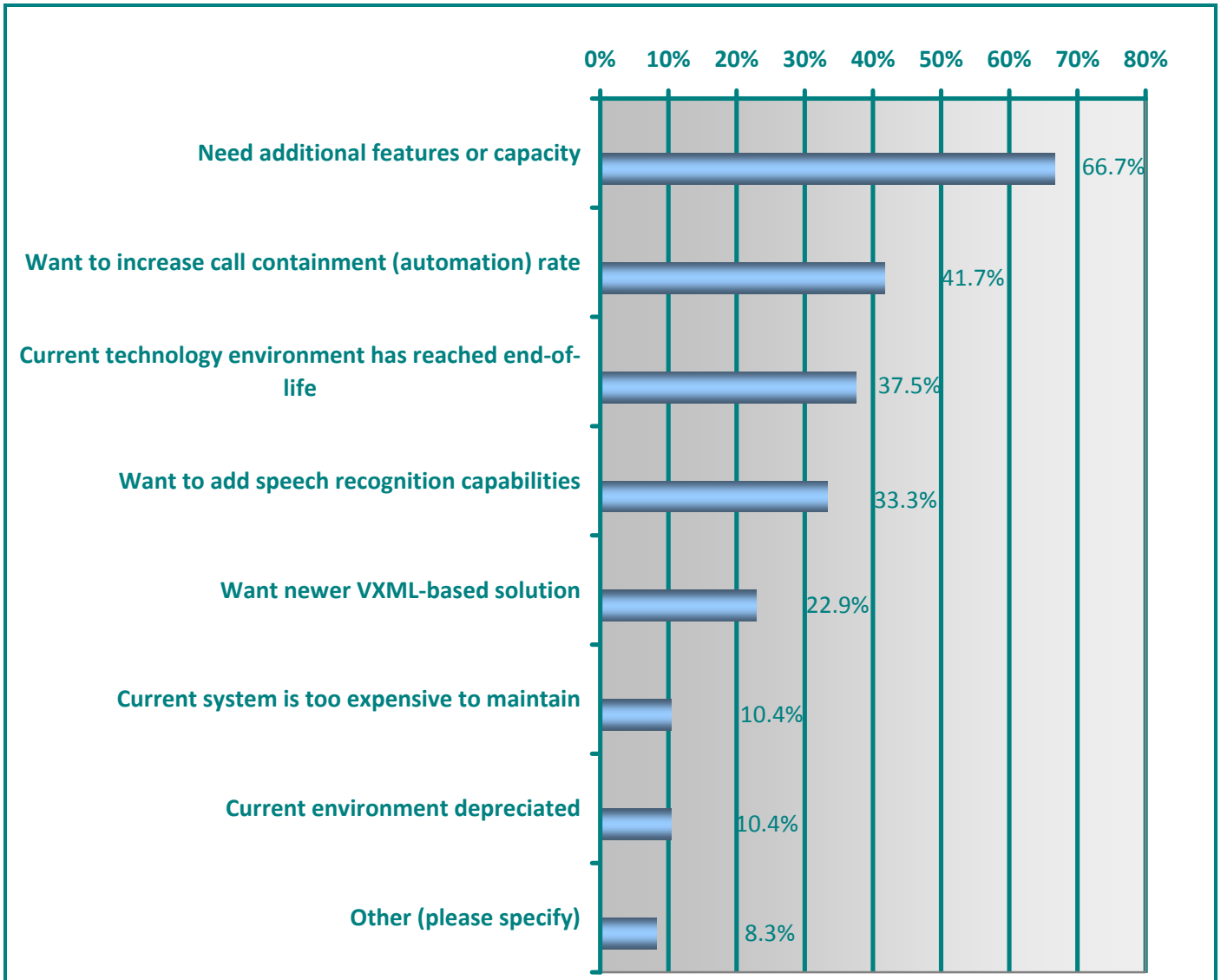
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**Figure 7: What are the drivers behind your company's decision to upgrade or invest in a new voice self-service solution? (Choose all that apply)**

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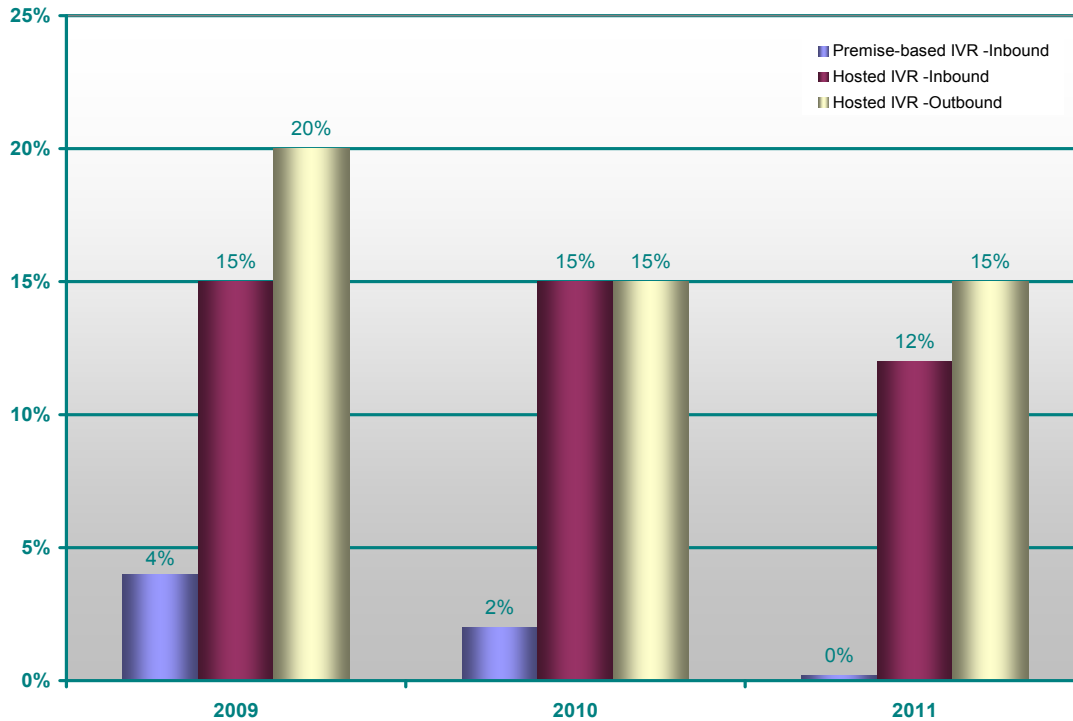
DMG analyzed the primary investment drivers for the 61% of current IVR users who are planning to enhance or upgrade their environment in the next two years. Figure 7 shows that 66.7% of users are looking for additional features or capacity; 41.7% are concentrating on increasing their call containment rate; 37.5% need to replace technology that has reached its end-of-life; 33.3% want to add speech recognition capabilities; 22.9% want a newer VXML-based solution; 10.4% have a current system that is too expensive to maintain; and another 10.4% see an opportunity to replace their current depreciated environment. This question also received four "other" responses: biometrics, optimizing costs, purchasing a new contact center solution, and wanting new apps. None of these four was statistically significant, but it's interesting to see how broadly survey respondents perceive the benefits of IVRs. The top two responses, along with the fourth- and fifth-ranked answers, all address the importance of increasing the IVR containment rate. This ties back directly to the second-ranked enterprise and contact center goal, cutting operating expenses.



Source: DMG Consulting LLC, January 2010

The percentage of hosted/managed service IVRs is increasing rapidly, according to DMG’s 2009 Hosted/Managed Service IVR Market Report. See Figure 8.

**Figure 8: IVR Market Growth Projections, 2009 – 2011**



Source: DMG Consulting LLC’s 2009 Hosted/Managed Service IVR Market Report, June 2009

Currently, 72% of organizations with IVRs in place have purchased/own their IVR technology; 23.2% use a managed service IVR offering and 17.1% employ a hosted solution. These numbers add to greater than 100%, as a growing number of organizations are using more than one IVR acquisition models.)

33.3% of current IVR users indicated that they do not currently use, nor are they considering a hosted solution. However, an impressive 66.7% of current IVR users are open to hosted/managed service IVR offerings. DMG analyzed the primary reasons why current IVR users and companies considering IVRs for the first time were showing a strong preference for hosted/managed service-based solutions. Figure 9 shows the leading investment drivers for both groups. While investment reasons were similar between current and prospective IVR users, the priorities assigned to the drivers varied significantly between the two groups.



**Figure 9: Primary Drivers for Considering a Hosted/Managed Service IVR, Comparison of Current and Prospective IVR Users**

Investment Drivers	Current IVR Users	Prospective IVR Users
Do not have in-house speech recognition domain expertise	29.2%	40.0%
Improved flexibility and scalability on-demand	29.2%	13.3%
Do not have IT resources to maintain the self-service system	27.1%	13.3%
To avoid capital expenditure	25.0 %	40.0%
Do not want to house and maintain server hardware	22.9%	33.3%
Too expensive to have in-house IT resources to maintain the self-service systems	22.9%	13.3%
Quicker deployments	22.9%	26.7%
To avoid large up-front start-up costs	18.8%	40.0%
Already using a hosted or managed service IVR	18.8%	
Using ongoing IVR optimization program to improve effectiveness of voice self-service solution	18.8%	13.3%
Want a third party to maintain all aspects of the application (hardware, software, application development and ongoing support)	16.7%	26.7%
Third-party vendor perceived to be more flexible and responsive than internal IT resources	16.7%	20.0%
Do not feel the need to own IVR solution	14.6%	13.3%
Availability of packaged and cost-effective voice self-service applications	10.4%	20.0%
Other (please specify)	6.3%	6.7%

Source: DMG Consulting LLC, January 2010

The top four reasons why current IVR users are considering an investment in hosted/managed service IVR offerings are lack of in-house speech recognition domain expertise (29.2%), looking for improved flexibility and scalability on-demand (29.2%), lack of IT resources to maintain the self-service system (27.1%), and avoiding a capital expenditure (25%).

Two of the top four reasons why prospective IVR users are considering hosted/managed service solutions are financial, as seen in Figure 9. The top three reasons all shared the highest ranking of 40%: Avoiding a capital expenditure, avoiding large up-front start-up costs, and lack of in-house speech recognition domain expertise. The fourth-ranked investment driver, not wanting to house and maintain server hardware, received a rating of 33.3%. The benchmark survey makes it clear that it's the financial and practical benefits of hosted/managed service offerings that are the primary reasons why IT and contact center managers are considering these acquisition models for their investments.

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## DMG's Leader Profile: IVR Investment Intentions and Drivers

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Experience has shown that all enterprises that receive a large volume of customer inquiries should invest in a speech-enabled IVR solution. While the return on investment (ROI) varies, DMG research has found that the payback ranges from 2 months to 18 months. Variables that impact the payback period include the acquisition model, i.e., whether the solution is purchased or hosted/managed service. The hosting/managed service providers cite a 2- to 9-month payback, while the premise-based providers generally claim 9 to 18 months. (Prospects should look beyond the ROI to the total cost of ownership (TCO), as well.)

While the exact payback period varies among user companies, when an IVR is properly implemented, it is a very effective tool for reducing operating costs without negatively impacting the service experience. The challenge is to properly implement the solution; this is where it becomes dicey, particularly for organizations where there is little or no in-house IVR technical expertise.

Leading users of speech-enabled IVR solutions have technical and business experts to identify the tasks that can be automated via self-service, and to build the required applications, scripts and voice user interfaces (VUIs). After implementing an IVR solution or enhancement, leading organizations invest resources to optimize its performance on an ongoing basis. This means that they have technical and business analysts who can identify where customers get stuck in the IVR and figure out how the application can be improved to fix the problems. These organizations also continuously look for ways to use the IVR to respond to new business issues and ways to add new tasks to the IVR.

Here are best practices for building excellent IVR applications. These are applications that customers find compelling, which translates into fewer agent-handled calls and lower operating costs:

1. When trying to determine what task to automate on an IVR or how to enhance an existing voice self-service solution, start by asking a group of your contact center agents.
2. Collect statistics on types of calls that reach agents and determine if any of these categories can be automated on the IVR.

3. Whenever possible and appropriate, have the IVR give customers the choice of using either touch tone or speech-enabled applications.
  4. Use speech-enabled VUI experts with expertise in building solutions for your specific business function; if you do not have internal resources, find a vendor who can bring this expertise.
  5. Be sure to have resources that allow you to enhance your IVR on a monthly basis. (Do not expect to put in an IVR and then just walk away from it.)
  6. Conduct both an ROI and TCO analysis when determining the best IVR acquisition model and vendor for your organization.
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### **Transitioning to being a Leader in Optimizing IVR Benefits**

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The survey responses indicated that financial benefits, expertise and flexibility were the three primary reasons why current and prospective users of IVR were considering hosted/managed service offerings. Identifying ways to increase the benefits of an IVR – whether by enhancing an existing solution or implementing IVR for the first time – is an important goal for most contact centers in 2010. Contact center and IT managers need to make a joint decision about the best way to provide the necessary business and technical resources to deliver and maintain an outstanding speech-enabled IVR solution. An outstanding solution is one that customers find so compelling that they find little reason to transfer to live agents. Since the majority of enterprises have not historically dedicated significant ongoing resources to optimizing their IVR post-implementation, this represents an important change.

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**iii. Top IVR Uses**

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**Figure 10: Please indicate the contact center function(s) the voice self-service application supports or will support. (Choose all that apply)**

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Figure 10 identifies top IVR users by function for current and prospective users. Customer service and sales contact centers are the top users of IVR, representing 93.5% and 47.8% of current users, and 85.7% and 28.6% of prospective users, respectively.

Figure 10 shows that a wide variety of contact centers are using IVR. While the majority of these contact centers support external customers, such as customer service, sales, fraud and collections, IVR is also used to facilitate the handling of internal customers for benefits, human resources and internal help desk activities. DMG expects to see more internal uses of voice self-service applications over the next few years, particularly now that companies can provision highly scalable IVR solutions from hosted and managed service providers that allow them to pay only for what they use.

Prospective IVR users can benefit from the proven technical, business and scripting/VUI expertise available in the market to assist them in designing and implementing their applications cost effectively. To simplify their efforts, prospects should seek out IVR vendors with proven experience in creating applications, scripts and VUIs for their particular vertical. (Prospects should also ask for references and check them out before making a final selection.) An advantage to being a late adopter of a technology is that an organization can benefit from all of the experience that has already been accumulated.

33% of organizations planning their first IVR investment are now considering using a hosted/managed service provider. (This is compared to the 20% who are looking into a licensed application.) The three primary reasons for the interest in this service delivery model appear to be hosted/managed service providers' flexibility and willingness to work with companies large and small; the availability of out-of-box applications (particularly on the outbound side); and the hosted/managed service vendors' ability to deliver new IVR solutions in less than half the time it typically takes a premise-based provider to get a new application up and running.

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<b>Figure 10: Top IVR Users by Contact Center Function</b>		
<b>Contact Center Function</b>	<b>Current IVR Users</b>	<b>Perspective IVR Users</b>
Customer service	93.5%	85.7%
Sales	47.8%	28.6%
Collections	30.4%	7.1%
Internal help desk	19.6%	28.6%
Fraud	15.2%	7.1%
Benefits	15.2%	N/A
External technical support	15.2%	N/A
Human resources	10.9%	14.3%
Travel	8.7%	N/A
Transportation	8.7%	7.1%
Entertainment	6.5%	N/A
Scheduling	6.5%	14.3%
Billing	2.2%	N/A
Call directory	N/A	7.1%

Source: DMG Consulting LLC, January 2010

**Figure 11: Please indicate the types of transactions handled by your voice self-service solution on an inbound basis. (Choose all that apply)**

Figure 11 shows that the dominant use of inbound IVR applications is providing callers with account information, as reflected by 69.6% of survey respondents. Account information is a broad category that includes everything from informing callers about their bank balance or flight status to the date and time that a package was shipped. 45.7% of survey respondents use IVR to conduct transactions, such as purchasing a product, requesting a copy of a statement, or making a promise-to-pay for collections. Not surprisingly, 41.3% of survey respondents indicated that they use their IVR to make marketing announcements; customers are generally fine with this, as long as it does not delay them from completing their task or accessing a live agent. This underscores that building an effective IVR solution is as much an art as a science.

In general, prospective IVR users plan to take advantage of capabilities that have already been developed. The top category for prospective IVR users is providing account information, followed by making marketing and informational announcements. Conducting transactions was ranked fourth for prospective users, by contrast to its

second-place ranking for current users. It's easier to use an IVR to give information than to conduct transactions, so it makes sense that this activity would not be among the first for a new IVR user. The more mature the IVR solution, the more likely it is to conduct some type of transaction, although this varies greatly by vertical and function.

**Figure 11: Leading Inbound IVR Transactions for Current and Prospective Users**

Transaction	Inbound	
	Current Users	Perspective Users
Account information	69.6%	64.3%
Conducting transactions	45.7%	42.9%
Marketing announcements	41.3%	57.1%
Making payments	37.0%	35.7%
Order status/transaction confirmation	37.0%	28.6%
Surveys	32.6%	21.4%
Placing an order	30.4%	14.3%
Informational announcements	30.4%	57.1%
Password resets	23.9%	21.4%
Location look-up	21.7%	21.4%
Scheduling	10.9%	14.3%
Other (please specify)	8.7%	0.0%
Boarding passes	4.3%	0.0%
Start/stop service	0.0%	7.1%

Source: DMG Consulting LLC, January 2010

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**Figure 12: Please indicate the types of outbound transactions handled by your voice self-service solution on an inbound basis. (Choose all that apply)**

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Outbound IVR is one of the fastest growing sectors of the contact center technology market, and it is the highest growth area for voice self-service solutions. See Figure 8. Outbound IVR is compelling because it's a very cost effective way to keep in touch with customers or constituents and to provide them with information that they find useful. An outbound IVR interaction generally costs somewhere between \$0.05 and \$0.25, while a typical inbound customer service call for a consumer-oriented contact center costs between \$5.00 and \$8.00.

Outbound IVR solutions utilize many communications channels including calls, SMS, email and fax. The more sophisticated outbound IVR solutions are multi-channel and interactive, enabling customers to set up and change appointments or other commitments as well as to transfer to a live agent at the customer's discretion.

Outbound IVR solutions are compelling because they have proven to be highly effective at enhancing the customer experience while reducing operating costs, generating revenue and building customer loyalty. Figure 12 shows the leading uses of IVR for current and prospective users. The top use for outbound solutions is to send alerts and notifications. This is a very broad category that addresses everything from travel alerts to notifications from a neighborhood police department about a closed road or loose convict. 34.9% of survey respondents indicated that this was their top use of IVR, and, 57.1% of prospective users plan to use their new IVR to send alerts and notifications.

Issuing surveys is the second most common use of outbound IVR today, as was reflected by 25.6% of survey respondents. Surveys and sales announcements were tied as the second most likely use of outbound IVR for prospective system users, with a ranking of 35.7%.

Prescription refills and reorder reminders were ranked 9.3% and 4.7% by current IVR users surveyed. These two uses depict the high value of outbound IVR applications. In both cases, the IVR reminds customers that they are about to run out of something that is important to them, and generates revenue for the provider. While outbound IVR has great potential for enterprises because of its ability to cost effectively reach large numbers of customers, companies have to be careful not to irritate their customers by overusing it and to make sure that they are complying with all legislation regarding its use.

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**Figure 12: Leading Outbound IVR Transactions for Current and Prospective Users**

Transaction	Outbound	
	Current Users	Perspective Users
Alerts and notifications	34.9%	57.1%
Surveys	25.6%	35.7%
Early stage collections	23.3%	7.1%
Fraud prevention	20.9%	14.3%
Loyalty calls	20.9%	35.7%
Welcome calls	18.6%	21.4%
Appointment reminders	16.3%	14.3%
Sale announcements	14.0%	35.7%
Service contract renewals	11.6%	7.1%
Shipment notifications	9.3%	7.1%
Schedule notifications	9.3%	21.4%
Product recalls	9.3%	14.3%
Scheduling	9.3%	7.1%
Prescription refills	9.3%	7.1%
Reorder reminders	4.7%	14.3%
Political calls	2.3%	0.0%
Public service notifications	2.3%	7.1%
Other (please specify)	30.2%	21.4%

Source: DMG Consulting LLC, January 2010

## DMG's Leader Profile: Top IVR Uses

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IVRs, when used properly, are powerful solutions. The growing number of inbound and outbound uses, accompanied by the pressure to increase the use of automation in all types of public and private enterprises, is driving a surge in IVR investments. However, leaders and managers have to be careful to avoid common pitfalls, the most important being the belief that all customers and clients are willing to use a self-service application and the expectation that IVRs can do more than they were designed for.

Leading users of IVR are as concerned about the details of their applications, scripts and VUIs as they are about the robustness of their underlying technology and platform. Customers who interact with an IVR do not give any thought to the underlying technology and are concerned only with the script and menu options – how easy it is for them to do what they need to get done. Companies that put their customers first must dedicate resources to optimizing the performance of their IVRs on an ongoing basis to ensure that it continues to meet their customers' needs. In doing so, they will also increase their automation rates and reduce operating expenses.

A company that does not have internal experts to assist in the development of an IVR application should hire a third party. Touch-tone and speech recognition experts with vertical specialties are readily available from IVR vendors, hosted/managed service providers and third-party consulting firms. Keeping the IVR running at peak effectiveness is almost always worth the money.

While outbound IVR is growing at a very rapid rate, it is still a relatively new capability for many enterprises. Here are best practices for building highly effective outbound IVR applications:

1. Adoption of any inbound or outbound IVR will be higher if customers' needs are prioritized over those of the enterprise. Customers do not care what the company wants them to do in the IVR, and will engage only in tasks that they find compelling and useful to them.
2. Ask agents what tasks can be automated via an outbound IVR and then validate this through analysis of call activity, to ensure that the right tasks are being prioritized.
3. Do not build anything that is not necessary. Consider the many well-designed packaged outbound IVR applications available that come with all necessary reporting and controls.

4. Review the legislation and government regulations concerning robo calls and other outbound activities prior to making any investments. Be sure to procure or build a solution that will keep the company in compliance.
5. Invest in interactive outbound solutions so that customers can completely help themselves; however, be sure to make agents readily available for customers who request live agents.
6. Use multi-channel outbound solutions and invite customers to designate their channel of choice so that they see the company as a helpful partner and not a nuisance.
7. Before rolling out the outbound capabilities, have them tested by contact center staff and be sure that everyone in the contact center is aware of the new services.
8. Use analytics to see what is working and what needs enhancing. Monitor and enhance outbound scripts on an ongoing basis.
9. Align inbound and outbound IVR capabilities as much as possible to ensure that customers have a consistent caller experience regardless of how they choose to interact with the organization.

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## **Transitioning to being a Leading User of IVR**

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Survey respondents indicated wide use of IVR for various contact center purposes and functions. Leading users of IVR go beyond the basics of providing information by offering their customers the ability to perform selected transactions on the self-service solution, such as making a payment or promise-to-pay, setting an appointment or requesting a copy of a statement or bill. Any task that does not require the cognitive capabilities of an agent should be considered an activity that can be added to an IVR.

Leading users of IVR must find the right balance between their desire to automate as many tasks as possible and giving customers too many menu options. They should use speech recognition capabilities to simplify tasks such as the customer verification process, but not try to automate tasks that cannot be performed effectively on an IVR. Leading organizations are now active users of both inbound and outbound IVR, but while they push for automation, they only address activities that their customers welcome and find useful, and they are constantly checking to see what works and what needs to be enhanced.

The top IVR applications are intuitive and allow customers to opt out to an agent at any point in any conversation or transaction, whether for an inbound or outbound activity. Customer-centricity and flexibility are the keys to a successful IVR solution.

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#### iv. IVR Optimization

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IVR optimization is the process of reviewing the performance of a voice self-service solution on a pre-defined schedule to identify ways to improve it. The purpose of the review is to identify IVR tasks, scripts, VUIs or menus that are not working as well as they should; meaning that customers using the IVR are not completing the task or activity they started and are instead electing to opt out to a live agent. Another important deliverable from an IVR optimization is identifying tasks currently performed by live agents that can be automated using an IVR.

All IVRs should be optimized periodically, as this is a proactive way to systematically identify and eliminate IVR tasks and scripts that frustrate and disappoint customers. Of course, by eliminating the annoyances, the IVR automation rate increases, also reducing the contact center's operating costs.

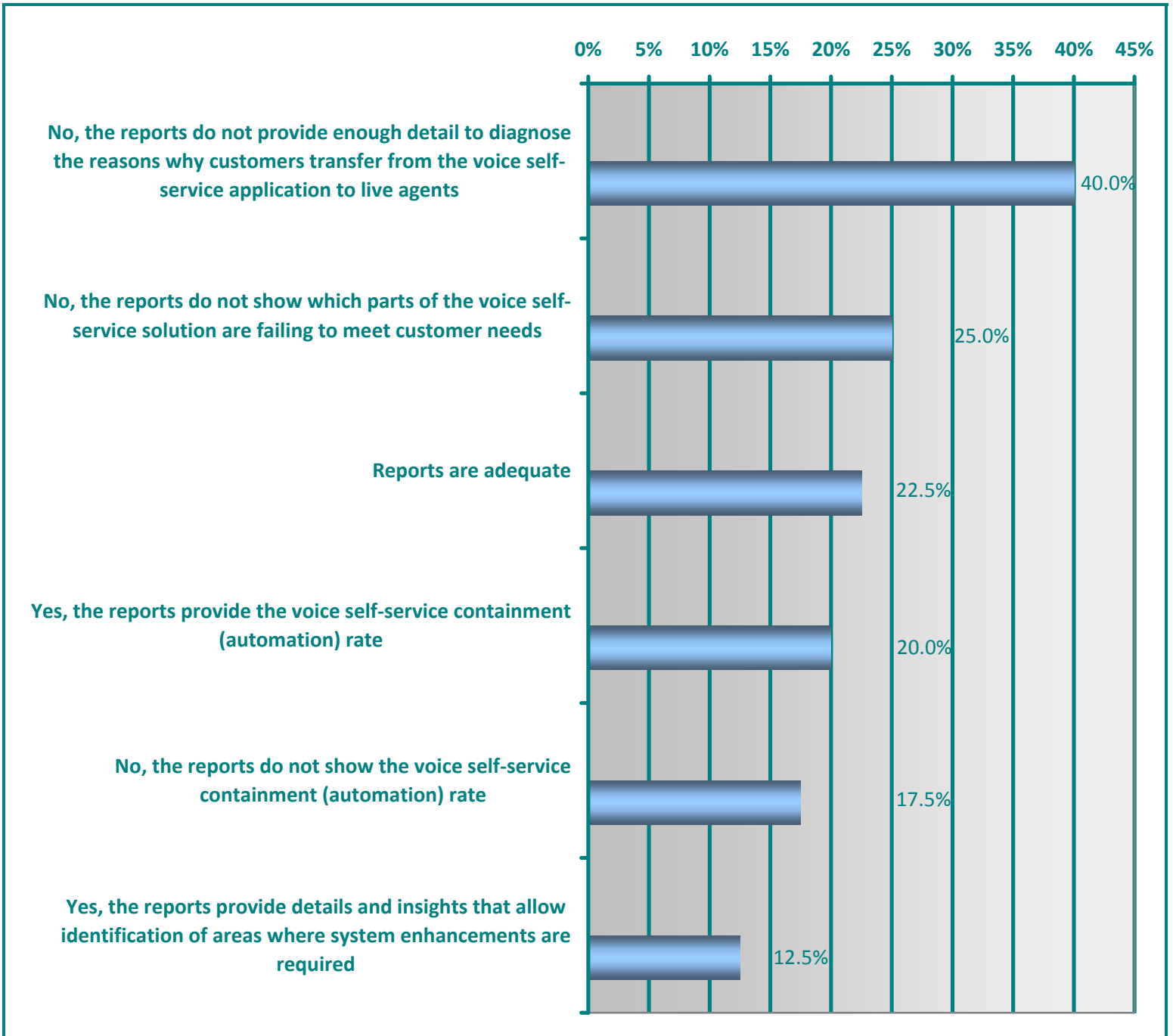
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**Figure 13: Do the reports you receive from your voice self-service applications address your business needs? (Choose all that apply)**

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The ideal and most cost effective way to optimize an IVR is to use reports to identify the poorly performing areas of the system. Unfortunately, the majority of IVR end users do not believe that their system reports can accurately pinpoint and diagnose IVR performance issues. See Figure 13. 40% of enterprises find their IVR reports inadequate for diagnosing performance issues, and 25% do not believe their reports can show which parts of a voice self-service solution are failing to meet customers' needs.



Source: DMG Consulting LLC, January 2010

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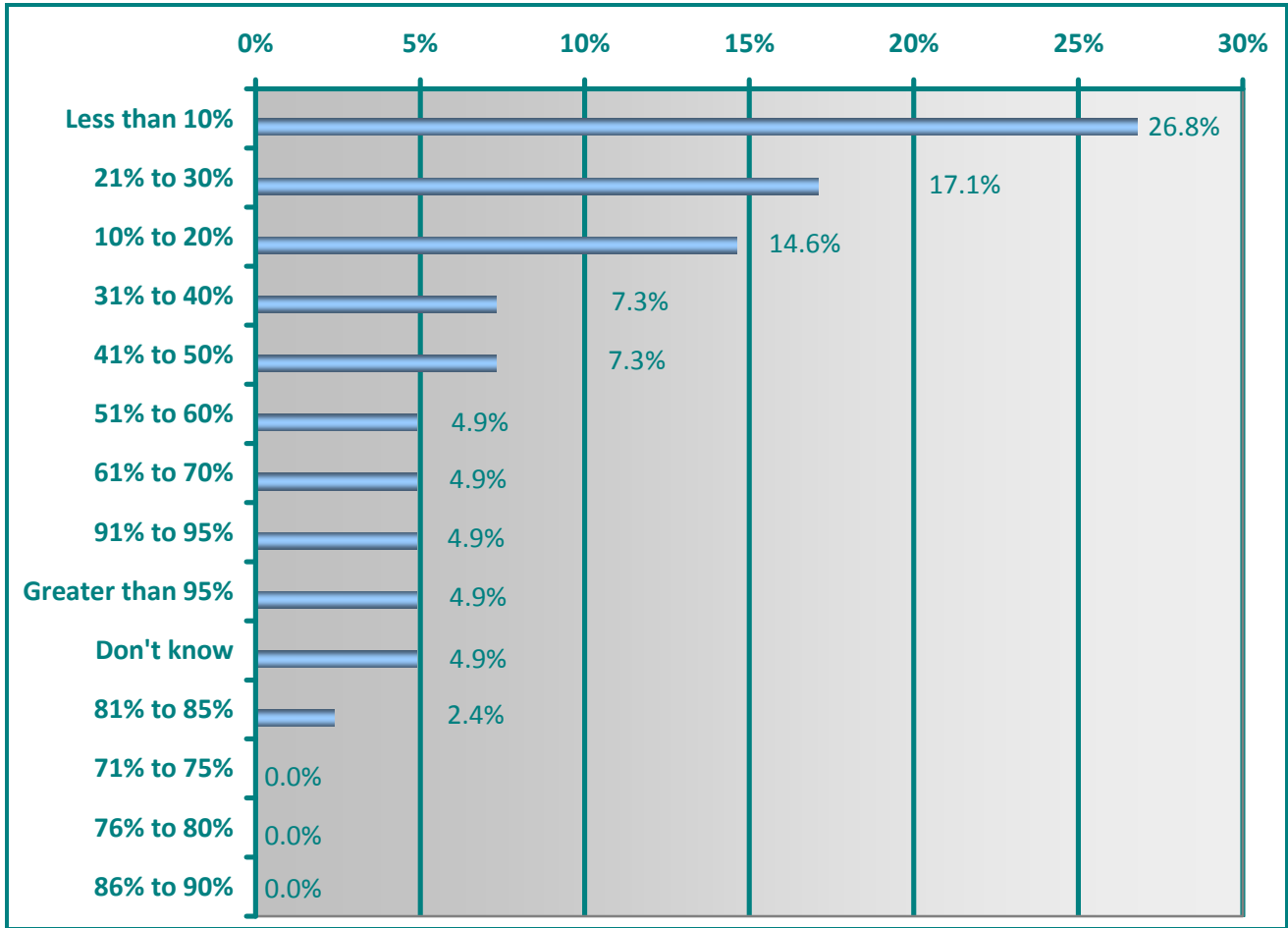
**Figure 14: What percentage of calls are handled by your voice self-service application without requiring the assistance of a live agent (i.e., call containment rate)?**

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IVR automation rates vary by contact center function and the nature of inquiries that they handle. Contact centers that predominantly provide information, such as customer service departments in financial services organizations (i.e., credit card and checking groups), can generally realize higher automation rates than contact centers that process transactions and orders. For this reason, the automation rate in customer service contact centers is generally higher than for sales departments.

Surprisingly, the highest number of respondents, 26.8%, indicated that they were automating less than 10% of their live calls. 17.1% of organizations were able to automate between 21% to 30% of their calls, and 22% of survey respondents were able to automate over 50% of their calls using their IVR. Only 12.2% were able to automate over 80% of their calls. See Figure 14.

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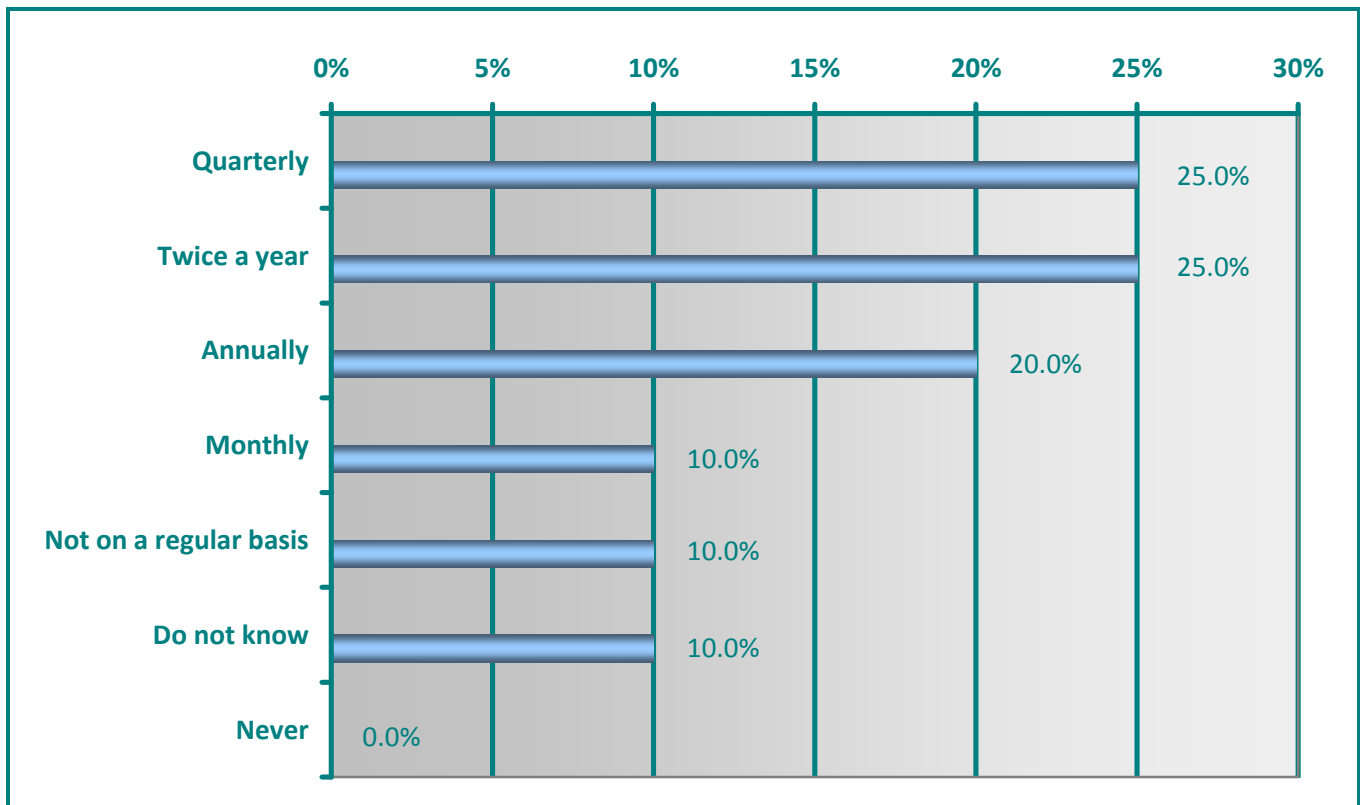


Source: DMG Consulting LLC, January 2010



**Figure 15: How frequently do you make improvements (tune) your voice self-service solution?**

Increasingly, end users are utilizing some type of IVR optimization process to improve their automation rates. Just over half of all IVR users, 51.2%, are performing some type of IVR optimization periodically, despite receiving poor reports that make it very difficult to identify and diagnose IVR performance issues. However, when the survey analyzed the frequency of IVR optimization, it revealed that most enterprises should be doing it more consistently. See Figure 15. Only 10% review their IVR's performance on a monthly basis, while 25% check for opportunities quarterly.



Source: DMG Consulting LLC, January 2010

## DMG's Leader Profile: IVR Optimization

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Enterprises need to thoroughly evaluate the health of their IVR systems on a consistent basis. DMG recommends performing this review monthly, however a quarterly check-up is acceptable for most organizations. This can help avoid negative publicity, improve the customer experience and reduce operating expenses. The benefits of optimizing the IVR on a monthly basis far exceed the costs, as long as the company is positioned to respond to the findings and promptly make the required changes to the application, script and VUI.

There are multiple ways and resources to help enterprises optimize their IVRs. The most important method is to receive useful reports that can identify where and why customers drop out of the IVR; this is referred to as an “IVR drop-out” report. All users should insist that their IVR vendors deliver this type of report for each of their applications before going live. To avoid any misunderstandings, end users should put this requirement into their contracts when they purchase a new IVR solution or application, whether from a premise-based, hosted or managed service provider.

A growing number of premise-based, hosted and managed service IVR vendors are offering their own IVR optimization services. Some of these vendors provide this service as a standard component of their offering, although the frequency and extent of their efforts vary, and need to be negotiated. Other vendors are happy to conduct an optimization engagement at an additional cost. However, even if a company decides to purchase the service from the IVR vendor, it is still essential to receive drop-out reports on a daily, weekly, monthly and quarterly basis so that the company can keep track of the quality of service being delivered to customers by the voice self-service application.

Lastly, there are a number of stand-alone vendors that offer customer experience analytics (CEA). DMG defines CEA as an analytical solution that captures, measures, analyzes and evaluates the quality and outcome of the customer experience throughout all phases of the interaction for all customer-facing touch points, channels and activities. This includes IVR and Web self-service, live agent and fulfillment or follow-up activities, and all actions initiated by the customer or agent on the customer's behalf. The CEA vendors have proven to be more successful at optimizing IVR activities than any of the other activities they cover.

Here are best practices for IVR optimization:

1. Budget resources to optimize your IVR on a monthly basis. If there are no internal resources to perform this function, use a third-party vendor or consulting firm.
2. Baseline the IVR automation rate and create a report that measures this number on a daily, weekly and monthly basis.
3. Require the IVR vendor to deliver a series of IVR optimization reports including a “drop-out” report that captures and tracks all of the places where customers opt out of the IVR and request an agent.
4. Establish a formal process for evaluating the performance of the IVR on a monthly basis. Involve contact center agents in this process in order to identify additional tasks that can be automated on the IVR.
5. Reward agents for identifying new ways to automate calls.
6. For a touch-tone-only IVR solution, identify the areas where speech recognition will increase the automation rate and perform an ROI analysis to quantify the benefits. If the payback is rapid enough, make an investment in speech recognition technology.
7. As part of the optimization process, listen to recordings of customers who use the IVR to hear what they have to say as they are using the solution. This should be a routine part of the optimization process. (It’s ideal to use a recording solution that can separate calls with customer comments from those where customers do not speak.)

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## Transitioning to being a Leader in IVR Optimization

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IVRs are powerful applications that have the ability to contribute to the overall customer experience while reducing operating expenses. Many organizations put in an IVR and then forget about it. They may make modifications only when a business function or system feed changes, but otherwise they assume it’s business as usual. This is a mistake. Since customer needs and expectations change frequently, so must the IVR.

As seen in Figure 14, the vast majority of IVR users have an opportunity to greatly increase their automation rate. Every company should establish a goal of increasing their IVR automation rate by a minimum of 10% every six months. Once an organization gets to a 90% IVR automation rate it will be hard to keep this going, but most

enterprises fall well below this level and can greatly benefit from building a formal optimization process with established goals.

If no internal resources are available to deliver the necessary reports or to enhance the application, look to a third-party provider. This could be a hosted or managed service IVR vendor with strong vertical domain expertise, or a consulting group. Conduct a total cost of ownership analysis and show senior management that the investment in optimizing your IVR will likely pay for itself in less than 6 months.

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## V. Contact Center Technology/Applications Hosted/Managed Service

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The last section of this survey addressed hosted/managed service contact center infrastructure and applications. This is an emerging segment of the contact center market, except for IVR solutions, where this acquisition model is well-established. More than 55% of the total USD 2 billion expenditures for IVR solutions were earned by hosting/managed service providers in 2008. This percentage is expected to increase in 2009. (Source: DMG Consulting's *2009 Hosted/Managed Service IVR Market Report*.) End-user organizations have been willing to acquire voice self-service solutions and services from hosted providers for years, as is evidenced by the percentage of revenue going to those vendors. Now, as the emergence of outbound IVR applications is being led by hosted/managed service providers, even more revenue is moving in their direction.

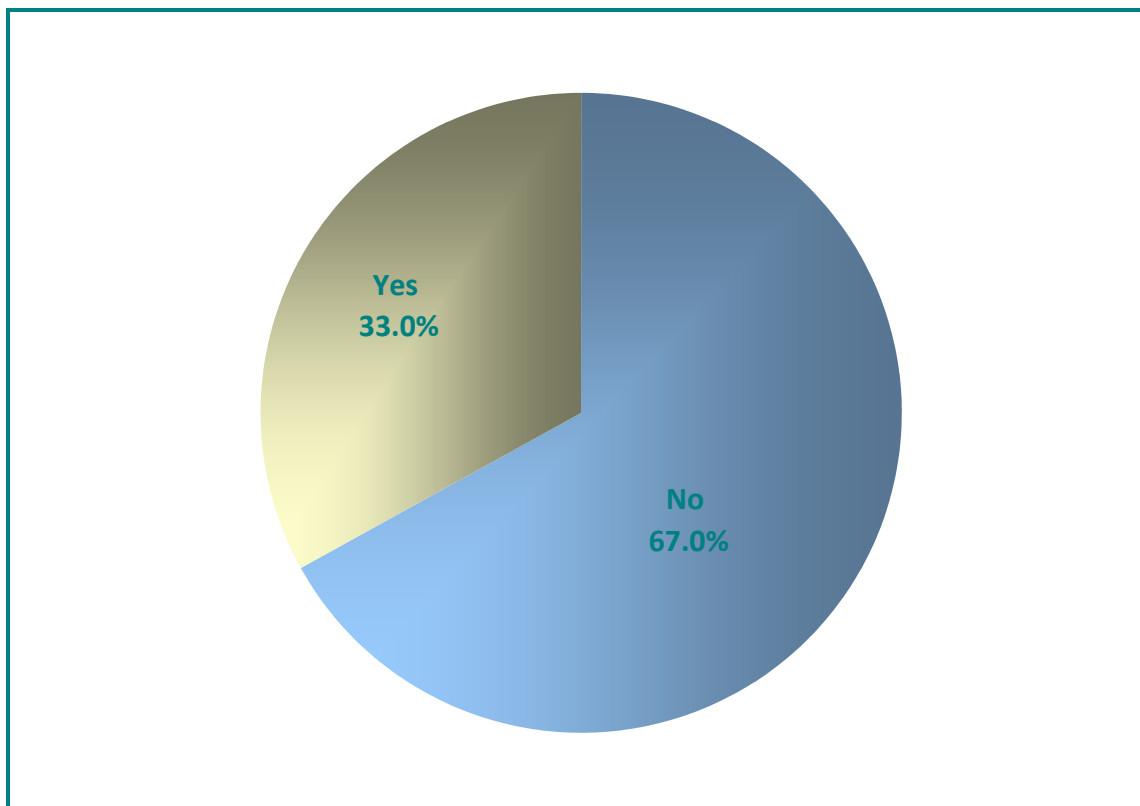
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**Figure 16: Are you using any hosted or managed service contact center infrastructure or applications?**

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With the exception of IVR, contact centers have been slow to adopt the hosting/managed service model, as seen in Figure 16. Only 33% of survey respondents indicated that they were currently using any type of hosted contact center solution, although DMG is seeing a change in this attitude, partially due to the economic slowdown. Recently we have seen companies that were in need of new contact center technology investments or upgrades, but unable to access capital budgets, turning towards the hosting/managed service providers. This allows them to use operating dollars. This trend is so significant that many providers of contact center licensed software are looking to sell their traditional solutions in a way that allows users to pay for it from their operating budget. Unfortunately for these vendors, it's more than a change in payment model that end users are looking for. This is reflected in Figure 9, which reviews the hosted/managed service investment drivers.



Source: DMG Consulting LLC, January 2010

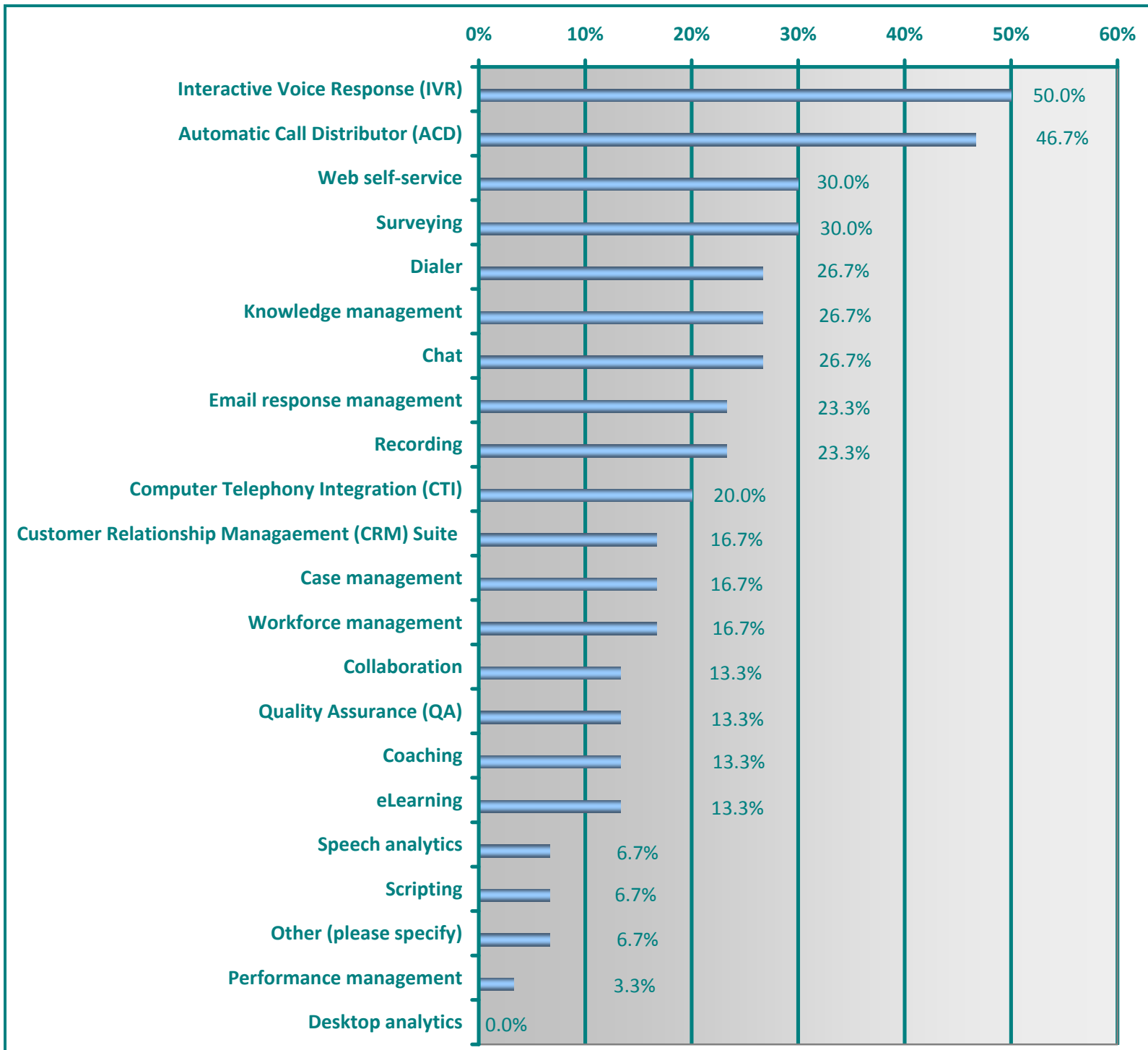
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**Figure 17: Which hosted or managed service contact center systems or applications are you using? (Choose all that apply)**

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Not surprisingly, 50% of enterprises with a hosted or managed service contact center solution today are using IVR. (Note: this percentage differs from the general findings that 23.2% of contact centers use a managed service and 17.1% use a hosted system; those numbers are for the entire population, while the number in Figure 16 addresses only companies that are using hosted solutions.) Hosted automatic call distributors (ACDs) were the second most popular hosted/managed service solution, used by 46.7% of survey respondents. Once the ACD, the core contact center infrastructure, moves to the cloud, it will open the door for other contact center solutions to follow. Use of hosted/managed service surveying solutions was ranked third by 30% of respondents. Surveying, like IVR, has been sold on a hosted or managed service basis for years. In both situations, end users were interested in much more than the technology; they were also purchasing the management convenience and domain expertise provided by these vendors.

DMG expects to see a great deal more hosted/managed service contact center solutions. (See DMG's *2009 Hosted Contact Center Infrastructure Market Report*.) IVR has proven that hosted/managed service is a strong and viable model for provisioning contact center solutions, and the financial constraints imposed by the recession have forced enterprises to seriously consider this acquisition model. Even after the economy recovers, DMG expects hosted/managed service offerings to continue to pick up momentum in many contact center technology sectors, including IVR. See Figure 8.



Source: DMG Consulting LLC, January 2010



## DMG's Leader Profile: Using Hosted/Managed Service Technology and Applications

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With the exception of IVR, the adoption of hosted/managed service contact center infrastructure and applications is relatively new for contact centers. Although hosted contact center applications have been available since 1997, most hosted contact center applications were not considered reliable or functionally equivalent alternatives to premise-based licensed solutions until the end of 2005. At that time, Voice over Internet Protocol (VoIP)-based contact center solutions finally became functionally strong enough to compete with the Time Division Multiplexing (TDM)-based incumbents. This opened up the hosted contact center infrastructure market, as well as opportunities for other hosted/managed service solutions. Currently, almost every type of contact center system and application is available on a hosted basis.

Hosting/managed service has captured the attention of business and IT managers and chief financial officers, as it has a compelling value proposition, particularly for solutions that are expected to benefit from ongoing upgrades and enhancements, as is the case for IVR. The hosting/managed service model becomes even more compelling in a challenging or recessionary economy. To make their solutions more attractive, a growing number of hosted/managed service IVR vendors distribute the initial costs for IVR implementations and application development throughout the life of the contract, avoiding start-up fees. (Many of these vendors have also figured out how to get their applications up and running in less than half the time being quoted by premise-based providers.)

DMG expects a growing number of enterprises of all sizes to invest in hosted/managed service contact center solutions over the next few years, if they are not already doing so. This does not mean that enterprises will convert their entire premise-based contact center to hosted solutions, but instead they will seriously consider this acquisition model every time they bring in a new or replacement solution.

Using hosted or managed service contact center solutions is neither a best nor worst practice for contact centers; it is an alternative approach for acquiring contact center systems and applications. However, in the case of IVR, it is an acquisition method that has repeatedly proven its ability to get users up and in production more rapidly and with greater flexibility than is customary with traditional licensed software.

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## Transitioning to being a Leader in Using Hosted/Managed Service Contact Center Technology and Applications

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Hosted/managed service solutions offer new choices for enterprise, contact center and IT managers, as this delivery model broadens the range of vendors offering viable technology, systems and applications. As always, enterprises should first decide what capabilities they need and then select the solutions that best meet their needs. Due to financial constraints, some organizations are finding that the only way they can acquire new contact center solutions today is by taking the hosted/managed service route. In other situations, hosted/managed offerings are strong, highly competitive, well-supported and flexible alternatives to premise-based licensed offerings. Enterprises looking for a new IVR or any other contact center solution should consider hosted/managed service offerings, as they expand the competitive landscape, and support alternative functional capabilities. Additionally, this model reduces up-front acquisition costs, as both licensed and hosted/managed service providers will do what it takes to win business.

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## IV. Final Thoughts

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While it's taken more than 25 years, IVR is a technology that has become widely accepted and adopted worldwide. This is no surprise, because IVR has an extremely high value proposition and delivers quantifiable and qualitative benefits to enterprises in corporate, not-for-profit and government sectors. It's a technology that has experienced ongoing innovation and performance upgrades since its introduction, and continues to benefit from ongoing R&D investments to improve its ease of use and its already high speech recognition rate.

IVR solutions give enterprises a way to help and support their customers even when live agents are not available, such as during late-night hours. Increasingly, IVR applications are being used on an outbound basis to proactively reach out to customers and constituents. Outbound IVR is a relatively new service that can reduce costs while generating incremental revenue and brand loyalty.

The hosted/managed service providers have altered the landscape of the IVR market during the past five years by increasing end-user choices and making it easier and often more cost effective for enterprises to invest in voice self-service. Today, 76.6% of contact centers have IVRs, and 28.1% of companies not currently using them are looking for a voice self-service solution. Only 20% of prospects are planning to purchase a licensed application, while 33.3% are considering a hosted or managed service offering. (The other 46.7% have not decided how they are going to provision their solution.)

Contact center and IT managers supporting external and internal clients and customers have turned to voice self-service as a way to automate calls and transactions that do not require the assistance of live agents. Many contact centers around the world, in the US, Canada, UK, India, and The Philippines, that would not be able to handle their volume if they did not employ IVRs to automate a large percentage of their calls. Nor would these companies be able to afford the cost of all the live agents required to handle their transactions. IVRs are mission-critical solutions in an increasing number of companies around the world. This fact is finally being recognized by enterprise management, who are now looking to apply voice self-service solutions to functions outside of formal contact centers in an attempt to reduce avoidable operating costs.

The two top enterprise and contact center goals for 2010 will be to provide an outstanding customer experience and to cut costs. Voice self-service solutions address both of these needs admirably, particularly when implemented by companies that have

technological skills and relevant vertical domain expertise to cost effectively develop their applications, including the scripts and voice user interfaces.

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## Appendix: DMG's Research Methodology

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DMG's research goal is to obtain an unbiased response to our surveys, to provide readers with a benchmark of how other companies perform or handle the issues addressed in each study. To achieve this goal, DMG invites enterprise, contact center and IT managers, decision makers, leaders and executives to participate in our surveys. We use a variety of outlets for inviting participants, including DMG's highly qualified newsletter list, online trade publications, newsletters that are read by our target audience, and other relevant lists, based on the content of our studies.

DMG strives to obtain a representative group of participants that reflects the contact center market. Therefore, we reach out to small, mid-size, large and very large contact centers. We invite enterprise, contact center and IT leaders and managers from the US, Canada, and the rest of the world to participate.

DMG requires a minimum of 100 complete responses in order to provide high-quality, representative results. To achieve this goal, we often receive input from as many as 200 participants, some of whom answer only a portion of a survey. (Partial responses are deleted from the responses to protect the integrity of the study.) All participants are invited to receive a copy of the survey Report as thanks for their participation.

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## About Aspect

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Aspect provides [software](#) and [consulting services](#) that turn the potential of [unified communications](#) into real business results across the enterprise and in the contact center. Applying 35 years of insight and experience, Aspect helps more than two-thirds of the FORTUNE Global 100, as well as small and medium enterprises, power their business processes with communications. For more information, visit [www.aspect.com](http://www.aspect.com).

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## About Tellme

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Tellme ([www.tellme.com/business](http://www.tellme.com/business)) lets people simply say what they want and get it. Tellme is a Microsoft speech innovation making it easier to find information, connect with people and enhance business processes. By combining Internet data and a voice interface, Tellme's voice services platform improves automation and customer service performance for businesses across 2 billion+ calls every year.

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## About DMG Consulting LLC

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DMG Consulting is the leading provider of contact center and analytics research, market analysis and consulting services. DMG's mission is to help end users build world-class, differentiated contact centers and assist vendors in developing high-value solutions for the market.

DMG devotes more than 15,000 hours annually to researching various segments of the contact center market, including vendors, solutions, technologies, best practices, and the benefits and ROI for end users. DMG is an independent firm that provides information to contact center management, the financial and investment community, and vendors in the market. For more information, visit [www.dmgconsult.com](http://www.dmgconsult.com).

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